




January 13, 2011

To: Washington County Board of Commissioners

From: Brent Curtis, Planning Manager 
Department of Land Use & Transportation

Subject: **PROPOSED NORTH BETHANY COUNTY SERVICE DISTRICT**

STAFF REPORT

For the January 18, 2011 Board of Commissioners Meeting

I. STAFF RECOMMENDATION

- 1) Adopt the order to initiate formation of the North Bethany County Service District and authorize the Chair to sign the Resolution and Order to memorialize the action; and
- 2) As part of future ordinance placeholder work on North Bethany, direct staff to develop language that requires homeowners associations to maintain road landscaping.

II. OVERVIEW OF THE NORTH BETHANY COUNTY SERVICE DISTRICT

The North Bethany County Service District (NBCSD) is being considered to fund:

- a) a portion of transportation capital costs in North Bethany, and
- b) other unfunded public costs as defined in A-Engrossed Ordinance 730.

The Board has previously given staff direction to develop a strategy to fund approximately \$69 million worth of transportation capital costs associated with North Bethany. A primary decision for the Board is what, if any, other unfunded costs should be considered as part of the establishment of the District.

A Resolution and Order that initiates formation of the NBCSD is attached.

The attached Resolution and Order authorizes Roads as the only service that will be provided as part of the County Service District. If the Board chooses to authorize other services, for example library services, such services would need to be added to the Resolution and Order.

The rate for services provided by the District is not established in the attached Resolution and Order. The rate can be determined as part of future actions on adopting the Ballot Title and approving the District. These hearings are scheduled for March, 2011.

The schedule for formation of the District is based on a May 2011 election. The Board will have the discretion at the March hearing to choose a later election date.

As a foundation for deciding what to include in the NBCSD, an issue paper that discusses projects and services contemplated in the North Bethany community is also attached.

Based on discussions at the work session on January 11th, staff is recommending that road landscaping maintenance not be included in the District, but instead road landscaping maintenance be a requirement of homeowners associations in North Bethany. Currently, this is not spelled out as a requirement in previous North Bethany ordinances. Staff recommends the Board direct staff to develop language as part of future ordinance placeholder work to address road landscaping maintenance by homeowners associations.

Staff noticed some mistakes in the tax rate information that was presented in the work session on January 11, 2011. An updated table regarding comparable tax rates is attached.

The remainder of this staff report clarifies information regarding a) Urban Road Maintenance District's relationship to the County Service District, and b) requirements for the Affordable Housing Program.

III. URBAN ROAD MAINTENANCE DISTRICT (URMD)

Operation and Maintenance of Local Streets

URMD provides preventive road maintenance services for public roads within URMD boundaries, except roads that are designated as Arterials or Collectors on the Washington County Transportation Plan. In other words, URMD provides preventive maintenance for local streets (including neighborhood routes).

New developments may not be approved unless they are inside URMD (Community Development Code 501-8.1D). When A-Engrossed Ordinance No. 730 was adopted, it specifically stated that development within the North Bethany Subarea Plan would be subject to this provision. As such, if the Board chose another mechanism to operate and maintain streets in North Bethany, this portion of the Code would need to be amended.

The permanent rate for URMD is about \$0.25 per \$1000 assessed value. The owner of a home with an assessed value of \$200,000 pays slightly less than \$50 per year for URMD.

County Counsel has some concerns regarding having property in the areas being part of both a new North Bethany County Service District and URMD. ORS 198.702 (2) states that a district may not include territory in another district that is formed under the same principal Act when the other district is authorized to perform and is performing the services the affected district is authorized to perform. The principal Act for both URMD and the County Service District is Chapter 451. The meaning of "authorized to perform" is somewhat

ambiguous in the context of Chapter 451 districts. In the broadest sense, they both would be authorized to provide "Roads" (ORS 451.010). But through the ballot title and the service and financing order, the County limited URMD to a narrower piece of roads, i.e. maintenance (including traffic calming, etc.). In contrast, presumably the County Service District will similarly be limited to capital improvements/construction.

The primary problem is the interface between construction and maintenance. The County will have to have, and enforce, a very clear dividing line between what URMD can do and what the NBCSD can do. For example, if URMD becomes authorized and does construct sidewalks on neighborhood routes or other roads, then the NBCSD cannot. One way to do this would be to specifically exclude sidewalk construction from the NBCSD. In this case, sidewalks on the fourteen identified roadways would need to be constructed from revenue from the other sources such as the System Development Charge or Transportation Development Tax.

Having two districts may be a tad administratively messy, but it is doable. Another option is to not have North Bethany part of URMD, but instead increase the NBSDC by \$.2456 per \$1000 assessed value. In terms of the net impact to property taxes that property owners pay, the impact would be the same. However, since the additional \$.2456 per \$1000 would be added on to the NBCSD that is subject to voter approval, one could argue it would marginally decrease the probability that the NBCSD will pass. Also, there are currently a couple of tax lots in the area that are in URMD. If North Bethany was not part of URMD, these particular tax lots would need to be removed from URMD.

The table below summarizes the different options:

How to provide local road maintenance?	Marginal cost for property owner	Cost to County Service District (subject to voter approval)	Impact to future North Bethany Ordinances	Administration issues
Urban Road Maintenance District	25 cents per \$1000 assessed value	No additional costs	No impact, already required to annex to URMD	Need to create dividing line. Possibly, clarify the CSD will not construct sidewalks
County Service District	25 cents per \$1000 assessed value	25 cents per \$1000 assessed value	Will need to no longer require annexation to URMD, and remove a couple of properties from URMD	Administratively simpler

IV. NORTH BETHANY AFFORDABLE HOUSING PROGRAM

The county was required to demonstrate that the North Bethany Subarea Plan is in compliance with Metro's affordable housing requirements as part of the adoption process for A-Engrossed Ordinance 730. The applicable Metro affordable housing requirements are Section 3.07.1120 of Title 11, and Metro Resolution 03-3369A, Item #5.

Title 11 requires the county to demonstrate how residential developments will include, without public subsidy, housing that is affordable to households with incomes at or below area median incomes for home ownership, and at or below 80 percent of area median incomes for rental as defined by the U. S. Department of Housing and Urban Development for the adjacent urban jurisdiction. Metro Resolution No. 03-3369A, Item #5 contains a more specific and rigorous standard for affordable housing than the affordable housing requirement contained in Metro's Title 11. Specifically, the Metro Resolution specifies targets of at least 20 percent of the ownership housing units developed in the North Bethany Subarea at prices affordable to households at or below 80 percent of median income, and at least 20 percent of rental housing units developed in the Subarea at rent levels affordable for at least 30 years to households at or below 60 percent of median income. Applying these percentages to the North Bethany Subarea Plan at 90 percent build-out yields as many as 838 affordable units (594 ownership units and 244 rental units), assuming development is built to maximum densities of 4,653 total planned units.

