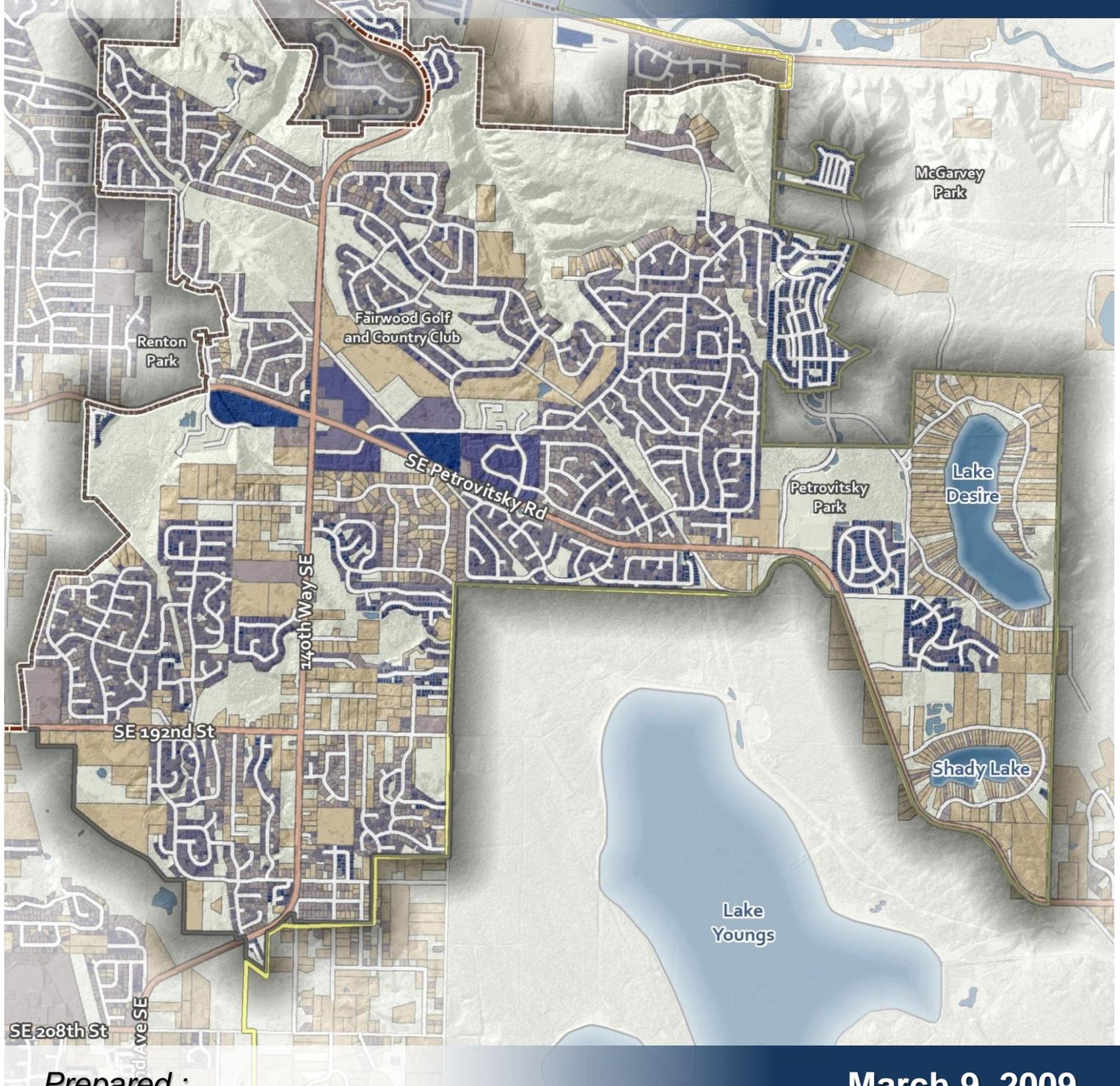


Frequently Asked Questions (FAQ) about the January 29, 2009 Draft Fairwood Incorporation Study



Prepared :

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community attributes

1. Declining Economy, Future Inflation

Why doesn't the study account for the current severe economic decline? Why doesn't the study account for future inflation?

