



City of Tigard

Tigard Workshop Meeting – Agenda

TIGARD CITY COUNCIL

MEETING DATE AND TIME: July 17, 2012 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Times noted are estimated.

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

VIEW LIVE VIDEO STREAMING ONLINE:

<http://www.tvctv.org/government-programming/government-meetings/tigard>

Workshop meetings are cablecast on Tualatin Valley Community TV as follows:

Replay Schedule for Tigard City Council Workshop Meetings - Channel 30

- Every Sunday at 11 a.m.
- Every Monday at 6 a.m.
- Every Tuesday* at 2 pm (**Workshop meetings are not aired live. Tuesday broadcasts are a replay of the most recent workshop meeting.*)
- Every Thursday at 12 p.m.
- Every Friday at 3 a.m.

SEE ATTACHED AGENDA



City of Tigard

Tigard Workshop Meeting – Agenda

TIGARD CITY COUNCIL

MEETING DATE AND TIME: July 17, 2012 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

1. WORKSHOP MEETING
 - A. Call to Order- City Council
 - B. Roll Call
 - C. Pledge of Allegiance
 - D. Council Communications & Liaison Reports
 - E. Call to Council and Staff for Non-Agenda Items
2. JOINT MEETING WITH THE PARK AND RECREATION ADVISORY BOARD (PRAB)
6:35 p.m. - estimated time
3. JOINT MEETING WITH THE TIGARD TRANSPORTATION ADVISORY COMMITTEE
7:25 p.m. - estimated time
4. RE-EVALUATE THE CITY'S ANNEXATION POLICY - BACKGROUND REPORT AND DISCUSSION
8:10 - estimated time
5. COUNCIL LIAISON REPORTS
8:55 p.m.
6. NON AGENDA ITEMS
7. EXECUTIVE SESSION: The Tigard City Council may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
8. ADJOURNMENT
9:10 p.m. - estimated time

Workshop Meeting**Meeting Date:** 07/17/2012**Length (in minutes):** 50 Minutes**Agenda Title:** Joint Meeting with the Park and Recreation Advisory Board (PRAB)**Prepared For:** Steve Martin**Submitted By:** Steve Martin, Public Works**Item Type:** Joint Meeting-Board or Other Juris.**Meeting Type:** Council Workshop Mtg.**Information****ISSUE**

Should the City Council and PRAB meet jointly to discuss and advise as to how remaining park bond funds should be spent and to review the PRAB's park bond development project recommendations?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends Council meet with the PRAB.

KEY FACTS AND INFORMATION SUMMARY**Background**

In November 2010 Tigard voters passed a \$17 million park and open space bond measure. The bond measure specified:

- At least 80 percent of the bond revenue was designated for land acquisition, with up to \$1.7 million allocated to the acquisition of a downtown park.
- Up to 20 percent of the bond revenue can be used to fund park development and improvements.
- The citizen-led PRAB is responsible for prioritizing and recommending how bond revenues are spent.

In late 2010 the PRAB was tasked with identifying and evaluating over 60 potential park acquisition properties. With the approval of the City Council, staff and the city's real estate attorney have acquired several of the high-priority properties.

Current Status of Bond Revenue

- Following the acquisition of the Summer Creek, Sunrise, Potso and East Bull Mountain properties, approximately \$6 million dollars of the bond revenues remain. Of this amount, an additional \$3.7 million is projected to be spent on acquisition, including the acquisition of a downtown park.
- While still pursuing land acquisitions, the PRAB has also been evaluating potential park development projects that are eligible for bond funding.
- On June 11, 2012, the PRAB developed a list of recommended park development projects that could be funded with bond revenues. Fourteen current and future projects are spread throughout the city and include the Fanno Creek House, the Summer Creek property, East Butte Heritage Park, and Jack Park. The total recommended funding is approximately \$2.3 million. The PRAB's list of bond-funded park development projects is attached.
- The city is required to provide a monetary match when it spends park system development charge (SDC) funds. The PRAB's recommendations enable the city to use bond revenues as the SDC match for the development of the Summer Creek property and several other park projects.
- A Parks Bond Program Report prepared by consultant Steve Duh is attached. This report provides additional details on the status of bond-related projects.

Discussion Topics

The PRAB would like to:

- Discuss how remaining park bond funds should be spent over the next 18 months; bond revenues must be

- spent by January 2014. An expenditure forecast for bond-funded park development is attached.
- Review the PRAB's park development project recommendations.

OTHER ALTERNATIVES

The council could choose to not meet with the PRAB.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

2012 Tigard City Council Goal 1.a., "Deliver on the promise of the voter-approved park bond by identifying all acquisition opportunities and completing the majority of park land acquisitions and improvements by the end of 2012."

Related PRAB goals:

2. Ensure bond measure progress and support the City Center Advisory Committee (CCAC) with downtown use of bond measure funds.
3. Maintain Park and Recreation Advisory Board (PRAB) transparency and public communications.

DATES OF PREVIOUS COUNCIL CONSIDERATION

The council has met with the PRAB on a regular basis since the PRAB's inception in 2003. The last meeting took place on September 20, 2011.

Fiscal Impact

Fiscal Information:

There is no direct fiscal impact associated with the joint meeting.

Discussions from this meeting may affect how remaining park bond funds are spent and what development projects are funded with bond revenues.

Attachments

- PRAB Park Development Projects
 - Parks Bond Program Report
 - Expenditure Forecast - Park Development
-

Park and Recreation Advisory Board (PRAB)
Park Development Projects

Current Projects

Park	Option	Price Range	Comments/Description	PRAB Recommendation
Fanno Creek House	Development	\$150,000 - \$160,000	Driveway and riparian area improvements.	\$150,000
East Butte Heritage Park	Development	\$420,000 - \$480,000	Park development and half street improvements. Use of utility underground fee for project.	\$480,000
Jack Park Addition	Development	\$304,000 - \$520,000	Trail and bridge construction, play area and community gardens if possible.	\$350,000
Summer Creek Property	Development	\$1.4 - \$1.9 million	Half Street improvements. Start of park development. Use of utility underground and other funds to complete project.	\$700,000

Current Bond-Funded Park Development Projects

\$1,680,000

Future Bond-Funded Park Development Projects (see PRAB recommendations on page 2)

PRAB Recommendations	Multiple Projects		See page 2 for project summary.	\$620,000

Total Cost for Current and Future Bond-Funded Park Development Projects

\$2,300,000

Future Projects - Recommended by the PRAB on June 11, 2012

Park	Option	Price Range	Comments/Description	PRAB Recommendation
SummerLake Park	Restroom	\$104,000	In master plan (currently has a porta-potty with problematic access).	\$104,000
Commercial Park	Play Structure	\$11,277	No facilities presently in the park.	\$14,000
Potso Dog Park	Parking	\$35,000	Gravel parking lot needs paving.	\$36,000
Potso Dog Park	Irrigation	50,000	Enhance turf areas and park use.	\$50,000
Open Area Along Pathfinder Trail	Play Structure	\$35,000	The park system master plan calls for the addition of a park along the trail.	\$35,000
Sunrise	Concept Master Plan	\$50,000	Concept master plan for the Sunrise property (includes some topographical work).	\$51,000
Pauli Properties	Concept Master Plan	\$45,000	Concept master plan for this future neighborhood park.	\$45,000
Senn Park	Structure	\$50,000	Shelter or playground.	\$50,000
Metzger School	Park Facilities	\$270,000	Install park facilities at Metzger School and one other location with IGA (\$135,000 each).	\$135,000 *

Subtotal June 11, 2012, PRAB Recommended Bond-Funded Park Development Projects

\$520,000

Future Project - Previous PRAB Recommendation

Fanno Creek Trail	Trail Construction	\$100,000	Previously recommended for trail between Woodard and Main.	\$100,000
-------------------	--------------------	-----------	--	-----------

Future Projects - PRAB Recommended Bond-Funded Park Development Projects

\$620,000

* PRAB recommended one facility instead of 2.



City of Tigard

Public Works Department
Parks Division

Parks Bond Program Report

July 2012

PROGRAM SNAPSHOT

The city adopted its Park System Master Plan in 2009, which outlined the need to acquire park property and construct park improvements to preserve open spaces, enhance water quality and provide recreational opportunities. On November 2, 2010, Tigard voters passed a \$17 million general obligation bond to fund the purchase of real property for parks and to fund a limited amount of park improvements.

PROGRAM MILESTONES

The following list identifies the major milestones completed for the parks bond program.

