

**CITY OF GRANTS PASS
PARKS & COMMUNITY DEVELOPMENT DEPARTMENT**

**ANNEXATION-MAY 2016
STAFF REPORT**

Project Number:	15-40300001
Project Type:	Annexation
Project Description:	Annexation – May 2016
Planner Assigned:	Tom Schauer / Lora Glover
Date of Staff Report:	January 7, 2016
Planning Commission Hearing Date*:	January 13, 2016
City Council Hearing Date:	February 3, 2016

**See note in Section II.*

I. PROPOSAL:

Annexation of approximately 18 tax lots in four areas, totaling approximately 79.8 acres. **See Exhibit 1.** This proposal may be revised before final action is taken. **See Exhibit 2** for a recommendation for a revised proposal.

NOTE: *Some tax lots are split by city limits. If tax lots are currently split by city limits, the calculations include only those portions of the tax lots outside city limits.*

Properties within the proposed annexation areas may continue to develop and be subdivided, so the number of tax lots and acreage may change during annexation proceedings, but the proposed boundaries have not changed.

II. AUTHORITY AND CRITERIA:

Oregon Revised Statutes Chapter 222, Articles 2 and 5 of the City of Grants Pass Development Code, and the Grants Pass City Charter provide the authority and procedures for annexing property to the City of Grants Pass, and they authorize the City Council to annex properties subject to a vote of City electors. The decision must be based on the Criteria in Sections 5.052 and 5.053 of the Development Code.

Section 2.020, Schedule 2-1, and Section 5.054 of the Development Code specify that annexation is a Type IV-A procedure, in accordance with the procedures of Section 2.060. A Type IV-A procedure is a City Council decision without a Planning Commission recommendation. Section 5.054 specifies the hearing is conducted according to the legislative hearing procedures of Article 9.

***NOTE:** *The Planning Commission hearing provided for this proceeding is in addition to the City Council hearing required by the development code and statute. The purpose of the Planning Commission hearing is to provide an additional opportunity to enter written and oral testimony into the record in advance of the City Council hearing. The Planning Commission will not make a recommendation. Written testimony and the minutes of the Planning Commission hearing will be included in the record for the City Council hearing and provided to the City Council in advance of their public hearing.*

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written action.

IV. BACKGROUND:

General

The City Council created an Urban Renewal Task Force to consider and provide recommendations on formation of an urban renewal district. Staff recommended that the district only include properties within city limits. Some industrial properties are being considered for inclusion in the potential urban renewal district. This could allow for 'tax increment financing' generated in the district to be used for infrastructure investments to serve industrial properties. In some areas, this could help fund public facilities that serve a larger area, such as a pump station, which typically exceed the 'rough proportionality' share of improvements that would be required for development of a single property, requiring financial collaboration, other funding sources, and/or upfront funding such as a reimbursement district, provided funds are available. Without another means of initially funding these facilities, development of some individual properties may not move forward past initial financial barriers to development unless other adjoining properties develop first with incremental infrastructure extensions and investments. Some intervening properties are already developed and wouldn't require extension of public facilities unless expanded or redeveloped.

This proposal is for annexation into city limits of industrial properties which are candidates for inclusion in the urban renewal district.

Typically, an annexation proposal is formed in areas with existing Service and Annexation Agreements. However, as of December 2015, none of the candidate industrial properties have Service and Annexation Agreements in place. The intent is to place a 'triple-majority' annexation on the ballot, where each proposed annexation area meets the triple-majority requirements. A triple-majority annexation is one in which a majority of property owners in an area have consented to annexation, and those properties comprise more than half of the area and more than half of the assessed value of properties within the area. Under state law, a triple-majority annexation can be approved by ordinance without a separate vote on the ballot of the territory or city voters, due to the existing majority consents in the territory. However, based on a ballot initiative approved in 2000/2001, the City Charter requires that City voters must still vote to approve any annexation, including triple-majority annexations, which is a more stringent requirement than state law. Therefore, City Council will be voting on an ordinance that would place the annexation on the May 17, 2016 ballot for ratification by city electors.

Due to timelines associated with the urban renewal evaluation and the dates to include an annexation measure on the May 2016 ballot, the proposal was initiated concurrent with outreach to property owners and in advance of having annexation agreements in place for these properties for a 'triple-majority' annexation. Some areas may be removed from the final proposal, or some areas may be modified to reduce the properties included. Agreements for each area must be in place by the February 3, 2016 City Council meeting in order to place 'triple-majority' annexations on the ballot. Updated information will be provided regarding the status of any annexation agreements from property owners. Staff has recommended that any properties which are not annexed would not be candidates for inclusion in the urban renewal district.

At a December 7, 2015 work session, Council provided direction to staff to contact property owners to inquire about consents for annexation and share information about the possible urban renewal district, and to provide an update to Council in advance of the February 3, 2016 City Council meeting.

Initial Annexation Proposal

Due to the above-referenced timelines, the initial annexation proposal included the maximum extent of potential areas that would be placed on the ballot, prior to responses from all of the property owners in these areas. **See Table 1 and Exhibit 1.** If majority consents for annexation agreements were provided, the proposed annexation could include 18 tax lots in four areas. Otherwise, some areas may be removed or reduced from the proposal. As of December 2015, none of the properties had annexation consents. Triple-majority calculations will be reviewed once property owners indicate whether they will provide consents for annexation. As of January 6, 2016, written consents have not yet been submitted for properties.