The incorporation study was developed to look at Fairwood in a “normal” or “typical” or “average” year in order to understand whether the City of Fairwood would be financially feasible during “normal” times. The reason for this approach is that if the City is not feasible during normal times, it is unlikely to be feasible during a recession, and it would not be desirable to incorporate if the City is feasible only during the economy's strongest periods.

Another reason for analyzing “typical” economic circumstances is that the economy is cyclical with growth and decline alternating at unpredictable times and amounts. An analysis of normal times assumes that over long periods of time, pluses and minuses will more or less offset each other. The alternative would be to prepare an analysis that attempts to predict the cycles of the economy. If we were able to do that with any accuracy, the world would beat a path to our door for analyses far beyond the scale and scope of Fairwood's potential annexation. The fact is that no one has a crystal ball, so inserting assumptions about future decline and growth are more likely to introduce error into the analysis, than they would increase its accuracy. Yet another reason to avoid using economic forecasts in the study is that nobody knows when economic conditions will change. The best economists in the Central Puget Sound have made it clear that they do not know when the current downturn will end, how long it take to recover, or what the subsequent “upside” will look like. And if we were to ignore that uncertainty and develop our own forecast of the direction, slope/trajjectory, and rate of recovery, our overall forecast would apply equally to all revenues and expenditures, and to all three governance alternatives (incorporation, annexation or remaining unincorporated). Lacking the basis for different rates of increase for the many variables in such a forecast, the result would add no value to the study because all outcomes would rise or fall at the same rate. In the final analysis, cities and counties (whether Fairwood, Renton or King County) respond to economic cycles in much the same way as individuals, families and businesses: they adapt to changing circumstances with different strategies. When income is down, costs are reduced. When income rises, they are able to do things they could not do when income was down. Lastly, the study included high low growth scenarios, both of which indicate future revenues are more than future costs. For this response to public comments we ran the fiscal model at zero growth and the results are consistent with the high and low growth scenarios in the study: future revenues are more than future costs.

The subject of the current significant decline in the national and local economy applies equally to Fairwood incorporation, annexation to Renton, or remaining in unincorporated King County because all three governance alternatives are part of the same regional economy and they experience the same market conditions. It is reasonable to ask the incorporation study about the economy, but the same question applies equally to annexation and remaining unincorporated.

Regarding future inflation, we do not include adjustments for future inflation for the same reasons that we do not base the study on the changing economy. Inflation is hard to predict, it affects costs and revenues roughly equally, and it affects incorporation, annexation and remaining unincorporated equally.

2. Growth and Developable Land

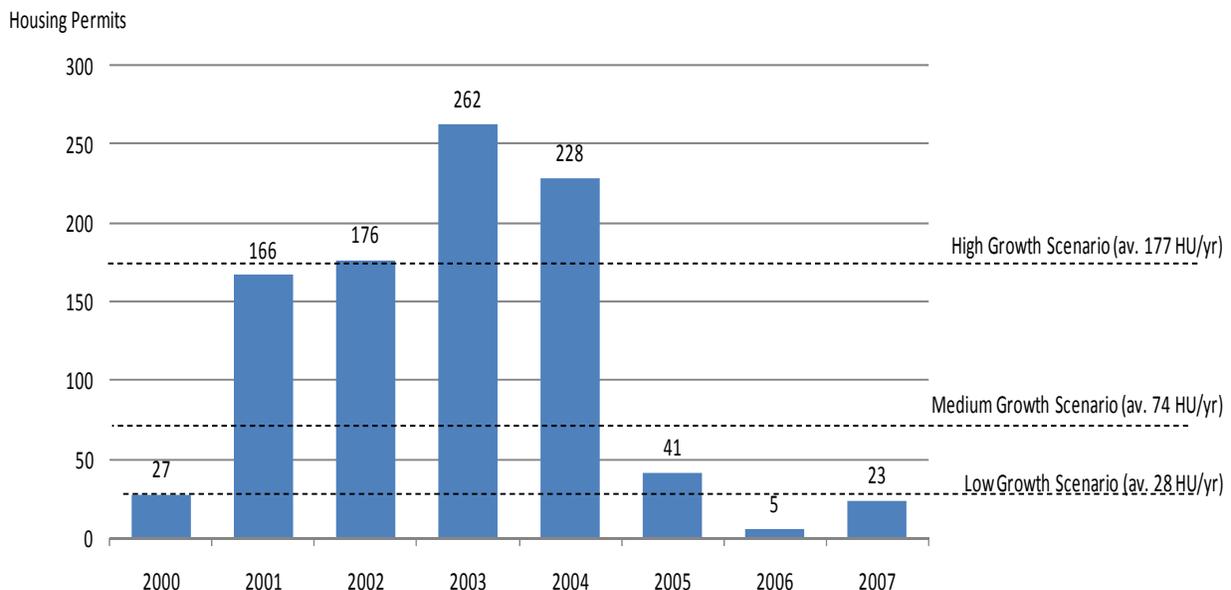
Where is all the new development to occur?

