



# OREGON CITY

## Community Development – Planning

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TO: House Committee on Agriculture and Natural Resources  
FROM: Tony Konkol – Community Development Director  
DATE: February 9, 2012  
RE: Proposed House Bill 4090 with -5 amendment

MEASURE: HB 4090  
EXHIBIT: 10  
2012 SPECIAL SESSION H AG & NAT RES.  
DATE: 2/9/2012 PAGES: 3  
SUBMITTED BY: Tony Konkol

The City of Oregon City has been working for over ten years to identify where and how to expand our urban growth boundary to ensure there is sufficient land available for future development. Proposed House Bill 4090 is about the timing of providing the urban services needed to develop at urban densities. It effectively requires the extension of urban services be provided regardless of the local decision making process concerning planning and annexation. This bill will allow approximately 1,450 acres of land within the Oregon City urban growth boundary, identified and planned for our 20-year land supply, to be immediately available for development in the county at urban densities regardless of their proximity to current city limits or existing services.

### Increase costs to local governments:

This bill would require service providers, including cities, to serve some developments now and serve the rest later, regardless of the proximity or cost of providing the services. This method of extending infrastructure services is expensive, inefficient and precludes any meaningful long-term capital asset planning to address location, sizing and maintenance. Although the bill provides that the land owner be responsible to pay all costs incurred to connect to the service facilities and to deliver the sanitary sewer and/or water service, the bill does not identify who is responsible to pay for, install, and maintain all the necessary oversized water and sewer infrastructure necessary to serve those areas in the urban growth boundary that will rely on the systems at a future date, as adopted in the City's infrastructure plans, nor does it identify which jurisdiction would be responsible for the reimbursement of the necessary oversized infrastructure investment. Since such development could be located in the county, city standards would not be applicable, potentially allowing inadequate infrastructure to be constructed that will need to be replaced at a later date. The bill does not address what development standards, design regulations or densities would be applicable to development applications in the county. The city has adopted concept plans and implementing zoning, which have not been adopted by the county, and the city regulations would not be applicable to an application for development in the county.

### Loss of system development charges to address needed infrastructure:

Oregon City has prepared two concept plans for lands added to the urban growth boundary in 2002 and 2004, which included an analysis of the impacts of the urban development of these county lands to the city's infrastructure, including transportation, water, sewer, storm, parks and bike/pedestrian facilities, and the deficiencies that will be created. The long-term projects necessary to ensure that the city's infrastructure is adequate to serve the lands within the urban growth boundary rely on the collection of system development charges. Allowing development at urban densities for lands remaining within the county precludes the ability

of the city to collect the impact fees to address the increased demand created by development in the urban growth boundary areas. Since the development could potentially occur in the county, when the building permits to construct the homes are issued, the city will not receive any system development charges. City residents will then be responsible to subsidize the loss in system development charges to fund the needed infrastructure improvements created by the urban development in the county or accept a lower level of service.

**Undermines citizen determined annexation:**

This bill effectively nullifies local charter provisions for voter-approved annexations and local determinations on matters of growth. The decision about when, where and how to extend services is taken away from the citizens, those who will have to pay for the long-term maintenance and provision of these services and the other amenities beyond water and sewer, and into the hands of particular individuals. As the bill is written, there does not appear to be any finding that a jurisdiction could make denying a request for annexation to the city or preventing the extension of water and sewer to the property, regardless of the proposals inability to meet local and/or state annexation requirements. .

**Taxation and service inequities:**

This form of development creates taxation and service inequities between City residents, who pay city taxes to provide urban services and amenities, and the extra-urban developments within the county, which are able to utilize and increase the demand for those urban services and amenities, but at a much lower taxation rate, of which no revenue is paid to the city. The City residents will be required to either subsidize or accept a lower level of service for the infrastructure and amenities impacted by the urban levels of development in the county.

**Non-remonstrance agreements:**

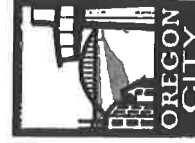
Securing non-remonstrance agreements as a condition of the extension of services is prudent, but in many cases will prove difficult to implement. Once a property is developed to urban densities, a vast majority of the future property owners will not know or understand that their ability to vote on being brought into a city has been taken away. Forcing annexation on county residents with existing or convenient access to urban services has been shown to be an ineffective after the fact annexation policy and controversial matter. Oregon City has experienced such resistance with the failed annexation of a 600-unit mobile home park that required, and was provided, a connection to the sanitary sewer system. The residents of the county development voted against annexation to the city. Another example of a controversial after the fact annexation is the city initiated county island annexation of approximately 25 areas of county lands within the city.

The proposed bill will force the early provision of urban infrastructure services to county lands, thereby promoting their development at urban densities without addressing the impacts to the adjacent city, and in many cases, while being subsidized by the city tax payers. The loss of potential system development charges to construct the necessary infrastructure to accommodate the impacts of the urban development planned for in the city's urban growth boundary is a significant issue and potentially a tremendous financial burden on the city and its residents. As outlined above, allowing urban development and densities in the county leads to inefficiencies, poor governance, financial inequities and the loss of local decision making concerning development impacts on the community. For these reasons, we ask that you oppose HB 4090.

# Oregon City

Gray area – Inside UGB

Yellow area – Inside City limits



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