- Completed acquisitions of Summer Creek, Sunrise, Potso and Paull properties – adding nearly 80 acres to the city's parkland inventory and leveraging bond resources with \$2.9 million of grant and local agency contributions to the program.
- Prepared Project Charters for East Butte Heritage Park, Jack Park, Fanno Creek House, the Summer Creek property and the Sunrise property to define project scopes, milestones and site conditions and constraints affecting design and permitting.
- Completed conceptual park master plans for East Butte Heritage Park, Jack Park, Fanno Creek House and the Summer Creek property.
- Obtained Conditional Use Permit approval for East Butte Heritage Park from city planning.
- Submitted the land use application package for the Fanno Creek House to city planning for review.
- Initiated a topographic survey for the Sunrise property to provide baseline information for a pending, community-based conceptual master plan.

STATUS OF WORK IN-PROGRESS

The following summarizes the key tasks associated with the initial set of projects for the parks bond.

Parks Division

Parks Bond: Program Update

East Butte Heritage Park: The project team finalized preliminary site design drawings and the land use application narrative for the conditional use permit. The land use application was submitted to city planning in January. As a Type-III review process, a public hearing with the Hearings Officer occurred in late April, and the Hearing Officer's approval of the conditional use permit was received in mid May. The project design team progressed the park design into a 90 percent construction drawing set in preparation for a public construction bid this summer. Park construction tentatively is scheduled for fall 2012.

Fanno Creek House: The project team prepared site design drawings and finalized materials for the land use permit application, which was submitted to city planning in late February. Minor edits and revisions of the land use permit submittal were required to obtain completeness on the application. City planning staff are currently reviewing the application, and final determination is expected at the end of June. Following land use review, the site design drawings will be modified to reflect conditions of approval, if any. Construction drawings will be prepared for a public construction bid this summer. Park construction tentatively is scheduled for fall 2012 and will include upgrading or re-paving parking areas, addressing emergency response vehicle access, addressing tree and landscaping installation, and adding bicycle racks and site signage.

Jack Park: The city hosted two neighborhood meetings (February, April) at the community room at Tualatin Valley Fire and Rescue Station 50 to discuss the conceptual master plan for this park. The meetings were well attended, and residents provided helpful feedback on the design concepts. Based on resident input, a community garden area was added to the design. The conceptual master plan includes a small tot-lot playground, community garden, a trail connection with a bridge over Krueger Creek to the existing portion of the park and pedestrian access to the Station 50 community room. The PRAB approved the site master plan during the May meeting. The project team has met with Clean Water Services (CWS) staff to discuss the park design and site impacts as they relate to CWS' standards. The design drawings are being refined, and land use permit application materials are being prepared, with a submittal to city planning scheduled for the third quarter of 2012.

Summer Creek (Fowler) property: The city hosted two community meetings (March, May) to receive public comments on draft and revised concepts for the future development of the site. Also in March, the project team hosted a walking tour and discussion of the project with key agency stakeholders and partners. Stakeholders in attendance included representatives from Metro, Clean Water Services, Fowler Middle School and Tualatin River Keepers, among others. Feedback and comments from the public meetings and the stakeholder discussion were incorporated into the design concepts for the property. Following the second public meeting, the design team revised the site master plan and prepared a narrative master plan document that highlights site conditions, development options and project phasing. The conceptual master plan and report were completed at the end of June and will be reviewed by the PRAB during their July meeting. The city will request bids for construction drawings and permitting this summer, with a land use permit application for the first phase of construction submitted to city planning during the fourth quarter of 2012.

Property Acquisitions: The city recently closed on the 8-acre Paull properties on the east side of Bull Mountain. One two-acre property acquisition is imminent and awaiting information from the seller. Due diligence and discovery have continued for high priority park acquisition properties following City Council's guidance in January to negotiate the purchase of additional properties. The internal project team continues to work with the PRAB and the CCAC toward the acquisition of a downtown park site(s).

UPCOMING ACTIVITIES

The following represent scheduled upcoming activities that are important in the implementation of the parks bond program:

- Continue due diligence, negotiation and closing on the program's priority acquisitions.
- Proceed with construction bid package preparation for East Butte Heritage Park.
- Proceed with construction bid package preparation for the Fanno Creek House.
- Proceed with land use permitting and construction drawings for Jack Park.
- Initiate design development and land use permitting for the first phase of development for the Summer Creek property.
- Proceed with master planning and public engagement for the Sunrise property.
- Complete a project charter outlining a master planning and public engagement process for the Paull properties.

PROGRAM BUDGET SUMMARY

A summary budget report and cost accounting information through mid-June 2012 are shown on the following page. Detailed program- and project-level accounting is being used internally to track expenditures by project, type and source.

Parks Division
Parks Bond: Program Update

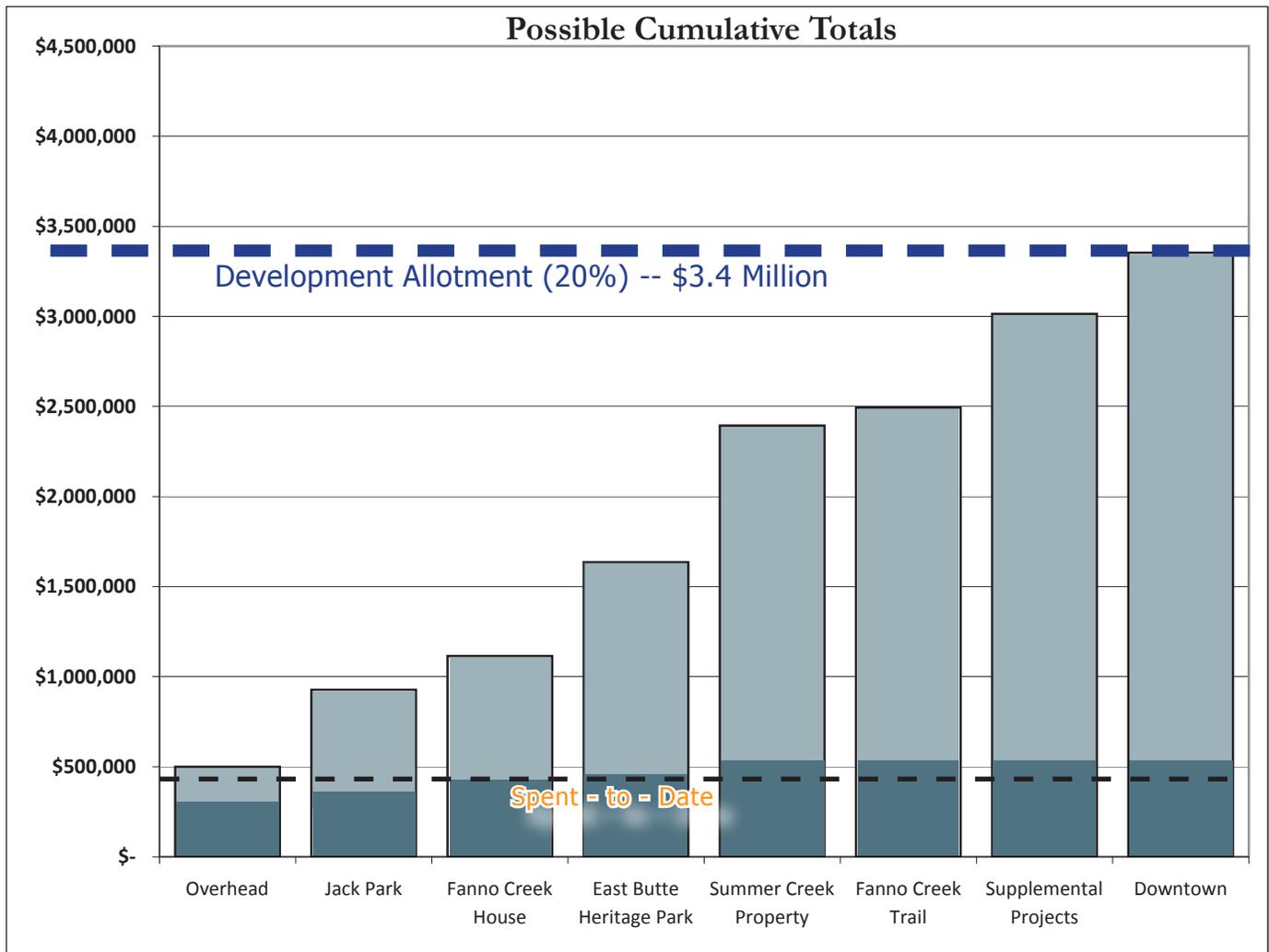
Parks Bond: Current Fund Balance & Expenditures