The subject of growth in the Fairwood area applies equally to Fairwood incorporation, annexation to Renton, or remaining in unincorporated King County because all three governance alternatives are part the same regional growth forecasting and allocation process, and all three operate in the same economic and market conditions. It is reasonable to ask the incorporation study about growth, but the same question should be asked about annexation and remaining unincorporated. The question is not whether there would be significant differences in the amount or location of development in one governance alternative compared to the others. The focus of the question is about the amount of growth and where it will occur. The answer to the question needs to address two separate topics. How much growth is likely to occur, and where will it be located?

How much growth?

The preliminary incorporation study dated January 29, 2009, indicated the most likely growth rate to be 1.8% per year based on the area's actual growth during recent years. That growth rate would average 174 new housing units per year. The study data was based on estimated growth in population converted to housing units using average number of persons per housing unit. The study also reported a medium growth rate of 0.8% (74 housing units per year) and a low growth scenario of 0.3% per year (28 housing units per year). Appendix C of the study presents the details of these estimates. Some public comments questioned the rate of growth. In order to check the work in the preliminary study we obtained King County's permit data showing the number of new housing units permitted each year for 2000-2007. Exhibit FAQ-1 indicates that the actual number of permits have exceeded our high growth estimate in some years and have been less in other years. We conclude that the estimates in the preliminary study are reasonable for a typical (average) year.

Exhibit FAQ-1: Fairwood Housing Permits



Some public comments also expressed concern that even if the estimates are accurate for an average year, they are not appropriate for the immediate future because of the severe downturn in the national and local economy. Our response to that concern is given in detail under the FAQ: Declining Economy, Future Inflation. The short answer is that our study is to determine the financial feasibility in normal times. If we analyzed the financial feasibility during low (or high) points in economic cycles the central question would remain: is it feasibility in typical conditions. Last, but not least, the ups and downs of economic cycles apply roughly equally to incorporation, annexation, or remaining unincorporated.

The reader is reminded that the high growth scenario is the actual rate of growth in recent years, but that level of growth is not necessary to the financial feasibility of Fairwood. Appendix B of the study presented a pessimistic scenario using the low growth rate of 0.3%. The result was that revenue still exceeded costs, albeit by a smaller amount.

Where will growth be located?

Notwithstanding the multiple scenarios and various bases for growth forecasts, some public comments expressed the opinion that Fairwood is nearly “built out” and there isn’t room for more development. At the outset it is helpful to understand the bookends between which this issue exists. At one end is the position that current development will not change (perhaps should not change) thus a developed property is not available for other development, and the only land that is available must be vacant land. At the other end is the position that over longer time periods much land is redeveloped, and that from an economic perspective all land is developable if the price is right.

The Fairwood incorporation study does not adopt either of these positions. Instead, the study used an established method to identify potential developable land. We acknowledge that the criteria we used can be applied to specific parcels whose owners have no intention of redeveloping. That means the criteria may not apply to some specific parcels, but in the aggregate the criteria has been a reliable tool for planning and estimating.

