

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

February 23, 2005 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Nathalie Darcy, Rob Drake, Andy Duyck, Dave Fuller, John Hartsock, Jack Hoffman, Laura Hudson, Lisa Naito, Wilda Parks, Tom Potter, Martha Schrader, Ted Wheeler

Alternates Present: Norm King, John Leeper, Nick Wilson

Also Present: Catherine Arnold, City of Beaverton; John Atkins, City of West Linn; Hal Bergsma, City of Beaverton; Bev Bookin, CREEC; Philip Bransford, Washington County; Bryan Brown, City of West Linn; Ron Bunch, City of Gresham; Wade Byers, City of Gladstone; Bob Clay, City of Portland; Debbie Collard, Ball Janik LLP; Carlotta Collette, City of Milwaukie; Valerie Counts, City of Hillsboro; Brent Curtis, Washington County; Dan Drentlaw, City of Oregon City; Kay Durtschi, MTAC; Natasha Ernst, LH-Rep. Brad Avakian; John Gessner, City of Wilwaukie; Jon Gish, PSU student; Gay Graham, City of Lake Oswego; Lisa Hamilton-Treick, Friends of Bull Mountain; Jim Hendryx, City of Tigard; Ken Henschel, CPO-4B; David Hepp, Washington County; Ronald Hudson, City of West Linn; Jon Holan, City of Forest Grove; Roger Hulbert, Clackamas River Water; Dick Jones, Oaklodge Community Council; Gil Kelley, City of Portland; Barbara Kempe, Clackamas County; Judy Koliass, Citizen; Hannah Kuhn, Office of Mayor Potter; Barb Ledbury, Damascus Councilor; Roy Ledbury, Citizen; Irene Marvich, League of Women Voters; Doug McClain, Clackamas County; Mark Neslen, Clackamas River Water; Nancy Newton, Clackamas County; Laura Oppenheimer, The Oregonian; Charles Ormsby, Birdshill CPO; Ron Partch, City of Gladstone; Ernie Platt, HBAMP; Pat Ribellia, City of Hillsboro; Chuck Riley, State Representative; Michael Robinson, Perkins Coie; Kelly Ross, Home Builders Association; Barbara Sach, City of Portland; Dick Schouten, Washington County; BJ Smith, Clackamas County; Marty Stiven, Citizen; Michael Sykes, City of Forest Grove; Paul Thalhofer, City of Troutdale; Josh Thomas, Lake Oswego Public Affairs; Andrea Vannelli, Washington County; Martha Waldemar, Sunnyside United Neighbors CPO; Leonard Waldemar, Oaklodge Community Council; Isador Wimorgavi, Citizen; Daryl Winand, Portland Metropolitan Association of Realtors; David Zigel, TriMet; Anna Zirker, Tualatin Hills Park & Recreation District

Metro Elected Officials Present: Liaisons – Carl Hosticka, Council District 3; Robert Liberty, Council District 6 others: David Bragdon, Council President, Rod Park, District 1

Metro Staff Present: Kim Bardes, Dan Cooper, Andy Cotugno, Paul Couey, Mary Weber

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Councilor Jack Hoffman, MPAC Chair, called the meeting to order 5:05 p.m.

Chair Hoffman asked those present to introduce themselves. He requested that those present skip the one-minute local update and announcements in order to save time for the mini-symposium.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There were none.

3. CONSENT AGENDA

Meeting Summary February 9, 2005.

Motion:	Wilda Parks, Clackamas County Citizen Representative; with a second from Rob Drake, Mayor of Beaverton, moved to adopt the consent agenda without revision.
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Vote:	The motion passed unanimously.
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4. COUNCIL UPDATE

Chair Hoffman asked to pass over this item in order to start the symposium.

5. ANNEXATION SYMPOSIUM

Chair Hoffman gave an overview of the presentations for the symposium. He introduced the three presenters for the symposium: Charlie Cameron, Washington County Administrator; John Mantay, Clackamas County Administrator; and Doug Schmitz, Lake Oswego City Manager.