BOND FUND STARTING BALANCE	\$ 17,000,000
ACQUISITIONS	
Bond Allocation - Acquisition (%)	80%
Spent of Acquisition Component	76%
Subtotal	\$ 10,366,329
<i>Project Name</i>	<i>Expenses-to-Date</i>
<i>Summer Creek Property (Fowler)</i>	<i>\$ 3,364,857</i>
<i>Sunrise Park</i>	<i>\$ 5,003,214</i>
<i>Potso Dog Park</i>	<i>\$ 630,676</i>
<i>Downtown</i>	<i>\$ 3,372</i>
<i>Paull Property</i>	<i>\$ 1,756,410</i>
<i>Eiswerth Property</i>	<i>\$ 7,800</i>
<i>Sunrise Park (WA Co. transfer in)</i>	<i>\$ (400,000)</i>
DEVELOPMENT	
Bond Allocation - Development (%)	20%
Spent of Development Component	13.1%
Subtotal	\$ 445,313
<i>Project Name</i>	<i>Expenses-to-Date</i>
<i>East Butte Heritage Park</i>	<i>\$ 50,795</i>
<i>Fanno Creek House (Schaltz)</i>	<i>\$ 37,328</i>
<i>Summer Creek Property (Fowler)</i>	<i>\$ 83,257</i>
<i>Sunrise Park</i>	<i>\$ 4,554</i>
<i>Jack Park</i>	<i>\$ 58,754</i>
<i>Potso Dog Park</i>	<i>\$ 1,614</i>
<i>Overhead Costs (unallocated)</i>	<i>\$ 209,012</i>
Total Expenditures to Date	\$ 10,811,642
Bond Fund Balance	\$ 6,188,358

City of Tigard

Parks Bond Expenditure Forecast

DEVELOPMENT (July 2012)



Development Program

Site	Planning & Design	Construction	Cumulative Total
Overhead	\$ 500,000	\$ -	\$ 500,000
Jack Park	\$ 77,100	\$ 350,000	\$ 927,100
Fanno Creek House	\$ 37,200	\$ 150,000	\$ 1,114,300
East Butte Heritage Park	\$ 41,000	\$ 480,000	\$ 1,635,300
Summer Creek Property	\$ 58,200	\$ 700,000	\$ 2,393,500
Fanno Creek Trail	\$ -	\$ 100,000	\$ 2,493,500
Supplemental Projects *	\$ -	\$ 520,000	\$ 3,013,500
Downtown (reserved)	\$ -	\$ 340,000	\$ 3,353,500

Committed
 Projected

* See Supplemental Project list on reverse

NOTES:

- 1) Project construction costs represent recommended PRAB allocations. Final cost opinions or bid tabs have not yet been compiled for any listed design project.
- 2) Project costs have not been reduced or offset to account for potential contributions from Parks SDCs, Utility Fund, grants, etc.

City of Tigard

Parks Bond Expenditure Forecast

DEVELOPMENT (July 2012)

Supplemental Development Projects

Project	Description	Project Cost	Cumulative Total
SummerLake	Restroom	\$ 105,000	\$ 105,000
Commercial	Play Structure	\$ 13,000	\$ 118,000
Potso	Parking	\$ 37,000	\$ 155,000
Potso	Irrigation	\$ 50,000	\$ 205,000
Pathfinder	Play Structure	\$ 35,000	\$ 240,000
Sunrise	Concept Master Plan	\$ 50,000	\$ 290,000
Paull Properties	Concept Master plan	\$ 45,000	\$ 335,000
Senn Park	Structure	\$ 50,000	\$ 385,000
Metzger School	Park Facilities	\$ 135,000	\$ 520,000

Development Program: Potential Funding Sources by Type

Funding Source Matrix

Project	Bond	Park SDCs	Utility Fund	Grants
Jack Park	●	●		●
Fanno Creek House	●		●	
East Butte Heritage Park	●	●	●	●
Summer Creek Property	●	●	●	●
Fanno Creek Trail	●	●		●
Downtown	●	●		●
SummerLake	●			
Commercial	●			
Potso	●	●		
Pathfinder	●			
Sunrise (master plan)	●	●		
Paull Properties (master plan)	●	●		
Senn Park	●	●		
Metzger School	●			

NOTES:

1) To more fully fund or offset Park Bond expenditures, certain development project costs may be eligible for potential contributions from Parks SDCs, the city Utility Fund, grants, etc.

Workshop Meeting**Meeting Date:** 07/17/2012**Length (in minutes):** 45 Minutes**Agenda Title:** Joint Meeting with Tigard Transportation Advisory Committee**Prepared For:** Judith Gray**Submitted By:** Judith Gray, Community Development**Item Type:** Joint Meeting-Board or Other Juris.**Meeting Type:** Council Workshop Mtg.**Information****ISSUE**

Council will meet with members of the Tigard Transportation Advisory Committee (TTAC) to review the past year's accomplishments and discuss priorities for the coming year.

STAFF RECOMMENDATION / ACTION REQUEST

Discuss and provide feedback and/or direction on TTAC's past activities and future work program.

KEY FACTS AND INFORMATION SUMMARY**Background**

- TTAC was formed by Council resolution in 2009.
- TTAC is comprised of 11 positions; 8 for Tigard residents and 3 representing business/employers interests. Only 1 of the business/employer positions is filled. There are currently 2 alternates.
- In 2010, TTAC formed the Pedestrian Bicycle Subcommittee (PBS) which meets monthly.
- Staff support is provided jointly by Community Development, Public Works, and Finance.

Past Year Activities and Highlights.

- HCT Land Use Plan
- Pacific Highway/McDonald-Gaarde intersection concepts (scheduled for staff presentation at this work session)
- Project priorities for the Capital Improvement Plan

Future Work Program and Interests

- Southwest Corridor Plan/HCT Planning
- Project design
- Transit improvements

OTHER ALTERNATIVES

None

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**2012 Goals**

- 1 Take the Next Step on Major Projects
 - 1.b. Implement the Comprehensive Plan
 - 1.b.ii. Contribute to the SW Corridor Plan

Long-Term Goals

Continue pursuing opportunities to reduce traffic congestion.

Long-Range Objectives

Tigard's interests in regional and statewide issues are coordinated with appropriate agencies and jurisdictions. Tigard citizens are involved in the community and participate effectively.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council's last joint meeting with TTAC was June 21, 2011.

Workshop Meeting**Meeting Date:** 07/17/2012**Length (in minutes):** 45 Minutes**Agenda Title:** Re-evaluate the City's Annexation Policy - Background Report and Discussion**Prepared For:** Susan Hartnett**Submitted By:** Gary Pagenstecher, Community Development**Item Type:** Update, Discussion, Direct Staff**Meeting Type:** Council Workshop Mtg.**Information****ISSUE**

The Tigard City Council wishes to have an in-depth discussion about the City's annexation policy. Per direction received at the February 28, 2012 Council meeting, staff has prepared an Annexation Background Report to support discussion of the issue, which is scheduled for the August 21, 2012 workshop meeting.

STAFF RECOMMENDATION / ACTION REQUEST

Receive staff report on the Annexation Background Report and establish key issues for discussion at August 21, 2012 meeting.

KEY FACTS AND INFORMATION SUMMARY

City Council's goals for 2012 include a re-evaluation of the city's annexation policy and development of a philosophy and approach to annexations, including islands. At the February 28, 2012 meetings, the council passed a resolution continuing the current policy until February 2013 and directed staff to prepare a report that would lay the groundwork for a more in-depth discussion of annexation.

The Annexation Background Report (Attachment 1) includes the following sections:

- Legal Framework
- Tigard Annexation History
- Annexation Policy of Other Metro Area Cities
- Summary of Issues Affecting City Assets and Services Including Public Safety, Infrastructure, and Finances
- Islands of Unincorporated Territory

The report aims to provide sufficient context and background information for deliberation and decision by council to revise or reaffirm Tigard's annexation policy. The report does not provide policy analysis, propose specific options or actions for council consideration, or describe the resource implications of any potential action.

To help frame the next steps in this discussion, the council may want to review the following topic areas and prioritize the order in which to address them at the August 21, 2012 meeting and to provide staff direction on what additional information may be helpful before that meeting and discussion.

- Is a separate philosophy and approach for island annexation, as distinguished from extra-territorial annexations, needed? If so, how what would the key components of that philosophy and approach include? Are there special processes or incentives worth exploring?
- Is it helpful to discuss extra-territorial annexation of urbanized areas separately from extra-territorial undeveloped areas?
- If so, for the urbanized areas, the following questions might be helpful to consider:
 - Are the incentives in the current policy working? Are they relevant to these property owners?
 - Are there incentives that could be added?
 - Are there things to do as a "city" to invite or entice these property owners to consider annexations?
- For the undeveloped areas some of the same questions could be considered. In addition, the link between the

philosophy and approach for annexation of these areas and the timely completion of the River Terrace planning activities should be discussed.