The Long Range Planning Division developed the North Bethany Subarea Plan to comply with the affordable housing requirements of the Metro Resolution and Title 11. The first step in the development of the affordable housing program was the drafting of the Affordable Housing Report for the North Bethany Concept Plan (AH Report) in 2007, with the guidance of a focus group of experts in the affordable housing field. The AH Report recommended three general approaches to achieve the affordable housing targets identified in Metro Resolution 03-3369A, Item #5: 1) a market driven approach through the development of market rate homes at affordable price points; 2) a financing tools approach to reduce housing costs (e.g., tax exemption, interest rate reductions, a community land trust); and 3) a flexible land use regulations approach to reduce housing costs.

The second step in the development of the affordable housing program was the drafting of the Affordable Housing Program Guide for the North Bethany Subarea (Program Guide) in 2010. The Program Guide identified possible actions to implement the recommendations in the AH Report. Potential implementation actions are listed in Attachment 1 of the Program Guide. A few examples of these proposed actions are:

- Develop a fact sheet that explains the affordable housing targets in North Bethany, and use the fact sheet at pre-applications meetings (for the market driven approach);
- Consider establishing a funding source to support a community land trust, such as an urban renewal district (for the financing tools approach);
- As part of the development of Planned Development provisions for North Bethany, consider affordable housing as an incentive in exchange for a density bonus (for the flexible land use regulations approach).

The third step was the addition of Implementing Strategy j. to Policy 21 (Housing Affordability) of the Comprehensive Framework Plan for the Urban Area (CFP), as part of A-Engrossed Ordinance No. 730. Implementing Strategy j. states, "Adopt the affordable housing program for the North Bethany Subarea Plan before January 1, 2011." The affordable housing program to which the strategy refers is the Program Guide, and the voluntary implementation recommendations that it contains.

The fourth step was drafting the findings for A-Engrossed Ordinance 730, which were required to address how the North Bethany Subarea Plan complied with Metro affordable housing requirements. The findings addressed this topic by describing the general approaches and voluntary actions to achieve affordable housing targets that were outlined in the AH Report and the Program Guide. Metro staff conducted a preliminary review of the findings prior to Board adoption, and determined that they were acceptable. Furthermore, neither Metro nor any other parties appealed A-Engrossed Ordinance 730 after its adoption.

However, Board adoption of the Program Guide is the final step that must be completed in order for the North Bethany Subarea Plan to comply with Metro's affordable housing requirements, and with Policy 21, Implementing Strategy j. of the CFP. The Long Range Planning Division brought a Resolution and Order for adoption of the Program Guide before the Board at their hearing on December 14, 2010. However, the Board decided to limit action on this item to acceptance of the Program Guide by a motion, rather than adoption by Resolution and Order. The Board directed staff to schedule further Board consideration of the Program Guide in 2011. The Planning Division is now preparing to schedule further Board consideration of the Program Guide, to be concurrent with the first phase of work to fully implement the North Bethany Subarea Plan (Ordinance No. 739) in spring 2011. Adoption of the Program Guide on or before June 30, 2011 (the planned adoption date of Ordinance No. 739) is necessary to document compliance with Metro's affordable housing requirements and the CFP. Potential consequences of failure to adopt the Program Guide by that date include jeopardizing the final payout of the Construction Excise Tax Grant for the North Bethany Subarea Plan, and a Metro appeal of Ordinance No. 739.

A remaining question is whether there will be any Metro sanctions if the county fails to achieve the affordable housing targets that are specified in the Metro affordable housing requirements at the time that residential development in North Bethany is completed. Staff is unaware of any mechanism or process by which Metro would monitor implementation of affordable housing targets at the time of residential development completion in the Subarea. In addition, historically targets do not have sanctions associated with them.

In summary, county development of an affordable housing program to address Metro's affordable housing requirements for the North Bethany Subarea Plan was mandatory, and the final piece of this work is Board adoption of the Program Guide to comply with Policy 21 of the CFP. However, all components of Program Guide are voluntary. After the Program Guide is adopted, the Board has discretion on the next steps, and could choose to shelve the Program Guide, or direct a work program or budget for County agencies to implement voluntary and/or existing measures to address affordable housing.

The Program Guide contains a menu of tools that could be used to meet North Bethany's affordable housing targets, and its adoption by the Board would represent the first step in a county dialogue of possible implementation actions. Discussion and direction about the next steps for the affordable housing program are appropriate as part of Long Range Planning's annual work program and as part of adoption of the Program Guide and Ordinance No. 739.

Attachments:

1. Resolution and Order to initiate the NBCSD
2. NBCSD Issue Paper – January 11, 2011
3. Updated Tax Rate Comparison Table

1 RESOLVED AND ORDERED that, pursuant to the authority granted under ORS
2 Chapter 198 and ORS Chapter 451, the County intends to initiate the formation of a County
3 Service District to be named the “North Bethany County Service District” for Washington County;
4 and it is further

5 RESOLVED AND ORDERED that the district shall be located entirely within Washington
6 County, a map showing the boundary of the proposed district is attached as Exhibit A and the legal
7 description is attached as Exhibit B; and it is further

8 RESOLVED AND ORDERED that the proposed County Service District will be
9 authorized to provide Roads; and it is further

10 RESOLVED AND ORDERED that the first hearing to consider approving the major
11 boundary change, consider approving the district formation, and consider adopting the ballot title
12 shall be on March 1, 2011, and it is further

13 RESOLVED AND ORDERED that the Director of the Department of Land Use and
14 Transportation shall provide public notice of all hearings and take such other actions as are
15 provided for under State law for district formation.