Charlie Cameron, Washington County Administrator, gave a PowerPoint presentation. Copies of those slides are attached and form part of the record.

John Mantay, Clackamas County Administrator, gave a PowerPoint presentation, a copy of those slides are attached for the record.

Doug Schmitz, Lake Oswego City Administrator, gave a PowerPoint presentation, which is attached and forms part of the record.

Martha Schrader, Clackamas County, said that Clackamas County was starting a North Clackamas County task force. Ethan Seltzer was spearheading that undertaking. She reviewed how the task force would be set up and the time frame that they would undertake. She said that they hoped to have a report ready for the commission's review by November 2005. She said that she hoped for some sort of agreement regarding the North Clackamas Annexation task force.

Nick Wilson, City of Tigard, said there was contention about annexing Bull Mountain, and that without the support of the citizens it would not happen. The situation had reached a stalemate.

Chair Hoffman asked what tools were important for the annexation process.

John Mantay said he thought the best tool was talking to citizens, but the bottom line was that citizens did not want to pay out more money.

John Hartsock, Boring Fire District #59, said that because Damascus was a new city they were able to get a sixty five percent approval rate and that was due to the issue of local control for planning and growth, which hadn't yet happened. Damascus and Boring were the only two cities to take advantage of the legislation that allowed a rural community to form a city, which did away with the three-mile veto. Anywhere else in the region that would present a problem, whereas for them annexation was the only choice. In forming a new city they had to undergo an extensive natural feasibility study to prove that they

could afford to do so. The big issue was how to provide the services to that area, and who would do it best versus just taking it for the tax basis.

Chair Hoffman asked if the counties saw a difference between the fringe areas and the islands.

Doug Schmitz said that to go anywhere in Lake Oswego you would pass through an island, whereas you may not do so on the fringe.

Charlie Cameron said that what they both had in common, in Washington County particularly, was the density level for development was virtually built out to the existing UGB. He spoke about successes and failures over the years with annexation in Washington County.

John Mantay said that in Clackamas County, east of the river, there were huge spots of land. He said that in today's economy people felt strongly about jobs and economic viability in the communities. He said talking to the people about the equity and taxation issue was a good exercise because it would determine what revenue would be coming out of the cities and the services that could be provided.

Chair Hoffman asked Mr. Cameron if they would be looking at the numbers too, when deciding about annexation.

Charlie Cameron said that they would look at numbers, but that he had a real concern about pitting the urban unincorporated areas against the incorporated areas. He said it was unfortunate, but that in many cases they had demonized the cities. In Washington County's case it was not politic to demonize 276,000 people when they were only 180,000 people. Washington County had been very successful in county wide funding efforts in the last 20-years. They had, however, lost two of their most popular renewals in terms of the library system funding and public safety system money. If they did not get that public safety system money re-funded in 2006 it would be a 20 percent reduction across the board in the justice system. There was some hard work ahead before they could convince folks to vote yes on the ballot, especially with so much competition for the tax dollar.

Councilor Hosticka said that he thought it was wise of them to say that the issue was not annexation, but rather to provide urban services to unincorporated areas. It seemed like annexation was a solution that had become a problem, and that the problem was with disparities in service and tax levels. He wondered if they could find other ways to address the problem.

Charlie Cameron said that in Washington County those 180,000 people would need something over time. He said that the County was looking at providing some options where those folks could be taxed for services provided. The problem was that all the industrial areas were now gone and they would then be left taxing primarily residential areas, which would result in high taxes. Given a specific set of circumstances and that could lead to a higher cost of living for those in urban unincorporated areas over those living in the city.

Councilor Hosticka said that he had once suggested that Metro look at ways of sharing the tax burden between high and low tax areas. He suggested that they could include that idea as part of the discussion.

Martha Schrader said that the idea had come up for discussion during the Damascus Firehouse meeting but that they had not done any substantive work on revenue sharing ideas.

Chair Hoffman said that legislators were taking a look at statutory tools, in terms of islands and urban service provider agreements. He wondered if those were still valuable tools to keep or if there was perhaps another way to tackle the problem.