Table 1. Initial Annexation Proposal

Area	Reference	Zoning	Tax Lots	Acres
1	Spalding	I	5	44.3
2	NW Vine	IP	6	20.6
3	NW Highland	BP	4	8.4
4	Shannon Ln	BP	3	6.5
SUM			18	79.8

*Some tax lots are split by city limits. If tax lots are currently split by city limits, these calculations include those portions of the tax lots outside city limits

Revised Annexation Proposal

Based on initial responses from property owners, there won't be enough property owner consents for some of the areas as originally proposed. Therefore, it is recommended that the proposal be revised to exclude some areas and modify others as follows. This recommendation is contingent on written consents for annexation from some of the property owners that haven't yet provided consents or indicated whether they will provide written consents. **See Tables 2 & 3 and Exhibit 2.**

Table 2. Revised Annexation Proposal

Area	Reference	Zoning	Orig. Tax Lots	Orig. Acres	Recommendation	Rev. Tax Lots	Rev. Acres
1	Spalding	I	5	44.3	No Change	5	44.3
2	NW Vine	IP	6	20.6	Revise (or Exclude)	3 (or 0)	12.3 (or 0)
3	NW Highland	BP	4	8.4	Exclude	0	0
4	Shannon Ln	BP	3	6.5	Exclude	0	0
SUM			18	79.8		8	56.6

*Some tax lots are split by city limits. If tax lots are currently split by city limits, these calculations include those portions of the tax lots outside city limits

Table 3. Triple Majority Calculations

Area	Tax Lots		Acreage		Assessed Value	
	Number	Percent	Number	Percent	Number	Percent
1	5/5	100%	44.3/44.3	100%	\$2.08M/\$2.08M	100%
2	2/3	66.7%	9.7/12.3	78.8%	\$456,280/\$769,160	59.3%

Assessed value percentages are based on actual values rather than rounded values shown in this table. No tax exempt properties were identified in these areas, so no properties were excluded from calculations under ORS 222.170(4).

Relationship to Urban Renewal District Considerations

Excluding Areas 3 and 4 and part of Area 2 from the annexation proposal would mean these industrially zoned properties and some adjacent properties already in city limits would not be further considered for inclusion in the urban renewal district. Therefore,

public improvements along the property frontages and associated facilities such as any pump stations would not be eligible for funding through use of tax increment funds.

Development and Service Issues

Exhibit 3 to this report includes informational materials about annexation. The Comprehensive Plan already applies throughout the UGB. The Development Code land use regulations and development standards also already apply to properties throughout the UGB, with the modifications of the 1998 Intergovernmental Agreements for Category 1 developments. Therefore, except for the limited exemptions for Category 1 developments, standards do not change upon annexation. Further, any legally existing nonconforming (“grandfathered”) land uses will continue to be nonconforming land uses upon annexation. Annexation doesn’t change the applicable zoning, land use laws, or development standards.

There are provisions of the Municipal Code that do not apply throughout the UGB that only apply upon annexation. These include issues such as nuisance abatement and enforcement; open burning; sale of fireworks; keeping of exotic animals, and allowing livestock and poultry to run at large. As of 2015, this also includes Municipal Code provisions governing marijuana.

The infrastructure master plans, including transportation, sewer, water, and stormwater plans already apply throughout the UGB as a whole. Planned projects, prioritization, and financing methods do not change upon annexation. Further, annexation doesn’t change when or whether facilities are extended to an area or whether properties are required to connect to services. Development of property, not annexation, determines whether properties are required to connect to services. (In some situations, a property on a failing septic system may be required to connect to sewer). For example, annexation does not change how or whether a local improvement district may be formed.

The most substantial change in public services pertains to public safety. Upon annexation, properties will receive public safety services, both police and fire. Properties with annexation agreements signed after June 2001 are already receiving these services and paying fee equivalent to the City tax rate for public safety. (Not currently applicable in the proposed annexation areas in the current proposal). Other properties will begin to receive these services and pay city property tax.

In addition, there are some services and rates that are only available to city residents, such as spring and fall yard waste pickup, and “in-city” rates for use of parks and recreation programs and reservation of facilities.

Revenues

City revenues increase in the following ways through annexation.

- The City collects additional property tax revenue which funds public safety services. **Exhibit 3** contains additional information about property tax.

The assessed value of the taxable value in the original proposed annexation areas in **Exhibit 1** is estimated at \$5,275,305. The combined city tax rate (permanent rate, voter-approved public safety operations levy, and voter-approved bonds for public safety stations) is \$6.3135/\$1,000 of assessed value. Gross city property tax revenues are estimated at \$33,306

The assessed value of the taxable value in the revised proposal in **Exhibit 2** is estimated at \$2,982,404. The combined city tax rate (permanent rate, voter-

approved public safety operations levy, and voter-approved bonds for public safety stations) is \$6.3135/\$1,000 of assessed value. Gross city property tax revenues are estimated at \$18,829.

All property tax revenues are dedicated to Public Safety services. \$5.9235/\$1,000 of the tax rate goes to general public safety. As tax revenue allows, additional police and fire personnel are added to the City Public Safety system to protect area residents. The additional amount \$0.39/\$1,000 is dedicated to paying off the public safety stations, which will be paid off by 2019. The city's bond rating has allowed the tax rate for the stations to be lower than originally estimated.