16 DATED this 18th day of January, 2011.

17 BOARD OF COUNTY COMMISSIONERS
18 FOR WASHINGTON COUNTY, OREGON

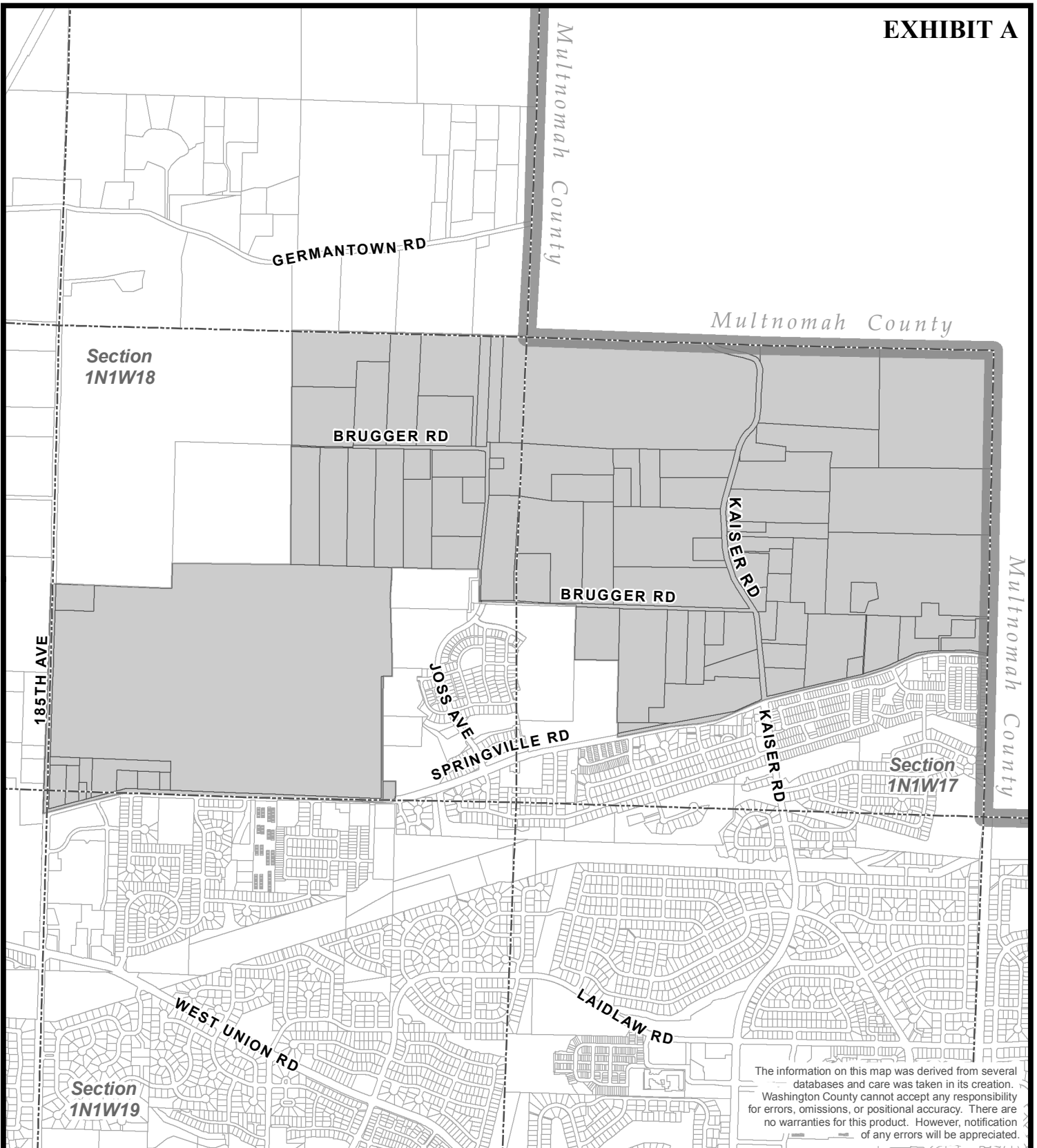
19 _____
CHAIR

20 _____
RECORDING SECRETARY

21 Approved as to form:




22 _____
23 County Counsel
For Washington County, Oregon

24 Date: _____



WASHINGTON COUNTY - LONG RANGE PLANNING

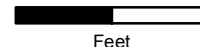
North Bethany County Service District

-  Area within the North Bethany County Service District
-  Washington County/Multnomah County Line
-  Section Lines

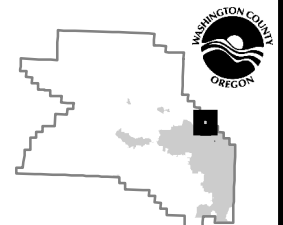


1:18,000

0 750 1,500



Feet





Legal Description

North Bethany County Service District

Beginning at a 4" brass disk at the Northeast corner of Section 17, Township 1 North, Range 1 West, Willamette Meridian, Washington County, Oregon; thence

S 00°23'15" E 2640.22 feet, more or less, (survey number 24,289) on the east line of Section 17 to a 4" brass disk at the east one-quarter corner of Section 17; thence

S 01°22'27" W 815.32 feet, more or less, (survey number 27,582) on the east line of Section 17 to the centerline of NW Springville Road and the Northeast corner of "Kaiser Woods No. 6", a subdivision plat of record; thence

on the centerline of NW Springville Road the following courses:

N 77°08'33" W 191.91 feet and S 88°18'27" W 151.02 feet, more or less, on the north boundary of "Kaiser Woods No. 6", to the northeast corner of "Kaiser Woods No. 5", a subdivision plat of record; thence

S 88°18'27" W 352.98 feet, S 74°22'27" W 196.60 feet, S 63°54'27" W 322.90 feet, and S 76°39'27" W 249.49 feet, more or less, (survey number 26,359) on the northerly boundary of "Kaiser Woods No. 5", and the southwesterly extension thereof, to the Northeast corner of "Kaiser Woods No. 3", a subdivision plat of record; thence

S 76°38'43" W 687.24 feet and S 74°56'50" W 98.53 feet, more or less, on the north boundary of "Kaiser Woods No. 3", to the northeast corner of "Kaiser Woods No. 4", a subdivision plat of record; thence

S 74°56'50" W 362.44 feet, more or less, on the north boundary of "Kaiser Woods No. 4" to a 5/8" iron rod in a monument box at the northwest corner of said plat and the centerline intersection of NW Springville Road and NW Kaiser Road; thence

S 65°52'55" W 269.98 feet, more or less, on a line parallel to and 30 feet northerly of, the north boundary of "Taennler Pines", a subdivision plat of record; thence



S 64°13'46" W 156.22 feet, S 69°16'23" W 204.44 feet, S 78°01'52" W 136.10 feet, S 84°07'56" W 220.16 feet, S 78°36'55" W 116.90 (survey number 25,030), and S 78°31'30" W 528.92 feet and S 79°42'31" W 93.76 feet, more or less, to a point on the Southerly extension of the west line of Tract "E", "Springville Meadows", a subdivision plat of record; thence

leaving the centerline of NW Springville Road

N 01°49'10" E 165.76 feet, more or less, on the west line of Tract "E" of "Springville Meadows", to the northwest corner of said Tract and a point on the South line of Lot 27, "Brugger Tract", a subdivision plat of record; thence