John Mantay said that they were all good tools to have, and it was beneficial to be able to pick and choose according to what would work in each area in order to get citizen buy-in. He said they should explore all available opportunities.

Councilor Hosticka said that the fringe for Clackamas County was someone else's neighborhood, which was why he was suggesting they should talk more broadly across jurisdictions about these types of issues.

Isador Morgavi, citizen, said that the information that drove cities and counties was not provided for the citizens, and therefore they often did not fully understand the issues. He said he was willing to pay his share and wanted to have a fair say in making the decisions that affected him and his community. He said that if he had a better understanding of what was involved with the urban services and related costs, then he might be more inclined to support annexation. He wanted to see how the services he received were being paid for laid out in a very clear format. He said that people were willing to pay their fair share as long as they could clearly see how the money was fairly taken and distributed.

Nick Wilson said that most people did not object to paying for services that they were using that were measurable, such as water. It was paying for things that were harder to measure on an individual basis such as police response for accidents or crimes. All those indirect benefits to each individual in a community were hard to measure. He thought that this issue was what led to the tension over annexation and paying more for services.

John Atkins, City of West Linn, said that he was a resident of unincorporated Cedar Hills. He said that he had not yet heard a good reason why he should annex into the City of Beaverton. He said that he got his sewer and water from Clean Water Services, he got his park and recreation through Tualatin Hills, he got terrific services through Tualatin Valley Fire and Rescue, he had a good sheriff's patrol, and he had a good home owners association. Therefore, he wanted to know why, if all his services were well provided, he should pay \$2 per thousand more for services he was already receiving. He said that the city needed to provide a compelling reason for them to annex in. He suggested that it might be good for them to launch a study on areas urbanized, and not urbanized, but slated to be developed in the future. He said that the reason people in unincorporated areas did not want to annex was that the cost of providing services was beyond their capacity.

Chair Hoffman asked if he saw this as a local or regional issue?

Mr. Atkins said it was both a regional and local issue.

Chair Hoffman asked if that, regionally, there should be a task force on this issue?

Mr. Atkins said he thought that was a one of the reasons that Metro was created. He said it would be a good opportunity to explore specific issues that commonly affected annexation efforts across the region.

Carlotta Collette, City of Milwaukie, said that in some of the areas that they were looking at in Milwaukie for annexation, the tax discrepancy was so huge, and the economic disparity was so large, that it would be

huge burden to those people to annex those areas. She asked if they had looked at those big discrepancies for poor communities.

Martha Schrader said that there was the 2002 study which had pieces of information that Ethan Seltzer would be looking at as they continued to have the conversation with Milwaukie, Happy Valley, and Damascus. The Overland Park issue really was a concern because it was one of those urbanized areas that still had septic tanks and no sewer.

John Mantay agreed that some urbanized areas still did not have sewers, and because of things like that they really needed to talk about basic infrastructure needs.

Charlie Cameron said that they had also started a study that would be used to help determine if and to what extent a subsidy existed by city residents in the unincorporated areas. He said that some of the less affluent areas were being subsidized by the cities. He said that just to address maintaining the current level of services could become very significant. He said that the easy part was developing the numbers, the difficult part was what to do about fairly collecting funds and providing services. He said that they needed to look at the tools in the tool kit and discard those that would not help and find new ones to solve the issues around providing services for citizens.

John Leeper, Washington County Commissioner, thanked Chair Hoffman for organizing the mini-symposium. He said that while Metro could encourage the study effort, the county and city should be responsible for local changes because of the different tax structures. Once the studies were complete then they could try to figure out how to equalize the cost of services and how to restructure the tax basis to accommodate those changes.