The preliminary incorporation study dated January 29, 2009, used a ratio of the value of land to the value of improvements to estimate redevelopable land. The total vacant and redevelopable land in Fairwood was estimated in the study to be 1,316 acres. Some public comments challenged this, noting that it represents 32% of the total acreage of the proposed city, and asserting that the study must assume that all land without structures, such as the golf course, must be destined for development.

The first part of our response is to acknowledge that there are other ways to estimate the amount of developable in Fairwood. A conservative estimate is presented in the King County Buildable Lands Report for 2008. That report’s method is less formulaic, and involves more policy and judgment. That study found a total of 410 acres of vacant and redevelopable land in Fairwood.

We believe that estimate is quite conservative, and the more likely amount is between 410 and 1,316 acres. Nevertheless, we will use the conservative amount for the next step in our analysis. So the next concern must be, is it possible to accommodate 174 housing units per year in 410 acres of land? To answer that question we began by identifying the current mix of housing types and density in Fairwood. Presently Fairwood is zoned 60% single family housing at 6 units per acre, 20% multifamily at 18 units per acre, and 20% multifamily at 24 units per acre. Assuming that those ratios will continue in the future we can estimate the number of each type of housing each year: 104 single family, 35 multifamily (R-18) and 35 multifamily (R-24). Using the existing densities noted above, the single-family units will need 18 acres of land, the R-18 multifamily units need 2 acres, and the R-24 units need 1.5 acres. In other words, Fairwood needs 22 acres per year to

accommodate the high growth scenario of 174 housing units per year. That is approximately 5% of the most conservative estimate of 401 vacant and redevelopable acres in Fairwood.

We note also that an anonymous flyer was circulated immediately after the community meeting in February. It claimed that the golf course would be redeveloped if Fairwood incorporated. The golf course is approximately 117 acres. The course would not need to be redeveloped in order to accommodate even the incorporation study's high growth scenario. We conclude that incorporation is not a threat to the golf course.

3. Comparison to Renton

Can the study compare incorporation of Fairwood to annexation to Renton? Can the study use Renton as the "comparable city" to Fairwood?

The petition submitted to the Boundary Review Board (BRB) is for incorporation, not annexation; therefore the BRB's review is required to focus on incorporation, so the study also focuses on incorporation.

The "comparable city" method used in the study is based on finding a city that would be like Fairwood. Maple Valley is comparable to Fairwood as described in detail in Appendix D of the study. Renton is not comparable to Fairwood for the purpose of this study. It is significantly larger in population, area, employment, tax base, and other key criteria.

We acknowledge public's interest in the annexation alternative, and desire for information about Renton in order to consider annexation as alternative to incorporation. It is our understanding that the City of Renton is preparing a study of annexation of the Fairwood area and that the study will be available in the near future. Citizens will need to evaluate both studies and form their own conclusions. We will not be responding to the City's study. Our job is to study the feasibility of incorporation.

Finally, Fairwood area voters need to be aware that the election is only yes/no to incorporation, and does not directly offer the choice among incorporation, annexation and remaining unincorporated. Nevertheless, we understand that in the voter's mind, the vote about incorporation may be based on whether a voter believes that one type of governance is better than the other: is incorporation better or worse than annexation.

4. Comparison to Other Cities

Why doesn't the study consider other attributes of comparable cities, or at least Maple Valley?

Public comments asked for several additional facts about the comparable cities, including city budgets, budget shortfalls, city debt, staffing, levels of service, services provided by city vs. contracted vs. districts, ratio of home owners to renters, number of business establishments, and rankings of the cities for each attribute.

We acknowledge and appreciate the public's desire to know more about the cities that were evaluated as the most "comparable" to the Fairwood area. However the time and budget available for our research limit the amount of information we are able to collect, so we chose the characteristics that we believe are most relevant to evaluating the financial feasibility of a new city. We believe our list is sufficient because it covers enough of the subject to make for a reliable comparable city. It is unlikely that the additional attributes would change the choice of Maple Valley as the most comparable city.

It should be noted that the Boundary Review Board's subcommittee for the Fairwood incorporation (FIRSC) reviewed our comparable city analysis (described in Appendix D of the study) and the subcommittee concurred with our method, our analysis, and our recommendation.

5. Red Mill

How would the study be different if Red Mill is not included in the incorporation area?