N 88°23'25" W 13.84 feet, more or less, (survey number 30,204) on the south line of Lot 27 of "Brugger Tract" to the southwest corner of that property described in Deed Document Number 2000095726, of the Washington County Book of Records; thence

N 01°30'06" E 705.28 feet, more or less, (survey number 30,204) on the West line of Deed Document Number 2000095726 to the southeast corner of that property described in Deed Document Number 99002785, of the Washington County Book of Records; thence

N 88°29'04" W 496.22 feet, more or less, (survey number 30,204) on the south line of Deed Document Number 99002785 to the southwest corner of said deed and point on the east line of Lot 25 of "Brugger Tract"; thence

N 01°49'47" E 617.40 feet, more or less, (survey number 30,204) on the east line of Lot 25 of "Brugger Tract" to a point on the centerline of NW Brugger Road, said point being 15.00 feet northerly of the South line of the J. Brugger D.L.C. No. 52; thence

on the centerline of NW Brugger Road the following courses

N 88°23'26" W 1049.06 feet, more or less, (survey number 30,204) to a 2 inch iron pipe marking an angle point; thence

N 01°26'40" E 378.39 feet, more or less, (survey number 30,204) to a point on the easterly extension of the south line of Lot 7 of "Brugger Tract"; thence leaving the centerline of NW Brugger Road

N 88°33'39" W 638.88 feet, more or less, (survey number 30,204) on the south boundary of Lots 7 and 6 of "Brugger Tract" to the southeast corner of lot 5 of "Brugger Tract"; thence



N 88°16'47" W 322.68 feet, more or less, (survey number 30,204) on the south boundary of lot 5 of "Brugger Tract" to the southeast corner of lot 4 of "Brugger Tract"; thence

N 88°29'09" W 77.80 feet, more or less, (survey number 30,204) on the south boundary of lot 4 of "Brugger Tract" to the northwest corner of that property described in Deed Document Number 2005-077685, of the Washington County Book of Records; thence

S 03°35'35" W, 355.93 feet, more or less, (survey number 30,204) on the east boundary of Deed Document Number 2005-077685 to a 3-1/4" aluminum disk marking the northwest corner of the Archibald Bull D.L.C. No. 50 and the northwest corner of that property described in exhibit "A" of Deed Document Number 2001-117975, of the Washington County Book of Records; thence

S 01°40'24" E 112.42 feet, more or less, (survey number 30,204) on the west boundary of exhibit "A" of Deed Document Number 2001-117975 to the northwest corner of that property described in Deed Document Number 2001-117979, of the Washington County Book of Records; thence

S 01°40'24" E 679.35 feet, more or less, (survey number 30,204) on the west boundary of Deed Document Number 2001-117979 to the southwest corner of said deed; thence

S 01°40'24" E 127.89 feet, more or less, (survey number 30,204) on the west boundary of that property described in Exhibit "A" of Deed Document Number 2001-117975; thence

N 87°39'06" W, 64.50 feet, more or less, (survey number 30,204) on said boundary to a point on the west line of the Archibald Bull D.L.C. No. 50; thence

S 02°20'54" W, 1153.15 feet, more or less, (survey number 30,204) on the west boundary of the Archibald Bull D.L.C. No. 50 to the northwest corner of that property described in Deed Document Number 87026190 of the Washington County Book of Records; thence

S 87°39'06" E 150.00 feet, more or less, (survey number 30,204) on the north boundary of Deed Document Number 87026190 to the northeast corner of said deed; thence

S 00°42'01" W 220.01 feet, more or less, (survey number 30,246) on the east boundary of Deed Document Number 87026190 to a point being on the centerline of NW Springville Road and the beginning of a non-tangent 1200.00 foot radius curve to the right; thence

on the centerline of NW Springville Road the following courses



on said curve to the right through a central angle of $09^{\circ}42'48''$ (chord bears $S 85^{\circ}23'30'' W$ 203.19 feet) 203.44 feet, more or less, to end of said curve and a point of tangency; thence

$N 89^{\circ}45'06'' W$ 307.63 feet, more or less, (survey number 30,246) to a 2 inch brass disk marking the northeast corner of the Henry B. Bones D.L.C. No. 62; thence

$N 89^{\circ}45'06'' W$ 765.36, more or less, (survey number 30,246) on the north line of said D.L.C. No. 62 to a 2 inch brass disk marking the north one-quarter section corner of Section 19, T1N, R1W, W.M.; thence

$N 89^{\circ}28'30'' W$ 1332.40 feet, more or less, (survey number 6545) on the north line of said Section 19 to the southeast corner of the west one-half of the west one-half of Section 18 and the southeast corner of that property described in Deed Document Number 2010-58163 of the Washington County Book of Records; thence

$N 89^{\circ}28'30'' W$ 121.00 feet, more or less, on the north line of Section 19 and the south line of Deed Document Number 2010-58163 to the southeast corner of that property described in Deed Document Number 2009-021925, of the Washington County Book of Records; thence

$N 89^{\circ}28'30'' W$ 250.00 feet, more or less, on the north line of Section 19 and the south line of Deed Document Number 2009-021925 to the southeast corner of that property described in parcel II of Deed Document Number 2009-021926, of the Washington County Book of Records; thence

$N 89^{\circ}28'30'' W$ 125.20 feet, more or less, on the north line of Section 19 and the south line of parcel II of Deed Document Number 2009-021926 to an angle point; thence leaving the north line of Section 19 and continuing on the south line of said property and the centerline of NW Springville Road
 $S 73^{\circ}15'00'' W$ 63.30 feet, more or less, to the southeast corner of that property described in parcel I of Deed Document Number 2009-021926; thence

$S 73^{\circ}15'00'' W$ 52.30 feet, more or less, on the south line of parcel I of Deed Document Number 2009-021926 to the southeast corner of that property described in Deed Document Number 2009-021927 of the Washington County Book of Records; thence

$S 73^{\circ}15'00'' W$ 226.30 feet, more or less, on the south line of Deed Document Number 2009-021927 to the southeast corner of Deed Document Number 87015418 of the Washington County Book of Records; thence



S 73°15'00" W 52.22 feet, more or less, on the south line of Deed Document Number 87015418 to the southeast corner of Deed Document Number 2002-108334 of the Washington County Book of Records; thence

S 73°15'00" W 100.00 feet, more or less, on the south line of Deed Document Number 2002-108334 to the southeast corner of Deed Document Number 87005833 of the Washington County Book of Records; thence

S 73°15'00" W 156.74 feet, more or less, on the south line of Deed Document Number 87005833 to the southeast corner of Deed Document Number 2002-051778 of the Washington County Book of Records; thence