Mayor Rob Drake, City of Beaverton, said that annexation was not a new issue in Washington County, especially in eastern Washington County. He said that there had been good references during the discussion to site-specific annexation issues, however, the discussion had been in progress since roughly 1986. The issue of annexation had taken a great deal of time to evolve. He said that there had been a huge change in the state passed the time that many of the annexation tools were adopted by the legislature. He said that the issue of annexation was being discussed all around the state. He suggested that they needed to get to the legislature to call together an interim work group that could come up with a solution, hopefully by the next session. He said that they needed to pool together to find a smart solution and not the wrong solution

Skip Ormsby, Birdshill CPO, said that they needed to quit instilling fear into the unincorporated areas. He said that the cities and counties needed to do a better job of disseminating information to citizens. He said that his area was being scrutinized for annexation and that the citizens were concerned about the options that would be presented to them.

Bob Bailey, Oregon City, said that he would support a regional look at the distribution of services and the tax base. He said that they needed a longer-term strategy for establishing the kind of services citizens would be buying with their tax dollars. He said that the overarching theme for his city was that they wanted to provide value for the dollar to their citizens.

Martha Waldemar, Chair of Sunnyside United Neighbors CPO, said her neighborhood was located in the southern boundary of Happy Valley. She said that Happy Valley had a protected area called the "bowl," that was not the same as it had once been. She said that Happy Valley either wanted to "cherry pick" the commercial land only, or they wanted to "cherry stem" and pick up only the industrial area. She said that

Happy Valley refused to annex residents because they were afraid that if they added residents to the city that those residents might out-number the core population. She said that Happy Valley wanted to control the process by just taking the high-income areas. She said that she thought that was a bad thing to do. She said that that would not be fair to the county. She said that they needed to take everybody or not. She said that they kept pushing ahead and didn't want to consider the moratoriums. She said that they would be taking another vote. She said that Happy Valley was telling people all the horrible things that would happen if they didn't annex. She said that they had indicated that they were not going to be nice to the citizens or sell them on why they should be part of the city. She said they should approach the annexation process by stepping back and considering why they wanted to annex her neighborhood and what to do to make people feel wanted. She said that most of the CPO involved felt that Happy Valley considered them worthless, and had suggested that the communities in question would become felony flats unless they became part of the city. She said that she felt that the cities were getting carried away with annexation. She suggested that Clackamas County should have a tree ordinance. She said that there needed to be reasoning on both sides.

Chair Hoffman asked Mayor Drake and Bob Bailey how they could proceed. He said that one of the things that Mayor Drake had suggested was to have a talk with legislators in Salem. He asked if there was any other action that the MPAC members wanted to take regarding this issue.

Wilda Parks, North Clackamas Chamber of Commerce, said that two or three ideas brought forward during the discussion were possibilities. She said that she supported a convening of legislators with cities and counties. She said that perhaps more mini-symposiums in each county to inform population would be beneficial. She said that several things could take place at once: 1) lobby legislators, 2) create a task force; 3) keep the issue on the MPAC agenda to keep it in front of them, and 4) determine how to keep communication lines open.

Chair Hoffman said that he would put it on the agenda again to see if some of the members not currently present would like to weigh in on the issue.

There being no further business, Chair Hoffman adjourned the meeting at 7: 01 p.m.

Respectfully submitted,

Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR FEBRUARY 23, 2005

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#5 Annexation Symposium	2/24/05	Memorandum from Rex Burkholder to Jack Hoffman and MPAC members re: Issues for a JPACT-MPAC meeting	022305-MPAC-01
#5 Annexation Symposium	2/23/05	Email from Bruce Bartlett to MPAC members re: comments on Annexation	022305-MPAC-02

#5 Annexation Symposium	2/23/05	Letter from Ball Janik, Christen C. White to MPAC re: Annexation Symposium	022305-MPAC-03
#5 Annexation Symposium	2/23/05	Copies of slides for the Washington County Urban Services Strategy PowerPoint presentation	022305-MPAC-04
#5 Annexation Symposium	2/23/05	Copies of slides for the Unincorporated areas within the Urban Growth Boundary; Clackamas County PowerPoint presentation	022305-MPAC-05
#5 Annexation Symposium	2/23/05	Copies of slides for the Douglas Schmitz PowerPoint presentation	022305-MPAC-06