These suggested discussion points are not intended to be exhaustive but to provide a starting place to assist the council in outlining the discussion anticipated to begin in August.

OTHER ALTERNATIVES

Not Applicable

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

2012 Tigard City Council Goal:

4. Annexation

- a. Re-evaluate the city's annexation policy
- b. Develop a philosophy and approach to consider annexations, including islands

DATES OF PREVIOUS COUNCIL CONSIDERATION

Tigard's current annexation policy has been reviewed annually beginning in January 17, 2006. This included establishment and subsequent review of incentive measures during the period 2007 through 2012. During the last several years, Council has, on occasion, discussed whether or not the City should make an effort to annex unincorporated islands.

Attachments

Attachment 1 - Annexation Background Report



City of Tigard Memorandum

To: Mayor Dirksen and Members of the City Council

From: Susan Hartnett, Acting Community Development Director
Gary Pagenstecher, Associate Planner

Re: July 3, 2012

Date: Background Annexation Report for July 17th Workshop Discussion

Introduction

Annexation is used to incorporate territory into the city to ensure the efficient provision of municipal services and to incorporate urbanizing lands into the city. Experience has shown that property owners are often reluctant to annex when they have access to urban services and benefits; those provided by the county and service districts, and those located within Tigard such as parks, library, employment, and shopping opportunities. City Council's goals for 2012 include a re-evaluation of the city's annexation policy and development of a philosophy and approach to annexations, including islands.

The purpose of this report is to provide background information for council's discussion as was requested by council at their February 28, 2012 workshop. The report aims to provide legal, historical, and policy context for deliberation and decisions to revise or reaffirm Tigard's annexation policy.

This report includes information on:

1. The legal framework for annexation established in state statute and the city's intergovernmental agreements, comprehensive plan, development code, and administrative procedures;
2. The history of the city's annexations from incorporation in 1961 to the present;
3. A summary of the annexation policy of other selected metro area cities;
4. Issues affecting city assets and services including finances, public safety, and infrastructure; and
5. Issues associated with unincorporated territory within the city's boundary (islands) including process and incentives to annex.

Legal Framework

The City's policies on annexation are based on state law and are found in the Comprehensive Plan. These policies are implemented through the Tigard Development Code and ordinances approving several Intergovernmental Agreements (IGAs). These IGAs are primarily between the City and Washington County, but also include the City and Metro and a number of service provider districts such as Tigard Water District, Clean Water Services for sewer and storm sewer service, and Tualatin Valley Fire and Rescue.

State Law

Oregon state law contains a number of regulations related to annexation.

Limitations on Annexation

A city may only annex territory that is contiguous to the city, and if (?) the annexation is reasonable. The exception to the contiguity requirement is that the territory to be annexed may be separated from the city by a public right of way or a body of water (ORS 222.111(1)). Factors considered in determining if an annexation is reasonable are:

- the contiguous properties represent the actual growth of the city beyond its boundaries;
- the properties are valuable because they can be put to city uses; and
- the properties are needed for the extension of city streets or services.

Election Based Annexation

Unless otherwise provided for under state law, annexations require an election. The statutory exceptions are addressed in the sections below. In the absence of an exception, a vote in the territory to be annexed and the annexing city is required. When an election is required, a majority of the electors in the city and the in the annexing territory must approve the annexation (ORS 222.160). The two elections do not need to take place concurrently, but cannot be more than 12 months apart (ORS 222.111(6)). Because it can be more efficient to have the smaller election in the territory first, to see if it passes, and only then have a more costly citywide election. The City of Tigard used a concurrent election process in 2004 in attempting to annex the unincorporated Bull Mountain area. In general, other than the West Bull Mountain and Metzger annexations, Tigard's experience has primarily been with consent annexations, which are described in the next section.

Consent Based Annexation

State law allows annexation without an election when certain consent of the property owners is obtained. Three such consent standards are 100% landowner consent, double majority, and triple majority. The city has relied on these consent annexations for annexations related to adjacent properties needing city services in order to develop.

- Annexation may occur with the **consent of 100% of the landowners and not less than 50% of the electors** living in the territory to be annexed.
- A **double-majority** annexation may occur without election if there is written consent from;
 1. more than half of the electors in the territory, and
 2. the owners of more than half of the land in the territory to be annexed (ORS 222.170(2)).
- A **triple-majority** annexation may occur without election if there is written consent from;
 1. more than half of the landowners in the territory to be annexed,
 2. owners of more than half of the land in the territory to be annexed, and
 3. owners of more than half of the assessed value in the territory (ORS 222.170(1)).

Island Annexation

A city may annex unincorporated territory that is surrounded by the city. Such territories are often referred to as “islands,” and may be unilaterally annexed without consent of the owner(s). A property is surrounded if it is bounded by the city on all sides, or by the city and a body of water or Interstate 5 (ORS 222.750(2)). The city’s Walnut Island was annexed in this manner.

A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed (ORS 222.111).

Intergovernmental Agreements (IGA)

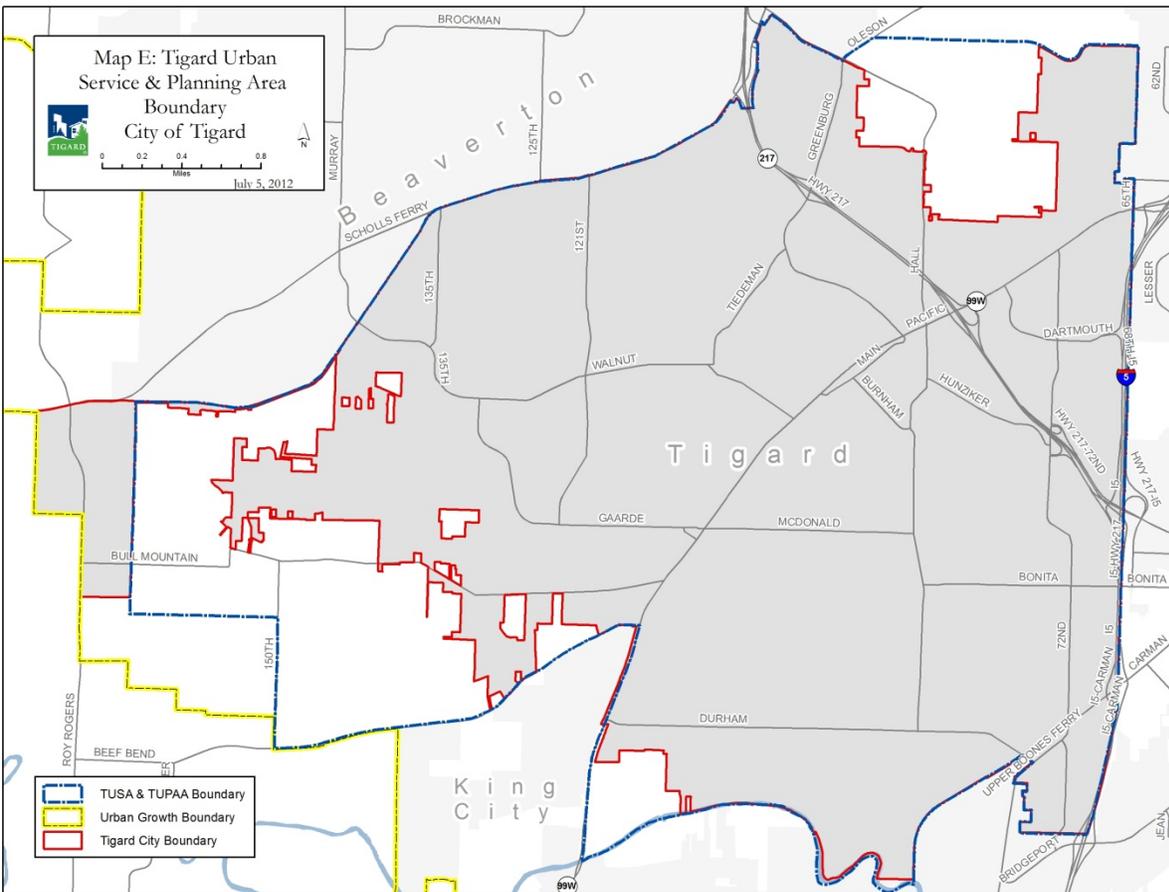
Several Intergovernmental Agreements are relevant to the city’s expansion into areas added to or within the Urban Growth Boundary (UGB). An Urban Planning Area Agreement and Urban Services Agreement are both required by state law

Statewide Planning Goal 2 requires city, county, state, federal agency, and special district plans and actions to be consistent with city and county comprehensive plans and regional plans adopted under ORS 197. This statute also requires the comprehensive plans to be coordinated for the efficient transition of land to urban uses. To achieve this, the Oregon Land Conservation and Development Commission requires each jurisdiction to submit an agreement setting forth the means by which comprehensive planning coordination within the regional urban growth boundary will be implemented.