The petition submitted to the Boundary Review Board (BRB) is for incorporation of specific boundaries described in the petition, therefore the BRB's review is required to focus on that proposed incorporation area, so the study also focuses the proposed incorporation area.

6. Home Sales and Real Estate Excise Tax Forecasts

Can you get Fairwood area home sales data instead of general assumptions about home sales to use as the basis of revenue forecast for real estate excise taxes?

We were able to obtain exact REET collections and related data for the Fairwood study area from King County. The data indicates that our estimates were too high. The revised report will reduce the estimated REET revenue by approximately \$260,000 per year. The report will also indicate that the average turnover of residential property is 9% per year (i.e., houses re-sell once every 11 years). This information will replace the data in the report that assumed turnover of 14% (once every 7 years). The County's data indicates 341 sales in 2007 and 156 in 2008. We also acknowledge that the current economy and market may not support the revised level of turnover. However, our study is based on "normal" times for reasons that are explained above (see FAQ #1 above, Declining Economy, Future Inflation).

7. Startup Costs

How much are Fairwood startup costs? Where will the money come from?

The financial feasibility of Fairwood does not depend on startup costs and cash flow, therefore the subject is not part of the study. The question does not have the same relevance for a new city that it would for a new business. A new business can issue stock or go into debt for initial financing, but it does not have any assured income to repay debt or dividends to stockholders. A new city has assured revenues, therefore the only issue is short-term cash flow needs until the revenues begin to be collected by the city.

The typical experience of new cities is to (1) establish a line of credit for early cash flow, (2) use contracts with existing agencies to minimize early capital costs, and (3) exercise caution with early spending to hold down costs, allow repayment of the line of credit, and build a reserve.

There are several resources about incorporation start-up available from the Municipal Research & Services Center. Also, information can be obtained from three cities that incorporated in the last 10 years: Spokane Valley (2003), Liberty Lake (2001), and Sammamish (1999), or the other 9 cities incorporated between 1990 and 1998: Kenmore (1998), Maple Valley (1997), Edgewood (1996), Lakewood (1996), University Place (1995), Newcastle (1994), Woodinville (1993), Federal Way (1990), and SeaTac (1990). Lastly, the 2006 Fairwood incorporation study had a specific plan and set of assumptions about start-up costs and revenues.

8. Streets Costs

If the streets in the Fairwood area need so much work, how can the study show more revenue than costs in the Street Fund?

Before we address the question directly, it is important to remember that the subject of the costs for streets in Fairwood applies equally to Fairwood incorporation, annexation to Renton, or remaining in unincorporated King County because all three governance alternatives would be responsible for the same streets. It is

reasonable to ask the incorporation study about street costs, but the same question applies equally to annexation and remaining unincorporated.

The needs for street work in Fairwood are based on King County's Pavement Condition Index (PCI). PCI is a standard numerical rating of pavement condition ranging from 0 to 100, with 0 representing the worst possible condition and 100 representing the best possible condition. Pavement condition is categorized as follows: Very Poor (PCI<25), Poor (PCI 25-49), Fair (PCI 50-70), and Good to Excellent (PCI 71-100). Although each jurisdiction sets its own goals and standards for pavement management, it is generally accepted that pavement in fair condition or better requires routine maintenance and repair, while pavement in poor condition or worse is likely to require more significant repairs, overlay, or possibly even reconstruction. King County's most recent pavement condition rating represents each local jurisdiction's estimated centerline miles, the average weighted PCI rating by centerline, and the corresponding share of arterials rated Good to Excellent, Fair, Poor and Very Poor. Centerline miles are defined as the number of miles along the "centerline" of a roadway.

The overall average pavement condition for arterials in King County is good (PCI > 70). The majority of the larger cities and unincorporated King County, which contain the lion's share of arterial miles, have average PCI scores of 65 or better. Of the 39 cities and unincorporated King County, six cities have 30% or more of their arterials in Poor condition and seven have more than 10% of their arterials rated in Very Poor condition. Generally, there is not a single year rating for the all the roads in the Fairwood area, but rather a range of years. A 2008 update of the 2006 survey will not be available until early 2009.

