



OREGON CITY

MEASURE: HB 4090
EXHIBIT: 9
2012 SPECIAL SESSION H AG & NAT RES.
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SUBMITTED BY: Doug Neeley

TO: House Committee on Agriculture and Natural Resources
FROM: Doug Neeley – Mayor of Oregon City
DATE: February 9, 2012
RE: Proposed House Bill 4090 with -5 amendment

As the current Mayor, and having served previously as a City Commissioner for the City of Oregon City, I have been involved with urban growth boundary expansions, urbanization decisions and concept planning processes to address the need for growth in Oregon City and the State. Balancing the decision on when, where and how a city should grow is a difficult process, but when done appropriately, and with the input of all those impacted, results in a path forward for development to occur.

In 2002 and 2004 the urban growth boundary of Oregon City was expanded to accommodate our needed 20-year land supply for residential and employment lands. The City initiated, and over \$500,000 was invested, in the concept planning process for two of the three expansion areas, resulting in the Park Place and Beavercreek Road concept plans. Both of these concepts plans went through an extensive public involvement process and were approved by both the Planning Commission and City Commission. This investment has allowed Oregon City to effectively plan for the future development and impacts that will occur.

The proposed bill is concerning because the determination to expand the city limits for urban development should be a local decision. The community that will be impacted by future urban development and responsible to address the growth impacts, which reach far beyond just water and sewer, should have the ability to determine when, where and how property is annexed to the City and how urban growth within the State mandated and adopted urban growth boundary is accommodated. There are approximately 1,450 acres of land within the Oregon City urban growth boundary that, under this bill, would be immediately available for county urban development. This represents a 23% increase in the total acreage of the city. The decisions about where to extend services is taken away from the citizens, those who will have to pay for the long-term maintenance of these services, and into the hands of particular individuals. This will result in the extension of needed infrastructure and services that will be more expensive, inefficient and precludes any meaningful long-term capital asset planning, leading to higher costs or a lower level of service.

In 1999, the citizens of Oregon City amended the city charter to require that all annexation requests be approved by a vote of the citizens. Since the voter annexation requirement went into effect, over 40 annexation requests have been processed by the City and approximately 85% of the requests have been approved by the voters. It is important to note that the voters approved the annexation of approximately 125 acres in November of 2007. On subsequent elections, 3 requests to annex a total of 289 acres were rejected. While 100% of the requests have not been approved, it does not appear that the process in Oregon City is not working.

Allowing urban development of county lands raises equity issues between those tax payers within the city limits and the urban development in the county with a lower county tax rate, of which none of the revenues would be paid to the city. The county development would pay a lower tax rate yet receive the benefits and amenities funded by the higher tax rate paid by the city residents. Essentially, city residents will either need to subsidize the urban services and amenities to accommodate the higher density county developments or will need to accept a lower level of service.

Finally, the use of non-remonstrance agreements that are recorded against large, undeveloped tracts of land as a condition of the extension of services is prudent. But as a practical matter, once urbanized, a vast majority of the future homeowners will not understand that their right to vote on being brought into a city has been taken away. Oregon City has experienced the result of an inefficient annexation policy when the city initiated the annexation of approximately 25 county islands, which were properties that were surrounded on all four sides by land within the city limits. Forcing annexation on county residents with existing urban services available raises several issues that demonstrate the ineffectiveness of this method as an after the fact annexation policy.

I understand the frustration of those unable to annex to a city to develop. The city has taken steps to plan for and prepare our urban growth boundary areas for the efficient and timely development of these areas, necessary to accommodate our 20-year land supply. Forcing the extension of urban services and allowing urban levels of development in the city's urban growth boundary, as explained above, leads to inefficiencies, poor governance, financial and service inequities and the loss of local decision making concerning future development impacts on existing infrastructure, the community and its citizens. For these reasons, I request that you oppose House Bill 4090.

Thank you for your time and consideration of my concerns.

Oregon City

Gray area – Inside UGB

Yellow area – Inside City limits



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