The City of Tigard has operated under an Urban Planning Area Agreement (UPAA) with Washington County since 1983 that recognizes Tigard as the ultimate governance provider within the Urban Planning Area (UPA). However, almost all of the unincorporated area has been urbanized by Washington County. The current UPA encompasses the unincorporated areas of Bull Mountain and Metzger, but does not include the 2002 West Bull Mountain additions to the UGB (Areas 63 and 64).

An Urban Services Agreement, which is required by ORS 195, ensures the county, city, and special districts can effectively plan for and provide a continued, adequate level of urban services into the future. The agreement outlines the roles and responsibilities for planning, constructing, maintaining and coordinating urban services to a defined area. The current Tigard Urban Services Agreement (TUSA), which was initially created in 2002 and last updated in July 2006, identifies Tigard as the ultimate governance provider to the UPA. Updates to the TUSA are initiated by Washington County and all the signing agencies must concur with any proposed changes.

The area covered by the TUSA coincides with the UPA but no longer encompasses all of the city’s incorporated area as shown in Map E: Tigard Urban Services & Planning Area Boundary.



The Urban Planning Area Agreement acknowledges the TUSA and specifies a process for coordinating comprehensive planning and development. Section III.C.1 *Annexations*, states:

The county and city recognize the City as the ultimate service provider of the urban services specified in the Tigard Urban Services Agreement. The County also recognizes the City as the ultimate local governance provider to all the territory in the TUSA, including unincorporated properties. So that all properties within the TUSA will be served by the City, the County and City will be supportive of annexations to the City.

Section III.C.3 states:

... Annexations to the City ... shall not be limited to an annexation plan and the City and County recognize the right of the City and property owners to annex properties using the other provisions provided by the Oregon Revised Statutes.

The 2002 TUSA language calls for the City and County to be supportive of annexations to the city over time and included a 12 month schedule to annex the Bull Mountain and Metzger areas. These agreements provided the foundation for the city's West Bull Mountain annexation initiative.

In March of 2012, council approved the Coordination in Urbanizing Areas and Transfer of County Road Ownership Intergovernmental Agreement and the Assignment of Rights and Delegation of Duties under Construction Excise Tax Grant to advance the River Terrace Community planning effort.

Tigard Comprehensive Plan

The Comprehensive Plan policies provide for, but do not facilitate annexation. The city's annexation policy is included within the Urbanization goal of its Comprehensive Plan. The Urbanization goal is mandated by state statute. It provides a framework within which all development activities are coordinated. The goal attempts to integrate and balance available land resources in terms of the needs expressed by other Comprehensive Plan goals, namely, Housing, Economy, Public Facilities and Services, Natural Features and Open Space, and Transportation. Tigard's Comprehensive Plan Urbanization Goals include:

Goal 14.1. Provide and/or coordinate the full range of urban level services to lands and citizens within the Tigard City limits.

Goal 14.2. Implement the Tigard Urban Services Agreement through all reasonable and necessary steps, including the appropriate annexation of unincorporated properties.

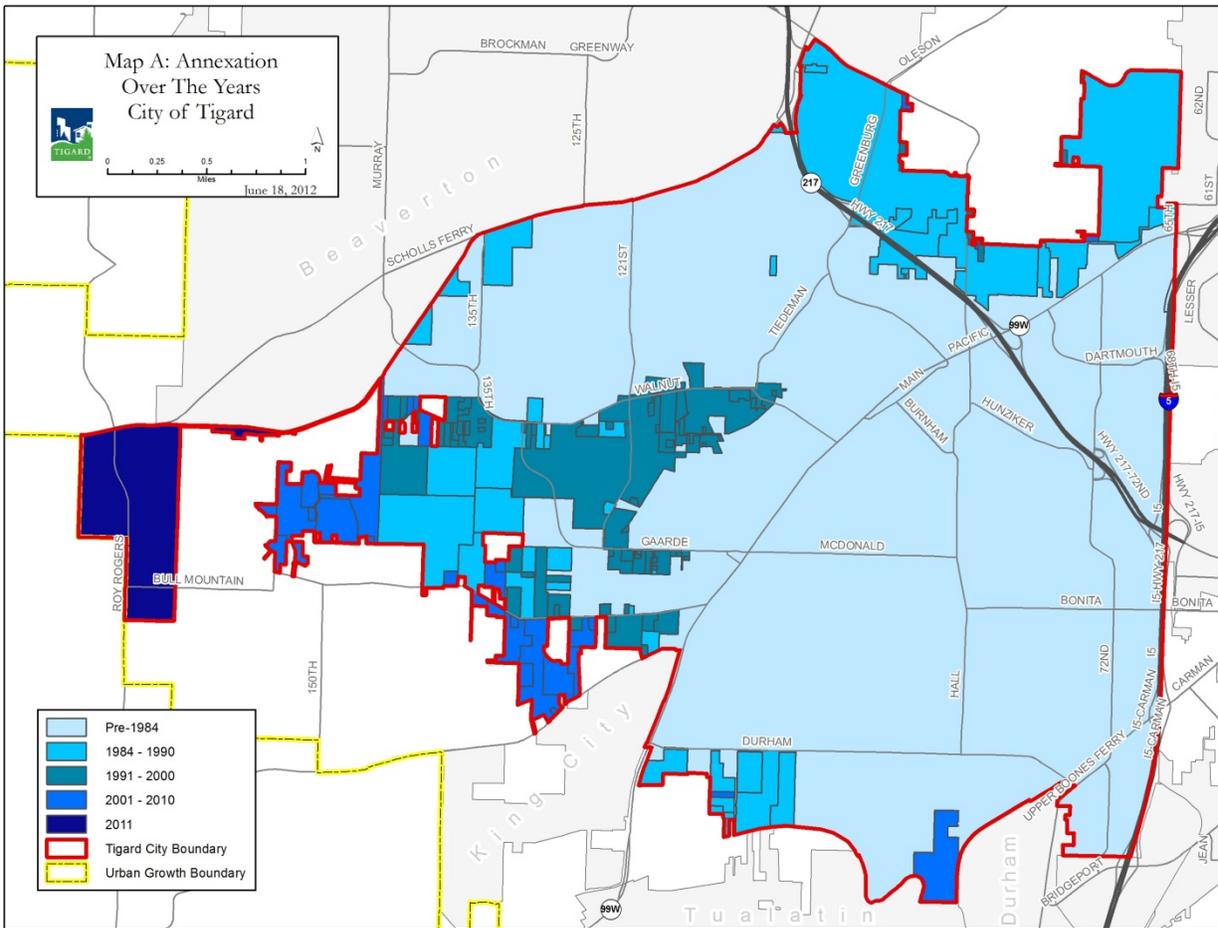
Goal 14.3. Promote Tigard citizens' interests in urban growth boundary expansion and other regional and state growth management decision.

Tigard Development Code (TDC)

The TDC Chapter 18.320 implements the policies in the Comprehensive Plan. Annexation is processed using a Type IV procedure, which requires a public hearing before City Council and includes approval criteria requiring a) services and facilities are available to the area with sufficient capacity to provide service for the proposed annexation area, and b) the applicable comprehensive plan policies and implementing ordinance provisions have been satisfied. The code also includes a conversion table (Table 18.320.1) which assigns city comprehensive plan and zoning designations to annexing parcels.

Tigard Annexation History

The City Of Tigard was incorporated in 1961. A dearth of information on the first 20 years makes tracking annexations difficult during that period. The city made a push to annex a number of islands during the early 1980s in the vicinity of McDonald/Garde. In addition, Map A: Annexation Over the Years, picks up where information is readily available in 1984 and shows the areas added to the city each decade thereafter. Table 1 correlates with the map, detailing the number of annexations and aggregate acres added to the city each decade, including River Terrace in 2011.



