

WHEREAS, the State Health Division of the Oregon Department of Human Resources has conducted public hearings in the matter of North Albany sewage problems; and

WHEREAS, the Hearings Officer has recommended to the State Health Administrator that a health hazard be declared and health hazard annexation proceedings be initiated to resolve the health hazard; and

WHEREAS, the Albany City Council anticipates that a health hazard will be declared and that 90 days will then be allowed to submit alternative plans to a forced health hazard annexation; and

WHEREAS, the Albany City Council is not a proponent of health hazard annexation as the preferred solution to the health hazard situation; and

WHEREAS, the Albany City Council supports a more orderly and planned extension of urban services and city boundaries within all areas of the urban growth boundary; and

WHEREAS, the Albany City Council supports the urban service policies and citizen participation policies contained within the City's Comprehensive Plan which are applicable to the North Albany area which have been approved by Benton County and the State Land Conservation and Development Commission; and

WHEREAS, the Albany City Council believes that other forms of annexation may offer a viable alternative, if not a mandated alternative, to the provision of sewers and, eventually, other urban services in the North Albany area.

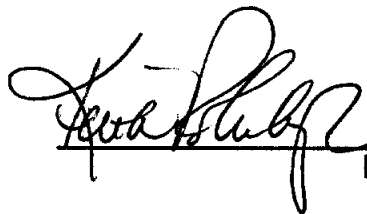
NOW, THEREFORE, BE IT RESOLVED BY THE ALBANY CITY COUNCIL that the City does hereby offer the following items in the event of any annexation alternative for the North Albany health hazard area:

1. The City will offer to North Albany citizens two alternative methods of annexation in an effort to minimize the financial burden of added city taxes and sewer related expenses. These alternatives are offered as equally acceptable methods to the City.
  - A. Phased Value Annexation. This method of annexation is authorized under ORS 222.111 (3). Basically, under this statute a city may choose to phase in the additional city tax rates and city services over the course of a maximum of ten years in accordance with a schedule set forth in the annexing ordinance. The City of Albany proposes that this authority be utilized to offer to North Albany residents the opportunity to propose the phasing of city services and commensurate portions of the city tax rate in any manner which can be generally agreed upon by the residents of the area.
  - B. Utilization of City Tax Base Increase for Sewer Bond Repayment. This proposal offers the anticipated property tax base increase to the City of Albany resulting from the annexation as a revenue source for repayment of sewer construction costs. For illustration purposes, the current assessed value of the health hazard area is approximately \$27,000,000. Using the current tax rates for 1988-89, an annexation of this size would add \$207,000 to the City's tax base. Rather than provide General Fund city services to the annexation area, the actual tax base increase is proposed to be utilized as a sewer system revenue source which would be made available at the initial level of funding plus up to 6% per year (for each year that the City takes the 6% tax base increase or portion thereof) until the sewer system is paid for. Most likely the financing mechanism to which these taxes would be applied would be a revenue or general obligation bond financed over a period of ten to fifteen years. Benton County would also have to agree to continue

to provide at least the current level of county services under this option until City General Fund revenues were available from North Albany for additional urban services.

2. Any contiguous North Albany property owner or area of property owners who may wish to petition for annexation will be given the opportunity to take advantage of the annexation option selected above for a period of one year from the date the effective date of the initial North Albany annexation ordinance provided further that the sewer system can be reasonably expanded to the affected area.
3. The City is committed to involving North Albany citizens in the affairs of the City through representation on citizen committees, boards and commissions. Following any large scale annexation, the City Council will actively solicit appointments from the affected area to fill vacancies as deemed appropriate.
4. The annexed area which receives service from the present Albany treatment facility will not be subject to differential sewer rates unless the affected citizens indicate general support for higher rates as a means of temporary financing of construction costs.
5. Forty percent of sewer connection fees paid by health hazard area properties will be allocated to sewer line oversizing costs within the affected area. This is based on the same formula as presently applied with the city.
6. The annexed area will remain within the jurisdiction of the service district for purposes of water service until such time as the district proposes and the City accepts a transfer of the district authority to the City or the City annexes sufficient area of the district to assume control under statutory provisions.
7. The City agrees to review Comprehensive Plan and Development Code provisions, as they may affect the future development of North Albany, with the North Albany Citizens Advisory Committee to determine citizen recommendations for appropriate amendments and special regulations which consider the unique nature and environment of the area.
8. The City will assure that any annexed portions of North Albany remain within the boundaries of a single voting ward of the City as long as possible under the provisions of the City Charter. This will assure that the voting power of the area for City elections is not diluted.
9. The City will entertain additions or modifications to this resolution from affected parties as necessary to accomplish an expedient, fair, and effective resolution to the health hazard annexation issue.

DATED THIS 10TH DAY OF MAY 1989.

  
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MAYOR

ATTEST:

  
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CITY RECORDER