S 73°15'00" W 222.56 feet, more or less, on the south line of Deed Document Number 2002-051778 to the southwest corner of said deed, and also being a point on the east line of Section 24, T1N, R2W, W.M. and at the centerline intersection of NW 185th Avenue and NW Springville Road; thence

leaving the centerline of NW Springville Road

S 73°15'00" W 31.35 feet, more or less, on the westerly extension of the centerline of NW Springville Road to a point on the west right-of-way of NW 185th Avenue, said right-of-way being parallel with and 30.00 feet westerly of, the east line of Section 24, T1N, R2W, W.M.; thence

N 00°19'30" E 269.10 feet, more or less, (survey number 31,291) on the west right-of-way of NW 185th Avenue to a point 30.00 feet westerly of the southeast corner of Section 13, T1N, R2W, W.M.; thence

N 00°13'50" W 2340.92 feet, more or less, (survey number 31,291) on the west right-of-way of NW 185th Avenue, said right-of-way being parallel with and 30.00 feet westerly of the east line of Section 13, to the westerly extension of the south line of that property described in Deed Document Number 2010-016919, of the Washington County Book of Records; thence leaving said right-of-way

S 88°16'33" E 1375.22 feet, more or less, (survey number 14,109) on the south line of Deed Document Number 2010-016919 to the most southerly southeast corner of said deed; thence

N 01°35'36" E 291.20 feet, more or less, (survey number 14,109) on the east line of Deed Document Number 2010-016919 to a point on the south line of the Northwest one-quarter of Section 18, T1N, R1W, W.M.; thence



EXHIBIT B
WASHINGTON COUNTY
OREGON

S 88°14'43" E 1319.65 feet, more or less, (survey number 14,109) on the south line of the Northwest one-quarter of Section 18 to a point on the east line of the Northwest one-quarter of Section 18; thence

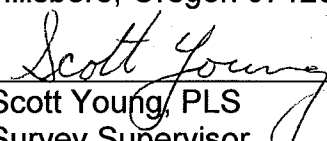
N 01°28'08" E 2646.08 feet, more or less, (survey number 14,109) on the east line of the Northwest one-quarter of Section 18 to a 3-1/4 inch aluminum disk marking the North one-quarter corner of Section 18, T1N, R1W; thence

N 89°47'39" E 2627.06, more or less, (U.S.B.T. Entry 99-015) on the North line of Section 18 to a 4 inch Brass Disk at the Northwest corner of Section 17, T1N, R1W, W.M.; thence

S 88°01'02" E 2641.99 feet, more or less, (survey number 31,484) on the north line of Section 17 to a 4 inch brass disk at the North one-quarter corner of Section 17; thence

Easterly on the North line of Section 17 to the point of beginning.

Prepared by
Washington County Surveyor's Office
1400 SW Walnut Street, MS 17
Hillsboro, Oregon 97123



Scott Young, PLS
Survey Supervisor


1-6-11
Date

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 25, 1991
JAMES H. ELAM
2496

RENEWAL DATE: 12-31-11

ANNEXATION CERTIFIED

BY 

JAN 06 2011

WASHINGTON COUNTY A & T
CARTOGRAPHY



January 114, 2011

LONG RANGE PLANNING DIVISION
ISSUE PAPER
Revision #1

North Bethany County Service District

Overview of the North Bethany County Service District

The North Bethany County Service District is being considered to fund:

- a) a portion of transportation capital costs in North Bethany, and
- b) other unfunded public costs as defined in A-Engrossed Ordinance 730.

The BCC has previously given staff direction to develop a strategy to fund approximately \$69 million worth of transportation capital costs associated with North Bethany. A primary decision for the Board is what, if any, other unfunded costs should be considered as part of the establishment of the District.

This paper addresses the following public projects and services contemplated in the North Bethany community:

Transportation Capital Costs
Administration
Civic Use
Street Landscape Maintenance
Operations and Maintenance of local streets
Operations and Maintenance of arterial and collectors
Street Lighting Operations and Maintenance
Long Range Planning Services
Affordable Housing

Transportation Capital Costs

In addition to contributions from the Transportation Development Tax, MSTIP, supplemental System Development Charge and existing Trust and Agency accounts, the proposed North Bethany County Service District (NBCSD) is intended to provide the remaining component of the overall North Bethany transportation funding strategy. As such, the CSD is part of an overall funding strategy for the roadway network. The overall strategy is shown in Attachment A. Establishment of the NBCSD is the final element necessary to fully implement the funding strategy.

At this time, ~~on 1/11/11 work session,~~ staff estimates that the costs for providing the final element would be in the range of \$1.10 – \$1.25 ~~intends to provide an estimated rate per \$1000 assessed value, to fund this remaining component.~~

Administration

Establishment of a County Service District in North Bethany will require administration of the newly formed District. Administration will be more than just collecting the money and paying the bills. Citizen oversight, performance measure development and monitoring, and other administrative tasks could be expected. Given that the District would be folded into the existing administrative and operations structure within the County, administering the district would be relatively small. However, there will be some additional costs.

Staff estimates the annual costs to administer the district at approximately 6 to 9 percent of the total costs of the district. As such, staff recommends adding 6 to 9 percent onto the BCC-decided final assessed value. Alternately, staff could identify a fixed annual administrative amount and provide this information at a future date.

Civic Use

The North Bethany Subarea Plan contemplates a civic use site, located east of the eastern terminus of the Park Blocks and adjacent to Kaiser Road. It is possible that a library may be constructed on this site. Unlike planning services, library services can be covered by the same CSD that covers roads and other uses listed in ORS 451.010 (County Service Facilities).

The current county wide library levy system would likely provide some funding for library services in North Bethany if a library was established. However, as with all libraries in the system, some amount of local subsidy would be required. Some libraries receive a large amount of support through volunteerism and donations. If a library was established and revenue from the NBCSD was being utilized for other services such as road construction, it is estimated that an additional ~~\$.35~~ \$.28 (~~35~~ 28 cents) would likely be needed on top of the CSD rate.

The NBCSD is primarily intended to help fund road construction in North Bethany. Depending on the rate of development in North Bethany, it's anticipated that this need will exist for the next twenty or thirty years. Approval of the NBCSD establishes the maximum tax rate that can be charged in the District. The BCC and future Boards have the discretion to charge a lower rate. This will be a viable option once the roads are fully funded in North Bethany.