**Table 1
Annexation Over The Years**

Decade	No. of Annexations	Acres
1984-1990	44	1143
1991-2000	82	533
2001-2010	26	312
2011	1	230

Walnut Island Annexation

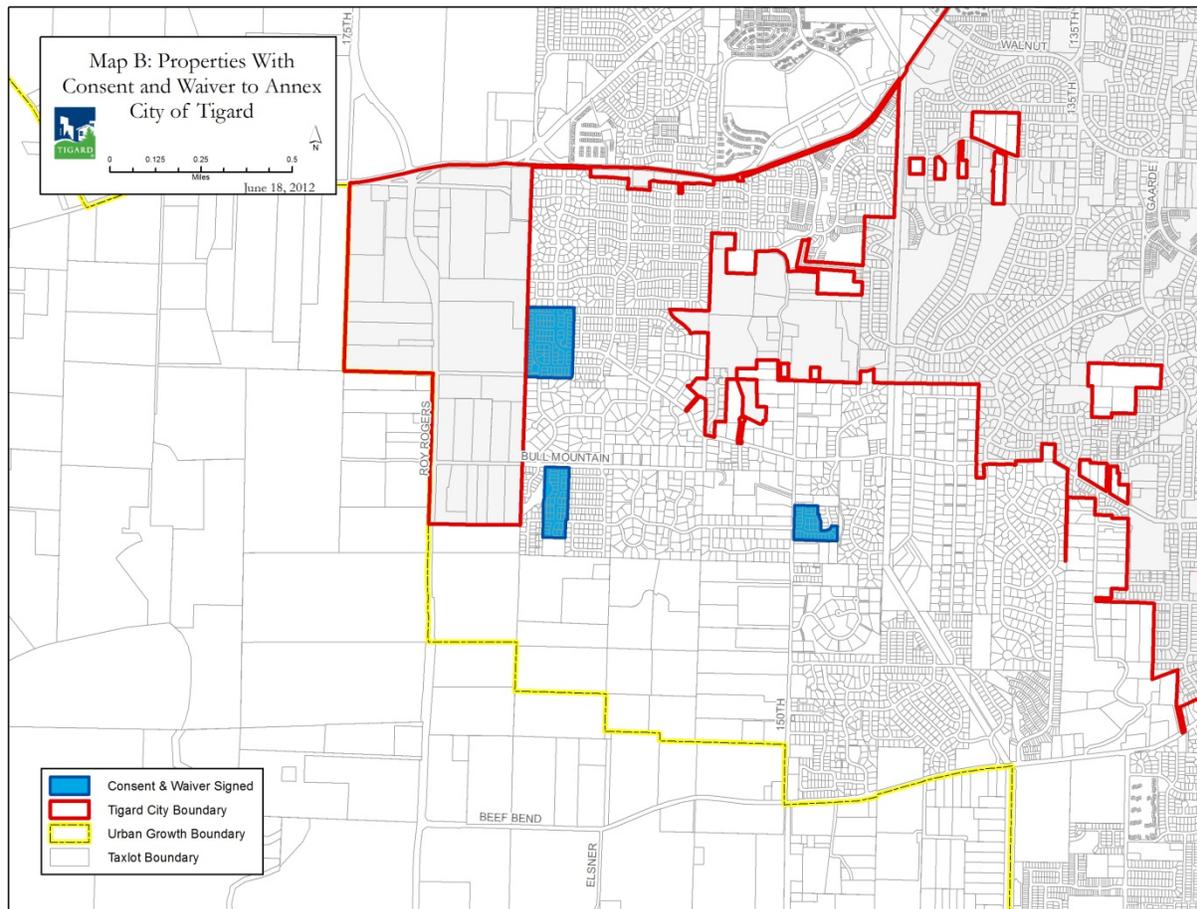
In 2000, the City annexed 15 islands of unincorporated Washington County land into the City of Tigard. Combined, the 15 areas include 496 lots and 310 acres of land located generally north of SW Garde Street, south of SW Walnut Street, and west of SW 114th Avenue. Notice of the proposed annexation was sent to property owners in the areas under consideration for annexation, as well as the property owners within 500 feet of those areas, which generated little comment and no controversy. Staff received 4 letters, 3 in opposition to the annexations and 1 in support of the annexations, and an email in support of the annexations.

West Bull Mountain Annexation

In 2004, the west border of Tigard was separated from the 2002 UGB Expansion Areas (63 and 64) by the unincorporated Bull Mountain area containing urban level development. At the same time, Metro and Washington County were indicating a preference for urbanization to occur within cities to address these conditions. The City put forward to voters a plan to annex the unincorporated Bull Mountain area within the TUSA. City of Tigard residents overwhelmingly passed the measure, but residents in the area to be annexed soundly defeated it, thus leaving the status quo.

In 2006, an incorporation effort took place to form the City of Bull Mountain and was turned down by West Bull Mountain voters.

From 1997 until 2006, the city provided planning and development services for the county in the unincorporated West Bull Mountain area. When property owners contiguous to the city boundary applied for annexations, simple consents were sufficient. However, when property owners applied for development of property within the Urban Services Area, but which were not contiguous to the current city boundary, contracts and waivers were used to ensure annexation at some point in the future when the city boundary becomes contiguous. Written consent to annex, an annexing procedure without a vote, included obtaining consents to annex by a willing property owner by contract in exchange for provision of services. The consents are binding on future property owners and good for a year, unless separate agreement waives the year limitation. Three (3) subdivisions, comprising 20.8 acres and 171 properties, are subject to these prior consents and waivers as shown in Map B: Properties With Consent and Waiver to Annex.



City Administrative Policies to Encourage Voluntary Annexation

Since 2000, the city's administrative policy on annexation has included sending a letter of solicitation to owners in the vicinity of a proposed annexation. The City encourages participation by offering to waive the annexation application fee for owners who joined. These solicitations occasionally resulted in joiners. Solicitations by the City also advise that if an owner chooses not to participate, but a majority of the surrounding neighbors did choose to do so, their property may involuntarily be annexed by double or triple majority. Involuntary annexation has rarely occurred.

Since March, 2007, the city has promoted voluntary annexation with a city property tax phase-in and the appeal of being part of a municipal community. In addition, council has annually passed continuing resolutions to encourage voluntary annexation through additional financial incentives including waiver of fees such that the process is now essentially free. Resolution No. 12-09, passed by council in February of 2012, continues the financial incentives to annex until February 2013.

The incentive policy has had little success to date. Few property owners have been motivated to annex by the incentives. Between April 2007 and January 2010 the City processed 8 annexations totaling approximately 42 acres. Seven adjacent property owners joined at the invitation of the City when the developer was required to annex for services. Three property owners, representing 6.77 acres, took advantage of the financial incentives and voluntarily annexed without immediate plans for development. Most of those who have done so needed city services to develop their property.

The 2008/9 Annexation Outreach Project, which included a series of direct mailings, an updated web page and online information, and small group meetings generated few inquiries or requests to voluntarily annex.

