

Citizen Participation Organization 4B  
(CPO 4B)  
Bull Mountain/Tigard Boundary Area

**Study of Governance Options  
For Unincorporated Bull Mountain**

*Prepared For:*  
CPO 4B Members

*Prepared By:*  
The Bull Mountain Governance Committee  
of CPO 4B

December 1, 2005

**Note**

***This study was amended January 21, 2006 to reflect the inclusion of a recently established City of King City Local Police Levy.***

**CPO 4B**  
**A Washington County Citizen Participation Organization**  
**Bull Mountain/Tigard Boundary Area**  
**16200 SW Pacific Hwy., Ste H-242**  
**Tigard, OR 97224-3494**

December 1, 2005

Dear CPO 4B Members:

At our June CPO 4B General Meeting, you tasked CPO 4B with the job of forming a committee to study various governance options for the unincorporated Bull Mountain area.

The resulting volunteer committee gave many hours of their time to conduct interviews, attend meetings, compile data, and to assemble that data into the attached "Study of Governance Options for Unincorporated Bull Mountain." The five options studied were:

- Maintaining the status quo
- Annexing to the City of Tigard
- Annexing to the City of King City
- Forming a Community Service District
- Forming an independent City of Bull Mountain

The primary direction from the CPO 4B Steering Committee to the Bull Mountain Governance Committee was threefold:

- that the work be at all times impartial and educational, and that no option should in any way receive preferential treatment over others
- that the committee do its best
- that the committee professionally reflect the CPO at all times

We are comfortable that we have achieved these goals. However, because the report reflects a snapshot in time, and due to the complexity of the options studied and the difficulty of collecting relevant and consistent data from multiple jurisdictions, the study is not perfect. Neither is it all-inclusive. Nor is it anticipatory of every possible scenario. Rather, it is a starting point for the CPO 4B Members to review and study, with the ultimate hope that the information herein will give the residents of the area important information they need in order to make important decisions regarding the future of their community.

Thank you to all the volunteers who worked on this committee, and to all those governments who gave generously of their staff-time to help us to collect the data necessary to complete the study.

Sincerely,

*Charles F. Radley*

Charles F. Radley  
Chair  
CPO 4B Bull Mountain Governance Committee



## Introduction

On June 2, 2005, the main topic at the Citizen Participation Organization 4B (CPO 4B) General Meeting was “The Future of Bull Mountain - A Community Conversation.” Over 100 people attended. At that meeting, Joanne Rice and Anne Madden (Washington County), Jim Hendryx (City of Tigard) and Lisa Hamilton-Treick (Friends of Bull Mountain) discussed the state of Bull Mountain. Members of the community then spoke individually about their hopes and dreams for the future of the area. The discussion culminated in a successful motion to form a committee within the CPO to study governance options for the unincorporated area, and to present that information at a future meeting later in the year.

A total of ten volunteers stepped forward to help on the resulting Bull Mountain Governance Committee (BMGC). Some helped for only a short time, others stayed for the duration of the study. Charles F. Radley was chosen by the CPO 4B Steering Committee to chair the BMGC, and Ken Henschel to act as its Secretary. The BMGC met regularly in the Tualatin Valley Fire & Rescue station on Burnham Street in Tigard, and complied with all applicable Oregon Public Meetings Laws.

The BMGC, once formed, acted autonomously from the CPO 4B Steering Committee, though it gave the Steering Committee regular updates on its progress, and forwarded its meeting “minutes” to the Secretary of the CPO. The Steering Committee had no part in the actual operations of the BMGC, other than to present the BMGC with the following direction:

- Be professional at all times, as the conduct of the BMGC reflects on the CPO as a whole
- Do the best work possible
- Be impartial and educational in all aspects of the study, with no option receiving preferential treatment over another

The BMGC studied the following governance options for the unincorporated study area:

- Maintaining the status quo
- Annexing to the City of Tigard
- Annexing to the City of King City
- Forming a Community Service District
- Forming an independent City of Bull Mountain

The BMGC met many times, and members met individually in sub-groups, talked on the phone, exchanged e-mails, and communicated regularly with cities, counties, community service districts, and others as they collected and collated relevant data. Input was received from the City of Tigard, the City of Durham, the City of King City, the City of Damascus, the Sun River Service District, Washington County, Metro, the State of Oregon, the League of Oregon Cities, and others. Data was checked and double-checked, and every effort was made to insure its accuracy and its objectiveness.

The information gathered and presented in this study is a snapshot in time, and reflects the best efforts of the volunteers involved on the BMGC. However, the study is not perfect, as the volunteers involved are neither experts nor professionals in the area of governance. CPO 4B and the BMGC disclaim any and all responsibility for the use or misuse of all or parts of this study, and recommend that this study be only a starting point for future, more detailed analyses.



## Acronyms

To assist the reader, following is a quick guide to some of the acronyms used in this study.

BMGC:	<b>B</b> ull <b>M</b> ountain <b>G</b> overnance <b>C</b> ommittee
CDC:	<b>C</b> ommunity <b>D</b> evelopment <b>C</b> ode
CPO:	<b>C</b> itizen <b>P</b> articipation <b>O</b> rganization
CSD:	<b>C</b> ommunity <b>S</b> ervice <b>D</b> istrict
CWS:	<b>C</b> lean <b>W</b> ater <b>S</b> ervices
ESPD:	<b>E</b> nhanced <b>S</b> heriff's <b>P</b> atrol <b>D</b> istrict
ESU:	<b>E</b> quivalent <b>S</b> urface <b>U</b> nit
IGA:	<b>I</b> nter- <b>G</b> overnmental <b>A</b> greement
LID:	<b>L</b> ocal <b>I</b> mprovement <b>D</b> istrict
ORS:	<b>O</b> regon <b>R</b> evised <b>S</b> tatutes
SDC:	<b>S</b> ystem <b>D</b> evelopment <b>C</b> harge
SLD:	<b>S</b> treet <b>L</b> ighting <b>D</b> istrict
TIF:	<b>T</b> raffic <b>I</b> mpact <b>F</b> ee
UGB:	<b>U</b> rban <b>G</b> rowth <b>B</b> oundary
UPAA:	<b>U</b> rban <b>P</b> lanning <b>A</b> rea <b>A</b> greement
URMD:	<b>U</b> rban <b>R</b> oad <b>M</b> aintenance <b>D</b> istrict
USA:	<b>U</b> rban <b>S</b> ervices <b>A</b> greement

More detailed information on the above items is included within the body of the study.

Two other items of importance:

Incorporated Area:	Area that is within a city's boundary
Unincorporated Area:	Area that is not within a city's boundary

## General Information

### Borders:

The unincorporated Bull Mountain study area is roughly bordered as follows:

- The unincorporated (non-city) areas South of Barrows Road
- The unincorporated (non-city) areas East of Roy Rogers Road
- The unincorporated (non-city) areas North of Beef Bend Road
- The unincorporated (non-city) areas West of Oregon Highway 99W
- See the attached map for further details

The boundaries above were chosen by the BMGC because they are fairly clear and obvious, though not all-inclusive. If the residents of the area decide to embrace any of the studied governance options for their future, these arbitrary borders can be reconfigured to more accurately reflect their community goals.

### Population:

Per data received from Washington County, the population of the unincorporated study area above is approximately 9300 residents, living on approximately 3400 tax lots. The study area includes approximately 1700 acres.

### Voting Statistics:

Per data received from Washington County, the unincorporated study area contains approximately 5600 registered voters.

### Tax Statistics:

Throughout this study, the term “assessed value” is often used. Assessed value refers to a property’s official value on the County’s tax roles. “Assessed value” is very different from what a home might sell for on the open market. The difference between assessed value and the value of a home on the open market is often substantial, as market value changes quickly due to many market factors, but assessed value is limited by provisions of Measure 5 and Measure 50. Property taxes are based on a property’s assessed value, which is usually much lower than its sellable value. A property’s assessed value can be found on the property’s Washington County tax bill, or on the Washington County InterMap site at: <http://intratech.co.washington.or.us/intermap/> and by then entering the address data and then clicking on “A&T info” and then on “detailed A&T info.”

Per data received from Washington County, the total assessed value of the tax lots within the study area is \$737,331,630. Dividing the assessed value by the number of tax lots results in an average assessed value per tax lot of \$216,862.

## The Status Quo Governance Option

### Background:

The “Status Quo” in Latin refers to “the existing state of affairs.” This option studies doing nothing, and allowing things to stay “as-is.” This would include the present governmental representation, the present tax structure, the present service levels, the present parks & open spaces, the present roads, etc. Under this governance scenario, residents of the study area would let things naturally evolve.

Population demographic information for unincorporated Bull Mountain is unavailable, as such information is collected for city areas or for entire county areas, but is not easily available for an unincorporated piece of a county such as unincorporated Bull Mountain. However, the following data was provided by Washington County for this study:

- The population of the unincorporated study area above is approximately 9300 residents, living on approximately 3400 tax lots.
- The unincorporated study area contains approximately 5600 registered voters.

### Government:

Presently the residents of unincorporated Bull Mountain have Washington County as their local government. The residents are directly represented to the Washington County Board of Commissioners by Commissioner Roy Rogers (District 3). Approximately 1/3 of Bull Mountain is incorporated and is governed by the City of Tigard. However, that area is not the subject of this study. The border between the City of Tigard and the unincorporated areas has changed many times over the past years, as areas have become annexed to the City of Tigard. In November of 2004, the City of Tigard placed on the ballot an annexation of the whole of unincorporated Bull Mountain. The voters in the unincorporated area voted by approximately 89% to 11% against that annexation, and the annexation failed (<http://www.co.washington.or.us/deptmts/at/election/results/nov04.htm>). Since that election, the City of Tigard has continued to annex select unincorporated parcels, and has stated publicly that it plans to continue that practice. So in regards to governance, there really is no status quo, as the boundary line between the unincorporated areas and the City of Tigard areas is continually changing, with the unincorporated areas shrinking and the City of Tigard areas growing.

Additionally, Washington County, through various correspondences over the years (including the County 2000 plan) has expressed its belief that urban unincorporated areas are best served if they are part of a city, and has worked over the years to encourage the cities to annex unincorporated urban areas, including Bull Mountain. This practice is based on interpretation of Oregon Senate Bill 122 (SB 122).

Therefore, if the area does nothing in terms of governance (the Status Quo scenario), it is probable that at some point in the future the study area will be completely annexed to the City of Tigard.

### Probability of Involuntary Annexation:

If the residents of the study area continue with the “status quo,” the study area has a high probability of being annexed at some point in the future.

### Time Frame and Challenges:

To accomplish the “status quo” would require no time or challenges, as this option is already in place.

### Taxes:

In addition to the property taxes paid by all Washington County landowners, most residents of the subject area pay additional taxes for additional special services as follows:

- Enhanced Sheriff's Patrol District (ESPD): Property owners in the study area pay a total of \$1.1424 per \$1000 of assessed value to provide additional coverage above and beyond the normal Washington County Sheriff's Department patrol.
- Urban Road Maintenance District (URMD): Property owners in the study area pay a total of \$0.2456 per \$1000 of assessed value to provide additional road services from Washington County.
- Street Lighting District (SLD): Some (but not all) property owners in the study area pay a total of \$0.20 per \$1000 of assessed value to provide additional street lighting.

Therefore, most owners of property owners in unincorporated Bull Mountain pay approximately \$1.59 per \$1000 of assessed value in additional special property taxes to Washington County as described above. Note that although not all property owners in the study area pay the SLD, it is very difficult to separate out who does and who does not pay the SLD, and so we have included that amount in our various analyses in this study so that we would have one consistent number to work with (\$1.59 per \$1000 of assessed value).

### Parks & Open Spaces:

The City of Tigard is the designated parks provider for the study area per the Urban Services Agreement (USA) between Tigard, Washington County, and others. However, presently the study area has no local accessible public parks/greenspaces to serve either the existing or the future population. Tigard has collected System Development Charges (SDCs) for parks on incorporated areas of Bull Mountain, but Washington County presently has no mechanism that allows the County to similarly collect SDCs in unincorporated areas. Since Tigard has not in the past typically purchased land for parks outside of their city boundaries, and since Washington County is not regularly in the parks business, the study area is very under-served for parks. Per Metro Councilor Carl Hostika (at the 11/03/05 CPO 4B Meeting), “I can think of no other similar area within Metro that is this park deficient....Bull Mountain is an example of what Metro does not want to see happen.” Recently, Washington County enacted Ordinance 632 to allow the County to adopt an interim parks and recreation SDC for urban unincorporated areas; however, the actual implementation of the plan specifically for unincorporated Bull Mountain has not been accomplished as of the conclusion of this study. For more information and background, see the Washington County Ordinance 632 Staff Report at: [http://www.co.washington.or.us/deptmts/lut/planning/ord2004/ord632pc\\_stfrpt\\_100604.pdf](http://www.co.washington.or.us/deptmts/lut/planning/ord2004/ord632pc_stfrpt_100604.pdf). The City of Tigard is considering changing their policy to allow the City to purchase land outside of their city boundaries, but such purchases have not been made as of the conclusion of this study.

In addition, Metro has proposed a public “power line trail” that would follow the power lines over Bull Mountain. It is anticipated that such a project will either be advanced or halted regardless of long-term governance decisions on Bull Mountain.

### Permitting Services:

Presently, through an Intergovernmental Agreement (IGA) between Washington County and the City of Tigard, the City of Tigard provides permitting services to the study area (with the exception of UGB

Expansion Areas 63 and 64). The residents of the study area have little say in the procedures for permitting services, as they do not have voting rights in City of Tigard affairs. Tigard codes and ordinances have been applied in the study area. Permit fees are paid to the City of Tigard. Per state law, permit fees are for use by the collecting jurisdiction for expenses necessary to the permitting process, and are not collected to increase a municipality's general fund revenue stream. Additionally, the base amount of the fees is established by the State of Oregon, with local municipalities having the ability to request additional permit fees for differences in local situations. For more information, see ORS 455, and specifically ORS 455.210(3)a and ORS 455.210(3)c at (<http://www.leg.state.or.us/ors/455.html>).

- **ORS 455.210 Fees; appeal of fees; surcharge; reduced fees.**
  - (3)a: A municipality may adopt by ordinance or regulation such fees as may be necessary and reasonable to provide for the administration and enforcement of any specialty code or codes for which the municipality has assumed responsibility under ORS 455.148 or 455.150.
  - (3)c: Fees collected by a municipality under this subsection shall be used for the administration and enforcement of a building inspection program for which the municipality has assumed responsibility under ORS 455.148 or 455.150.

