

SENATE COMMITTEE ON ENVIRONMENT & LAND USE

March 14, 2005
3:00 P.M.

Hearing Room B
Tapes 41 - 42

MEMBERS PRESENT: Sen. Charlie Ringo, Chair
Sen. Jason Atkinson, Vice-Chair
Sen. Roger Beyer
Sen. Ginny Burdick
Sen. Frank Shields

STAFF PRESENT: Matt Shields, Committee Administrator
Katie Lowry, Committee Assistant

MEASURES/ISSUES HEARD:

SB 886 – Public Hearing
SB 887 – Public Hearing
SB 888 – Public Hearing
SB 380 – Public Hearing
SB 732 – Public Hearing
SB 699 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 41, A		
005	Chair Ringo	Calls meeting to order at 3:10 p.m. Announces SB 537 will not be heard today because the -1 amendments have not been received yet. Announces that none of the other bills on the agenda will be moved out of committee today.
017	Chair Ringo	Opens public hearings on SB 886, SB 887, SB 888, SB 380, SB 732, and SB 699.
<u>SB 886, SB 887, SB 888, SB 380, SB 732 AND SB 699 – PUBLIC HEARINGS</u>		
022	Sen. Ben Westlund	Represents Senate District 27. Testifies in support of SB 380.
052	Chair Ringo	Wonders if there will be testimony saying that the ability to annex is necessary. Asks witness to comment.
055	Sen. Westlund	Responds.
070	Doug Riggs	Central Oregon Cities Organization. Submits written testimony and an article titled "Economic future looks very bright in Redmond" (EXHIBIT A). Highlights written testimony.
140	Robb Corbett	City Manager, City of Prineville. Discusses expansion of urban growth boundary (UGB). Discusses necessity of growth for a city. Points out that the ability for a city to annex is necessary for growth.
180	Chair Ringo	States that a lot of people see problems with the annexation process all over the state. Asks what harm would be done if a two year moratorium was put on forcible annexations.
190	Corbett	Discusses rapid growth. States that the moratorium would allow one landowner to stand in the way of economic development.
195	Chair Ringo	States that the landowner would need to be convinced that it is in their best interest to be annexed. Asks why the annexation needs

		to be forced.
198	Corbett	States that one landowner who is opposed to certain development could hold up the entire community. Discusses provision of services and infrastructure.
210	Chair Ringo	Asks what annexation plans the witness has over the next two years.
211	Corbett	Gives details.
215	Chair Ringo	Remarks that if there was a two year moratorium on forcible annexation of residential property, then it wouldn't affect witness' annexation plans.
216	Corbett	Believes he would still be risking the ability to provide services to that area.
223	Chair Ringo	States uncertainty about witness' comment. Asks for clarification.
224	Corbett	Explains.
237	Chair Ringo	Discusses motivation for annexation.
240	Corbett	Comments on hampering growth.
243	Chair Ringo	Responds.
245	Riggs	Explains concern with the two year moratorium.
270	Riggs	Submits written testimony on behalf of Mike Morgan, City Administrator of the City of Madras (EXHIBIT B) .
295	Jack Hoffman	Member, Lake Oswego City Council. Submits written testimony in opposition to SB 380 and SB 888 (EXHIBIT C) . Submits written testimony in opposition to SB 887, SB 888 and SB 380 (EXHIBIT D) . Submits excerpt from the General Laws of Oregon (EXHIBIT E) . Discusses annexation. Explains visual aid, which is a series of maps.
440	Chair Ringo	Asks what the witness' annexation plans are for the next two years.
442	Hoffman	Points out annexation plans on visual aid. Urges committee not to pass two year moratorium against forcible annexation.
TAPE 42, A		
010	Chair Ringo	Brings up issue of island annexation. Asks if witness understands how that process has been abused in Washington County.
012	Hoffman	Responds.
018	Chair Ringo	Discusses island annexation in Senate District 17.
023	Hoffman	States that he cannot address this issue because he doesn't know the specifics of Beaverton. Discusses neighborhood associations in Lake Oswego.
030	Chair Ringo	Comments that he is not convinced a two year moratorium would hurt the witness' annexation plans. Asks witness to quantify what would be lost by a two year moratorium.
035	Hoffman	Gives examples of natural resources lost using visual aid.
042	Sen. Atkinson	Asks if witness used the phrase "control the natural resources."
043	Hoffman	Confirms this.
044	Sen. Atkinson	Asks why the city government should control natural resources.
045	Hoffman	Asks for clarification of question.
046	Sen. Atkinson	Asks why the city government should control someone's ability to cut down a tree.
047	Hoffman	Replies because of a tree code.
048	Sen. Atkinson	Asks if there is a tree code in Lake Oswego.
049	Hoffman	Replies yes.
050	Chair Ringo	Points out that Lake Oswego is the tree capital of the country.
051	Sen. Atkinson	Points out that the people mentioned by witness are not inside the city. Gives example of a citizen in southern Oregon.