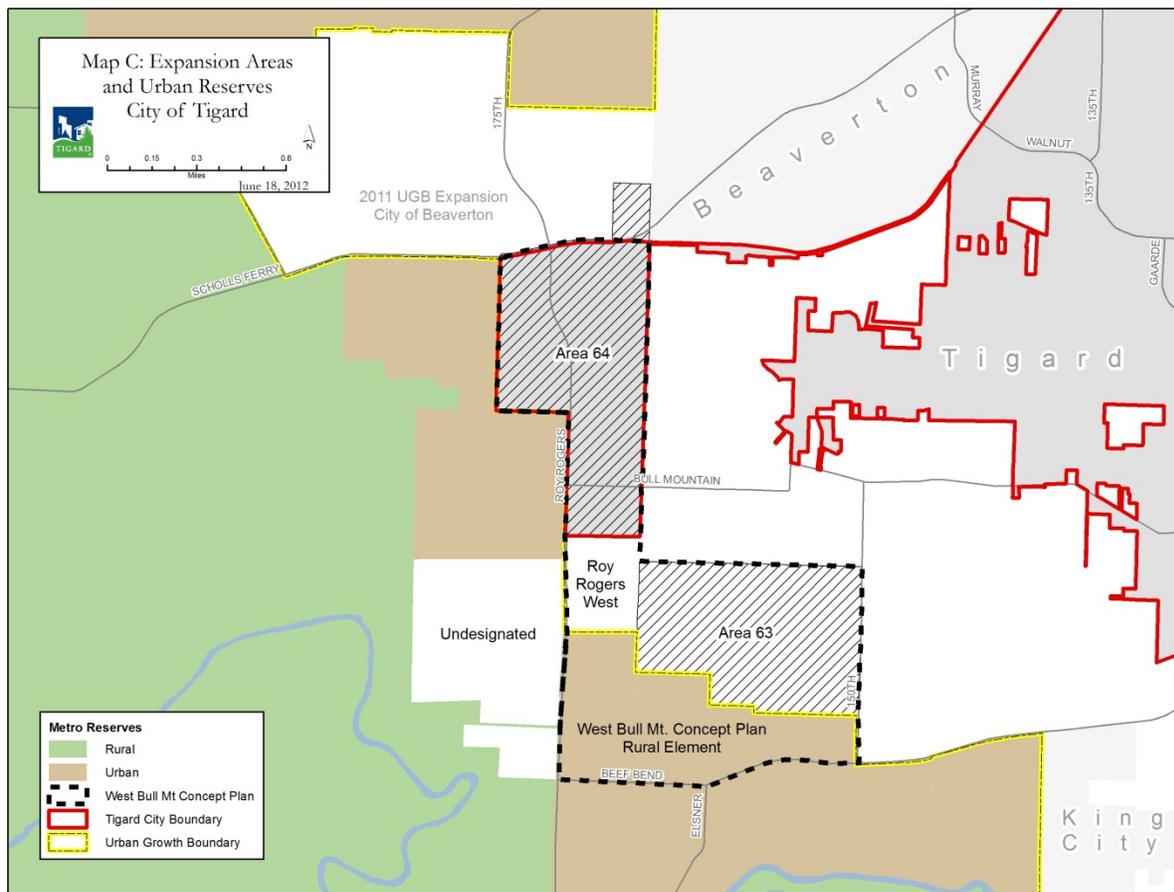
Island Annexation Initiative

In 2009, Washington County, through informal communication with Tigard, had urged annexation of unincorporated islands within the City limits to resolve County service inefficiency issues. (See Table 3, Unincorporated Island Area Profiles, and Map D, Existing Unincorporated Islands, in the Islands of Unincorporated Territory section, page 13.)

At the August 18, 2009 City Council Workshop, Council discussed options to initiate involuntary annexation of all unincorporated islands within Tigard. Council gave staff direction to develop an approach including amending the City's annexation policy to initiate involuntarily annexation within one year. Council also directed staff to design an outreach plan including personal contact with property owners to discuss individual issues and give island area property owners the opportunity to annex voluntarily before implementing the involuntary approach. Council also indicated that explicit support from Washington County should be sought before implementing a more aggressive approach to island annexation. This effort concluded in February, 2010 when the county declined to provide written support for a process for island annexation that could include involuntary annexations.

Urban Growth Boundary (UGB) Expansion Areas and Urban Reserves

Map C: Expansion Areas and Urban Reserves, shows Areas 63 and 64 that were added by Metro to the Urban Growth Boundary in 2002 and the recently designated reserves areas. UGB expansion areas and Tigard's urban reserves lie west of Bull Mountain, south of Scholl's Ferry Road generally along both sides of Roy Rogers Road. A concept plan for the two expansion areas and the rural element area was developed by Washington County in collaboration with stakeholders and local residents. The plan was approved by the Washington County Commission in 2010. The City of Tigard was acknowledged as the most feasible provider of urban services to the area.



UGB Expansion Area 64 (River Terrace)

In September 2011, the Tigard City Council voted unanimously to approve an owner initiated request to annex Area 64, approximately 200 acres in size, along with a utility corridor linking the area to the city boundary. This was approved through a triple majority annexation. Property owners in the area wished to obtain urban services necessary for development of their property. Detailed planning, infrastructure upgrades, and utilities are part of the urban services the city will provide. Resolving questions related to the provision and financing of public services and facilities will be key components of the River Terrace Community Plan (RTCP) scope of work. The RTCP will address land that has already been brought within the UGB, but identifying appropriate funding mechanisms to ensure efficient and orderly development of the land will be important.

UGB Expansion Area 63 and Roy Rogers West

In October 2011, Metro Council voted to expand the Metro UGB and included a 49-acre area just south of Area 64, called Roy Rogers West, which provides connectivity for infrastructure between Areas 63 and 64. The state Department of Land Conservation and Development (DLCD) recently approved the expansion. These actions also clear the way for annexation of Roy Rogers West and Area 63 since they are now contiguous with the City of Tigard. Some of the Area 63 property owners have expressed interest in annexation to obtain city services needed for future development.

Urban Reserves/Rural Element of the West Bull Mountain Concept Plan

In March 2011, Metro and Washington County entered into an agreement that identified Urban Reserves, Rural Reserves and Undesignated Areas that will guide future UGB expansions. For the next 50 years, Urban Reserves will be considered first for future UGB expansions. Undesignated areas can be considered under specific circumstances which are tied to the absorption of Urban Reserves. The provision and financing of public services and facilities to these areas presents a major growth management question for the City of Tigard in planning for the future.

The West Bull Mountain Rural Element was included in the West Bull Mountain Concept Plan and is identified as an Urban Reserve. This area could become eligible for consideration in the next round of UGB expansion if the formal adoption process to complete concept planning is completed.

Annexation Policy of Other Metro Area Cities

Staff surveyed general and island specific annexation policies of other Metro area cities including Hillsboro, Beaverton, Wilsonville, Tualatin, Gresham, Lake Oswego, West Linn, Portland, and Oregon City. All cities are subject to the annexation provisions in state statute. However, the following observations emerged from the survey with respect to islands, natural resources, and incentives.

Island annexation in other cities was not notable in the survey with the exception of Hillsboro. Both Portland and Gresham addressed island annexation in Multnomah County as a significant issue in the 1980s and 1990s. Beaverton's annexation initiative several years ago foundered in the face of resistance from business interests.

Hillsboro passed an island annexation ordinance in 2009, which informed staff's January 12, 2010 memo to council on both process and incentives to annex. Hillsboro's annexation initiative was motivated by efficient service delivery but also by livability issues due to agricultural uses in residential zones. The affected territory was significantly larger in scale than in Tigard in terms of total acres, number of properties, and zones affected.

Natural resource management on parcels proposed for annexation has become an issue for Wilsonville and Lake Oswego where some property owners cut trees and/or filled wetlands, degrading the property prior to annexation. Condition of the property is, therefore, a factor in decisions annexing property in those communities.

Wilsonville considers requests to waive or adjust fees but Tigard is alone in offering no-cost incentives to annex.

Summary of Issues Affecting City Assets and Services Including Finances, Public Safety, and Infrastructure

Both city assets and city services are affected by annexations; the key ones are described below.

Financial Implication of Annexation

The city of Tigard Finance Department indicates that if council changes its annexation policy the Department and the city's finances will be affected both from a revenue and a cost side. The following is a range of impacts that annexation may have on city finances or on the workload of the department:

Table 2 provides an overview of the General Fund (GF) implications – both revenues and expenses – of annexation of “unincorporated islands”. The data is based on the FY 2013 Adopted Budget and indicates a positive impact on property tax revenues within the General Fund. This impact will be minimal primarily due to the passage of Measure 50. In FY 2014-15, the General Fund is projected to receive about \$14,000,000 in property taxes. With the annexation of the unincorporated areas, the General Fund is expected to receive about \$45,000 in additional property taxes that same year.

Table 2
Expected Additional Property Taxes if Islands are Annexed

General Fund	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Total GF Revenues++	\$ 35,025,711	\$ 36,629,307	\$ 37,987,094
Plus Addtl Property Tax	\$ 14,887	\$ 30,226	\$ 45,113
Minus Total GF Expenses	<u>\$ (27,976,689)</u>	<u>\$ (29,158,928)</u>	<u>\$ (30,106,745)</u>
Net GF Revenues	\$ 7,063,909	\$ 7,500,605	\$ 7,925,462

* Assumptions based on the annexation of all unincorporated areas beginning FY 2012-13 using a 3-Year phase-in of property taxes.

++Total GF Revenues includes all revenues such as Property Taxes, Franchise Fees, Licenses & Permits, Intergovernmental Revenues, Service Charges, and Fines.

In addition, Building, Street Maintenance Fee, and Storm Funds would see nominal increases in revenue due to development activity. Planning fees are included in General Fund revenues. Future costs associated with Sanitary Sewer and road construction are difficult to quantify due to varying economic factors that are unknown at this time.

Any increased workload in Finance and Information Services will occur in Utility Billing as it relates to meter reading and billing for those areas that are not currently receiving services. In addition, Financial Operations will see a slight increase in workload due to any possible infrastructure financing resulting from the creation of Local Improvement Districts (LID).