The 2006 pavement conditions survey of the Fairwood Incorporation Area shows a poor pavement condition rating score of 20, indicating that 40% of Fairwood roadways (approximately 57 lane miles) showed significant cracking, and require a relatively high annual maintenance effort. Our incorporation study for Fairwood assumes that 5% of the roads will be resurfaced in each year (thus requiring 20 years to resurface the roads that need resurfacing now). Our assumption left the streets fund with substantially more revenue than costs. The City of Fairwood could afford to double the resurfacing program, thus resurfacing 10% of the needed roads every year, and completing the job in 10 years.

As a practical matter, most cities do not keep up with life-cycle programs (i.e., 20 years). Most cities have backlogs of deferred resurfacing and they typically fix the worst streets based on the amount of money they have available. Also, some cities use some general fund money for street resurfacing. Our study does not include any general fund money for street resurfacing.

The revenues for the street fund are gasoline taxes, real estate excise taxes, transportation impact fees, and grants from state and federal agencies. These revenues are based on realistic estimates for normal years. The gas taxes are distributed by the state based on population, the real estate excise taxes and impact fees are based on King County's actual collections in Fairwood. The grants are based on Maple Valley's grant revenue per capita, but only beginning in the fourth year because Fairwood will need several years to prepare grant applications and become competitive for grants.

9. Surface Water Costs

Why does the study show so much more revenue than costs in the surface water fund? What is the basis for surface water costs?

As noted in the answer to the previous question about street costs, the subject of the costs for surface water in Fairwood applies equally to Fairwood incorporation, annexation to Renton, or remaining in unincorporated King County because all three governance alternatives would be responsible for the same surface water system. It is reasonable to ask the incorporation study about surface water costs, but the same question applies equally to annexation and remaining unincorporated.

The revenues in the January 29, 2009 preliminary study were based on Maple Valley's storm water utility fee (\$85 per parcel per year) and the costs were based on an update of the 2006 incorporation study's cost estimates that were based on the City of Sammamish. The result in the January 29th preliminary study was significantly more revenue than cost. One reason is that King County has recently made some significant capital improvements to the surface water system in Fairwood, and the County does not project any significant capital costs in the next several years.

The revised study to be released in early March will change both the revenue and costs, but the result will be an even larger difference between revenues and costs. First, in keeping with a key assumption of our study to duplicate existing taxes and charges whenever possible, the revised study will use King County's revenue of \$111 per parcel instead of Maple Valley's \$85 per parcel, resulting in an increase of \$140,000 in revenue. Second, King County has indicated that a better comparable city for surface water costs is Newcastle, rather than Sammamish or Maple Valley. The result of changing the cost to Newcastle's \$76 per acre decreases Fairwood's costs by \$200,000. The increased revenue and decreased costs create a net increase of \$340,000 in the difference between revenue and costs compared to the January 29th draft study. The new difference will be approximately \$830,000.

The City of Fairwood has several options to address the large difference including reducing the surface water utility fee, using a portion for the surface water portion of street maintenance costs, and/or increasing the level of service of surface water programs.

10. Human Services

Why was it assumed that human services would not be funded by the City of Fairwood?

Chapter 2 of the study describes the services that are "core" city services and those that are "discretionary." Human services is a discretionary service. The study assumes zero costs for discretionary services. If the resulting analysis indicates that there is more revenue than cost, then the City would have money available for any additional services, such as human services.

11. Parks

Why are there no costs for parks?

As noted in the previous Q&A, chapter 2 of the study describes the services that are "core" city services and those that are "discretionary." Parks and recreation services are a discretionary service. The study assumes zero costs for discretionary services. If the resulting analysis indicates that there is more revenue than cost, then the City would have money available for additional services, such as parks and recreation services.

To the extent that general fund revenues exceed general fund costs without parks, Fairwood could choose to support parks and recreation activities in several ways: (1) create a City department, (2) contract with King County for more service, (3) contract with private providers, or (4) create a park district as allowed by state law.

Several public comments indicate a general perception that the County's parks would become the responsibility of the City of Fairwood. Contrary to that perception, King County has indicated in writing that it does not intend to transfer parks to the City.