060	Hoffman	Discusses legislation and control. Talks about regulating resources. Mentions Land Use Planning Goals.
070	Alan Tresidder	Nike. Introduces Julia Brim-Edwards. States they are here to testify on SB 732 and specifically how it relates to proposed annexation of the Nike campus.
077	Julia Brim-Edwards	Deputy Director for State Public Affairs, Nike. Submits written testimony in support of SB 732 (EXHIBIT F) . Submits -1 amendments to SB 732 (EXHIBIT G) . Testifies in support of SB 732.
090	Alan Tresidder	Explains the -1 amendments (EXHIBIT G) .
095	Julia Brim-Edwards	Gives background on Nike. Discusses island annexation in Beaverton mentioned earlier by Chair Ringo.
120	Chair Ringo	Asks witness to explain history of Beaverton in regards to the annexation of the streets directly adjacent to the Nike campus.
124	Brim-Edwards	Explains the process Beaverton used.
160	Brim-Edwards	Discusses property taxes to schools and explains that SB 732 would not change the amount paid.
180	Sen. Atkinson	Gives a scenario of being completely surrounded by the city and wanting to be annexed. Asks if witness believes the system works.
185	Tressider	Asks for clarification.
186	Sen. Atkinson	Asks if one person could stand in the way of a property being annexed.
187	Tressider	Discusses complexity of annexation process.
188	Sen. Atkinson	Asks if the process is unnecessarily complex.
189	Tressider	States that it is complex. States that he does not know if one person can block an annexation. Discusses island annexation.
200	Sen. Atkinson	States that he has had experiences where the city annexed all around a piece of property, but would not annex the property itself. States that this devalues property.
210	Mayor Janet Taylor	Mayor, City of Salem. Testifies in opposition to SB 380, SB 699, SB 886 and SB 887. Submits written testimony (EXHIBIT H) . Refers to and discusses visual aids which are large maps of Salem. Points out areas on map that are not inside Salem's city limits. Explains that Salem provides the water and sewer service to those areas. Explains that Salem bought and maintains their systems, but they are not within Salem city limits.
264	Chair Ringo	Asks if those referred to are paying for those systems.
266	Taylor	Explains that they pay for the water and sewer only. Discusses these areas and states that it would be good to make these areas a part of Salem.
275	Chair Ringo	Verifies that witness wants to bring these areas in as an island annexation.
276	Taylor	Confirms this.
277	Chair Ringo	Verifies that the island annexation could be done without a public hearing.
278	Taylor	States that in some cases the annexation can be done without a public hearing. Explains blue areas on map.
285	Sen. Burdick	Verifies that it is not close to an island because it is exclusive farm use (EFU) zoned outside the UGB.
287	Taylor	Confirms this. Discusses intergovernmental agreements and overlapping of efforts. Gives an example of a fire department located at Chemeketa Community College. Discusses city limits along Lancaster Drive in Salem. Points out that it is heavily