Establishing a CSD determines a) the type of services that can be covered by the district and b) the maximum tax rate in the district. Staff recommends that the BCC consider including library services in the CSD. However, the decision to add a marginal cost to cover library services to the CSD on top of other costs is a function of the timing for provision of a library. It is very unlikely there will be a need for a library in North Bethany in the short-term. Staff believes it is prudent to give future Boards the discretion to fund library services if they choose. If a library never materializes or if a future Board chooses to fund a library in a different manner, a future BCC would have the ability to adjust the assessed amount downward to reflect the Board's discretion. However, if library services are not included as part of the original establishment of the District, a future Board would not have the ability to spend money on library services.

As mentioned earlier, the North Bethany Subarea Plan contemplates a civic use site, located east of the eastern terminus of the Park Blocks and adjacent to Kaiser Road. While it is anticipated that development of this area will be coordinated with THPRD, there have not been specific discussions regarding how or when the property will be acquired. The Board could consider using CSD revenue to help fund acquisition and construction of a library. Alternately, the Board could pursue other sources.

Staff recommends the Board have a discussion regarding whether or not “library services” be included in the order to initiate the district that will come before the Board on January 25, 2011. If the Board wants to include “library services”, staff recommends the Board consider adding an amount between zero and \$.28 per \$1000 assessed value to the base rate. Staff estimates that \$.28 per \$1000 assessed value would generate approximately \$227,000 per year assuming “build out” of North Bethany in 30 years. This is about 35-40% of a typical library’s annual operating costs. This assessed value would also generate revenue in the intervening years between year 0 and year 30. This revenue in the intervening years could be used to help facilitate land acquisition or building construction if the Board was interested in pursuing such actions or help pay for operating costs if a library was established sooner. Staff could develop more information on land acquisition or building construction if the Board would like such information. If the Board chooses to fund library services, the final rate will need to be determined as part of actions taken in March 2011 on the district formation.

Street Landscape Maintenance

The North Bethany Subarea Plan prescribes a street design approach that includes pedestrian and bicycle amenities, responds to a particular street’s geographic setting and role within the overall plan, and provides enhanced street landscaping compared to most county roads in the UGB. The Street Design Plan for North Bethany calls for enhanced landscaping along streets, and this is an integral part of the North Bethany Subarea Plan.

Current funding is insufficient to adequately maintain the levels of landscaping planned for North Bethany. When landscaping is not adequately maintained, the initial investment in landscape infrastructure is wasted and the public raises objections to poorly maintained medians and roadsides.

Because the North Bethany Subarea Plan calls for enhanced landscaping, it is appropriate to also have a funding structure in place to pay for maintenance of such landscaping. Maintenance assumes irrigation, high-density/multiple varieties of plants, and large planted areas. ~~For road landscape maintenance, staff intends to provide an estimated rate per \$1000 assessed value at the 1/11/11 work session.~~

Staff believes it is appropriate to divide the discussion for road landscaping into a) local and neighborhood routes and b) arterials and collectors.

For local and neighborhood routes, while an enhanced level of landscaping is generally contemplated and included in A-Engrossed Ordinance 730, specific ordinance requirements specifying how this will be carried out are not spelled out in detail. There are specific requirements regarding what street trees will be provided along which streets, but there are no details regarding what should be included or required in planting strips along roads. In other areas of the county, adjacent property owners are required to maintain planter strips and roadside landscaping to mitigate road hazards (for example, cutting back vegetation at corners to improve

sight distance). However, the County does not monitor the aesthetic characteristics of how these areas are maintained. Thus, the quality of the landscape maintenance is primarily a function of the individual property owner's discretion.

For local and neighborhood routes, staff has identified three options:

A) exclude costs for landscaping on neighborhood routes and local streets from the CSD, and rely on property owners' discretion for maintenance,

B) exclude costs from the CSD, but, as part of future ordinance placeholder work on North Bethany, examine and possibly modify requirements for property owners/home owners associations to maintain landscaping, and

C) include costs for local and neighborhood route landscape maintenance in the CSD.

Of these options, staff recommends the Board primarily consider Option B. Option B includes the possibility of implementing adequate long-term maintenance of the landscaping without adding CSD tax obligations. Option B would also allow for a more robust discussion about landscaping in planter strips on local and neighborhood routes through a future ordinance process.

Option A represents the County's current practice. Staff is concerned that this option may not provide adequate maintenance of street trees or other planned landscaping.

Regarding Option C, the majority of streets in North Bethany would be local or neighborhood routes. As such, staff believes the public costs associated with landscape maintenance along all of these types of roads would be too great of a burden to the property owners if these costs were included in the CSD.

For arterial and collector routes, staff believes the Board should primarily consider Options B and C. For Option C, if the Board wants to fund road landscaping, staff recommends \$.30 per \$1000 assessed value be added to the CSD to cover landscape maintenance. It is contemplated and planned that these roads in North Bethany will be constructed with a high-level of quality landscaping, and maintaining this landscaping is important to preserve the initial investment. Staff estimates that \$.30 per \$1000 assessed value would raise approximately \$243,000 per year once North Bethany is "built out". Based on the County's experience with other arterials and collectors, it is estimated that the proposed funding would support an appropriate level of maintenance commensurate with the investment.

An alternative to Option C would be Option B. Option B would exclude costs from the CSD, but, as part of future ordinance placeholder work on North Bethany, examine and possibly modify requirements for property owners/home owners associations to maintain landscaping on collectors and arterials. As part of such a discussion, examining a home owners association for all of North Bethany may be impracticable, but looking at home owners associations for each of the six specific neighborhoods identified in the ordinance may have merit.

Operation and Maintenance of Local Streets

Created by special election in 1987, the Urban Road Maintenance District (URMD) is an Oregon municipal corporation as defined in ORS Chapter 451. The District was formed to “upgrade road maintenance inside the urban growth boundary but outside cities”.

URMD provides preventive road maintenance services for public roads within URMD boundaries, except roads that are designated as arterials or collectors on the Washington County Transportation Plan. In other words, URMD provides preventive maintenance for local streets (including neighborhood routes).

New developments may not be approved unless they are inside URMD (Community Development Code Section 501-8.1D). When A-Engrossed Ordinance 730 was adopted, it specifically stated that development within the North Bethany Subarea Plan would be subject to this provision. As such, if the BCC chose another mechanism to operate and maintain streets in North Bethany, this portion of the code would need to be amended.

Regarding the cost of URMD, voters in the urban unincorporated area approved an ad valorem property tax levy of \$0.365 in 1994, which became a permanent rate of \$0.2456 per \$1000 assessed value upon approval of Ballot Measure 50 in 1997. The owner of a home with an assessed value of \$200,000 pays slightly less than \$50 per year for URMD.