Potential Impacts of Annexation on the Police Budget

With annexation of Area 64 and the potential of island annexations taking place during the near future, as well as Area 63 and Roy Rogers West eventually being brought in to the city, it will be a major challenge for the Tigard Police Department to maintain the same level of service and response time with the budget reductions made in FY 2012-13. The analysis completed at the time of the

annexation of Area 64 showed that at build-out that area alone would bring an additional 2,760 to 3,542 new residents. The department, before the FY2012-13 budget reductions, was staffed with sworn officers at 1.44 officers per thousand. The goal at that time was to eventually reach the goal of 1.5 officers per thousand. That would better position the department to at least be prepared for island annexations as they take place. However, with the projected population growth in Area 64 and the future impact of Area 63, the department will be faced with attempting to provide the same level of service at a ratio of less than one officer per thousand, well below the national standard for a city the size of Tigard. Just annexing the unincorporated islands would dilute strength and potentially response time depending on increase in calls for service, especially with budget reductions. Quantifying impacts with specific numbers would be difficult.

Potential Impacts of Annexation on the Public Works Budget

We know from past experience that the city has often had to find funds to bring services, such as streets and parks, up to municipal standards when County urbanized lands are annexed. Also associated with annexation is the demand for maintenance and operation. Typically maintenance requirements increase when annexed areas are underserved or have substandard public infrastructure that is often in constant need of repair. Prior to identifying operation and maintenance needs the water, sewer, storm and street systems should be included in the Master Planning of each system. This is especially true for areas like 63 and 64, while island annexations are usually already included in current master planning efforts.

The area being considered may have need for pump stations, reservoirs and transmission lines. These should be identified in a Water Master Plan that covers a 20 year CIP and a list of projects.

The sanitary sewer and storm sewer improvements are a joint consideration between City of Tigard and Clean Water Services. The development of reimbursement districts, SDCs and rates should be developed prior to annexation and should be part of the Master Planning efforts.

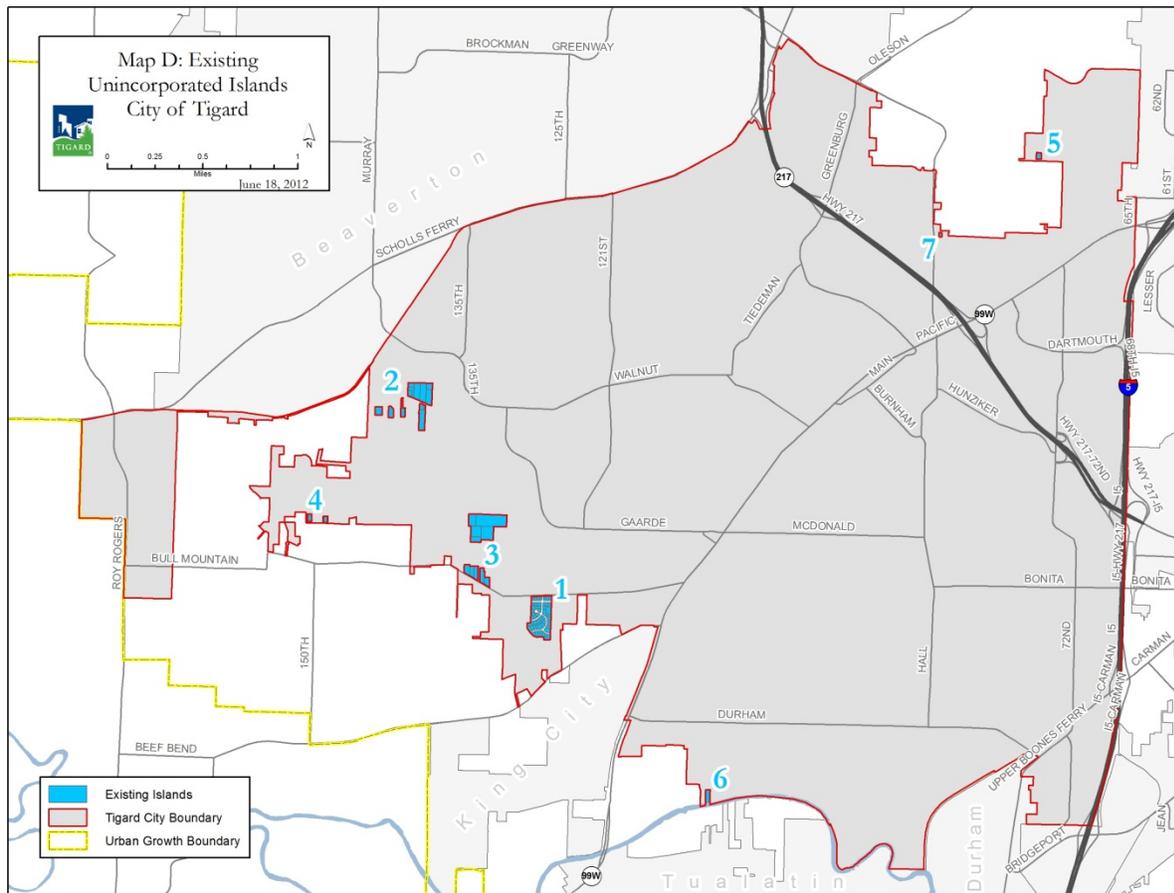
The streets system planning should consider the impacts to the street maintenance fee, which is based on the existing 2008 street system.

In general, as annexations occur, PW's workload increases, both from an operational perspective and from engineering planning. Operationally, annexations increase the lineal footage of streets and utilities, thereby adding to the maintenance workload of our staff. Thus, we have to factor those increases into our work planning and division budgets. On the Engineering side, the increase in street footage will eventually lead to a need to amend the Street Maintenance Fee to include those streets. The Pavement Management Program (PMP) is also revised to include these streets in future pavement work.

Islands of Unincorporated Territory

There are 14 islands comprised of 43.77 acres of unincorporated Washington County territory within the City's boundaries. These lands include 79 properties with 73 owners. Total assessed value of all properties is approximately \$26 million. Once all islands are completely annexed, there would be approximately \$45,000 in additional annual City property tax revenues (Table 2, above).

These island areas can be categorized into four general areas where there is more than one property, as shown on Map D: Existing Unincorporated Islands, and profiled in Table 3, Unincorporated Island Area Profiles.



**Table 3
Unincorporated Island Area Profiles**

Map	Island Area	Isld #	# of Acres	# of Properties	Zone	Lot Potential ^[1]
1	Arlington Heights	1	15.34	54	R-7	85 (54 actual)
2	Fern Street	5	13.61	12	R-7	76
3	Bull Mountain North	3	10.87	8	R-7	60
4	Sunrise Lane	2	1.06	2	R-7	6
5	7505 Landau Street	1	.59	1	R-4.5	2
6	16720 108 th Drive	1	.98	1	R-4.5	3
7	8540 Spruce Street	1	.33	1	R-12	3

^[1] Lot potential is calculated on 80% of gross area of property multiplied by the number or units per acre allowed in the zone; actual number of lots would be based on net developable area, which would likely yield significantly fewer lots (e.g. 63% of calculated lot potential for Arlington Heights due to sensitive areas).

In January 2010, Council reviewed a draft approach to initiate involuntarily annexation of island territories within one year. This included an outreach plan involving personal contact with property

owners to discuss individual issues and give island area property owners the opportunity to annex voluntarily before implementing the involuntary approach. Without written county support for island annexation, council concluded the initiative.

The recent IGA with Washington County on Coordination in Urbanizing Areas regarding River Terrace includes a section on annexation which states the “City agrees to begin annexation of unincorporated islands within its boundaries.” Council will need to determine whether this statement within the context of the IGA provides the city with adequate county support of an initiative to annex its islands.

The city has recently purchased two parcels (Paul Living Trust) totaling 8 acres within the Bull Mountain North island area (#3). Annexation of these parcels is currently being processed. Pursuant to the city’s administrative policies, owners of the three remaining parcels in the island will be invited to join the annexation. Both state law and the city’s policies would allow the city to annex these three additional parcels without consent. However, under the city’s existing voluntary annexation policy and consistent with past practice, the city would not involuntarily annex the adjoining island properties.

Future Annexation of County Roads

Based on the recent IGA with Washington County, the city is assuming ownership of county roads, and roads will transition into City ownership. To achieve some of these aspects of the IGA, annexation of right-of-way may be required in order to take jurisdiction of the roads. These annexations will result in the creation of several islands, which is not consistent with Tigard Comprehensive Plan policy (Goal 14.2, Policy 4(A)). The policy states: “The city shall evaluate and may require that parcels adjacent to proposed annexations be included to avoid creating unincorporated islands within the city.” However, the City Attorney suggests that this comprehensive plan provision is not mandatory for annexation approval. Based on the language and context of the provision, this is intended as an encouraging policy statement, and no case law or statute prohibits creation of unincorporated islands.

Summary

This report provides background information to prepare the City Council for planned discussion about potential changes to the current annexation policy. At the July 17, 2012 council workshop meeting, staff will review this report and council will prioritize topics for the first policy discussion, which is scheduled for August 21, 2012.