- The population inside City limits is higher if there are residents in annexation areas, and the City's allocation of state revenues increases accordingly. Since this proposal is only industrial properties, there would be very little change in population. A higher percentage of the state funds comes to Grants Pass rather than being allocated to other cities. This helps fund local services with less demand on other local resources
- Utility providers pay a franchise fee to the city for use of the public right-of-way.
- The City collects a business tax for businesses that conduct business inside the City (whether or not the business location itself is within the City limits).
- The City collects a street utility for properties inside City limits. (Developed properties with "fee agreements" are already paying this).

V. CHARACTERISTICS OF ANNEXATION AREAS:

General

Development

Of approximately 18 tax lots in the proposed annexation areas, approximately 12 have some extent of development or improvements, and there are approximately six undeveloped tax lots.

Zoning and Land Use

The properties within the proposed annexation areas have Business Park (BP), Industrial Park (IP), or Industrial (I) zoning. Some lots are vacant, while others have existing businesses, and there are also a couple existing dwellings.

Service & Annexation Agreements

At the time of the application submittal for the annexation, none of the properties had existing Service & Annexation Agreements. The property owner of the five tax lots in Area 1 has indicated they will either provide a Service & Annexation Agreement or written consent to annexation.

Properties with Service & Annexation Agreements signed after June 15, 2001 already pay a fee equivalent to the City tax rate and receive City Public Safety services. City Public Safety is already serving these properties, which are dispersed throughout the annexation areas. Properties with 'no fee' agreements signed before June 15, 2001 and properties without annexation agreements do not pay this fee and do not currently receive City Public Safety services.

Area 1

Upon receiving consent, the annexation area will be a “consent” annexation, with consent for annexation of all of the properties.

The area includes five tax lots (or portions) totaling approximately 44.3 acres, where parts of some tax lots are already within the city.

The properties are located in the eastern part of the Urban Growth Boundary, in the Spalding Industrial Park area, east of Ament Road and north of the railroad. It includes portions of NE Spalding Avenue and Favill Road. These properties are to the east of the first two phases of Spalding Industrial Park.

Agreements

Upon receipt of written consent, all five properties will have consents, either as a written consent or a Service and Annexation Agreement.

Zoning

These properties are zoned Industrial (I).

Land Use

The properties in this area contain structure formerly in use for the mill near the railroad, and some storage. Some properties are vacant, and there is one residence. A building foundation remains on one property.

Street Improvements

Ament Road and Favill Road are built to rural standards without curb, gutter and sidewalk. Part of NE Spalding Avenue is also built to rural standards, and the eastern portion of that right-of-way contains a bike/pedestrian path which leads to Tom Pearce Park.

City Utility Services

Street Name	Water Main	Sewer Main	Storm Drain Line
NE Spalding Av.	None	None	None (Surface)
Favill Rd.	None	None	None (Surface)
Ament Rd.	None	None	None (Surface)

A canal runs along the east side of the property.

Area 2

Based on feedback from property owners, there will not be sufficient consents from owners to include the original Area 2 as a triple-majority annexation as shown in **Exhibit 1**. The revised Area 2 shown in **Exhibit 2** could be included as a triple-majority annexation if two of the three property owners provide consent. One owner has already responded that they do not wish to provide consent. For the other two properties, one has received a land use approval and will be required to sign a Service & Annexation Agreement as a condition of approval. That agreement or a written consent might be provided in advance of the deadline for a May 17 annexation. The other property doesn't have an annexation agreement, but may be eligible for tax exempt status for the property as a religious institution. Therefore, it might be advantageous for them to provide consent to annexation, which would result in provision of public safety services upon annexation.

If those two agreements are not provided, this area could not be included as a triple-majority annexation.

The revised Area includes 3 tax lots totaling approximately 12.3 acres.

The properties are located in the northwest area of the Urban Growth Boundary, along NW Vine Street south of I-5.

The remaining information below pertains to the revised area.

Agreements

Currently, there are no agreements. Two of three properties would have written consent if the two described above provide consents.

Zoning

The properties within this area are zoned Industrial Park (IP).

Land Use

One property is predominantly vacant, the location of the former golf driving range, and has received land use approval for development of storage units. The other parcels include industrial buildings and businesses including S&P Fabricators.

Street Improvements

NW Vine Street is a 2-lane road built to rural standards.

City Utility Services

Sewer, water, and storm drain are not present along the frontage. Drainage along NW Vine is open drain. Some open drainage from the north side of I-5 is piped under I-5 and NW Vine and portions of the properties and also runs in open ditches across the portions of properties. Any existing utility connections are presently provided through easements to sewer mains on properties to the south. The nearest water mains to the frontage are at Highland/Vine to the west and Hawthorne/Vine to the east.

Area 3

This area is along NW Highland in the northwest part of the UGB. There are insufficient consents to include this area as a triple-majority annexation. This area is excluded from the revised proposal in **Exhibit 2**. No further information is provided regarding the characteristics of this area.

Area 4

This area is along Shannon Lane south off the railroad and north of the Rogue River in the east part of the UGB. At this time, there has been no response from property owners regarding consents. Without at least two consents, this area can't be included as a triple-majority annexation. This area is excluded from the revised proposal in **Exhibit 2**. No further information is provided regarding the characteristics of this area.

VI. CONFORMANCE WITH APPLICABLE CRITERIA:

5.052. Criteria for Property Subject to a Service and Annexation Agreement. If the proposed property is subject to an annexation agreement, all of the following must be satisfied.

Criterion 1: All of the conditions and requirements of the annexation agreement have been met.

STAFF RESPONSE: Satisfied/Not Applicable.

No properties have Service and Annexation Agreements. If properties in Area 1 and Area 2 sign Service and Annexation Agreements, there are no new requirements to be met.