The City of Tigard implements a controversial policy in the study area whereas property owners must sign a "consent to annex" or a "non-remonstrance agreement" as a precondition to receiving a development permit. Additionally, developers have been told that if they annex, they are not required to follow the provisions of the Bull Mountain Community Plan (BMCP), which is part of Washington County's Comprehensive Plan.

#### Planning Services:

Washington County is presently responsible for planning services in the study area. Through an agreement with the City of Tigard, Tigard implements those services.

#### Local Codes:

- Tree Codes
  - The Bull Mountain Community Plan states the following:
    - "Because trees are such an important natural and scenic resource on Bull Mountain, development in areas of standing trees shall be designed to minimize the number of trees to be cut. At the time of development, no more than fifty percent of the mature standing trees (six inch diameter or greater) shall be removed from any parcel. Development design and clearing for structures shall provide for maximum retention of old growth trees. Prior to development, the harvesting of forest tree species for their commercial value shall be in accord with the Oregon Forest Practices Act. The slope stabilization and revegetation plan shall indicate the mature trees planned for removal and describe the replacement programs. Replacement trees must be of at least 1-1/2 inch diameter."
    - The above is not being enforced.
  - See (<http://www.co.washington.or.us/deptmts/lut/planning/docs/bullmt/cmp.htm>).
- Density

- Washington County calculates density per its Community Development Code. For additional information, see:  
<http://www.co.washington.or.us/deptmts/lut/plan01/codepdf04/code.htm>.
- Zoning
  - Washington County calculates its zoning per its Community Development Code. For additional information, see:  
<http://www.co.washington.or.us/deptmts/lut/plan01/codepdf04/code.htm>.
- Noise Control
  - Washington County noise control ordinances apply in the study area, with enforcement by Washington County.
  - See <http://www.co.washington.or.us/code/> and click on Title 8.24.
- Traffic Control
  - Washington County traffic control ordinances apply in the study area, with enforcement by Washington County.
  - See <http://www.co.washington.or.us/code/> and click on Title 15.
- Traffic Calming (Speed Bumps, etc.)
  - Washington County traffic calming programs apply in the study area through the Neighborhood Streets Program.
  - See [http://www.co.washington.or.us/deptmts/lut/eng\\_srvy/nsp.htm](http://www.co.washington.or.us/deptmts/lut/eng_srvy/nsp.htm) for additional information.
- Sensitive Land Surveys
  - The Bull Mountain Community Plan requires Sensitive Land Surveys on summits and slopes of Bull Mountain.
  - The City of Tigard does not require Sensitive Land Surveys on Bull Mountain.
  - See <http://www.co.washington.or.us/deptmts/lut/planning/docs/bullmt/cmp.htm>.

#### Service Levels:

- Police Services
  - Provided by Washington County Sheriff's Department (Rob Gordon, Sheriff).
  - Total approximately 500 employees on staff, including 212 sworn law enforcement personnel (not including corrections staff in the jail).
  - Approximately 0.5 officers per 1000 residents (base patrol).
  - Additional 0.5 officers per 1000 residents (enhanced rate) includes a Washington County Enhanced Sheriff's Patrol District (ESPD) for which residents pay \$1.1424 per \$1000 of assessed value.
  - The total coverage is approximately 1.11 officer per 1000 residents in the study area (per Sheriff Rob Gordon, email on 11/21/05).
  - See additional details at <http://www.co.washington.or.us/sheriff/patrol/espd.htm>.
- Fire & Rescue Services

- Provided by Tualatin Valley Fire & Rescue (<http://www.tvfr.com/>).
  - The coverage is not expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
- Public K-12 Schools
    - Provided by Tigard-Tualatin School District (<http://www.ttsd.k12.or.us>) in parts of the study area, and by Beaverton School District (<http://www.beaverton.k12.or.us>) in other parts of the study area.
    - Neither the coverage nor the districting is expected to change in any of the five studied governance options.
    - The costs are not expected to change in any of the five studied governance options.
- Clean Water
    - Provided by the Tigard Water District (serves unincorporated areas).
    - Rates are as below. Note: 100 cubic feet = 748 gallons.
    - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study for all five governance options.

**Water Rates and Information (per 100 cu. ft.)**

Type	New Rate effective 10/1/05
Residential	\$2.05
Multi-Family	\$2.03
Commercial	\$2.40
Industrial	\$1.99
Irrigation	\$2.56
Booster Charge	\$4.68*
Customer Charge	\$5.29*

\* Per Billing Period (every two months)

- Sewer
  - Billed by Clean Water Services.
  - Based on rates set by Clean Water Services.
  - Bi-monthly rate is \$35.62 per dwelling unit plus a usage fee of \$1.23 per 100 cubic feet. 100 cubic feet = 748 gallons.
  - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.
  - If an area presently on septic wants sewer service, they work directly with Clean Water Services to form a Local Improvement District (LID) or other mechanism to bring sewers to their neighborhood.
  - Note: For those properties presently on septic, Clean Water Services has goals to have all areas on sewer in the future, though they have not set a date. Per Andy Braun (CWS Capital Improvement Manager) in an 11/28/05 interview, any neighborhoods in the unincorporated study area that desire sewers can get them through CWS. No matter which of the options we are studying in this report, sewers are available. The only difference is which jurisdiction must be contacted to provide the sewers, and different jurisdictions may offer different incentives or financing packages.

- Surface Water Runoff
  - Billed by Clean Water Services.
  - Based on rates set by Clean Water Services.
  - Bi-monthly rate is \$8.00 per Equivalent Surface Unit (ESU). 1 ESU = 2640 square feet of impervious surface. Most residences are billed based on 1 ESU.
  - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.
  
- Garbage Disposal
  - Billed and provided by Pride Disposal.
  - \$18.06/month (20 gallon), including garbage, recycling, bi-weekly yard debris service.
  - \$19.65/month (32 gallon), including garbage, recycling, bi-weekly yard debris service.
  - \$28.51/month (60 gallon), including garbage, recycling, bi-weekly yard debris service.
  - \$33.72/month (90 gallon), including garbage, recycling, bi-weekly yard debris service.
  
- Street Maintenance
  - All roads in the study area are presently owned by Washington County.
  - Provided by Washington County directly and through its contractors.
  - Property owners in the study area pay a total of \$0.2456 per \$1000 of assessed value for additional road services from Washington County through the Urban Road Maintenance District (URMD).
  
- Alarm Permits
  - Washington County charges an alarm permit fee of \$54 per year (combined burglary and robbery), and has false alarm charges.
  - For further information see: <http://www.co.washington.or.us/sheriff/service/alarms.htm>.
  
- Business Licenses & Home Occupation Permits
  - Washington County has no annual Business Tax.
  - Washington County requires an annual Home Occupation Permit, with fees as follows:
    - Small home business (no signs, computer work, etc.): no charge.
    - Type 1 (up to 5 outside employees/customers/etc. No signage): \$250 (\$115 yearly renewal fee).
    - Type 2 (one outside employee, 10 daily client visits. Small sign allowed): \$1204 (\$364 yearly renewal fee).
    - For further information, see: [http://www.co.washington.or.us/deptmts/lut/land\\_dev/dev\\_serv/forms/forms.html](http://www.co.washington.or.us/deptmts/lut/land_dev/dev_serv/forms/forms.html).

Citizen Participation:

Citizen Participation Organization 4B (CPO 4B) is the official Washington County CPO for the study area. CPO 4B encompasses all of Bull Mountain (unincorporated areas and City of Tigard areas) and also covers other parts of the City of Tigard.

## City of Tigard Governance Option

### Background:

The City of Tigard was incorporated in 1961. It has a population of approximately 45,000. The median age is 34.5 and approximately 8% are under 5 years old, 20% are 5-19 years old, 41% are 20-44 years old, 21% are 45-64 years old, and 10% are 65 years old or older (2000 U.S. Census data). The average residential real-market-value is approximately \$235,357 and the average residential assessed value is approximately \$176,538 (Washington County Summary of Assessment & Tax Roll-Fiscal Year 2004-2005). Tigard has its own police department, with approximately 62 paid and reserve officers (Oregon Economic Community Development Department). Tigard has its own library building, with approximately 70% of the operating revenue coming from the Washington County Cooperative Library Services ([http://www.tigard-or.gov/library/proposed\\_library/faq.asp](http://www.tigard-or.gov/library/proposed_library/faq.asp)). The library building itself was largely funded by a \$13 million bond approved by Tigard city voters in 2002 (see [http://www.tigard-or.gov/library/proposed\\_library/default.asp](http://www.tigard-or.gov/library/proposed_library/default.asp) for additional information regarding the Tigard Library). Tigard has Tri-Met bus service (see <http://www.trimet.org/schedule/index.htm> for additional information regarding the Tri-Met service in Tigard).

### Government:

The City of Tigard, like most cities in Oregon, has a “weak-mayor” form of government. Mayor Craig Dirksen works with four City Councilors (Nick Wilson, Sydney Sherwood, Tom Woodruff, and Sally Harding). The Council positions are staggered, so that not all positions are up for elections simultaneously. The Mayor receives a salary of \$475 per month, and each Councilor receives a salary of \$350 per month ([http://www.tigard-or.gov/city\\_hall/city\\_council/council\\_appointment.asp](http://www.tigard-or.gov/city_hall/city_council/council_appointment.asp)). Under the Council-Manager system, the day-to-day operations of the City are handled by the City Manager, Craig Prosser, who serves at the pleasure of the City Council. The City of Tigard operates from its City Hall on SW Hall Blvd. in Tigard. The City of Tigard has approximately 280 employees. Additional information is available at <http://www.tigard-or.gov>.

If the area were to annex to Tigard, per Tigard City Manager Craig Prosser (via 11/22/05 correspondence to the BMGC):

- “Voters would be eligible to vote in their new jurisdiction upon the effective date of the annexation...For residents already in the County prior to the annexation who are registered voters, they don’t need to register again - the County transfers them to their new precincts.”
- Annexed residents can run for Council positions if they are registered voters and have lived within the annexed area of Bull Mountain or within the City of Tigard city limits continuously for one year prior to the City Council election (or a combination of part of that year in the newly annexed area and part of the year in the old city boundaries before annexation).

### Probability of Involuntary Annexation:

If the study area were to voluntarily annex to Tigard, the probability of being involuntarily annexed becomes moot.

### Time Frame and Challenges:

Annexation of the study area to the City of Tigard would require approximately one to two years, including time for studies, hearings, ballot titles, City Council decision making, elections, etc. Such an annexation would require a dual majority vote, with the voters of Tigard and the voters of the unincorporated area both having to separately agree to the annexation. If one uses the November 2004 election results (<http://www.co.washington.or.us/deptmts/at/election/results/nov04.htm>) as a predictor of future trends, then the City of Tigard voters already embrace the concept, but the unincorporated voters would require some convincing.

### Taxes:

The City of Tigard has a permanent tax rate of \$2.5131 per \$1000 of assessed value. In addition, Tigard residents pay \$.1846 per \$1000 of assessed value on the city's outstanding General Obligation Bond for the Tigard Library, approved by the Tigard votes on May 21, 2002. This bond has payments due through 2022. So, in total, Tigard property owners presently pay \$2.6977 per \$1000 of assessed value (in addition to County taxes and other taxes common to the whole area). If annexed to the City of Tigard, \$2.6977 is the rate that property owners in the study area would pay. The existing unincorporated area Enhanced Sheriff's Patrol District levy, the Urban Road Maintenance District levy, and the Street Lighting District levy would no longer be paid in property taxes.

The City of Tigard charges \$2373 for a tax lot to annex into the City of Tigard (see [http://www.tigard-or.gov/city\\_hall/services/fees\\_charges/docs/fees\\_charges-complete\\_05-06.pdf](http://www.tigard-or.gov/city_hall/services/fees_charges/docs/fees_charges-complete_05-06.pdf))

Metro charges additional annexation fees as follows (see [http://www.metro-region.org/library\\_docs/about/chap309.pdf](http://www.metro-region.org/library_docs/about/chap309.pdf)):

- Single tax lot of less than one acre: \$150.00
- 1 to 5 acres: \$250.00
- 5-40 acres: \$300.00
- Greater than 40 acres: \$400.00 or actual cost at \$85.00/hour

### Parks & Open Spaces:

Presently the study area has no accessible public parks/greenspaces to serve either the existing or the future population. The City of Tigard is presently the designated parks provider for the area per the Urban Services Agreement (USA). If the study area were to annex to Tigard, the City of Tigard would collect System Development Charges (SDCs) on new development for parks throughout the study area, as they presently do for all areas within their city limits. Presently that rate is \$3753.00 per new single-family unit ([http://www.tigard-or.gov/city\\_hall/city\\_council/docs/resolutions/Res04-97.pdf](http://www.tigard-or.gov/city_hall/city_council/docs/resolutions/Res04-97.pdf)). Also, the purchasing of lands for parks in the study area would be figured into existing park strategy within Tigard, where priority typically has been given to areas based on the need for services. Tigard is presently low among metro-Portland-area cities in the number of acres of parks per 1000 residents (Portland Monthly Magazine, March 2005 issue, pgs. 80-84), and has total acreage of 179.63 of developed parks ([http://www.tigard-or.gov/library/proposed\\_library/faq.asp](http://www.tigard-or.gov/library/proposed_library/faq.asp)), which averages to approximately 4 acres per 1000 residents). If the study area were to annex to Tigard, Tigard's population would increase to approximately 54,300, with the average number of acres of parks dropping to approximately 3.3 acres per 1000 residents. If Tigard were then to increase the number of acres of parks to that of two of its largest Portland-area neighbors, Tigard would have to add almost 720 acres (to its existing 179.63 acres) to achieve Lake Oswego's average of 16.57 acres per 1000 residents or would have to add about 970 acres (to its existing 179.63 acres) to achieve Beaverton's average of 21 acres per 1000 residents.

In addition, Metro has proposed a “power line trail” that would follow the power lines over Bull Mountain. It is anticipated that such a project will either be advanced or halted regardless of long-term governance decisions on Bull Mountain.

#### Permitting Services:

If the study area were to annex to the City of Tigard, permit fees would be the same as they presently are, and would be paid to the City of Tigard (as they presently are). The exception is UGB Expansion Areas 63 and 64, which would switch permitting services from Washington County to the City of Tigard.

#### Planning Services:

If the study area were to annex to the City of Tigard, Tigard would assume long-range planning responsibility for the study area. It is probable that the existing Bull Mountain Community Plan would continue to be the Comprehensive Plan for the area, at least until Tigard includes the study area in their own City of Tigard Comprehensive Plan. Washington County has expressed interest in planning the Urban Growth Boundary (UGB) Expansion Areas 63 and 64, but that had not been determined as of the conclusion of this study.