		developed commercial property that is in the county but it is inside Salem's urban growth boundary.
315	Sen. Shields	Verifies that it is not in the city.
316	Taylor	Confirms this.
320	Sen. Atkinson	Asks where Cordon Road is.
324	Mitch Rohse	Interim Urban Planning Administrator. Points out Cordon Road on map.
327	Chair Ringo	Asks if witness has any plans within the next two years to annex mentioned parcels.
328	Taylor	Replies absolutely.
329	Chair Ringo	Verifies that witness plans to do that through island annexation.
330	Taylor	Confirms this.
331	Chair Ringo	Verifies that witness can annex these areas without getting the consent of the people who live there.
332	Taylor	Confirms this.
333	Chair Ringo	Asks if witness sees any problem with that method.
334	Taylor	Replies no. Explains that they have received a lot of requests to be annexed but cannot do so because the parcels are not contiguous to the city limits. States that the people who live in these areas want more services.
338	Chair Ringo	Verifies that witness is talking about the blue areas on the map.
339	Taylor	Replies no. Explains that she is also talking about people in the gray areas on the map.
345	Taylor	Concludes testimony. Urges committee not to pass any annexation bills.
360	Chair Ringo	States that he has a hard time believing that a two year moratorium would shut down Salem's economy.
362	Sen. Atkinson	Refers to discomfort he mentioned earlier. Points to spot on map and states that all of those houses are outside of the city limits. Asks how hard it would be for them to come into the city.
368	Taylor	Verifies that they are outside of the UGB.
375	Sen. Atkinson	Confirms this. Discusses services used and roads surrounding them. Asks how hard it is for them to come into the city.
383	Taylor	Replies that they cannot come into the city if they are outside the UGB. Explains that they are on septic tanks and wells.
387	Sen. Atkinson	States that it is tough luck if you are outside the city.
388	Taylor	Clarifies that it is only outside the UGB. Discusses pollution and septic tanks.
405	Sen. Burdick	Asks if the city taxpayers subsidize the people that are in the gray areas on the map.
407	Taylor	Replies absolutely and explains.
412	Sen. Shields	Verifies that they only pay for sewer and water.
413	Taylor	Confirms this.
414	Sen. Shields	Asks if they are getting free police protection.
418	Taylor	States that is provided by the county sheriff.
419	Sen. Shields	Gives hypothetical example and asks if that is correct.
420	Taylor	Replies absolutely.
421	Sen. Shields	States that it seems pretty inefficient.
420	Taylor	Agrees. Gives examples involving the Lancaster mall area.
TAPE 41, B		
005	Chair Ringo	Remarks that it happens all over the state. Clarifies that the services the witness believes are being subsidized are libraries and parks.
006	Taylor	Verifies libraries and parks. Adds code enforcement.

007	Chair Ringo	Asks if there is anything else.
008	Taylor	Adds police and fire.
009	Chair Ringo	Says that he thought witness said that the county sheriff covered the areas.
010	Taylor	Confirms this. States that fire is not subsidized but the residents are asking the City of Salem for increased services.
011	Chair Ringo	Clarifies that the services being subsidized are libraries, parks and code enforcement.
012	Taylor	Confirms this.
013	Chair Ringo	States that if libraries were a big concern then the city could issue library cards.
014	Taylor	States that the city already does this. Explains.
016	Chair Ringo	Asks if there are any studies on the amount of subsidy that occurs annually.
017	Taylor	States that she does not know of any.
018	Chair Ringo	States that the issue of subsidizing comes up often in Washington County. Gives example. States that there are a lot of theories about subsidization, but there are no studies.
019	Taylor	Agrees.
020	Chair Ringo	States that he takes the theories with a grain of salt because there are no studies.
021	Larry Glassock	Director, Strategic Economic Development Corporation (SEDCOR). States opposition to a moratorium.
030	Taylor	Discusses PictSweet Mushroom Plant and development of area where it shut down.
038	Chair Ringo	Verifies that the owners of the property want to develop.
040	Taylor	Confirms this.
041	Chair Ringo	Emphasizes that the moratorium would be against forced annexation only.
042	Taylor	Responds.
045	Jerry Ritter	Secretary, Oregon Communities For A Voice In Annexations. Testifies in support of SB 380. Submits written testimony (EXHIBIT I) . Submits written testimony in support of SB 887 (EXHIBIT J) .
095	Chair Ringo	Asks how witness responds to questions raised about those inside the city subsidizing those outside the city limits.
098	Ritter	States that he is outside the city limits.
099	Chair Ringo	Asks where the witness lives.
100	Ritter	States that he lives in the Springfield UGB. Discusses services received. Agrees that the cities have not made a case for this argument.
110	Chair Ringo	Responds.
113	Ritter	Submits written testimony on SB 699 (EXHIBIT K) .
115	Chair Ringo	Verifies that it is the Nike bill.
116	Ritter	Replies no.
117	Chair Ringo	Replies okay. Asks witness to continue.
118	Ritter	Discusses SB 699. Asks that SB 699 be amended to extend it to all Oregonians. Discusses granting protections from annexation to businesses but not extending those privileges to other residents.
125	Ritter	Testifies in support of SB 887. States that the abuse of the island annexation process has occurred in places other than Beaverton.
130	Chair Ringo	Asks where else the island annexation problem has happened.
131	Ritter	Explains.