County Counsel has some concerns regarding having property in the areas being part of both a new North Bethany County Service District and URMD. ORS 198.702 (2) states that a district may not include territory in another district that is formed under the same principal Act when the other district is authorized to perform and is performing the services the affected district is authorized to perform. The principal Act for both URMD and the county service district is Chapter 451. The meaning of "authorized to perform" is somewhat ambiguous in the context of Chapter 451 districts. In the broadest sense, they both would be authorized to provide "Roads" (ORS 451.010). But through the ballot title and the service and financing order, the County limited URMD to a narrower piece of roads, i.e. maintenance (including traffic calming, etc.). In contrast, presumably the county service district will similarly be limited to capital improvements/construction.

The primary problem is the interface between construction and maintenance. The County will have to have, and enforce, a very clear dividing line between what URMD can do and what the NBCSD can do. For example, if URMD becomes authorized and does construct sidewalks on neighborhood routes or other roads, then the NBCSD cannot. Or, the County will need to somehow parse the circumstances when URMD provides them and when it will be NBCSD. Staff believes having two districts will necessitate LUT going through what URMD currently does and defining it more carefully, and then defining more carefully than we otherwise would what exactly the NBCSD will do. One way to do this would be to specifically exclude sidewalk construction from the NBCSD. In this case, sidewalks on the fourteen identified roadways would need to be constructed from revenue from the other sources such as the System Development Charge or Transportation Development Tax.

Having two districts may be a tad administratively messy, but it is doable. However, if URMD is amended to provide sidewalks, having two districts may be more of a challenge. Another option is to not have North Bethany part of URMD, but instead increase the NBSDC by \$.2456 per \$1000 assessed value. In terms of the net impact to property taxes that property owners pay, the impact would be the same. However, since the additional \$.2456 per \$1000 would be added on

to the NBCSD that is subject to voter approval, one could argue it would marginally decrease the probability that the NBCSD will pass. Also, there are currently a couple of tax lots in the area that are in URMD. If North Bethany was not part of URMD, these particular tax lots would need to be removed from URMD. ~~For road landscape maintenance, staff intends to provide an estimated rate per \$1000 assessed value at the 1/11/11 work session.~~

Operation and Maintenance of Collectors and Arterials

The County has historically used transfers from the State Highway Trust Fund as the primary source of revenue for operating and maintaining the collector and arterial system. The money raised by taxes and fees on the ownership, operation or use of motor vehicles is a major part of this Fund along with transfers from the Federal Government. Depending on the year, the County receives about \$19 million per year from the State from this fund. Most of this money is spent on the operation and maintenance of collectors and arterials.

North Bethany is anticipated to one day house around 10,000 people. Most of these individuals will likely own vehicles. Drivers in North Bethany will likely pay gas taxes and vehicle registration fees. These additional fees will show up indirectly in an additional amount of revenue the County receives from the State Highway Trust Fund.

Arterials in North Bethany include Springville Road and Kaiser Road. Springville is an existing arterial that the County currently operates and maintains. With the addition of North Bethany, volumes on Springville will increase, but maintenance needs will likely not increase dramatically. Kaiser north of Springville is an existing arterial that the County currently operates and maintains. Volumes on this section of Kaiser would likely increase significantly when North Bethany urbanizes. Maintenance needs will moderately increase. Joss Road north of Arbor Oaks and Road A are new collectors in North Bethany. Both of these roads will need to be maintained.

Urbanization of North Bethany will marginally add to maintenance needs of arterials and collectors in urban Washington County. However, staff believes these costs are offset by the additional transportation-related revenue that will be generated by this population growth.

Street Lighting Operation and Maintenance

In North Bethany, new development will be required to provide street lighting along all streets consistent with county illumination standards. Lighting levels shall assume at least a medium level of pedestrian use as defined in the county illumination standards. A uniform lighting system shall be provided in each neighborhood identified on the Neighborhoods Map. Arterial and collector roads in North Bethany will also have an enhanced level of street lighting.

In North Bethany, neighborhood street lights will be paid for by local property owners as a special assessment on their property tax bill. The amount each household pays depends on the number of poles and lights installed, the style of equipment selected, and the number of properties included in the service area. Staff contemplates that the operation and maintenance cost for street lights on collector and arterial roads (except Springville) in North Bethany also be assessed to properties in North Bethany. Operation and maintenance of street lights on collectors and arterials are generally paid for by the transfers from the State Highway Trust Fund in other parts of the county. However, because street lighting in North Bethany is expected to be more expensive, and these roads would not have street lights on them if North Bethany wasn't urbanized, staff believes it is equitable to include them in the applicable service district for lighting.

Long Range Planning Services

A-Engrossed Ordinance 730 requires county staff to be involved in various review processes during the development of North Bethany. Staff is required to be involved in the following planning services:

1. Application Review Committee for Type II and III development applications –as required by Community Development Code Section 390-24
2. Main Street Area: pre-application and urban design plan coordination and review – as required by the North Bethany Subarea Plan, Section VII.E., North Bethany Main Street Program Guide
3. Area of Special Concern Road Corridor 2: Urban design plan and coordination review – as required by the North Bethany Subarea Plan, Section V.B., Areas of Special Concern

Planning services can be provided through a CSD, but a CSD for planning services must be its own, stand-alone district. A CSD for planning services cannot be part of a CSD used to fund roads or any other use listed in ORS 451.010. The ORS states that a CSD for planning services is required to have an advisory committee of no less than eleven members who are residents and/or landowners in North Bethany. This committee would advise the Board in carrying out planning services and administration of its CSD. The County could request that the legislature amend ORS 451.010 by adding planning services so that planning services do not have to be a stand-alone CSD; however, the approvability and timeframe for such an amendment request are unknown. Without using a CSD, future long range planning services could be funded by the County's General Fund and/or supplemental fees submitted at the time of development review.

While staff does not recommend planning costs be folded into a CSD for North Bethany, it is important to point out these costs so they are kept in mind as part of future North Bethany funding discussions. It is also important to note that modifying the Oregon Revised Statutes so planning does not have to be a separate CSD is contemplated on the County's legislative issue list. As mentioned earlier, it is unclear if or when this issue will be addressed or resolved in Salem by the state legislative bodies.

Affordable Housing

North Bethany must comply with Policy 21 (Housing Affordability) of the Comprehensive Framework Plan for the Urban Area. To address the provision of affordable housing in North Bethany, staff worked with a focus group of experts in the affordable housing field and developed the *Affordable Housing Program Guide for the North Bethany Subarea (December 2010)*. This document discusses possible financing tools to reduce housing costs and thus increase housing affordability. The financing tools include tax exemption, interest rate reductions, and a community land trust. ORS Chapter 451 does not currently include affordable housing as a service that can be funded by a CSD.