#### Local Codes:

- Tree Codes
  - The City of Tigard has a Landscaping & Screening code in its Community Development Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18745~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18745~1.pdf).
  - The City of Tigard has a Tree Removal Code in its Community Development Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18790~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18790~1.pdf).
- Density
  - The City of Tigard calculates density per Chapter 18.715 of its Community Development Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18715~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18715~1.pdf).
- Zoning
  - The City of Tigard calculates zoning per its Chapter 18.220 of its Community Development Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18220~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18220~1.pdf).
- Noise Control
  - The City of Tigard addresses noise in 7.40.130 of its Municipal Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/07-040.pdf](http://www.tigard-or.gov/business/municipal_code/docs/07-040.pdf).
- Traffic Control

- The City of Tigard addresses traffic controls in Title 10 of its Municipal Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/title-10.asp](http://www.tigard-or.gov/business/municipal_code/title-10.asp).
- Traffic Calming (Speed Bumps, etc.)
  - The City of Tigard addresses traffic calming in Chapter 8-60 of its Transportation System Plan. For additional information, see: [http://www.tigard-or.gov/city\\_hall/departments/engineering/transportation\\_plan/docs/chapter\\_08.pdf](http://www.tigard-or.gov/city_hall/departments/engineering/transportation_plan/docs/chapter_08.pdf).
- Sensitive Land Surveys
  - The Bull Mountain Community Plan requires Sensitive Land Surveys on summits and slopes of Bull Mountain.
  - The City of Tigard does not require Sensitive Land Surveys on Bull Mountain.
  - See <http://www.co.washington.or.us/deptmts/lut/planning/docs/bullmt/cmp.htm>.
  - The City of Tigard has provisions for Sensitive Land Surveys in Chapter 18.775 of its Community Development Code. For additional information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18775~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18775~1.pdf).

#### Service Levels:

- Police Services
  - Provided by the Tigard Police Department (Bill Dickinson, Chief of Police).
  - The Tigard Police Department has a total of approximately 79 employees on staff, including 62 sworn officers (per Chief Dickinson, 11/21/05).
  - See (<http://www.tigard-or.gov/police/departments/profile.asp>) for further information.
  - Tigard has approximately 1.33 officers per 1000 residents (based on population estimate of 45,000 and information from Tigard City Manager Craig Prosser on 11/23/05).
  - See additional details at <http://www.tigard-or.gov/police/departments/organization.asp>.
- Fire & Rescue Services
  - Provided by Tualatin Valley Fire & Rescue.
  - The coverage is not expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
- Public K-12 Schools
  - Provided by Tigard-Tualatin School District (<http://www.ttsd.k12.or.us>) in parts of the study area, and by Beaverton School District (<http://www.beaverton.k12.or.us>) in other parts of the study area.
  - Neither the coverage nor the districting is expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
- Clean Water
  - Would be provided by the City of Tigard, with residents paying the same as they presently do through the Tigard Water District.
  - Rates are as below. 100 cubic feet = 748 gallons.

- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study for all five governance options.

**Water Rates and Information (per 100 cu. ft.)**

Type	New Rate effective 10/1/05
Residential	\$2.05
Multi-Family	\$2.03
Commercial	\$2.40
Industrial	\$1.99
Irrigation	\$2.56
Booster Charge	\$4.68*
Customer Charge	\$5.29*

\* Per Billing Period (every two months)

▪ Sewer

- Billed by the City of Tigard.
- Based on rates set by Clean Water Services.
- Bi-monthly rate is \$35.62 per dwelling unit plus a usage fee of \$1.23 per 100 cubic feet. 100 cubic feet = 748 gallons.
- Note: For those properties presently on septic, Clean Water Services has goals to have all areas on sewer in the future, though they have not set a date. Per Andy Braun (CWS Capital Improvement Manager) in an 11/28/05 interview, any neighborhoods in the unincorporated study area that desire sewers can get them through CWS. No matter which of the options we are studying in this report, sewers are available. The only difference is which jurisdiction must be contacted to provide the sewers, and different jurisdictions may offer different incentives or financing packages.
- Therefore, if the study area annexes to Tigard, sewers are available through the City of Tigard, using CWS rules (per Terry Keyes, CWS Development Services Manager, in an 11/28/05 interview).

▪ Surface Water Runoff

- Billed by the City of Tigard.
- Based on rates set by Clean Water Services.
- Bi-monthly rate is \$8.00 per Equivalent Surface Unit (ESU). 1 ESU = 2640 square feet of impervious surface. Most residences are billed based on 1 ESU.
- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.

▪ Garbage Disposal

- Billed by Pride Disposal (new Tigard rates below take effect Jan. 1, 2006):
- \$17.80/month (20 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$20.60/month (32 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$31.75/month (60 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$38.35/month (90 gallon), including garbage, recycling, bi-weekly yard debris service.

▪ Street Maintenance

- In April of 2004, Tigard began billing its residents for the Street Maintenance Fee that was approved through [Ordinance 03-10](#) by the Tigard City Council on November 18, 2003. The use of the fee is designated specifically for the maintenance of existing City streets.
- The fee is billed as part of the bi-monthly utility bill that Tigard residents receive from the City. The fee is assessed on a flat monthly basis and billed bi-monthly.

Type	Monthly Rate	Bi-Monthly Rate
Residential (RES)	\$2.18	\$4.36 per unit
Multi-Family (MUR)	\$2.18	\$4.36 per unit
Commercial (COM)	\$.78	\$1.56 per required parking space
Industrial (IND)	\$.78	\$1.56 per required parking space
Irrigation (IRR)	No charge	

- If the study area were to annex to the City of Tigard, the newly annexed property owners would begin paying this fee and would no longer pay the Washington County Urban Road Maintenance District (URMD) rate of \$0.2456 per \$1000 of assessed value.
- Alarm Permits
  - The City of Tigard charges an alarm permit fee of \$25 per year (combined burglary and robbery), and has false alarm charges.
- Business Licenses & Home Occupation Permits
  - The City of Tigard requires an annual Business Tax as follows:
    - \$55 (0-10 employees)
    - \$110 (11-50 employees)
    - \$220 (51 or more employees)
  - The City of Tigard requires a Home Occupation Permit, with fees as follows:
    - Type1 (no outside employees/customers/etc. No signage): \$38 when the business registers, and no renewals unless the address changes within Tigard.
    - Type 2 (one outside employee, six daily client visits. Small sign allowed): \$268 when the business registers, and no renewals unless the address changes within Tigard.
    - For further information, see: [http://www.tigard-or.gov/business/municipal\\_code/docs/title18/18742~1.pdf](http://www.tigard-or.gov/business/municipal_code/docs/title18/18742~1.pdf).

Citizen Participation:

Citizen Participation Organization 4B (CPO 4B) is the official Washington County CPO for the study area. CPO 4B encompasses all of Bull Mountain (unincorporated areas and City of Tigard areas) and also covers other parts of the City of Tigard. If the unincorporated area were to annex to the City of Tigard, residents of the (formerly) unincorporated area would continue to have a voice at the County level through the same CPO 4B, and would additionally have a voice in the City of Tigard through Tigard’s Committee For Citizen Involvement (CCI) and through direct participation in Tigard’s governmental processes.

## City of King City Governance Option

### Background:

The City of King City was incorporated in 1966. It has a population of approximately 2100. The median age is 76.4, with less than 1% under 5 years old, less than 1% aged 5-19, 3% aged 20-44, 17% aged 45-64, and 79% aged 65 or older (2000 U.S. Census data). The average residential real-market-value is approximately \$151,223 and the average assessed value is approximately \$120,932 (Washington County Summary of Assessment & Tax Roll-Fiscal Year 2004-2005). King City has its own police department, with approximately 5 paid and reserve officers (per Chief Chuck Fessler 11/21/05). King City does not have its own public library. King City has Tri-Met bus service (see <http://www.trimet.org/schedule/index.htm> for additional details on King City's Tri-Met service).

### Government:

King City, like most cities in Oregon, has a "weak-mayor" form of government. Mayor Chuck Faes works with six City Councilors (Jim Gates, Ray Robinson, Nancy Duthie, Sam Locklin, Dick Winn, and Ron Shay). The Council positions are staggered, and neither the Councilors nor the Mayor receive any salary for their service to the city. The Council appoints the Mayor (he is not popularly elected). The day-to-day operations of the City are handled by the City Manager, Jane Turner. The City of King City operates from its City Hall on SW 116<sup>th</sup> Avenue, and has seven full-time employees (including the Police Department) and one part-time employee. Additional information is available at <http://www.ci.king-city.or.us>.

Per City Manager Jane Turner (interview 11/29/05), if the study area were to annex to King City, the new residents would be able to vote in King City elections immediately following the annexation election. Washington County Elections Department would have to transfer all voter registrations to King City, but the County could do that quickly. Newly annexed residents could run for City Council or be eligible for appointed positions within King City as long as they have lived in King City for the six months preceding the election or appointment.

### Probability of Involuntary Annexation:

If the study area were to voluntarily annex to King City, the probability of being involuntarily annexed becomes moot.

### Time Frame and Challenges:

To complete an annexation to King City is estimated to take approximately two years (per King City's 2004 South Slope Annexation study). Such an annexation would require a dual majority vote, with the voters of King City and the voters of the unincorporated area both having to separately agree to the annexation. Per King City Councilor Sam Locklin, "there is certainly some question as to whether the voters in King City would agree to such a drastic change to their city." Per City Manager Jane Turner, "There would definitely be some opposition in the community." However, no polling has been done in the study area to see if the unincorporated voters would want to join with King City. Neither has polling been done in the King City community to see if the King City residents would want to annex the incorporated area. Also, agreements presently in place between the City of Tigard and Washington County would have to be terminated, with no guarantee that both the City of Tigard and Washington County would willingly agree to do so.

Taxes:

King City has a permanent tax rate of \$1.5261 per \$1000 of assessed value. In addition, residents recently approved a local Police Services Levy of \$0.4149 per \$1000 of assessed value. If annexed to the City of King City, that total of \$1.9410 per \$1000 of assessed value is the rate that property owners in the study area would pay. The existing Enhanced Sheriff's Patrol District amount, the Urban Road Maintenance District amount, and the Street Lighting District amounts would no longer be paid in property taxes.

The City of King City charges a fee to annex to King City as follows (per the City Manager of King City, Jane Turner):

- Annexation Fee for properties smaller than 10 acres: \$1500.
- Annexation Fee for properties 10 acres or larger: \$2200.

Metro charges additional annexation fees as follows (see [http://www.metro-region.org/library\\_docs/about/chap309.pdf](http://www.metro-region.org/library_docs/about/chap309.pdf)):

- Single tax lot of less than one acre: \$150.00
- 1 to 5 acres: \$250.00
- 5-40 acres: \$300.00
- Greater than 40 acres: \$400.00 or actual cost at \$85.00/hour

Parks & Open Spaces:

Presently the study area has no accessible public parks/greenspaces to serve either the existing or the future population. If the study area were to annex to King City, King City would collect System Development Charges (SDCs) on new development for parks throughout the study area, as they presently do for all new developments within their city limits. Presently that rate is \$1527.00 for each new single-family unit (<http://www.ci.king-city.or.us/DesktopDefault.aspx?tabindex=2&tabid=536>). The purchasing of lands for parks in the study area would be figured into existing park strategy within King City. King City is presently high among metro-Portland-area cities in the number of acres of parks per 1000 residents (Portland Monthly Magazine, March 2005 issue, pgs. 80-84). Its 17 acres of public parks (some is natural wildlife areas) averages to 8 acres per 1000 residents. If the study area were to annex to King City, King City's population would increase to approximately 11,400, with the average number of acres of parks dropping to approximately 1.5 acres per 1000 residents. There are few comparable nearby cities of similar size to compare King City's acreage rate per 1000 residents. However, if the study area were to annex to King City, King City would need to add 73 acres of parks to their expanded city to achieve their old average of 8 acres per 1000 residents.

In addition, Metro has proposed a "power line trail" that would follow the power lines over Bull Mountain. It is anticipated that such a project will either be advanced or halted regardless of long-term governance decisions on Bull Mountain.

Permitting Services:

King City contracts out their permit services, including building inspections, to Clair Company. King City has its own fee structure, and if the study area were to annex to King City, the residents of the study area would receive permits per King City's fee structure and procedures.

Planning Services:

King City contracts out its planning services to Parson Brinckerhoff Quade & Douglas, Inc.

Local Codes:

- Tree Codes
  - King City has provisions for tree removal in their Community Development Code (CDC) section 16.128 “Tree Removal.”
- Density
  - King City has density provisions in their CDC section 16.80 to 16.112 under “Land Use Districts.”
- Zoning
  - King City has zoning provisions in their CDC section 16.80 to 16.112 under “Land Use Districts.”
- Noise Control
  - King City handles Noise Control through their CDC section 8.04 under “Nuisances.”
- Traffic Control
  - King City handles Traffic Control through their CDC section 9.04 to 9.28 under “Peace, Morals, & Welfare.”
- Traffic Calming (Speed Bumps, etc.)
  - King City CDC has no provisions for Traffic Calming. The City Council handles Individual situations on a case-by-case basis.
- Sensitive Land Surveys
  - The City of King City requires Sensitive Land Surveys where applicable.

Service Levels:

- Police Services
  - Provided by King City Police Department (Chuck Fessler, Chief of Police).
  - Total of approximately 5 employees on staff, including 5 sworn officers (per Chief Chuck Fessler, 11/21/05).
  - Approximately 2.4 officers per 1000 residents.
  - At night, King City offers no local police coverage. The phones roll over to the Washington County Sheriff’s Department.
- Fire & Rescue Services
  - Provided by Tualatin Valley Fire & Rescue.

- The coverage is not expected to change in any of the five studied governance options.
- The costs are not expected to change in any of the five studied governance options.
- Public K-12 Schools
  - Provided by Tigard-Tualatin School District (<http://www.ttsd.k12.or.us>) in parts of the study area, and by Beaverton School District (<http://www.beaverton.k12.or.us>) in other parts of the study area.
  - Neither the coverage nor the districting is expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
- Clean Water
  - Would be provided by the City of King City, with residents paying the same as they presently do through the Tigard Water District.
  - Rates are as below. 100 cubic feet = 748 gallons.
  - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.