132	Chair Ringo	Asks witness for details.
133	Ritter	Gives details.
135	Chair Ringo	Asks for explanation of phrase “cherry stemming.”
136	Ritter	Explains phrase.
145	Sen. Ryan Deckert	Represents Senate District 14. Discusses mediation process.
		Offers to bring the committee an amendment.
180	Burdick	Discusses the City of Corvallis. Asks if witness is saying that the legislature will decide any contested annexation.
185	Sen. Deckert	Discusses process. Gives an example.
190	Burdick	Asks if that example is in her district.
191	Sen. Deckert	Replies no. Gives further examples. Discusses mediation process.
205	Chair Ringo	Believes that the mediation process makes sense in Washington County, but is unsure how witness connects the mediation process with legislative action.
210	Sen. Deckert	Discusses mentioned amendments. Offers to bring amendments at committee’s request.
213	Steve Bryant	City Manager, Albany. Submits and reads written testimony (EXHIBIT L) .
255	Chair Ringo	States that witness is assuming that subsidization is occurring.
256	Bryant	Confirms this. Explains using an example.
270	Chair Ringo	States that the witness could have some services agreement where the people in rural areas pay for those services.
271	Bryant	Replies that they do.
272	Chair Ringo	Remarks that would remove the subsidization argument.
273	Bryant	Responds.
276	Chair Ringo	States that there is very little evidence to support the subsidization argument.
280	Bryant	States that it would take some economic study to demonstrate the subsidization argument.
290	Chair Ringo	States that in Washington County, the sheriff’s office is providing security in the jail and there are a lot of prisoners in there from the city.
293	Bryant	Responds.
300	Bryant	Continues reading testimony (EXHIBIT L) .
370	Bryant	Discusses -1 amendments for SB 732 submitted by Brim-Edwards.
380	Chair Ringo	States that these amendments are not being considered at the moment.
385	Patricia Daniels	League of Oregon Cities and City Council, City of Corvallis. Discusses annexation.
413	Chair Ringo	Asks if there are forced annexations in Corvallis.
414	Daniels	Replies no.
415	Chair Ringo	Wonders if the witness would have a problem with limiting forced annexation while the problem is studied for two years.
416	Daniels	States that she has a suggestion for the committee. Continues discussing annexation.
TAPE 42, B		
025	Daniels	Suggests the issues discussed not be addressed for all towns by a group of bills. Suggests that the committee create an interim task force.
030	Chair Ringo	Believes that a task force is necessary. Explains.
040	Marshall Cova	Boise Cascade. Testifies in support of SB 699.
050	Mike Hicks	Northwest Oregon Area Logging Manager, Boise Cascade. Submits and reads written testimony in support of SB 699