Criterion 2: Any additional conditions or requirements made necessary by subsequent judicial or state or federal or legislative acts have been met.

STAFF RESPONSE: Satisfied Upon Referral to City Electors. The City Charter requires that annexations must be approved by the electors of the City. This will be achieved by referring proposed annexation to the May 17, 2016 ballot.

5.053. Criteria for All Other Property.

Criterion 1: The proposed property is located within the Grants Pass Urban Growth Boundary Area and the area is contiguous with the existing City Boundary.

STAFF RESPONSE: Satisfied. All of the property proposed for annexation is within the Urban Growth Boundary. The proposed annexation areas are contiguous with the existing City boundary.

Criterion 2: The proposed property is developed or will be developed consistent with City standards.

STAFF RESPONSE: Satisfied. The 1998 Intergovernmental Agreement specifies that development within the UGB shall be in accordance with the City's land use and development standards, with some provisions specific to Category 1 development. The properties proposed for annexation are currently subject to City standards and the Intergovernmental Agreement. These properties are developed to City standards, will develop to City standards at the time of development or redevelopment, or have existing development which is legally nonconforming in relation to City standards, as permitted by the Development Code.

Criterion 3: The proposal is consistent with the City's Comprehensive Plan at such time as the State has acknowledged that plan, or the proposal is consistent with LCDC Goals, prior to acknowledgment of the City's Comprehensive Plan.

STAFF RESPONSE: Satisfied. The Comprehensive Plan is acknowledged, and the proposal is consistent with the Comprehensive Plan and the implementing provisions of the Development Code. The Comprehensive Plan goals and policies do not specifically address annexation. Goals and policies pertaining to land use, development, and public services are addressed through the 1998 Intergovernmental Agreement, the Development Code, and public facility plans. The proposal is consistent with the annexation provisions and criteria of the Development Code, which is part of the acknowledged Comprehensive Plan.

Criterion 4: The proposal is consistent with this Code.

STAFF RESPONSE: Satisfied. The proposal is consistent with the provisions of Article 5, which governs annexations.

Criterion 5: The proposal is consistent with the provisions of the Oregon Revised Statutes.

STAFF RESPONSE: Satisfied. The proposal includes consent and/or triple-majority annexations. The proposal is consistent with Oregon Revised Statutes Chapter 222.

Criterion 6: The City of Grants Pass has sufficient capacity to provide the property with basic urban services, such as municipal water, sanitary sewer, fire protection, and police protection.

STAFF'S RESPONSE: Satisfied. The City has sufficient capacity to provide the property with basic urban services as described below.

The Comprehensive Plan and Development Code, public facility plans and capital project planning and prioritization, development standards, and urban zoning already apply throughout the UGB, and properties within the UGB already have urban zoning. Annexation doesn't change this.

Water

Properties within the UGB can develop and/or connect to water, subject to an administrative Service & Annexation Agreement. Annexation does not determine whether properties can or cannot connect to water; therefore, annexation itself doesn't place any additional demand on the water system.

If an urban renewal district is formed, it could help fund improvements to the distribution system.

Planning for the Water Treatment Plant is based on development of the Urban Growth Boundary and the additional portion of the water service area outside the UGB, which predominantly in the Merlin/North Valley area.

Some areas developed prior to standards that require municipal water, and they are served by private wells or community water systems using groundwater. Properties served by private wells are not required to connect to municipal water, and they can continue to use the existing wells for existing development.

There is sufficient capacity to serve properties in the proposed annexation areas.

Further, the City Council adopted a Water Treatment Plant Facility Plan Update in February 2014 (Resolution 14-6173). This Water Treatment Plant Facility Plan, and the Water Distribution Master Plan adopted in January 2001, plan for projected water demand based on forecast population and build-out of the Urban Growth Boundary and the rest of the water service area, including properties in Merlin/North Valley which are connected to the system or authorized to connect to the system.

The water facility plan update also identifies capital projects to meet modern seismic requirements and water treatment requirements for the future. The water

distribution master plan will also be updated in conjunction with the city's UGB amendment work to serve the current service areas and expansion areas.

Sewer

Properties within the UGB can develop and/or connect to sewer, subject to signing an administrative Service & Annexation Agreement. Annexation does not determine whether properties can or cannot connect to sewer; therefore, annexation itself doesn't place any additional demand on the sewer system.

If an urban renewal district is formed, it could help fund improvements to the collection system.

Planning for the Wastewater Treatment Plant is based on development of the Urban Growth Boundary and the additional portion of the sewer service area outside the UGB in the Redwood area.

Properties served by septic systems can continue to use those systems for existing development. Properties with functioning septic systems are not required to connect to municipal sewer.

Capacity of the water restoration plant is dependent on water quality standards and pollutant limits associated with the DEQ operating permit for the plant. The plant is operating under the permit issued in 2010, and it has capacity to operate in accordance with the permit requirements.

There is sufficient capacity to serve properties in the proposed annexation areas.

Further, the City Council adopted a new Water Restoration Plant Facility Plan in June 2014 (Resolution 14-6205). This Water Restoration Plant Facility Plan, and the Collection System Master Plan, plan for projected sewer demand based on forecast population and build-out of the Urban Growth Boundary and the rest of the sewer service area, including those properties in the Redwood area outside the UGB which are connected to the system or authorized to connect to the system.