**Water Rates and Information (per 100 cu. ft.)**

Type	New Rate effective 10/1/05
Residential	\$2.05
Multi-Family	\$2.03
Commercial	\$2.40
Industrial	\$1.99
Irrigation	\$2.56
Booster Charge	\$4.68*
Customer Charge	\$5.29*

\* Per Billing Period (every two months)

- Sewer
  - Billed by Clean Water Services
  - Based on rates set by Clean Water Services
  - Bi-monthly rate is \$35.62 per dwelling unit plus a usage fee of \$1.23 per 100 cubic feet. 100 cubic feet = 748 gallons
  - Note: For those properties presently on septic, Clean Water Services has goals to have all areas on sewer in the future, though they have not set a date. Per Andy Braun (CWS Capital Improvement Manager), in an 11/28/05 interview, any neighborhoods in the unincorporated study area that desire sewers can get them through CWS. No matter which of the options we are studying in this report, sewers are available. The only difference is which jurisdiction must be contacted to provide the sewers, and different jurisdictions may offer different incentives or financing packages.
  - Therefore, if the study area annexes to King City, sewers are available through the City of King City, using CWS rules (per Terry Keyes, CWS Development Services Manager, in an 11/28/05 interview).
- Surface Water Runoff

- Billed by the Clean Water Services.
  - Based on rates set by Clean Water Services.
  - Bi-monthly rate is \$8.00 per Equivalent Surface Unit (ESU). 1 ESU = 2640 square feet of impervious surface. Most residences are billed based on 1 ESU.
  - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.
- Garbage Disposal
    - Billed by Pride Disposal (rates as of the March 1, 2005 increase).
    - King City has a unique system based on the number of pick-ups per month. There is a pick-up fee along with a service fee.
    - Yard debris is separate, and only if the resident signs up for it. The fee is \$1.90 per month for a 60-gallon cart picked up once per month.
    - Recycling is picked up every other week instead of weekly.
    - The rates below reflect a weekly pickup of trash, bi-weekly recycling, and monthly yard debris.
    - \$17.40/month (20-gallon), including weekly garbage, bi-weekly recycling, and monthly yard debris service.
    - \$19.00/month (32-gallon), including weekly garbage, bi-weekly recycling, and monthly yard debris service.
    - \$24.65/month (60-gallon), including weekly garbage, bi-weekly recycling, and monthly yard debris service.
    - \$30.35/month (90-gallon), including weekly garbage, bi-weekly recycling, and monthly yard debris service.
- Street Maintenance
    - King City contacts out their street maintenance services.
    - King City charges no Street Maintenance Fee to residents.
    - Street maintenance is funded through a combination of state/county gas tax revenues and block grants. No block grants are expected in 2006 (per City Manager Turner, 11/28/05 interview).
    - If the study area were to annex to the City of King City, the newly annexed property owners would no longer pay the Washington County Urban Road Maintenance District (URMD) rate of \$0.2456 per \$1000 of assessed value.
- Alarm Permits
    - King City charges an alarm permit fee of \$20 per year and has false alarm charges.
- Business Licenses & Home Occupation Permits
    - King City charges \$125 for a Business License (first time) with \$50 annual renewals
    - King City requires a Home Occupation Permit, with fees as follows:
      - Type 1 (no outside employees/customers/etc. No signage): \$350 when the business registers, and no renewals unless the address changes within King City.
      - Type 2 (one outside employee, six daily client visits. Small sign): \$1050 when the business registers, and no renewals unless the address changes within King City.

### Citizen Participation:

Citizen Participation Organization 4B (CPO 4B) is the official Washington County CPO for the study area. CPO 4B encompasses all of Bull Mountain (unincorporated areas and City of Tigard areas) and also covers other parts of the City of Tigard. If the unincorporated area annexed to King City, Washington County would have to make a determination as to whether the residents of the (formerly) unincorporated area would continue to be a part of CPO 4B or would become a part of CPO 4K (which covers the King City area, including the City of King City, and nearby unincorporated areas). In either option, the residents would continue to have a voice at the County level. Additionally, residents would have direct participation in King City's governmental processes through their elected officials.

## Community Service District Governance Option

### Background:

This option was one of the most complicated and time-intensive options to study, as there is little data available on the true costs and benefits of the process. The Community Service District (CSD) idea has been used commonly in California. It provides some of the benefits of a city, though it is not actually a city. The concept of “special districts” or “service districts” is common in Oregon (Tigard-Tualatin School District, Tualatin Valley Fire & Rescue, etc.). In fact, ORS 198 notes 29 different types of special districts (The League of Oregon Cities “Incorporation Guide” Revised 9/2003). However, bundling multiple districts together to mimic some of the functions of a city is uncommon in Oregon. The only similar example that the BMGC could find statewide is the SunRiver Service District, which was organized because the area was threatened with the loss of legal commissioning of their police officers (Bill Starks, SunRiver Service District, 10/31/05). The SunRiver Service District (Deschutes County) provides law enforcement, fire protection/mitigation, emergency services (paramedic/ambulance) and security services, but does not provide many of the other typical community functions such as planning, permitting, parks, sewer, etc. See <http://www.SunRiversd.org/> for further information,

The service district concept in Oregon is defined in ORS 198 (see: <http://www.leg.state.or.us/ors/198.html>). Its methods of formation are similar to those of a new city. The specific type of CSD studied by the BMGC is known as an ORS 451 county service district (see <http://www.leg.state.or.us/ors/451.html>). This ORS chapter lists many services that a special service district may provide, including parks and recreation, water, libraries, roads, law enforcement, fire & rescue, sewers, human services, etc. Information relating to forming a large, multi-service CSD in Oregon is sketchy, so the BMGC has relied on information from Washington County in developing data regarding this option. Dan R. Olsen, Council for Washington County, has reviewed the Community Service District concept on several occasions recently. Relevant portions of his comments follow:

- *“Chair Brian asked for an overview of statutory issues for creating a community service district. This memo attempts to explore what I think is the easiest route, but is not comprehensive of all the changes that might need to be made. If this route is taken, however, most of the statutory revisions look to be fairly technical except as noted below. The most important initial steps, I think, are coming up with a clear idea of what powers this district should have, in particular how much to mirror those of cities. Second, figure out the boundary both in terms of the interface with cities (i.e. how does this relate to areas designated as inside city urban planning areas) and whether it should be coterminous with the ESPD/URMD boundaries. If not, then we either keep ESPD & URMD alive in certain areas or just kill those districts and not provide enhanced services outside the new community service district. That may in part depend on whether, for example, there is enough assessed value in...Bull Mountain to generate enough revenue to support a diminished ESPD/URMD.*
1. *County service district. ORS 451.010 lists several kinds of county service districts that can be formed, including: parks, libraries, roads, law enforcement and “human services”. ORS 451.555 provides specific authority for county service districts for “planning for land use and public facilities” with some specific requirements – so there is some precedent for a special kind of service district. The 451 service district formation process is pretty straightforward and we have done it before, so we probably wouldn’t need much statutory tweaking, except:
    - a. *it is not clear that we can form one district combining several of the services – it looks like the intent is for single purpose districts. Plus, the list may not contain enough – for example, may a road district enact and enforce parking laws, may a**

*comprehensive planning district do code enforcement etc? So we need to come up with a definition of what we want this district to do and insert it as another 451 option.*

*b. ORS 198.720 states that, if a new district is formed with the same powers as an existing one, the “principal act” can provide for automatic withdrawal of the area from the old district. ORS Chapter 451 is the principal act, but does not contain automatic withdrawal language so we should add it – assuming we are talking about a district that does not cover the same geographic area as ESPD, URMD and SDL. If the new district will be coterminous with the old ones, we could just consolidate or merge them – but that also probably needs some clean up language.*

*Relatedly, it would not be hard to come up with some trigger points for formation of the new district that would restrict it to large unincorporated urban areas, e.g. population, applicable only within a metropolitan urban growth boundary etc. One tricky area may be defining where the district could not go if the cities view this as competition, i.e. the Beaverton 10 year annexation area we settled on in the recent agreement.*

## *2. Taxing*

*ORS 198.815 states that, if the formation proposal includes a permanent rate limit, the two are to be combined into one ballot title. I would think we would want to do this – otherwise we run the risk of forming the district but having no money, and the former districts no longer have authority to levy in the area of the new district.*

*The trickier question is what to do about the ESPD operating levy. I have not yet figured out what happens to an operating levy when a new district takes over territory of the old one, or there is a merger or consolidation. So we either need to figure that out and provide for it, or make sure that the new district’s permanent rate limit is adequate to account for the loss of the ESPD operating levy.*

## *3. Municipal powers*

*There are lots of statutes giving cities specific authority (and often restrictions) in particular areas, e.g. taxis, parking regulation, parks, and utilities. So we would need to sort through these and think about which ones we want this district to have. Some specific either statutory cross-references or language that we may want to include in the bill are:*

- a. ORS 221.415 - .420 authority for franchises and fees for public utilities using right-of-way. One twist we may need to address is that the city owns its streets. This new district, although authorized to provide road services, would not own them – the County does.*
- b. ORS 221.450 privilege tax on utilities operating without a franchise.*
- c. ORS 221.510 telecommunication regulation and fees*
- d. ORS 221.655 privilege tax on distribution utilities*
- e. ORS 221.760 prerequisites for city to receive cigarette, gas and liquor taxes from state (must provide certain types of services, the district we are considering meets this). ORS 221.770 revenue sharing formula*
  - ORS 323.455 cigarette tax. Looks like cities and counties each get the same % from the state. Should this district also get a % on top of what the county gets?*
  - ORS 366.785-.820 state street tax fund, appropriation formula to cities. I’m not sure if counties get a similar disbursement.*
  - ORS 471.810 distribution formula for liquor taxes. Again, there is a higher % for cities, but county gets some.”*

And in further comments from County Council Olsen:

- *“An entirely new ORS 451 district may be formed to provide one or all of the services listed in ORS 451.010. This includes parks and rec., water, libraries, roads, law enforcement, human services, etc. A district probably cannot, however, also provide “comprehensive planning for land use and public facilities.” This is because the statute that authorizes a district to provide more than one service if so formed, references only the list of services in ORS 451.010. Comprehensive planning services are authorized in a different statute, ORS 451.555. This suggests that this service may be provided only by a single purpose district. As I have previously noted, the issue of the existing 3 relevant districts complicates matters. There cannot be two districts formed under the same principal act (i.e. ORS 451) serving the same area. So, if the desire is to form a district that provides multiple services that include law enforcement, street lighting and/or roads, then the area needs to be simultaneously withdrawn from the applicable existing districts. It also might be able to consolidate districts. Or, finally, authority to add a new service may be granted to an existing district by essentially going through the same process as if forming an entirely new district. Any of these options has some Measure 5/50 complications.”*

Therefore, it seems that the formation of a CSD in the unincorporated Bull Mountain area is possible, but might necessitate changes in Oregon state statutes, and would certainly require a thorough and comprehensive understanding of relevant state laws. Also, the existing Urban Service Agreement (USA), the existing IGA (Inter-Governmental Agreement) and the existing Urban Planning Area Agreement (UPAA) would have to greatly modified, or (more likely) dissolved. There is no understanding at this time as to how easy that would be, or whether or not the parties to those agreements would agree to such modifications or dissolutions.

#### Government:

In a Community Service District, the residents would continue to have the Washington County Board of Commissioners as their local government. However, a district board would oversee the operations of the district. It is probable that the same Washington County Board of Commissioners would be the governing body of the CSD. Also, the County would be the authority that sets up the actual district and creates the relevant documents and ballot measures. In the case of the SunRiver Service District, their district is managed by a Managing Board of five appointed members, of which two are members of the SunRiver Owners Association Board, two are elected from within the District, and one is a property owner (Bill Starks, former SunRiver Service District Chair, via email, 10/31/05).

It is important to note that if a CSD were formed, there would be no guarantee that another bordering city (such as the City of Tigard) could not at some point surround part or all of the CSD's area and annex it. A CSD does not provide protection from annexation. Per Charlie Cameron, Washington County Administrator, in a 10/28/05 meeting with the BMGC:

- The covered area would not be exempt from annexation.
- In the event of annexation to another city, the CSD would dissolve.
- A Community Service District is an interim step.
- The existing Urban Services Agreement (USA) for the area would be a problem, as the jurisdiction of the CSD and the USA would overlap.
- The CSD might have a local advisory committee, which could act as a liaison with the Washington County Board of Commissioners.

#### Probability of Involuntary Annexation:

If the residents of the study area were to form a Community Service District, the study area has a high probability of being annexed at some point in the future.

### Time Frame and Challenges:

There is no clear data as to how long it would take to form a Community Service District such as the one being studied here. Due to uncertainty in existing statutes, much study would have to be done by Washington County to understand the complexities of forming a CSD. Existing districts (such as the ESPD) would probably need to be dissolved. Existing agreements between Tigard and Washington County would need to be greatly modified or dissolved. New legislation might need to be passed in Salem. The electors in the study area would need to be thoroughly educated on the CSD concept, and decisions made as to what services would be included in the CSD, and at what price. Hearings would need to be held, followed by formal elections. Any one of the aforementioned steps would be open to challenges that might stretch out the time frame further. For instance, if legislative changes need to be done, there is no guarantee that they would be accomplished in the next legislative session. This Governance Committee estimates that such an effort might take from two to four years to accomplish, and possibly longer.

### Taxes:

If a Community Service District were formed, it is probable that the existing Enhanced Sheriff's District Patrol (ESPD), the Urban Road Maintenance District (URMD) and the Street Lighting District (SLD) would be dissolved (for the Bull Mountain study area), as their functionality would be replaced by provisions of the CSD. Therefore, the approximately \$1.59 per \$1000 of assessed value that is currently paid by most existing residents of the study area would no longer be assessed to those residents. In its place, the residents of the study area would receive a separate district tax rate. This tax rate would (presumably) include provisions for the same services that formerly were provided by the ESPD, the URMD and the SLD. Also, the area residents could vote to include (and thus tax themselves) extra services that they desire for their community. It would be up to the community to decide what specific services they would require as a CSD, and then the County would have to quantify the value of those services and develop an appropriate permanent tax rate. It is expected that the resulting tax rate would be at least equal to the existing \$1.59 rate, and would most probably be greater than the \$1.59 depending on what services the residents decide on. For instance, if, as part of the formation of a CSD, the residents decided to cede all planning and permitting authority to Washington County, to add parks, or to provide more sidewalks, there would most certainly be significant increases in the permanent tax rate for those (and any other) potential additional services.