That leaves open the question of the level of service provided by King County parks. Any concerns about the level of service at King County parks could be addressed by (1) requests to King County, or (2) Fairwood contracting with King County for specific programs, activities, and facilities.

12. Levels of Service and Staffing

Why does the study not include levels of service and staffing?

As noted in the study itself, the methodology for the study is the cost per capita of the comparable city (Maple Valley). The study also identifies specific costs that are developed using a method other than Maple Valley's costs per capita (i.e., street maintenance and surface water management).

We acknowledge and appreciate the interest in level of service and staffing, but cost per capita is a reliable surrogate for levels of service and staffing. The costs pay for staffing that provides service, but without specifying the exact number of employees in each function. In our experience, the cost per capita correlates highly with the level of service and staffing. Furthermore, staffing plans are too detailed for a general feasibility study. They cause distractions about specific number and titles and costs of employees when the real issue is the overall cost compared to the overall revenue. If the cost doesn't work, staffing plans won't rescue it, and if costs do work, there will be enough money to spend on an appropriate staffing plan.

Finally, for Fairwood voters who want more information, some may be available from public sources so that reporters, proponents and opponents can get the information. We note that one reporter obtained Maple Valley's police staffing.

Quick Questions, Short Answers

Fairwood Incorporation Study Preliminary Draft FAQ

Revenues

Questions	Answers
<i>Does the study expect a levy lid lift every few years?</i>	No. The increase in property taxes (see Exhibits 8 and 29) is due only to taxes paid by growth, not to increased tax rates paid by current residents and businesses.
<i>What are Public Works licenses and fees? Who pays them?</i>	Anyone who cuts into streets or otherwise uses public rights of way pays these licenses and fees.
<i>Would the Transportation Impact Fees be assessed only to housing developments or also individual new home?</i>	They would be charged to new homes, both individual and in new subdivisions.
<i>Where does the gambling tax revenue come from? What current businesses?</i>	Maple Valley has no card rooms or gambling facilities, per local ordinance. All of Maple Valley's revenue comes from pull tabs and such at convenience stores and taverns. Fairwood has similar activity; therefore we used Maple Valley's gambling revenue per capita to forecast Fairwood's gambling revenue.
<i>Gas taxes. There are only 3 gas stations in Fairwood.</i>	Gas tax revenue is distributed to cities based on their population, not on the gas taxes collected at local gas stations. The study's forecast is based on Fairwood's population.
<i>Liquor revenues. There are only two bars and one liquor store in town.</i>	Liquor excise taxes and liquor profits are distributed to cities based on their population, not on the money collected at local establishments. The study's forecast is based on Fairwood's population.
<i>What criteria do you use to determine the amount of property tax that would go to the City?</i>	Like all property taxes in Washington, the amount received by the city is equal to the assessed (taxable) value of the property in the city multiplied times the tax levy rate. Exhibit 7 on page 24 lists the tax levy rate for the city (and for other agencies that levy property taxes in Fairwood). Each agency keeps its own property taxes.
<i>Intergovernmental revenue is zero for first few years so this should be removed for now.</i>	Intergovernmental revenues are zero for three years while Fairwood submits and competes for grants. The study shows estimated revenue starting in the fourth year, so it needs to remain in the study.
<i>What would B&O tax revenue be if charged by Fairwood?</i>	The study uses Maple Valley as the comparable city for forecasting Fairwood. Maple Valley does not charge Business & Occupations taxes, so the study does not estimate them for Fairwood.
<i>Why not base cable TV franchise revenue on real numbers from the cable companies?</i>	Cable TV account data is not generally available, and Maple Valley's revenue per capita is a reasonable estimate for Fairwood.