The updated water restoration plant facility plan update identifies capital projects to meet modern seismic requirements and add capacity and improvements to optimally meet current and future treatment requirements and anticipated regulatory standards. The collection system master plan will also be updated in conjunction with the city's UGB amendment work to serve the current service areas and expansion areas.

Public Safety Services, Police Protection and Fire Protection

The Development Code does not identify "capacity" standards for public safety services. The Comprehensive Plan recognizes the need to provide urban levels of police and fire protection to urban levels of development.

Any properties with Service and Annexation Agreements signed after June 15, 2001 will pay the equivalent of the City tax rate and receive public safety services.

Property taxes are dedicated to Public Safety. Additional property tax revenues generated by annexation will be used to fund public safety services. City police rather than the Sheriff's Office will serve annexed properties. The City has a first

response agreement with Rural/Metro for fire protection, providing fire protection services for annexed properties.

With the station locations and current staffing, it is expected that all areas within the City receive public safety response times of approximately five (5) minutes or less, for both police and fire emergency calls.

There is sufficient capacity to serve properties in the proposed annexation areas.

VII. RECOMMENDATION TO CITY COUNCIL:

Approve the annexation and adopt an ordinance annexing the properties proposed for annexation, with a provision that the ordinance would not be effective until or unless approved by the electors of the City on the May 17, 2016 ballot. It will also be necessary to approve the ballot title.

VIII. CITY COUNCIL ACTION:

- A. For Consideration and Approval:
 - 1. Motion that the Ordinance be read by title only - 1st reading.
 - 2. Motion that the Ordinance be read by title only - 2nd reading.
 - 3. Roll call vote.
- B. For Postponement (With Future Reconsideration): Motion to Postpone to a Date Certain **OR** to Postpone.
- C. For Postponement (WithOUT Future Reconsideration): Motion to Table.
- D. For Denial: Motion to Deny the Ordinance.
- E. For Amendment:
 - 1. Motion to amend the Ordinance/Second.
 - 2. Followed by an additional Motion to: Adopt, Deny, Postpone, Table, or Amend the amended ordinance.