### Parks & Open Spaces:

Under a CSD, parks and open spaces authority (which presently is delegated to the City of Tigard by the Urban Services Agreement) would probably change to that of Washington County. However, Washington County does not consider itself to be in the parks business, and there is some doubt as to whether or not the County would want to take on that function. Recently, Washington County enacted Ordinance 632 to allow the County to adopt an interim parks and recreation SDC for urban unincorporated areas; however, the actual implementation of the plan specifically for unincorporated Bull Mountain has not been accomplished as of the conclusion of this study. For more information and background, see the Washington County Ordinance 632 Staff Report at: [http://www.co.washington.or.us/deptmts/lut/planning/ord2004/ord632pc\\_stfrpt\\_100604.pdf](http://www.co.washington.or.us/deptmts/lut/planning/ord2004/ord632pc_stfrpt_100604.pdf). Presumably, if the residents of the study area wanted to form a CSD, and wanted the parks and open spaces authority to rest with Washington County, the residents would have to decide what specific parks and open spaces services and acreage they require, and then that corresponding dollar amount for acquisition and maintenance would be included in the area's new permanent tax rate.

In addition, Metro has proposed a public “power line trail” that would follow the power lines over Bull Mountain. It is anticipated that such a project will either be advanced or halted regardless of long-term governance decisions on Bull Mountain.

### Permitting Services:

Presently, through an Intergovernmental Agreement (IGA) between Washington County and the City of Tigard, the City of Tigard provides permitting services to most of the study area (with the exception of UGB Expansion Areas 63 and 64). The residents of the study area have little say in the procedures for permitting services, as they do not have voting rights in City of Tigard affairs. Permit fees are paid to the City of Tigard. Per state law, permit fees are for use by the collecting jurisdiction for expenses necessary to the permitting process, and are not collected to increase a municipality’s general fund revenue stream. Additionally, the base amount of the fees is established by the State of Oregon, with local municipalities having the ability to request additional permit fees for differences in local situations. For more information, see ORS 455, and specifically ORS 455.210(3)a and ORS 455.210(3)c at (<http://www.leg.state.or.us/ors/455.html>).

- **ORS 455.210 Fees; appeal of fees; surcharge; reduced fees.**
  - (3)a: A municipality may adopt by ordinance or regulation such fees as may be necessary and reasonable to provide for the administration and enforcement of any specialty code or codes for which the municipality has assumed responsibility under ORS 455.148 or 455.150.
  - (3)c: Fees collected by a municipality under this subsection shall be used for the administration and enforcement of a building inspection program for which the municipality has assumed responsibility under ORS 455.148 or 455.150.

If the study area were to form a Community Service District, decisions would have to be made concerning who would be the provider of permitting services. That provider could be the City of Tigard (the present provider to most of the area), Washington County (who provides such services presently to other unincorporated areas) or a third party (such as an independent contractor like the one that the City of King City contracts with). In any case, it would be anticipated that the rates for the permits, and the costs for providing the services, would not vary greatly between the various options. However, if any provider other than the City of Tigard were chosen, the existing Inter-Governmental Agreement (IGA) and Urban Services Agreement (USA) would have to be dissolved, and there is no guarantee that all parties to those agreements would agree to such dissolution.

### Planning Services:

Under a Community Service District, Washington County would most likely have responsibility for long-range planning services to the study area.

### Local Codes:

- Tree Codes
  - Under a Community Service District, Washington County codes would be the local codes for the study area.
  - The Bull Mountain Community Plan states the following:
    - “Because trees are such an important natural and scenic resource on Bull Mountain, development in areas of standing trees shall be designed to minimize the number of trees to be cut. At the time of development, no more than fifty

percent of the mature standing trees (six inch diameter or greater) shall be removed from any parcel. Development design and clearing for structures shall provide for maximum retention of old growth trees. Prior to development, the harvesting of forest tree species for their commercial value shall be in accord with the Oregon Forest Practices Act. The slope stabilization and revegetation plan shall indicate the mature trees planned for removal and describe the replacement programs. Replacement trees must be of at least 1-1/2 inch diameter.”

- The above is not being enforced. Presumably, under a Community Service District, there might be greater enforcement by Washington County, as residents would most probably make such enforcement part of any agreement to form a CSD.
- See (<http://www.co.washington.or.us/deptmts/lut/planning/docs/bullmt/cmp.htm>)
- Density
  - Under a Community Service District, Washington County’s density calculations and methods would prevail for the study area, with coordination between those methods and those of Metro and the State of Oregon.
  - See <http://www.co.washington.or.us/deptmts/lut/plan04/codepdf/code.htm>
- Zoning
  - Under a Community Service District, Washington County’s zoning requirements would likely prevail for the study area.
  - See <http://www.co.washington.or.us/deptmts/lut/plan04/codepdf/code.htm>.
- Noise Control
  - Under a Community Service District, Washington County’s noise control policies and enforcement would likely prevail for the study area.
  - See <http://www.co.washington.or.us/code/> and click on Title 8.24.
- Traffic Control
  - Under a Community Service District, Washington County’s traffic control ordinances would likely prevail, with enforcement by the Washington County Sheriff’s Department.
  - See <http://www.co.washington.or.us/code/> and click on Title 15.
- Traffic Calming (Speed Bumps, etc.)
  - The Washington County traffic calming programs would likely apply in the study area through the Neighborhood Streets Program
  - See [http://www.co.washington.or.us/deptmts/lut/eng\\_srvy/nsp.htm](http://www.co.washington.or.us/deptmts/lut/eng_srvy/nsp.htm) for additional information.
- Sensitive Land Surveys
  - The Bull Mountain Community Plan requires Sensitive Land Surveys on summits and slopes of Bull Mountain
  - See <http://www.co.washington.or.us/deptmts/lut/planning/docs/bullmt/cmp.htm>.

Service Levels:

- Police Services

- Would continue to be provided by Washington County Sheriff’s Department (Rob Gordon, Sheriff).
- Total approximately 500 employees on staff, including 212 sworn law enforcement officers (not including corrections staff in the jail).
- Approximately 0.5 officers per 1000 residents (base patrol).
- Additional 0.5 officers per 1000 residents (enhanced rate) Includes a Washington County Enhanced Sheriff’s Patrol District (ESPD) for which residents pay \$1.1424/\$1000 of assessed value.
- Total coverage of approximately 1.11 officer per 1000 residents in the study area (per Sheriff Rob Gordon, 11/21/05).
- See additional details at <http://www.co.washington.or.us/sheriff/patrol/espd.htm>.
- If residents were to form a Community Service District, the existing ESPD would probably be eliminated (for the study area) and the amount being paid for that coverage would be replaced with a similar amount in the permanent tax rate of the Community Service District.

- Fire & Rescue Services

- Provided by Tualatin Valley Fire & Rescue (<http://www.tvfr.com/>).
- The coverage is not expected to change in any of the five studied governance options.
- The costs are not expected to change in any of the five studied governance options.

- Public K-12 Schools

- Provided by Tigard-Tualatin School District (<http://www.ttsd.k12.or.us>) in parts of the study area, and by Beaverton School District (<http://www.beaverton.k12.or.us>) in other parts of the study area.
- Neither the coverage nor the districting is expected to change in any of the five studied governance options.
- The costs are not expected to change in any of the five studied governance options.

- Clean Water

- Would continue to be provided by the Tigard Water District (serves unincorporated areas), or that service could be included with the others in the Community Service District.
- Rates are as below. Note: 100 cubic feet = 748 gallons.
- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study for all five governance options.

**Water Rates and Information (per 100 cu. ft.)**

Type	New Rate effective 10/1/05
Residential	\$2.05
Multi-Family	\$2.03
Commercial	\$2.40
Industrial	\$1.99
Irrigation	\$2.56
Booster Charge	\$4.68*
Customer Charge	\$5.29*

\* Per Billing Period (every two months)

▪ Sewer

- Would continue to be provided by (and billed by) Clean Water Services, or that service could be included with the others in the Community Service District.
- Based on rates set by Clean Water Services .
- Bi-monthly rate is \$35.62 per dwelling unit plus a usage fee of \$1.23 per 100 cubic feet. 100 cubic feet = 748 gallons.
- Note: For those properties presently on septic, Clean Water Services has goals to have all areas on sewer in the future, though they have not set a date. Per Andy Braun (CWS Capital Improvement Manager) in an 11/28/05 interview, any neighborhoods in the unincorporated study area that desire sewers can get them through CWS. No matter which of the options we are studying in this report, sewers are available. The only difference is which jurisdiction must be contacted to provide the sewers, and different jurisdictions may offer different incentives or financing packages.
- Therefore, if the study area forms a CSD, sewers are available through the CSD, using CWS rules, or directly from CWS (per Terry Keyes, CWS Development Services Manager, in an 11/28/05 interview).

▪ Surface Water Runoff

- Billed by Clean Water Services.
- Provided by Clean Water Services, or that service could be included with the other in the Community Service District.
- Based on rates set by Clean Water Services.
- Bi-monthly rate is \$8.00 per Equivalent Surface Unit (ESU). 1 ESU = 2640 square feet of impervious surface. Most residences are billed based on 1 ESU.
- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.

▪ Garbage Disposal

- Garbage disposal is not likely to change significantly if the study area decides to form a Community Service District.
- Billed and provided by Pride Disposal.
- \$18.06/month (20 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$19.65/month (32 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$28.51/month (60 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$33.72/month (90 gallon), including garbage, recycling, bi-weekly yard debris service.

▪ Street Maintenance

- If the study area were to form a Community Service District, the URMD would probably be dissolved (for the study area). Assuming that the County would continue to provide the same level of services at the same cost, then an identical amount would be included in the calculations of the Community Service District’s permanent tax rate.

▪ Alarm Permits

- Washington County charges an alarm permit fee of \$54 per year (combined burglary and robbery), and has false alarm charges. These charges are likely to stay the same if the study area forms a CSD.
- For further information see: <http://www.co.washington.or.us/sheriff/service/alarms.htm>.
- Business Licenses & Home Occupation Permits
  - Washington County has no annual Business Tax.
  - Washington County requires an annual Home Occupation Permit, with fees as follows:
    - Small home business, no signs, computer work, etc.: no charge.
    - Type 1 (up to 5 outside employees/customers/etc. No signage): \$250 (\$115 yearly renewal fee).
    - Type 2 (one outside employee, 10 daily client visits. Small sign allowed): \$1204 (\$364 yearly renewal fee).
    - For further information, see: [http://www.co.washington.or.us/deptmts/lut/land\\_dev/dev\\_serv/forms/forms.html](http://www.co.washington.or.us/deptmts/lut/land_dev/dev_serv/forms/forms.html).
  - These charges are likely to stay the same if the study area forms a CSD.

Citizen Participation:

Citizen Participation Organization 4B (CPO 4B) is the official Washington County CPO for the study area. CPO 4B encompasses all of Bull Mountain (unincorporated areas and City of Tigard areas) and also covers other parts of the City of Tigard. This is not expected to change for the Community Service District Option.



## **Incorporation of the City of Bull Mountain Governance Option**

### **Background:**

The potential City of Bull Mountain is presently unincorporated. It has a population of approximately 9300 (Washington County data). The median age is unknown (as are the population age demographics), and would be difficult to calculate until the next census in 2010. The average residential real-market-value is approximately \$271,077 and the average residential assessed value is approximately \$216,862 (Washington County Summary of Assessment & Tax Roll-Fiscal Year 2004-2005). Bull Mountain does not have its own police department, and would most logically contract with others (such as Washington County Sheriff's Department) for services. Bull Mountain does not have its own library building, and residents needing library services would probably rely on existing libraries throughout the Washington County Cooperative Library Services System (as they do now). Bull Mountain has no Tri-Met bus service at this time, but if the study area forms a city, that could change.

Presently there are 240 cities in Oregon, ranging from the largest, Portland (pop: 550,560) to the smallest, Greenhorn (pop: 2). The median city size in Oregon is pop: 1740. (See League of Oregon Cities population data in Supplementary Information section of this study). If Bull Mountain residents were to incorporate, their present population of 9300 would place the city as the 49th largest city out of the 240 cities in Oregon. The new city would thus be in the top 20% in population among Oregon cities. The present mix of land would be unusual, as almost 100% of the study area is presently zoned residential. Most similarly sized cities have a mix of residential, commercial, and industrial land, which spreads the tax burden across both the residential and business sectors. So a clear question for the Bull Mountain area in studying the incorporation option is whether the property value assessments of the area (and subsequent property taxes) are high enough to support a viable city without the commercial and industrial land mix. It is important, though, to keep in mind that this study covers present-day unincorporated Bull Mountain and its current zoning. There are approximately 500 sparsely populated acres in the study area that were recently added to the Urban Growth Boundary (Expansion Areas 63 and 64) that, when master-planned, will most probably reflect a mixture of residential and commercial properties, which could favorably affect the assessed value numbers and thus spread the tax burden beyond just the residential sector.

With the exception of the newly formed City of Damascus (established November 2004), no new city has formed in Oregon since Keizer incorporated in 1982; so detailed information on recent city formations was limited to the City of Damascus.

The following assumptions were made in studying the option of incorporation:

1. The borders of the area are as described in this paper under "General Information."
2. The existing Inter-Governmental Agreement (IGA), Urban Service Agreement (USA), and Urban Planning Area Agreement (UPAA) would be eliminated or modified.
3. Population numbers, voter registration numbers, assessed value numbers, and numbers of tax lots are from data provided by Washington County.
4. Any election would be held in an even-numbered year in a General Election, thus minimizing election costs if the election results were favorable to the incorporation.
5. Assessed values of properties, and the amount collected from various fees and shared revenues would remain relatively constant.
6. Tax rates that do not vary throughout the County and cities (such as school district taxes, Port of Portland taxes, or Tri-Met bonds) were not included in the analysis. The BMGC focused instead on those specific taxes that would change due to changes in governance.
7. Dedicated taxes or charges (such as SDCs, TIFs, or state 911 taxes) were treated as a pass-through, as they must be used for a specific purpose, and are not part of general fund operating revenues.

8. The BMGC was extra-conservative in their calculations and assumptions.

Government:

A potential new city in Oregon derives its authority to incorporate from ORS 221.020, which says:

- **ORS 221.020 Authority to incorporate.** The people of an area, no part of which lies in an incorporated city and in which 150 persons reside, may incorporate a city by approving at an election called and held according to ORS 221.031 to 221.061 a proposition provided by those sections for incorporating the city.