Other Services

There are a variety of other services in North Bethany that are probably not appropriate as part of the County Service District discussion, but are useful to keep in mind in order to form a comprehensive perspective.

With the exception of fire service (the area is already in Tualatin Valley Fire & Rescue), the following services will be required to annex into the service district prior to submission of a development application. It is staff's understanding that existing funding mechanisms for each service district are adequate.

Sewer - Clean Water Services District

Storm Drainage - Clean Water Services District

Water - Tualatin Valley Water District

Parks and Recreation - Tualatin Hills Park & Recreation District

Fire - Tualatin Valley Fire & Rescue

Police - Washington County Enhanced Sheriff's Patrol District (ESPD)

EXHIBIT A: REVISED NORTH BETHANY INTERIM FUNDING STRATEGY

Project Number	Road	From	To	Project	Cost Estimate 8/27/09	ROW Estimate ¹	Total	MSTIP	TDT ²	Supplemental SDC ^{3,7}	Existing T&A ⁴	CSD or LID ^{5,6,7}	Comments
1	Road A	Western Boundary	Joss	Build New Road	\$8,100,000	\$1,200,000	\$9,300,000	no	maybe	yes		yes	
2	Road A	Joss	Kaiser	Build New Road	\$6,900,000	\$1,900,000	\$8,800,000	no	maybe	yes		yes	
3	Springville	185th	Joss	Improve	\$10,500,000	\$600,000	\$11,100,000	yes	yes	yes	\$1,400,000	maybe	
4	Springville	Joss	Kaiser	Improve	\$3,200,000	\$400,000	\$3,600,000	yes	yes	yes		yes	Some Cost Increase for South Side of Roadway Expected
5	Springville	Kaiser	County Line	Improve	\$5,200,000	\$500,000	\$5,700,000						Not included in Total, Built thru incremental development
6	Kaiser	Road A	Springville	Improve	\$6,900,000	\$900,000	\$7,800,000	no	maybe	yes		yes	
7	185th	Springville	West Union	Improve	\$4,300,000	\$200,000	\$4,500,000	yes	yes	yes		maybe	
8	Road A	Kaiser	Springville	Build New Road	\$9,900,000	\$2,400,000	\$12,300,000						Not included in Total, Built thru incremental development
9	Road A	Bridge over Rock Creek		Build Bridge	\$7,000,000	\$300,000	\$7,300,000	no	maybe	yes		yes	final funding package relates to urban or rural reserve designation
10	185th	Intersection Improvement at Springville		Improve	\$900,000	\$0	\$900,000	yes	yes	yes		maybe	
11	Kaiser	Springville	Bethany	Improve	\$5,900,000	\$200,000	\$6,100,000	yes	yes	yes		maybe	
12	Brugger	Joss	Kaiser	Improve	\$3,100,000	\$100,000	\$3,200,000	no	no*	yes		yes	Joss / Brugger intersection traffic calming to be examined
13	Joss	Road A	Arbor Homes	Improve	\$3,800,000	\$300,000	\$4,100,000	no	maybe	yes		yes	
14	P15 (Oats)	Springville	Brugger	Improve	\$1,800,000	\$500,000	\$2,300,000	no	no*	yes		yes	
TOTAL**					\$62,400,000	\$6,600,000	\$69,000,000	\$10,000,000	\$21,778,574	\$22,466,756	\$1,400,000	\$13,354,670	

NOTES:

"yes, no and maybe" describe the appropriateness of spending revenue from this source on a particular project.

* Facilities below collector classification are not eligible for Transportation Development Tax (TDT) project list.

** In 2010 dollars, does not include projects 5 or 8.

1 Cardno/WRG Right-of-Way (ROW) Estimate 4/20/2010.

2 Assumes 75% of 4188 units, "maybe" means project would need to be added to TDT list; column is based on eligibility to spend revenue - credit eligibility determined separately.

3 Based on 4,188 units and \$4,800 / unit average charge = \$6,222 SFR, \$3,810 SFA, and \$4,369 MF (slight increase from 6/1/2010 in all rates to keep same average - due to change in mix of dwelling types assumed).

4 Only counting existing Trust and Agency (T&A), assumes: \$1,000,000 from Arbor, \$340,000 Saint Jual Diego Catholic Church and \$60,000 Tualatin Hills Park and Recreation District.

5 "maybe" means project is off-site.

6 Per May 21st K&R Memo, \$1 per \$1,000 assessed value generates \$18,500,000 over 25 years.

7 Parties will work in good faith to develop the details of a System Development Charge (SDC), and County Service District (CDS) and/or a Local Improvement District (LID) that is equitable and reasonable.

8 Individual project costs may vary slightly as more engineering is completed, however total of all projects is not expected to change significantly.

Under this scenario Portland Community College to pay both TDT and proportional Supplemental System Development Charge (SDC) based on projected student enrollment (numbers assume 2,582 new students). Discussion at June 7, 2010 meeting included possibility of some revenue being used for preliminary engineering (PE) and/or alignment analysis of Road A and Kaiser Road.

Update: 7/26 confirmed non-residential land use, and removed K-8 school from TDT and Supplemental SDC calculations as school is already constructed.

Update: 10/20 adjusted TDT to reflect 90% of maximum residential density rather than 100%.

Tax Rate Comparison

As part of the economic feasibility, the permanent tax rate for the proposed North Bethany Service District is compared with the tax rate for the current unincorporated tax rate as well as the City of Beaverton tax rate.

Tax Rate per \$1,000 of Assessed Value Comparison

	North Bethany Current Tax Rates	North Bethany Tax Rates After Development	City of Beaverton Tax Rate
Washington County (A)	2.98	2.98	2.98
NW Regional ESD	0.15	0.15	0.15
Portland Community College	0.64	0.64	0.64
Beaverton School District #48	6.78	6.78	6.78
Clean Water Services			
Tualatin Hills Park & Rec.		1.74	1.74
Tualatin Valley Fire & Rescue	1.88	1.88	1.88
City of Beaverton			4.2
Port of Portland	0.07	0.07	0.07
Metro		0.41	0.41
Tri-Met	0.09	0.09	0.09
Enhanced Sheriffs Patrol		1.26	
Urban Road Maintenance District		0.25	
<i>Roadway Capital & Admin (B)</i>		1.25	
Total Tax Rate	12.59	17.45	18.95

(A) Includes: County Permanent Rate 2.25, Bonds 0.14, Public Safety Local Option 0.42, WCCLS Local Option 0.17.

(B) If Libraries were included would add 0.28.