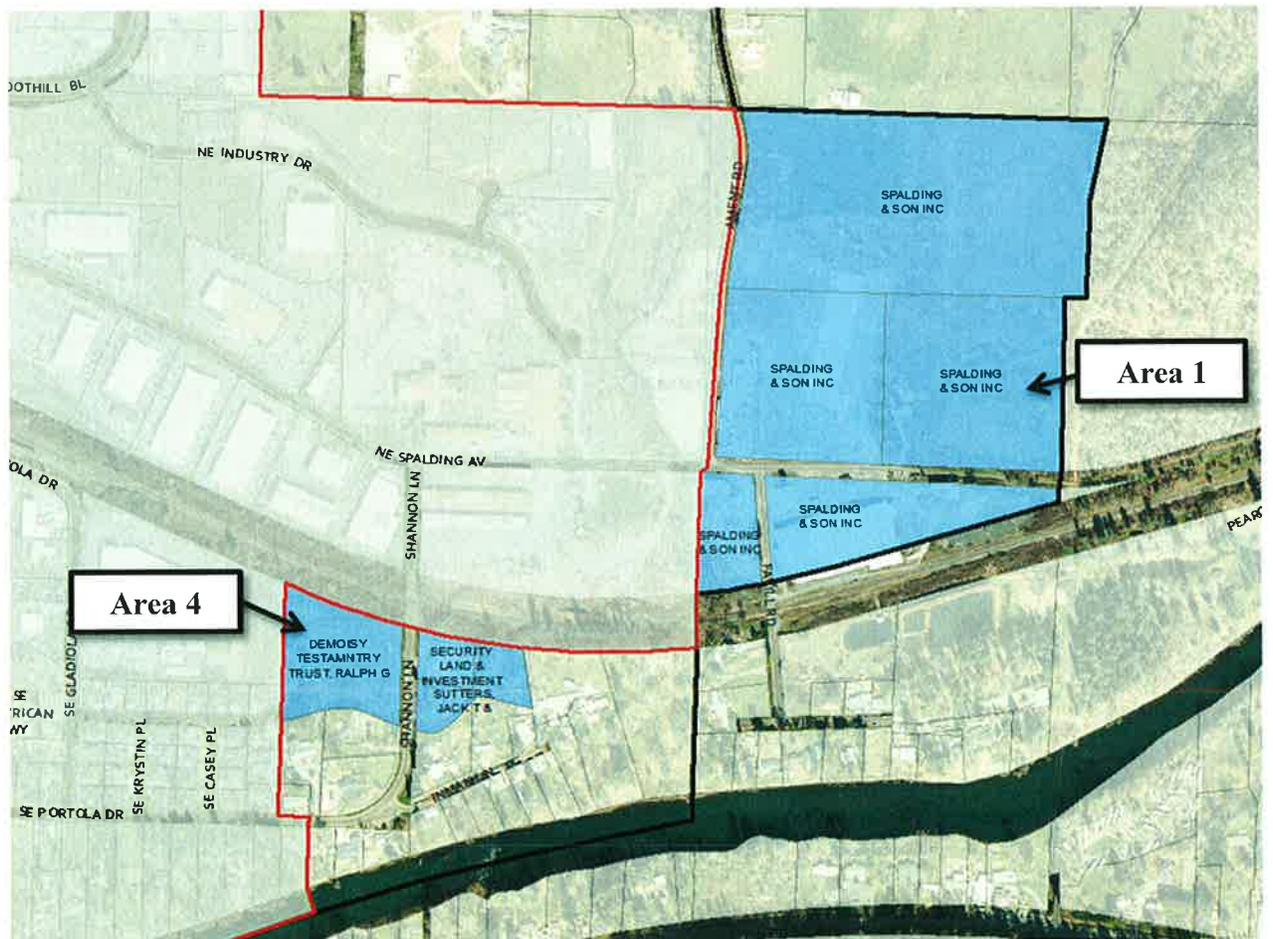
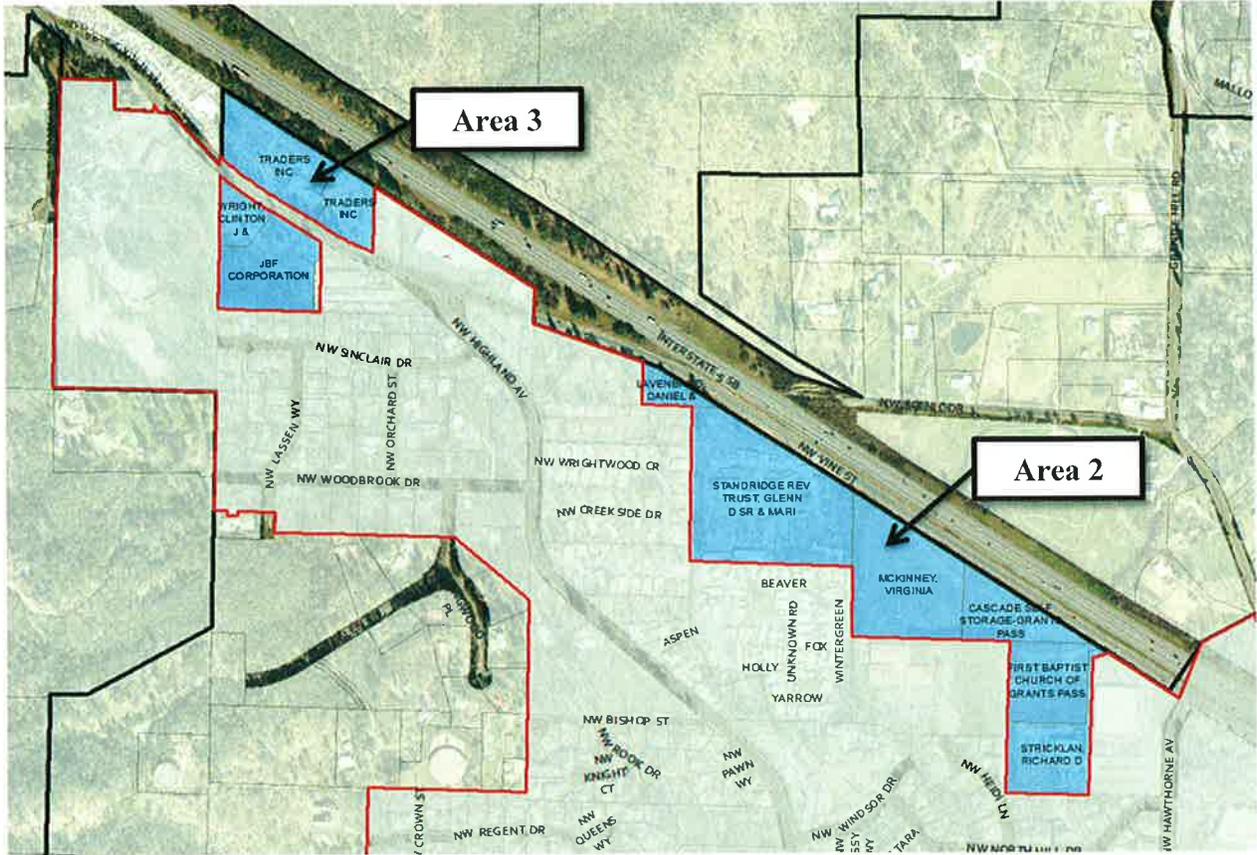
NOTE: City Council action must be taken at the February 3, 2015 meeting to meet the deadlines for the May 17, 2016 ballot.

IX. INDEX TO EXHIBITS:

- 1. Map of Proposed Annexation Areas
- 2. Maps of Proposed Annexation Areas as Revised (Recommended)
- 3. Informational Materials About Annexation
- 4. Written Consents and Service and Annexation Agreements (attached as received)
- 5. Written Comments (will be attached as received)
- 6. Minutes of January 13, 2016 Planning Commission Hearing (to be attached)

t:\cd\planning\reports\2015\15-40300002 annexation 2015\annexation 2015 staff report.docx