Per ORS 221.050(1), the potential City of Bull Mountain would require the election of five new city council members. This election would have to be held at the same election as the vote on the proposal for incorporation. See:

- **ORS 221.050 Incorporation election; election of first city council; proclamation of results.** (1) The county court shall submit the proposition for incorporation determined as provided in ORS 221.040 to the electors registered in the area proposed to be incorporated. At the same election, five city council members for the proposed city shall be elected.  
(2) ORS chapters 246 to 260 govern the conduct of an election under this section, including the nomination and election of the first city council, except as follows:
  - (a) A nominating or primary election for the purpose of nominating candidates for the city council shall not be held.
  - (b) Notwithstanding ORS 249.037, a nominating petition or declaration of candidacy must be filed with the county clerk not sooner than the 100th day and not later than the 70th day before the date of the election.
  - (c) At the time of filing a declaration of candidacy, a candidate for the first city council shall pay to the officer with whom the declaration is filed a fee of \$25.
  - (d) A nominating petition shall contain at least 25 signatures of electors in the area proposed to be incorporated or a number of signatures of electors equal to at least 10 percent of the number of electors in the area proposed to be incorporated as of the date the election is ordered under ORS 221.040, whichever is less.(3) The proposed ballot title for an election under this section shall be in compliance with ORS 250.036.  
(4) Not later than the 30th day after an election called under ORS 221.040 the county court calling the election shall proclaim whether the results of the election favor incorporation. The county court also shall proclaim which candidates for city council are elected, if the results of the election favor incorporation. The results of the election favor incorporation if a majority of the votes cast on the proposition favors incorporation and:
  - (a) At least 50 percent of registered electors eligible to vote in the election cast a ballot; or
  - (b) The election is a general election in an even-numbered year.(5) If the results of the election favor incorporation:
  - (a) The area described in the notice of election is incorporated as a city from the date of the election.
  - (b) The proposed rate limit for operating taxes submitted to and approved by the electors at the election shall be the permanent rate limit for operating taxes for the new city; and
  - (c) The five council members elected under subsection (2) of this section shall take office not later than the 10th day next following the proclamation on the proposition and council election. [Amended by 1953 c.593 §3; 1983 c.350 §18; 1987 c.707 §4; 1987 c.267 §66; 1989 c.92 §§31,31b; 1995 c.607 §64; 1997 c.541 §354]

Upon a successful election being held, and five councilors being elected as above, the newly formed City Council would choose a Mayor from among their new Councilors. The mayor would serve a two-

year term, as per:

- **ORS 221.130 Mayor; term; functions.** Concerning the mayor of a city created under ORS 221.010 to 221.100:
  - (1) Only councilors shall be eligible to serve as mayor.
  - (2) The council shall appoint a mayor at its first meeting of each odd-numbered year.
  - (3) The mayor's term of office shall be two years.
  - (4) The mayor shall be presiding officer of the council and shall authenticate with the signature of the mayor all ordinances that the council passes. [Amended by 2003 c.14 §103]

Regarding the type of government for the new city, per the "Incorporation Guide" of the League of Oregon Cities (revised 9/2003):

- *The government provided by ORS Chapter 221 is essentially the weak-mayor form. The legislative and administrative function, including appointments of city officers and employees, rest with the council. The state statutes may serve indefinitely as the city's "charter." On the other hand, city voters may choose to adopt a city home rule charter that provides for the government structure that better suits local needs and desires. Almost all of Oregon's cities have developed their own charters. Reasons for home rule charter adoption include: direct election of the mayor; delegating authority to the mayor; adding a primary election; increasing the number of council members; nominating the council by district; filling vacancies by special election; changing length of terms; and establishing a city manager's position...Most small Oregon cities have chosen a weak-mayor form of government. Some by ordinance have created the position of city administrator. Medium-sized cities generally use a city manager form of government. An exception is Beaverton that has a strong-mayor charter. Portland is the only city with a full-time paid commission form of government...Under a weak-mayor form of city government, the mayor does not appoint administrative personnel, directly supervise employees, have a veto over council ordinances, or appoint committees without council confirmation. All administrative as well as legislative authority rests with the council. Weak-mayor cities sometimes create by ordinance a city administrator position to implement council policy...The strong-mayor form of government makes the mayor the chief executive while leaving the legislative role with the council. In addition to administrative responsibility and authority, the strong-mayor usually has veto power over council ordinances.*

It would be expected that a potential City of Bull Mountain would choose the weak-mayor form of government, with five council members as called for in ORS 221.050 above. After formation of the city, a charter could be initiated to further define the City Council.

#### Probability of Involuntary Annexation:

If the residents of the study area were to form their own city, then the probability of being involuntarily annexed becomes moot.

#### Time Frame and Challenges:

Like the Community Service District Option, there is uncertainty as to how long it might take to form a new city, as only one has been formed in the past twenty years in Oregon. However, the newly created City of Damascus (November 2004) formed in about two years. Per John Hartsock (Mayor Pro Tem), Damascus would be willing to share their information and process with others (including Bull Mountain), and he noted that this information could speed an incorporation effort, as the Bull Mountain area would not have to "re-invent the wheel" on many key concepts. Mr. Hartsock estimates that the Bull Mountain area might be able to complete the incorporation process in 18

months. One of the changes in Oregon law that makes a Bull Mountain incorporation effort possible is the recent passage of House Bill 2722 (HB 2722), which removes the power of surrounding cities to veto an incorporation effort (see <http://www.leg.state.or.us/05reg/measpdf/hb2700.dir/hb2722.a.pdf>). However, surrounding cities could still challenge the incorporation if they could prove that the incorporation “adversely affects” their city (see <http://www.leg.state.or.us/ors/221.html>, specifically ORS 221.034(3)). In such a situation, the neighboring city’s council would vote to inform the county, who would then hold a public hearing on the matter per ORS 221.040.

### Taxes:

Cities attempting to incorporate in Oregon must first establish a permanent tax rate. This rate must be high enough to sustain the city through the future, yet must be low enough that the city’s inhabitants can afford to live there. In evaluating this governance option, the Bull Mountain Governance Committee (BMGC) estimated property tax revenues based on several different potential permanent tax rates, from as low as \$1.5261 per \$1000 of assessed value (King City’s rate) to as high as \$3.00 per \$1000 of assessed value. Those rates are arbitrary, and do not take into account the specific level of services that the residents of a new city might desire; therefore an actual permanent tax rate could be significantly different than the spread of rates that was arbitrarily chosen for this study. The existing rate for the area is approximately \$1.588 per \$1000 of assessed value. Other revenue sources (such as various state taxes and utility fees) were estimated by extrapolating data from Tigard, King City, or Damascus data, with checks & balances from League of Oregon Cities data sources. At all tax rates studied, the potential city would show a surplus. This is possible partly because the service needs of the study area are relatively low as compared to other parts of Washington County, thus the amounts residents presently pay as a whole for special districts (URMD, ESPD) are more than the amount of service required. Also, the study area presently does not receive the benefit of various funding sources such as gas tax revenues or franchise fees, as some of the amounts allowed for unincorporated areas are low or nonexistent. However, cities have immediate access to these various sources. On the expense side, the BMGC again estimated expenses by extrapolating data from Tigard, King City, and Damascus, and when in doubt, over-estimated. Expenses were estimated based on operating expenses, not on capital expenses, and because dedicated revenue sources were not used in the study (i.e. SDCs or TIFs), neither were the associated dedicated expenses.

The City of Bull Mountain would have various sources of revenue available to it:

- Property taxes (based on assessed values and Measure 5 and Measure 50 limitations)
  - See attached spreadsheet showing various revenues and expenses at different permanent tax rates.
- State-shared Cigarette and Tobacco taxes (collected by the State and apportioned to areas by population as a percentage of total state population).
  - See “2005 State Shared Revenue Estimates” (Oregon League of Cities) in appendix
  - It is anticipated that a City of Bull Mountain (with population of 9300) would receive in excess of \$15,000 per year from State Cigarette/Tobacco Tax revenues
  - See attached spreadsheet showing various revenues and expenses at different permanent tax rates.

### Cigarettes and Tobacco Products:

- The State of Oregon collects a tax on the sale of tobacco products (\$.059 per cigarette). These revenues are received by the Department of Revenue and are then distributed to the Oregon Health Plan, the State General Fund, the Tobacco Usage Reduction Account, and the Elderly and Disabled Special Transportation Fund. Selected funds are also distributed to Oregon cities and counties based on the population of their areas in relation to the total population of the state. On a continuing

basis, 3.45% of the Tobacco tax revenues are apportioned to the cities of Oregon and 3.45% to the counties of Oregon. See ORS 323.455 for more details.

- **ORS 323.455.** (1) All monies received by the Department of Revenue from the tax imposed by ORS 323.030 (1) shall be paid over to the State Treasurer to be held in a suspense account established under ORS 293.445. After the payment of refunds, 89.65 percent shall be credited to the General Fund, 3.45 percent is appropriated to the cities of this state, 3.45 percent is appropriated to the counties of this state and 3.45 percent is continuously appropriated to the Department of Transportation for the purpose of financing and improving transportation services for elderly and disabled individuals as provided in ORS 391.800 to 391.830.  
(2) The monies so appropriated to cities and counties shall be paid on a monthly basis within 35 days after the end of the month for which a distribution is made. Each city shall receive such share of the money appropriated to all cities as its population, as determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total population of the cities of the state, and each county shall receive such share of the money as its population, determined under ORS 190.510 to 190.590 last preceding such apportionment, bears to the total population of the state.  
(3) The monies appropriated to the Department of Transportation under subsection (1) of this section shall be distributed and transferred to the Elderly and Disabled Special Transportation Fund established by ORS 391.800 at the same time as the cigarette tax monies are distributed to cities and counties under this section.  
(4) Of the monies credited to the General Fund under this section 51.92 percent shall be dedicated to funding the maintenance and expansion of the number of persons eligible for medical assistance under the Oregon Health Plan, or to funding the maintenance of the benefits available under the Oregon Health Plan, or both, and 5.77 percent shall be credited to the Tobacco Use Reduction Account established under ORS 431.832.

State-shared Alcohol taxes:

- See “2005 State Shared Revenue Estimates” (Oregon League of Cities) in appendix.
- It is anticipated that a City of Bull Mountain (with population of 9300) would receive in excess of \$80,000 per year from State Alcohol Tax revenues.
- See attached spreadsheet showing various revenues and expenses at different permanent tax rates.

Alcoholic Beverages: The State of Oregon collects a tax on the sale of alcoholic beverages. A portion of the revenues (20%) is set aside for distribution to cities and another portion (10%) to counties based on their total population. Another portion (14%) is distributed to the cities of Oregon based on the provisions of ORS 221.770 and ORS 471.810.

- **ORS 221.770 Revenue sharing to cities; conditions for receipt; formula for distribution.** (1) A share of certain revenues of this state shall be apportioned among and distributed to the cities of this state for general purposes as provided in this section. A city shall not be included in apportionments or receive distributions under this section for a fiscal year commencing on July 1 unless the city:  
(a) Elects to receive distributions under this section for the fiscal year by enactment of an ordinance or resolution expressing that election and filing a copy of that ordinance or resolution with the Oregon Department of Administrative Services not later than July 31 of the fiscal year;  
(b) Holds at least one public hearing, after adequate public notice, at which citizens have the opportunity to provide written and oral comment to the authority responsible for approving the proposed budget of the city for the fiscal year on the possible uses of

the distributions, including offset against property tax levies by the city for the fiscal year, and certifies its compliance with this paragraph to the Oregon Department of Administrative Services not later than July 31 of the fiscal year;

(c) Holds at least one public hearing, after adequate public notice, at which citizens have the opportunity to provide written and oral comment to, and ask questions of, the authority responsible for adopting the budget of the city for the fiscal year on the proposed use of the distributions in relation to the entire budget of the city for the fiscal year, including possible offset of the distributions against property tax levies by the city for the fiscal year, and certifies its compliance with this paragraph to the Oregon Department of Administrative Services not later than July 31 of the fiscal year; and

(d) Levied a property tax for the year preceding the year in which revenue sharing is due under ORS 471.810 and this section.

(2) Not later than 35 days after the last day of each calendar quarter ending March 31, June 30, September 30 and December 31, the Oregon Liquor Control Commission shall determine the amount of the net revenue under ORS 471.810, received during the preceding calendar quarter and shall certify that amount to the Oregon Department of Administrative Services.

(3) In addition to amounts otherwise apportioned to cities under ORS 471.810, not later than 20 days after the date the Oregon Department of Administrative Services receives a certification under subsection (2) of this section, the department shall apportion among the cities of this state in the manner provided in subsection (4) of this section an amount equal to 14 percent of the amount so certified, and shall pay to each city the amount so apportioned to the city. Payments shall be made from the General Fund, and amounts necessary to make those payments are appropriated to the Oregon Department of Administrative Services out of the General Fund.

(4) The amount apportioned to each city under subsection (3) of this section shall be a percentage of the total amount to be apportioned among the cities determined by dividing the adjusted population of the city by the sum of the adjusted populations of all cities. The adjusted population of a city shall be determined by multiplying the city's population by the sum of:

(a) The city's local consolidated property taxes per capita divided by the average consolidated property taxes per capita for all cities in the state; and

(b) The amount of state income per capita divided by the amount of city income per capita.

(5) The amount apportioned to each city shall be further limited to an amount no greater than the amount of all property taxes levied by the city during the year previous to the year in which distributions are made.

(6) For purposes of the formula set forth in subsection (4) of this section, "city population" is the population of a city as last determined under ORS 190.510 to 190.590.

(7)(a) For purposes of the formula set forth in subsection (4) of this section, "local consolidated property taxes" has the meaning given in subsection (8) of this section, for a city divided by the population of the city as last determined under ORS 190.510 to 190.590.

(b) The Oregon Department of Administrative Services shall determine the amounts of property taxes for each city during the fiscal year closing on June 30 preceding the fiscal year commencing on July 1 for which calendar quarter apportionments are made, and that determination shall be used for each calendar quarter apportionment for that fiscal year commencing on July 1.

(8) For purposes of subsection (7) of this section "consolidated property taxes" are the total of all compulsory contributions in the form of ad valorem taxes on property located within a city levied during a one-year period by the city, a county, any school district and any special governmental district for public purposes and in amounts as compiled by the Department of Revenue on the basis of application of consolidated tax rates to

assessor code area valuations.

(9) For purposes of the formula set forth in subsection (4) of this section, "income per capita" is the estimated average annual money income of residents of this state and of residents of each city of this state, respectively, based upon the latest information available from the most recent federal decennial census.