		(EXHIBIT M).
135	Lisa Hamilton-Trike	Resident, Unincorporated Bull Mountain. Discusses annexation attempt by the city of Tigard. Urges committee to let citizens be involved in task forces if they are made.
230	Randy Tucker	Legislative Affairs Manager, Metro. Discusses responsibility of the Metro Council with respect to growth management in the Portland Metropolitan area.
260	Chair Ringo	Asks about two year moratorium.
261	Tucker	Responds.
275	Linda Ludwig	League of Oregon Cities (LOC). Submits informational packet on SB 380, SB 732, SB 886, SB 887, SB 888 (EXHIBIT N) . Discusses annexation law. Suggests that an interim committee be created to look at annexation. Talks about methods of annexations.
315	Chair Ringo	Discusses task force. States that a lot of legislators have concerns about what is going on in their districts. Discusses previous testimony that a two year moratorium against forced annexations would kill economic development. Asks if witness believes that is an exaggerated argument.
325	Ludwig	Replies no and explains the different kinds of annexation methods.
335	Chair Ringo	Agrees. Asks witness to explain the harm that would be done by having a two year moratorium against forced annexations.
336	Ludwig	Explains.
365	Ludwig	States that the LOC does not have opposition to SB 886. Offers to work with the committee for amendments on SB 887. States that the LOC has no position on SB 888. Discusses SB 380. States that the LOC has no position on SB 732. Discusses SB 699.
390	Chair Ringo	Discusses bills.
400	Sen. Shields	States for the record that Gene Grant, Mayor of Happy Valley is in support of annexation. States that he is opposed to SB 380, SB 887, SB 732 and SB 699.
The following prepared testimony is submitted for the record without public testimony:		
	Dottie Belknap	Submits written testimony in support of SB 380 (EXHIBIT O) .
	Barton Brierly	Submits written testimony in opposition to SB 886, SB 887, SB 888, SB 380, SB 732 and SB 699 (EXHIBIT P) .
	Holly Shumway	Submits written testimony in support of SB 380 (EXHIBIT Q) .
	Ken Henschel	Submits written testimony in support of SB 380 (EXHIBIT R) .
	Richard Franzke	Submits written testimony in support of SB 380 (EXHIBIT S) .
	Richard Reid	Submits written testimony in opposition to SB 699 (EXHIBIT T) . Submits written testimony in opposition to SB 380 (EXHIBIT U) . Submits written testimony in support of SB 887 (EXHIBIT V) .
	James Thompson	Submits written testimony in support of SB 380 (EXHIBIT W) .
	Isador Morgavi	Submits written testimony on annexation (EXHIBIT X) .
412	Chair Ringo	Closes public hearings on SB 886, SB 887, SB 888, SB 380, SB 732, and SB 699. Adjourns meeting at 5:03 p.m.

EXHIBIT SUMMARY

A. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, written testimony, Doug Riggs, 3 pp

- B. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, written testimony of Mike Morgan, Doug Riggs, 2 pp**
- C. SB 380 and SB 888, written testimony, Jack Hoffman, 3 pp**
- D. SB 380, SB 887, and SB 888, written testimony, Jack Hoffman, 8 pp**
- E. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, excerpt, Jack Hoffman, 1 p**
- F. SB 732, written testimony, Julia Brim-Edwards, 4 pp**
- G. SB 732, -1 amendments, Julia Brim-Edwards, 3 pp**
- H. SB 380, SB 699, SB 732, SB 886, and SB 887, written testimony, Janet Taylor, 3 pp**
- I. SB 380, written testimony, Jerry Ritter, 2 pp**
- J. SB 887, written testimony, Jerry Ritter, 1 p**
- K. SB 699, written testimony, Jerry Ritter, 1 p**
- L. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, written testimony, Steve Bryant, 3 pp**
- M. SB 699, written testimony, Mike Hicks, 4 pp**
- N. SB 380, SB 732, SB 886, SB 887, and SB 888, informational packet, Linda Ludwig, 16 pp**
- O. SB 380, written testimony, Dottie Belknap, 1 p**
- P. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, written testimony, Barton Brierly, 1 p**
- Q. SB 380, written testimony, Holly Shumway, 1 p**
- R. SB 380, written testimony, Ken Henschel, 4 pp**
- S. SB 380, written testimony, Richard Franzke, 5 pp**
- T. SB 699, written testimony, Richard Reid, 1 p**
- U. SB 380, written testimony, Richard Reid, 1 p**
- V. SB 887, written testimony, Richard Reid, 1 p**
- W. SB 380, written testimony, James Thompson, 2 pp**
- X. SB 380, SB 699, SB 732, SB 886, SB 887, and SB 888, written testimony, Isador Morgavi, 4 pp**