Costs

Questions	Answers
<i>Set aside funds for emergencies, such as storm damage, snow removal and clean up.</i>	Each city develops its own policies and procedures for reserves, contingencies and insurance. Fairwood would establish its policies after incorporation.
<i>Where would a jail be built? A courthouse? Animal control?</i>	Fairwood would most likely contract with other cities or with County agencies to use their facilities, rather than building its own.
<i>Would homeowners associations still manage the various neighborhood parks? Would the HOA's still provide security and extra police patrols?</i>	Yes.
<i>Was an amount included in a City employee retirement plan?</i>	Yes, employee retirement costs are included in the Maple Valley budget that is the basis for our costs per capita, and thus they are included in our total costs for Fairwood.
<i>Can funds be mixed? Can the surface water fund excess be used for general fund expenses?</i>	No. Funds must keep the money they collect and spend that money on the purposes of the fund. However, the general fund could be reimbursed by the surface water fund for surface water functions, such as cleaning roadside ditches during street maintenance.
<i>What does building/planning include?</i>	Page 42 of the study lists development permitting, review and licensing, land use planning and regulation. Building/planning also includes building inspection (and we will add that to the next draft of the study).
<i>What happens to the existing library? If we incorporate would we pay to continue usage of this library?</i>	Pages 23-24 of the study indicate we assume Fairwood would remain in the King County Library System, continue to pay the same taxes as the unincorporated area pays now, and the Fairwood library would continue.
<i>Fire District 40 is currently contracting with City of Renton for fire protection. When the study says continued services to be provided by FD40 was that taken into account? Does it matter?</i>	The study assumes fire services currently provided via Fire District 40 will continue. Page 23 of the study identifies mechanisms such as Fairwood annexing to FD40, or contracting with FD40. Other options may include contracting with or annexing to other fire service providers, but these were not mentioned in the study because they are considered unlikely.
<i>What is the probability or possibility that an existing agency would not contract with the City of Fairwood?</i>	Unlikely. Existing agencies will want to keep their budgets intact and their employees busy to the greatest extent possible. Declining a contract from Fairwood would reduce the agency's budget.
<i>Why is revenue collected yearly for Street, Transportation Impact Fee, and Real Estate Excise Tax funds, but no expenditures for any of the 5 years (see page 110)? Is the balance inaccurate?</i>	The expenditures for those funds are consolidated under the "Capital Projects Fund" on the same page, so the total balance at the bottom is accurate.

Other Questions

Questions	Answers
<i>Did you use zip code 98058 as the area being studied?</i>	We used data for the exact study area. We did not use data for the entire zip code.
<i>What is the age range by city? Which cities are “young”? Is Fairwood an “aged” city with a large population of retirees?</i>	Exhibit D-3 on page contains age range distributions for each city. Fairwood’s retirement population is not different than the other cities.
<i>How many low-income housing units would the city of Fairwood have?</i>	We don’t have that information. State goals for such housing apply equally to incorporated, annexed and unincorporated areas.
<i>How does the City of Fairwood compare to the current revenues, costs and services provided to the unincorporated area?</i>	The study is about the feasibility of a City of Fairwood, and does not include a comparison to the current unincorporated area.
<i>How does the new study compare to the previous study in 2006.</i>	The study is about the current feasibility of a City of Fairwood using the “comparable city” method, and does not include a comparison to the 2006 study. Readers can make their own comparison between the studies.
<i>Can a neighborhood opt out of the Fairwood city plan?</i>	The boundaries of the proposed City have been established by the petition to the Boundary Review Board. The Board, at a public hearing for the proposed incorporation, can consider modification of the boundaries and can remove territory that is less than 10% of the total area in the proposal before the Board if the changing of the boundaries is consistent with several state laws.
<i>Is it possible for Fairwood area to remain as it is, i.e., unincorporated? Or are we required to either incorporate or be annexed?</i>	Washington’s Growth Management Act contemplates areas inside designated Urban Growth Boundaries, such as Fairwood, becoming cities, or annexing to cities. There is no statutory requirement for Fairwood (and other similar unincorporated areas) to incorporate or annex. However counties that serve such areas are finding it increasingly difficult to provide urban services, so communities may find it necessary to incorporate or annex in the near future in order to obtain quality, reliable urban services.
<i>When is Boundary Review Board public meeting?</i>	The Boundary Review Board will meet on April 16, 2009 to receive the Fiscal Feasibility Study and to then schedule public hearing(s) to consider the proposed Fairwood Incorporation. The hearings are tentatively planned to take place during the week of May 26, 2009.