(10) A city receiving a distribution under this section may return all or any part of the distribution to the Oregon Department of Administrative Services, which shall deposit the returned distribution or part thereof in the General Fund to be available for payment of the general expenses of the state. [1977 c.831 §1; 1987 c.158 §35; 1987 c.406 §1; 1995 c.79 §79; 1997 c.108 §1]

- **ORS 471.810 Distribution of available monies in Oregon Liquor Control Commission Account.** (1) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of monies available for distribution in the Oregon Liquor Control Commission Account, and after withholding such monies as it may deem necessary to pay its outstanding obligations shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:
  - (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt;
  - (b) Twenty percent to the cities of the state in such shares as the population of each city bears to the population of the cities of the state, as determined by the State Board of Higher Education last preceding such apportionment, under ORS 190.510 to 190.610;
  - (c) Ten percent to counties in such shares as their respective populations bear to the total population of the state, as estimated from time to time by the State Board of Higher Education; and
  - (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and this section.
- (2) The commission shall direct the Oregon Department of Administrative Services to transfer 50 percent of the revenues from the taxes imposed by ORS 473.030, 473.035 and 473.040 to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.380.
- (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month were reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d) and (2) of this section and the amounts that would have been paid or transferred under subsections (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.
- (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with ORS 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census. If the population declined, the per capita distribution to the city or county shall be not less than the total per capita distribution during the 1966-

1967 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection (1)(a) of this section. [Amended by 1955 c.475 §11; 1957 c.222 §1; 1957 c.445 §1; 1961 c.78 §1; 1961 c.635 §1; 1967 c.577 §5; 1969 c.499 §1; 1975 c.424 §4; 1975 c.527 §4a; 1977 c.831 §3a; 1977 c.856 §18; 1987 c.406 §2; 1997 c.348 §15; 2001 c.971 §4]

#### State-shared Transportation Fees:

- See “How Oregon’s Streets, Roads, and Highways Are Financed” (ODOT) in appendix.
- See “Have You Considered a Transportation Utility Fee?” (Ed Murphy and Raymond Bartlett) in appendix.
- See “2005 State Shared Revenue Estimates” (Oregon League of Cities) in appendix.
- It is anticipated that a City of Bull Mountain (with population of 9300) would receive in excess of \$450,000 per year from State Highway Fund/Gas Tax revenues. These revenues can be used for operational expenses on roads, and therefore have been included in the analysis (along with the associated street maintenance expenses).
- See attached spreadsheet showing various revenues and expenses at different permanent tax rates.

Utility Franchise Fees: (fees assessed on cable, electric, gas, telephone, etc. as compensation for the utilities’ usage of city right-of-ways) See: ORS 221.415, ORS 221.450, ORS 221.515, ORS 221.655 and others.

- It is anticipated that a City of Bull Mountain would receive close to \$600,000 per year from Utility Franchise Fees.
- See attached spreadsheet showing various revenues and expenses at different permanent tax rates.
- **ORS 221.415 Municipal rights-of-way; use by electric utilities; power of city to regulate and impose charges.** Recognizing the independent basis of legislative authority granted to cities in this state by municipal charters, the Legislative Assembly intends by ORS 221.415, 221.420, 221.450 and 261.305 to reaffirm the authority of cities to regulate use of municipally owned rights-of-way and to impose charges upon publicly-owned suppliers of electrical energy, as well as privately-owned suppliers for the use of such rights-of-way. [1987 c.245 §1]
- **ORS 221.450 Privilege tax on public utilities operating without franchise.** Except as provided in ORS 221.655, the city council or other governing body of every incorporated city may levy and collect from every electric cooperative, people’s utility district, privately-owned public utility, telecommunications carrier as defined in ORS 133.721, or heating company operating for a period of 30 days within the city without a franchise from the city and actually using the streets, alleys or highways, or all of them, in such city for other than travel on such streets or highways, a privilege tax for the use of those public streets, alleys or highways, or all of them, in such city in an amount not exceeding five percent of the gross revenues of the cooperative, utility, district or company currently earned within the boundary of the city. However, the gross revenues earned in interstate commerce or on the business of the United States Government shall be exempt from the provisions of this section. The privilege tax authorized in this section shall be for each year, or part of each year, such utility, cooperative, district or company operates without a franchise. [Amended by 1987 c.245 §3; 1987 c.447 §115; 1989 c.999 §§7,8; 1999 c.865 §30; 1999 c.1093 §7]
- **ORS 221.515 Privilege tax on telecommunications carriers; maximum rate; deduction of additional fees.** (1) The council of every municipality in this state may levy and collect from every telecommunications carrier operating within the municipality and actually using the streets, alleys or highways, or all of them, in such municipality

for other than travel, a privilege tax for the use of those streets, alleys or highways, or all of them, in such municipality in an amount which may not exceed seven percent of the gross revenues of the telecommunications carrier currently earned within the boundaries of the municipality. The privilege tax authorized in this section shall be for each year, or part of each year, that such telecommunications carrier operates within the municipality.

- **ORS 221.655 Privilege tax on distribution utilities; maximum rate; allocation of tax among customers.** (1) The city council or governing body of an incorporated city may levy and collect from a distribution utility providing direct access to electricity services under ORS 757.601 (1) or 757.676, except a municipal electric utility, operating for a period of 30 days within the city without a franchise from the city and actually using the streets, alleys or highways in such city for other than travel, a privilege tax for the use of those public streets, alleys or highways. The privilege tax shall be based on a volumetric rate times the volume of electric energy in kilowatt hours delivered, transmitted or distributed to retail electricity consumers within the city by the distribution utility, provided that the privilege tax shall not be applied to electric energy generated by a retail electricity consumer's own generating facilities or to electric energy delivered by the federal government. The volumetric rate of the privilege tax for the distribution utility may vary by customer class.  
(2) The privilege tax described in subsection (1) of this section shall be subject to the following:
  - (a) The volumetric rate, in cents per kilowatt hour, for any customer class shall not exceed five percent of the 1999 gross revenue of an electric utility within the city for the customer class divided by the amount of electric energy in kilowatt hours delivered to the customer class in 1999.
  - (b) A city with a franchise fee or privilege tax in effect on July 1, 1999, that was less than five percent shall not establish a volumetric rate for any customer class of the distribution utility in an amount in excess of the city's 1999 franchise fee or privilege tax rate times the 1999 gross revenue of any electric utility within the city from the customer class divided by the amount of electric energy in kilowatt hours delivered to the customer class in 1999, except following a hearing with notice and opportunity for public comment.  
(3) Subject to the limitations established in subsection (2) of this section, once a city has established volumetric rates for the purpose of calculating the privilege tax under this section, any subsequent change in the volumetric rates shall be applied on an equal percentage basis to all customer classes.  
(4)(a) The Public Utility Commission shall determine the manner in which a privilege tax under this section is collected from the customers of an electric company. The privilege tax shall be allocated across an electric company's customer classes in the same proportional amounts as levied by the city against the electric company.  
(b) The governing body of an electric cooperative or people's utility district shall determine the manner in which a privilege tax under this section is collected from the customers of the electric cooperative or people's utility district. The governing body shall allocate the privilege tax across customer classes in the same proportional amounts as levied by the city against the electric cooperative or people's utility district.  
[1999 c.865 §29]  
(2) As used in this section, "gross revenues" means those revenues derived from exchange access services, as defined in ORS 401.710, less net uncollectibles from such revenues.  
(3) A telecommunications carrier paying the privilege tax authorized by this section shall not be required to pay any additional fee, compensation or consideration, including the free use or construction of telecommunications facilities and equipment, to the municipality for its use of public streets, alleys, or highways, or all of them, and shall not be required to pay any additional tax or fee on the gross revenues that are the

measure of the privilege tax. As used in this subsection, “use” includes, but is not limited to, street openings, construction and maintenance of fixtures or facilities by telecommunications carriers. As used in this subsection, “additional fee, compensation or consideration” does not include commissions paid for siting public telephones on municipal property. To the extent that separate fees are imposed by the municipality on telecommunications carriers for street openings, construction, inspection or maintenance of fixtures or facilities, such fees may be deducted from the privilege tax authorized by this section. However, telecommunications carriers shall not deduct charges and penalties imposed by the municipality for noncompliance with charter provisions, ordinances, resolutions or permit conditions from the privilege tax authorized by this section.

(4) For purposes of this section, “telecommunications carrier” has the meaning given that term in ORS 133.721. [1989 c.484 §5; 1999 c.1093 §10]

#### Interest Income (bank interest):

- Interest income is strictly a function of the amount of money being held by interest-bearing institutions and instruments.
- It is uncertain how much a potential City of Bull Mountain would have on hand; therefore, interest income was not included on the attached spreadsheet analysis.

#### Other locally imposed fees and fines (if desired):

- Business license fees, alarm permit fees, dog-licensing fees, municipal fines, etc.
- These variable sources of revenue have been left out of the attached spreadsheet analysis, as the types and amounts would be uncertain for a new city; however, it is anticipated that significant funds would be available from these fees and fines.

#### System Development Charges (SDCs):

- One-time fees imposed on new development to equitably recover the cost of capacity to serve new customers. The fees are authorized by ORS 223.297-314, can only be used for capital projects, and can only be charged for select public facilities as follows:
  - Water Systems
  - Sewer Systems
  - Storm Water Systems
  - Transportation Systems
  - Parks
- Since the amount SDCs and the desire to impose them is undetermined at this time, and since any fees collected must be spent where collected for capital improvements to the services for which they are collected, SDCs have been left out of the attached spreadsheet analysis (though they are an excellent source of capital improvement funds).

#### Traffic Impact Fees (TIFs):

- One-time fees imposed on new development to pay for the transportation improvements required for supporting the development.
- The fees are a county-wide tax (rather than from individual jurisdictions) and are determined based on the number of trips each class of property generates and are adjusted annually for inflation. TIFs are collected both in cities and in counties.
- Developers may pay TIF with “credits” rather than with cash for capacity-increasing transportation improvements (with a number of restrictions).

- Washington County TIF rates (as of July 1, 2005) are:
- Residential Use: \$285 per average weekday trip
  - Typically calculated at 10 trips per unit average on ITE (Institute of Transportation Engineers) category 210 properties.
- Business/Commercial Use: \$72 per average weekday trip.
- Office Use: \$262 per average weekday trip.
- Industrial Use: \$274 per average weekday trip.
- Institutional Use: \$118 per average weekday trip.
- Since any fees collected must be spent where collected for capital traffic improvements, and the total amount collected is based on the number of new units being developed (which is undetermined at this time), TIFs have not been included in the attached spreadsheet analysis (though they are an excellent source of capital improvement funds).

#### Gas Tax (County)

- Washington County has a \$.01 per gallon gas tax, with revenues split with cities. In the attached spreadsheet analysis, the County gas tax revenues are lumped together with the State gas tax revenues.

#### Parks & Open Spaces:

If the residents of the study area decide to form their own city, they could choose to form their own parks & recreation department, or they could choose to annex to an existing parks and recreation district (such as Tualatin Hills Parks & Recreation District). They could even form their own parks & recreation district. Other options are also available. Funding would come from SDCs charged for parks, general fund revenues, grants, donations, or from new local levies.

#### Permitting Services:

The newly formed city could either create a department to implement permitting services (as Tigard does) or could contract those services out (as do King City and Damascus). In our analysis, we assumed that Permitting Services would be contracted out.

#### Planning Services:

The newly formed city would not immediately have its own comprehensive plan, and would therefore most likely continue to use Washington County's existing comprehensive Plan (including the Bull Mountain Community Plan) until such time as the new city were able and willing to create their own comprehensive plan (per state law). Planning services could be handled in-house (as Tigard does) or could be contracted out (as do King City and Damascus). In our analysis, we assumed that Planning Services would be contracted out.

#### Local Codes:

The newly formed city would be able to enforce its own local codes (consistent with applicable laws and standards) upon development and implementation of local codes and ordinances. This would include tree codes, density, zoning, noise control, traffic control, traffic calming, sensitive land surveys, and others.

#### Service Levels:

- Police Services
  - The newly formed city could choose to operate its own police department (as Tigard and King City do) or (most likely) could choose to contract out police services to Washington County or other local municipalities. For the purposes of this study, we have assumed that Washington County would provide police services, at their quoted rate of \$123,457 per deputy.
  - Per Washington County Sheriff Rob Gordon (in his e-mail to the BMGC on 11/23/05), to utilize one full time deputy, with 24-hour coverage and time off for holidays, sickness, and training would require a total of 5.4 deputies. However, per Sheriff Gordon (in the same e-mail), “It is our opinion that the Bull Mountain community can be served with less than a fully dedicated single police officer.” The BMGC, for this study, was conservative and used the 5.4 deputy number.
  - Also per Sheriff Gordon (in an e-mail on 07/21/04 regarding Bull Mountain), “In our urban areas, our response times are actually faster in some cases than cities. More often, they are comparable...My opinion remains unchanged regarding annexation issues. The quality of law enforcement will not improve through annexation...You live in a relatively low crime area and are served by a nationally accredited agency now.”
  
- Fire & Rescue Services
  - Provided by Tualatin Valley Fire & Rescue (<http://www.tvfr.com/>).
  - The coverage is not expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
  
- Public K-12 Schools
  - Provided by Tigard-Tualatin School District (<http://www.ttsd.k12.or.us>) in parts of the study area, and by Beaverton School District (<http://www.beaverton.k12.or.us>) in other parts of the study area.
  - Neither the coverage nor the districting is expected to change in any of the five studied governance options.
  - The costs are not expected to change in any of the five studied governance options.
  
- Clean Water
  - Would likely continue to be provided by the Tigard Water District, or a special district could be formed under the Inter-Governmental Water Authority.
  - Rates are as below. Note: 100 cubic feet = 748 gallons.
  - Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study for all five governance options.

**Water Rates and Information (per 100 cu. ft.)**

Type	New Rate effective 10/1/05
Residential	\$2.05
Multi-Family	\$2.03
Commercial	\$2.40
Industrial	\$1.99
Irrigation	\$2.56
Booster Charge	\$4.68*
Customer Charge	\$5.29*

\* Per Billing Period (every two months)

▪ Sewer

- Billed by Clean Water Services.
- Based on rates set by Clean Water Services.
- Bi-monthly rate is \$35.62 per dwelling unit plus a usage fee of \$1.23 per 100 cubic feet. 100 cubic feet = 748 gallons.
- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.
- If an area presently on septic wants sewer service, they work directly with Clean Water Services to form a Local Improvement District (LID) or other mechanism to bring sewers to their neighborhood.
- Note: For those properties presently on septic, Clean Water Services has goals to have all areas on sewer in the future, though they have not set a date. Per Andy Braun (CWS Capital Improvement Manager) in an 11/28/05 interview, any neighborhoods in the unincorporated study area that desire sewers can get them through CWS. No matter which of the options we are studying in this report, sewers are available. The only difference is which jurisdiction must be contacted to provide the sewers, and different jurisdictions may offer different incentives or financing packages.