Proposed Annexation Areas – Subject to Majority Consent

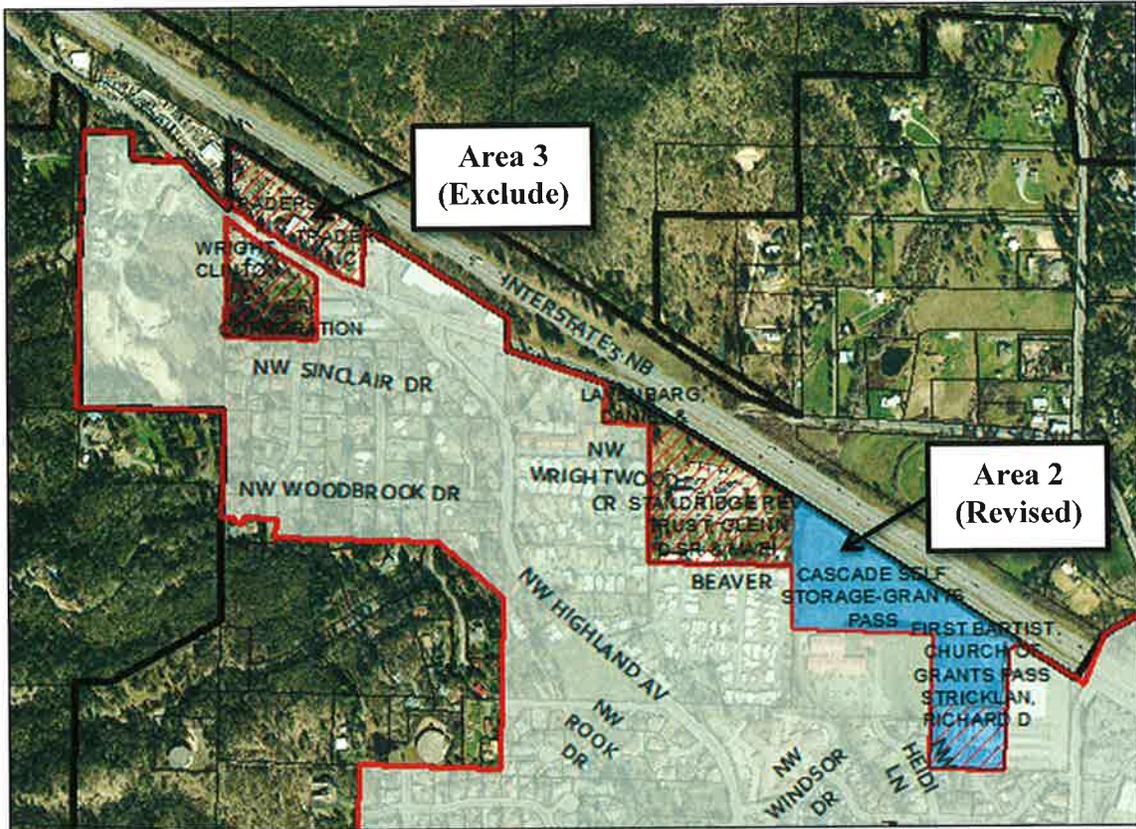


Proposed Annexation Areas – Revised Recommendation 1/6/2016

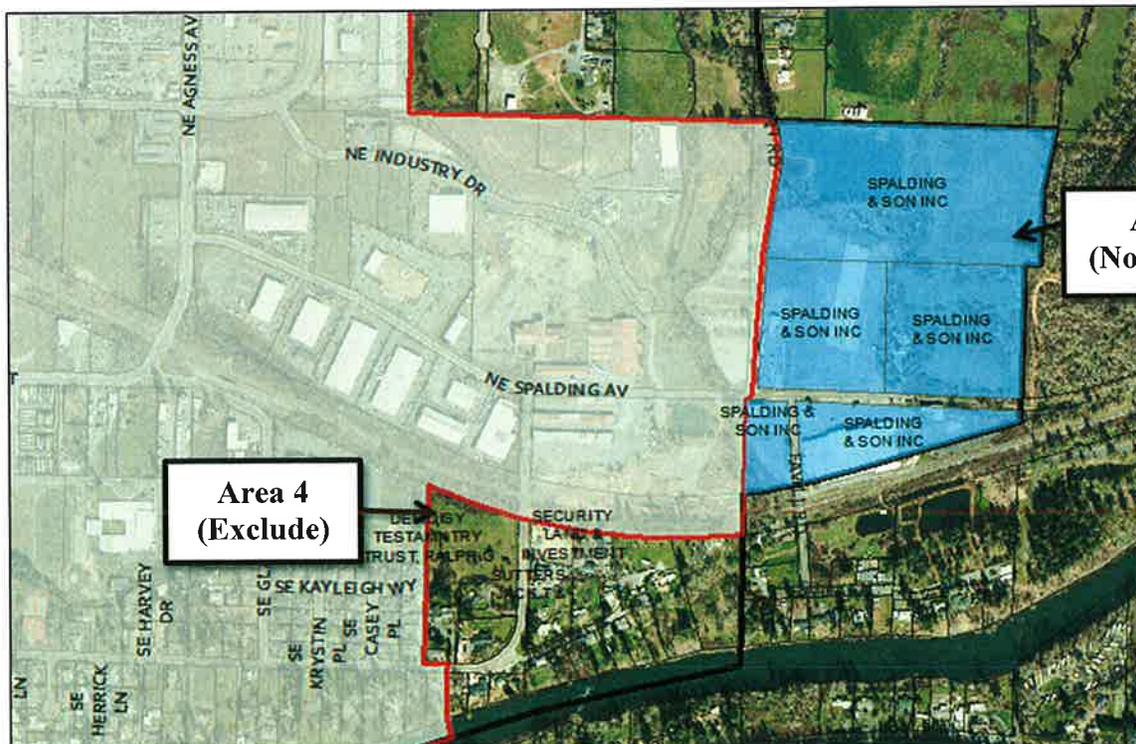
Blue = Proposed Annexation Area

Red Hatching = Responded, Not Providing Consent

No Hatching = No Formal Response Yet (1/6/2016)



Area 2 (Revised), Area 3 (Excluded)



Area 1 (No Change), Area 4 (Excluded) 27

ANNEXATION

QUICK FACTS

What Does Annexation Mean To Me?

Annexation is when lands in the Urban Growth Boundary (UGB) are included within City limits. We want to be sure you have the facts to know what annexation means to you.