▪ Surface Water Runoff

- Billed by Clean Water Services.
- Based on rates set by Clean Water Services.
- Bi-monthly rate is \$8.00 per Equivalent Surface Unit (ESU). 1 ESU = 2640 square feet of impervious surface. Most residences are billed based on 1 ESU.
- Rates are the same in unincorporated areas, Tigard areas, and King City areas, and so are expected to be a “constant” in this study.

▪ Garbage Disposal

- Billed and provided by Pride Disposal. Upon formation of a new city, rates and service are expected to remain approximately the same.
- \$18.06/month (20 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$19.65/month (32 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$28.51/month (60 gallon), including garbage, recycling, bi-weekly yard debris service.
- \$33.72/month (90 gallon), including garbage, recycling, bi-weekly yard debris service.

▪ Street Maintenance

- All roads in the study area are presently owned by Washington County.
- If the study area incorporated, street maintenance would be a significant cost to the new city. It is probable that, in the short-term, Beef Bend Road, Bull Mountain Road, and Roy Rogers Road would continue to be owned and maintained by Washington County, but all other roads in the study area would become the responsibility of the new city.
- Property owners in the study area presently pay a total of \$0.2456 per \$1000 of assessed value for additional road services from Washington County through the Urban Road Maintenance District (URMD). It is expected that this levy would be dissolved (for the study area).
- Based on data from the City of Damascus Feasibility Study, and from the existing

Urban Roads Maintenance District, it would be expected that the cost of road maintenance for the new city would be approximately \$250,000 per year with the present road system.

- Alarm Permits
  - Washington County charges an alarm permit fee of \$54 per year (combined burglary and robbery), and has false alarm charges. The new city could choose to contract with Washington County for alarm permit services or could handle that function internally.
  - For further information see: <http://www.co.washington.or.us/sheriff/service/alarms.htm>.
  
- Business Licenses & Home Occupation Permits
  - The newly formed city would decide if it wants to have Business Licenses and Home Occupation Permits, and could then set their own rates by implementing local ordinance and code. For the purposes of this study, such fees have not been included in the projected revenues.

#### The Process of Incorporation:

In order to form a new city in Oregon, the following steps should be taken (**those required by State law are in bold print**):

- 1) **A boundary must be established, and a map of the proposed city should be drawn, per ORS 221.031(2) (see above).**
- 2) Geographic features of the area should be noted.
- 3) The population should be established as closely as is practical from county and census data.
- 4) Demographic information should be gathered.
- 5) Economic characteristics of the area should be studied.
- 6) Existing and proposed service providers should be studied:
  - a. Police protection
  - b. Planning and zoning services
  - c. Fire protection
  - d. Sewer services
  - e. Water services
  - f. Building inspection and permitting
  - g. Garbage collection
  - h. Parks and recreation
  - i. Elderly and low-income housing assistance
  - j. Library services
  - k. Street lighting
  - l. Street planning and maintenance
  - m. Storm drainage
  - n. Nuisance abatement
  - o. Animal control
- 7) Local governments who make decisions concerning the area should be considered:
  - a. Boards
  - b. Advisory groups
  - c. Commissions
  - d. Districts
- 8) Tax studies should be done:
  - a. What are the existing tax districts, bonds, and levies?

- b. How would they change upon incorporation?
- 9) Area residents should be surveyed:
  - a. What additional services does the community want?
  - b. Would the community be willing to pay additional taxes for those services?
  - c. What kind of government do the residents want?
  - d. What kind of control do the residents want?
- 10) An official Petition authorized by the Secretary of State must be circulated in the area (see appendix, forms SEL 701, SEL 702, SEL 301).**
  - All signatures must be obtained within six months of the date of filing (per ORS 221.031).
  - Petitioners must be properly trained, and the forms properly completed.
  - The petition must contain:
    - a. The names and addresses of at least three chief petitioners
    - b. The name of the proposed city
    - c. A proposed tax rate (permanent) that is sufficient to generate enough operating tax revenues to support an adequate level of municipal services
    - d. A map of the proposed city's boundaries
    - e. The signatures of 10% of the electors registered in the area proposed for incorporation
- 11) A Feasibility Study must be undertaken and an Economic Feasibility Statement must be prepared, per ORS 221.035(2). See the following:**
  - **ORS 221.035 Economic feasibility statement; contents.** (1) If a person intends to file a petition for incorporation under ORS 221.031 (1), the person may file a notice of intent to prepare an economic feasibility statement with the county clerk of the county in which the proposed city lies or, should it lie in more than one county, with the county clerk of the county in which the largest part of its territory lies.
 

(2) When a petition for incorporation is filed under ORS 221.031 (1), an economic feasibility statement concerning the proposed city described in the petition shall also be filed with the county clerk. The economic feasibility statement shall be prepared by the persons designated as the chief petitioners and shall form the basis for the proposed permanent rate limit for operating taxes required by ORS 221.031 (2). The economic feasibility statement shall contain:

    - (a) A description of the services and functions to be performed or provided by the proposed city;
    - (b) An analysis of the relationship between those services and functions and other existing or needed government services; and
    - (c) Proposed first and third year budgets for the new city demonstrating its economic feasibility. [1989 c.92 §28; 1997 c.541 §352; 2001 c.557 §3]

The Feasibility Study must contain the following:

- a. A description of the services and functions to be performed or provided by the proposed city.
  - b. An analysis of the relationship between those services and functions and other existing or needed governmental services.
  - c. Proposed first and third year budgets for the proposed city demonstrating the new city's economic feasibility.
- 12) The Incorporation Petitions and the Economic Feasibility Statement must be filed with the Washington County Board of Commissioners.**
  - 13) The Washington County Board of Commissioners will plan public hearings, with required notice per ORS 221.040(1).**
  - 14) If the Washington County Board of Commissioners approves the petition for incorporation, it will order an incorporation election. The date of the election must be the next primary or general election that is held at least 90 days after the date of the order. The order must contain:**

- a. The boundaries of the proposed city.
  - b. A street description of the boundaries.
  - c. The proposed permanent tax rate.
  - d. The date of election in the proposed city.
- 15) A city council of at least five members must be elected at the same election as the incorporation proposal** (see ORS 221.050(1) above).
- a. Candidate petitions or declarations must be filed between 70 and 100 days before the election.
  - b. Candidates must pay a \$25 filing fee.
  - c. A nominating petition must be included, with at least the signatures of 25 electors in the proposed incorporation area.
- 16) After the election is over, the Washington County Board of Commissioners must (within 30 days):**
- a. Declare the official results of the incorporation election.
  - b. Declare the results of the city council election.
- 17) The result of the incorporation election would be favorable if:**
- a. More than 50% of the votes cast favor incorporation AND 50% or more of the eligible electors cast ballots (in a non-general election in a non-even numbered year), or
  - b. More than 50% of the votes cast favor incorporation (in an even-numbered election year during a general election).
- 18) Once a new city is incorporated, additional requirements exist, though this study does not cover those requirements.

The Cost of the Incorporation Effort:

As only one new city (Damascus) has incorporated in Oregon since 1982, we must rely on their data for determining the costs leading to an incorporation effort. This is especially reasonable as the City of Damascus, in population, is almost identical to that of the unincorporated Bull Mountain study area. The City of Damascus reports that their incorporation costs broke down generally as follows:

▪ Economic Feasibility Analysis and Statement:	\$40,000
▪ Legal fees:	\$10,000
▪ Misc. Expenses (mailing, printing, copying, etc.):	<u>\$10,000</u>
▪ Approximate Total Costs:	\$60,000

However, the actual bottom line costs to Damascus were much less, as they received economic assistance from local governments and districts totaling approximately \$45,000, a legal firm provided the \$10,000 legal work on a “pro bono” basis, they received several grants totaling approximately \$1,000, and additionally received approximately \$4,000 from “passing the hat” at meetings. So the bottom line costs for Damascus to incorporate were:

▪ Total costs as per the above:	\$60,000
▪ LESS governmental assistance, grants, etc:	<u>(\$60,000)</u>
▪ Total net costs:	\$0

There is no guarantee that if the unincorporated Bull Mountain area undertook a similar incorporation effort, that its costs would be the same as or similar to those of Damascus. However, it is possible. In addition to any “hard” costs, there are significant costs in terms of volunteer hours that would be necessary for the incorporation effort. Also, if the incorporation effort were successful, the newly formed city would need to pay the costs of the election (as a budget expense) per ORS 221.061:

- **ORS 221.061 Election costs.** (1) When a majority of votes cast in an election held under this chapter for incorporation of a city favors incorporation, all expenses of the election and the preparation of the metes and bounds or legal description for the incorporation petition under ORS 221.040 (3)(a) shall be paid from the general fund of the newly incorporated city in the

same manner that other claims against the city are paid.

(2) When a majority of votes cast in an election held under this chapter for incorporation of a city opposes incorporation, all expenses of the election and the preparation of the metes and bounds or legal description for the incorporation petition under ORS 221.040 (3)(a) shall be paid from the general fund of the county in the same manner that other claims against the county are paid. [1981 c.890 §9 (enacted in lieu of 221.060)]

Per John Hartsock of the City of Damascus, their election cost for incorporation of their city in November of 2004 was approximately \$12,000, for an election held in November in a general election in an even-numbered year. If the election were held in non-general election (a special election), the costs would likely be higher, and would vary depending on the election total cost to the county, and how many other measures the cost could be split amongst.

#### Citizen Participation:

Citizen Participation Organization 4B (CPO 4B) is the official Washington County CPO for the study area. CPO 4B encompasses all of Bull Mountain (unincorporated areas and City of Tigard areas) and also covers other parts of the City of Tigard. If the unincorporated area were to incorporate, residents of the (formerly) unincorporated area would continue to have a voice at the County level through the same CPO 4B. Residents would additionally have a voice in their new city through new citizen participation initiatives established by the new City of Bull Mountain government, and through direct participation in the new city's governmental processes.



## **Supplementary Information**

### **Sources:**

1. City of Damascus-John Hartsock (Mayor Pro Tem)
  - Personal Interview in Damascus 10/20/05.
  - Several phone conversations and emails in October-November 2005.
2. City of Damascus-Steve Rhodes (City Manager)
  - Phone Interview, 11/28/05.
3. City of Durham-Roland Signett (City Administrator)
  - Phone Interview, 10/18/05.
4. City of King City-Chuck Fessler (Chief of Police)
  - Phone Interview, 11/21/05.
5. City of King City-Sam Locklin (City Councilor)
  - Various interviews via phone and email during September-November of 2005.
6. City of King City-Jane Turner (City Manager)
  - Phone Interview 11/28/05.
  - Personal Interview 11/29/05 (Office of Ms. Turner).
7. City of King City-Website ([www.ci.king-city.or.us](http://www.ci.king-city.or.us)) on many occasions.
8. City of Tigard-Bill Dickinson (Chief of Police)
  - Phone Interview, 11/21/05.
9. City of Tigard-Sally Mills (Water Quality Program Coordinator)
  - Phone Interview and emails 11/15/05-11/22/05.
10. City of Tigard-Craig Prosser (City Manager)
  - Via questionnaire. Received from Tigard 11/25/05.
11. City of Tigard-Website ([www.Tigard-OR.gov](http://www.Tigard-OR.gov)) on many occasions.
12. City/County Insurance Services-Penny Marlette (Risk Management Services Manager)
  - Phone Interview 11/29/05.
13. Clean Water Services-Andy Braun (Capital Improvement Projects Manager)
  - Phone Interview, 11/28/05.
14. Clean Water Services-Terry Keyes (Development Services Manager)
  - Phone Interview, 11/28/05.
15. Deschutes County-Mark Pilliod (County General Council)
  - Email Correspondence, 11/03/05.
16. League of Oregon Cities-Ken Strobeck (Executive Director)
  - Phone Interview, 11/28/05.
17. League of Oregon Cities-"Incorporation Guide" Revised 9/2003.
18. League of Oregon Cities-Website ([www.orcities.org](http://www.orcities.org)) on many occasions.
19. Metro-Carl Hostika (Councilor-District 3)
  - Dinner Meeting, McCormick's Restaurant, Tualatin on 11/03/05.
  - CPO 4B Meeting, CF Tigard Elementary School (Tigard) 11/03/05.
20. Metro-Bob Knight (Associate G.I.S. Analyst-Annexations)
  - Via Phone Interview and email, 11/29/05.
21. Oregon State Legislature-Revised Statutes
  - Via Website ([www.leg.state.or.us](http://www.leg.state.or.us)) on many occasions.
22. Portland Monthly Magazine
  - March 2005 Issue, pgs. 80-84.
23. Pride Disposal-Cindy Leichner (Administration)
  - Phone Interview and emails of 11/28/05-11/29/05.
24. SunRiver Service District-Bill Starks (former District Chair)
  - Email correspondence, 10/31/05.
25. U.S. Census
  - Via Website ([www.census.gov](http://www.census.gov)) on many occasions.

26. Washington County
  - Breakfast Meeting with Charlie Cameron (County Administrator) and Ellen Conley (Senior Deputy County Administrator), Elmer's Restaurant, Tigard, on 10/28/05.
27. Washington County-Planning Department
  - Meeting with Ellen Conley (Senior Deputy County Administrator), Joanne Rice (Senior Planner), Jessica Duncan (Administration), and Brian Hanes (G.I.S. Specialist) on 11/16/05.
28. Washington County-Numerous correspondences via email.
29. Washington County Sheriff's Department-Rob Gordon (Sheriff)
  - Via email 07/21/04, 11/21/05, 11/23/05, 11/25/05.
30. Washington County-Tom Brian (Chairman-Board of Commissioners)
  - Dinner Meeting, John Barleycorns (Tigard), 11/21/05.
  - Numerous email correspondences September-November 2005.
31. Washington County-Les Foiles (Planner)
  - Phone interview, 11/29/05.
32. Washington County-Dan R. Olsen (County General Council)
  - Via 01/28/05 and 11/04/05 emails forwarded from Chairman Tom Brian.
33. Washington County-Website ([www.co.washington.or.us](http://www.co.washington.or.us)) on many occasions.

NOTE: To conserve paper, additional Supplementary Information was not included. The full report, including the supplements will be posted shortly on the web at <http://cpo-4b.home.comcast.net/>