Most people want to know three things about annexation:

- Are there associated benefits?
- Are there associated costs and/or savings?
- Are there other associated changes or requirements?

This information sheet and the attached materials answer these questions, provide facts, and answer some common **'why'** and **'how'** questions about annexation and the annexation process.

Major Changes

Below are some of the most significant changes you can expect with annexation. Different properties have some different circumstances.

For properties with Post-June 15, 2001 Service & Annexation Agreements:

- These already pay a fee equal to the city property tax and receive city public safety services and response, both police and fire. After annexation, they pay city property taxes rather than a fee, so there is no change in the amount paid or the public safety provider.

For other properties:

- These will pay city property taxes and receive city public safety services, both police and fire. Response time is approximately five minutes for emergency calls. City police provide patrols.
- They no longer need to pay for a separate rural fire protection contract.

For all properties:

- Most homeowners can write off their property taxes on their federal income tax return, whereas they may not be able to write off their current fire protection contracts or service fees. (The first property tax statement with city property taxes would be in the fall of 2015).
 - Electors will be able to vote in city elections, for city officials and on city issues.
-

Common Myths

There are some changes that come with annexation, but many things won't change. There are some common misconceptions about annexation. The reality is most laws and policies governing property and improvements already apply throughout the urban growth boundary (UGB), and inclusion in the city doesn't change how they apply.

Myth: "Annexation means I'm going to be required to connect to city water and sewer."

Truth: Annexation doesn't change whether property is required to connect to city water or sewer.

Myth: "Annexation means I'm going to be assessed for a local improvement district."

Truth: Annexation doesn't change whether property can be part of a local improvement district.

Myth: "Annexation means I'm going to be in a different school district."

Truth: Annexation doesn't change school districts or their taxes.

Myth: "Annexation means my property taxes will no longer support county services."

Truth: Properties in the city are still part of the county. They still support the county-wide criminal justice system (jail, courts, etc.) and services, and electors still vote in county elections.

Read on for more information about issues above and answers to frequently asked questions.

Benefits

The attached information sheet, **Summary of Major Changes Resulting from Annexation**, provides a quick reference with a side-by-side comparison of major issues before and after annexation. Below are a few of the most popular benefits:

- **City Elections.** Electors vote in city elections, for city officials and on city issues.
- **Public Safety & Emergency Response.** City police and fire provide typical five-minute response times for emergency calls. City police provide patrols.
- **Code Enforcement.** City community service officers respond to citizen calls about code violations including trash accumulation, fire hazards and overgrown weeds, and other nuisances.
- **Spring & Fall Yard Waste Collection.** City residents receive this curbside collection service twice a year at no additional cost.
- **More State Funds Returned to the Community.** Certain 'state revenue-sharing' funds collected by the state are distributed to communities based on the population within city limits. A greater share of those funds would come back to Grants Pass rather than going to other parts of the state. This helps fund local services with less demand on other local resources.

Costs and Savings

The attached information sheet, **Example of Costs and Savings Associated with Annexation**, provides a quick reference with a side-by-side comparison of major costs and savings before and after annexation. Below are a few of the most significant costs and savings:

- **City Property Tax.** All city property taxes go to public safety. Properties with post-June 15, 2001 service and annexation agreements already pay a fee equal to the city property tax rate and receive city public safety services. After annexation, they pay the same amount, but as a property tax rather than a fee; therefore, there is **no change** in the amount paid.
For other properties, the most significant **cost** associated with annexation is city property taxes. However, these properties will no longer need to pay for a separate rural fire protection contract and will also experience that **savings**.
Most homeowners can **write-off** their property taxes on their federal income tax return, resulting in additional **savings**, whereas they may not be able to write off their current fire protection contracts or service fees.
- **Business License/Tax.** If you operate a business on the property and don't already conduct any business within the City, there is also a business license/tax and associated **cost**. Many businesses already conduct business in the City and will experience **no change**.
- **Franchise Fees.** Utility providers pay a franchise fee for use of the public right-of-way and often pass this on to their customers as a **cost**.
- **Street Utility.** If your property has a post-June 15, 2001 service and annexation agreement, you are already paying a street utility which helps maintain existing streets, so there is **no change**. This will be a new **cost** for other properties.
- **Flood Insurance Discount.** If you have flood insurance, the City's participation in the Community Rating System (CRS) means you qualify for a flood insurance discount **savings**.

Other Changes or Requirements

Below are other issues people often ask about. Please let us know if you would like more information.

- **Open Burning.** Open burning of yard debris requires a permit and is limited to burn windows in the spring and fall. This helps to reduce particulate matter in the air, maintain our air quality, and reduce respiratory problems like asthma.
- **Animals.** Most regulations about keeping animals already apply throughout the UGB, but there are a few additional limitations within the city. These mainly apply to keeping of exotic animals and keeping animals from running at large. There isn't a difference for most people.

Tom Schauer

From: David Roberts <dutch2191@yahoo.com>
Sent: Thursday, January 07, 2016 1:22 PM
To: Susan Seereiter; Tom Schauer
Subject: annexation

Dear Tom:

Per our last conversation of approximately a week ago, I am writing a letter to both you and Ms. Seereiter that I would NOT like to be involved with the annexation of my property located in area 3 of your plat that was provided to me. I DO NOT support the annexation and would like to stay OUT of city limits in all areas. If you have further questions, please do not hesitate to contact me. Thank you.

Sincerely,
Traders, Inc.

David Roberts
Manager

David Roberts
541-291-0523