

LEAGUE OF WOMEN VOTERS OF LANE COUNTY

METROPOLITAN GOVERNMENT

Everymember Material – Part 2
MARCH 2006

INTRODUCTION

At the 2004 Annual Meeting of League of Women Voters of Lane County (LWVLC), members agreed to embark on a two-year restudy of our Metropolitan Government and other related local positions. It was the members' belief that the existing positions may not adequately address the issues involved, especially given current financial and political limitations to cities' providing public services.

In May 2005 League members discussed the changes to Oregon's tax law of the 1990s, with Ballot Measures #5 and #50, and the options available for providing urban services. Because these tax laws drastically limit the local property taxes available to fund city and county services, local governments are looking for other ways to provide the services citizens have become accustomed to and are still expecting. Now League members are being asked to concur with proposed revisions to two LWVLC positions: Metropolitan Government and Lane County Finance. These revisions, if approved, will broaden the first position not only to apply to all cities in Lane County but also to endorse special districts as an acceptable option for service delivery. They will broaden the second position to apply to all local governments in Lane County, not just county government.

BACKGROUND

How do we provide needed urban services in Lane County's growing communities? What system of taxation will pay costs in an equitable way? The League has been looking at these issues for some time and has positions that speak to these problems. This study committee has looked at the changes of the past few years and is suggesting some adjustments to these positions to deal with new realities.

Oregon Tax Law.

The Metro Government unit meetings last spring explored the current Oregon tax requirements established in the Constitution of Oregon by ballot measures. Combined local government property tax levies must not exceed \$10 per thousand of assessed valuation and are reduced if that cap is exceeded. The realities of this financial arrangement have made special districts attractive, but their establishment or expansion is complicated and usually requires a vote of the people.

In areas where total levies are well below the cap, a special district can give a city additional funds by shifting a service like fire protection to a district. The city levy remains the same, but the cost of that particular service is covered by a new special district tax. This process of forming special districts is prohibited in the Eugene-Springfield area by the Metro Plan, but it has been used by other Lane County cities such as Cottage Grove, Junction City, and Creswell.

Our current position on local government finance applies only to the County but with a few adjustments seems relevant to other taxing entities such as cities and special districts. The

Oregon League has a long history of taxation study at the state level, and this local position agrees with our state findings. One sentence from the state position reads: "A tax system that is equitable, adequate, stable, easy to administer and is as simple as possible..." Within the framework of the law, we want the same for local governments in Lane County.

Urban Growth Boundaries and Urban Services.

Planning in Oregon is supervised by the state under a set of rules developed by the Land Conservation and Development Commission. The actual planning and zoning is done locally by cities and counties, with state review when requested. All cities have established urban growth boundaries outside their city limits -- areas that probably will be annexed at some time in the future as the city grows and which often contain patches of urban development. The County handles planning in this area between the city limits and the urban growth boundary for the smaller cities, but Eugene and Springfield are in charge of decisions for their areas. For instance, to build on a vacant lot in unincorporated River Road requires annexation to Eugene before a building permit is issued.

State planning philosophy encourages controlled growth and higher urban density in order to prevent sprawl and protect farm and forest land. The extension of infrastructure is costly, and services can be more efficiently and economically delivered in areas of compact development. When urban services such as sanitary sewer and water are provided to areas outside the urban growth area, increased pressure for urban development in rural areas occur.

Because the County comprises so many different kinds of properties, it has a complex set of regulations found in Lane Code designed to allow reasonable uses while protecting valuable resources. For instance, a new dwelling may be constructed on a 160-acre farm with low-value farmland, but better farmlands have more restrictions on home construction. The same is true of forestlands. The purpose of the F1 zone is to promote the growing and harvesting of forest tree species as the leading use on forestland and also to provide for recreation and agriculture. Existing dwellings may be repaired or replaced, but no new dwellings built.

The Eugene/Springfield Metropolitan Plan notes that the provision of water, sewers, power, education, public safety and other programs are needed for urban areas to function properly. While these services are usually provided or supervised by public and quasi-public agencies such as EWEB or LCOG, they also may be provided by private entities such as churches, schools, and hospitals. Cities are not the only governmental entities providing urban services. Lane County, using a variety of different funding sources, provides health and social services, solid waste management, tax collection, public safety, and courts. School districts provide K-12 education.

Related League Positions.

LWVLC Parklands and Library Services positions support access to library and parks for everyone in Lane County, though not necessarily at the same level of service, and are open to service provision by districts as well as the cities and Lane County. LWVLC's Structure of Local Government position includes ten criteria for evaluating any governmental structure that provides urban services.

THE CHALLENGES FACING AN URBAN GROWTH AREA: EUGENE AND SANTA CLARA/RIVER ROAD

The Santa Clara and River Road areas* are within the Eugene Urban Growth Boundary. New developments in this area are permitted after incorporation (annexation) into the City of Eugene.

However, pre-existing developments are outside the city limits. Decades of small annexations have created a patchwork of incorporated and unincorporated parcels. This has made the delivery of some urban services less efficient. A disparity of services exists between the incorporated and unincorporated areas of Santa Clara and River Road, with an associated difference in taxes. The City of Eugene provides fire and emergency services for all of the River Road area. The Santa Clara area has a volunteer fire department that provides emergency services to the unincorporated area. There is also a new city fire station to serve the properties that have been annexed. Unincorporated River Road and Santa Clara receive police service from the Lane County Sheriff's Office. The City of Eugene is compelled to respond to calls in the area, including crimes in progress, if the Sheriff's patrol cars are out of the area. As the Sheriff's office is unable to respond to every non-emergency call or investigate every property crime, the unincorporated areas receive a lower level of service.

According to a 2004 report, the River Road and Santa Clara areas have fewer developed and undeveloped parks, with an average of four park acres per 1,000 residents. In the City of Eugene, residents have an average of eighteen park acres per 1,000 residents. The River Road Parks and Recreation District serves the River Road area by maintaining Emerald Park and providing a variety of recreational programs. For library services, households in unincorporated areas may purchase a City of Eugene library card at a rate of \$80 per year, which is less than what the average city household pays in taxes for the same services. The main tradeoff for residents in unincorporated areas is lower taxes and fewer services or higher taxes with an accompanying increased level of services (which some don't want or don't believe they need).

The same 2004 report shows that unincorporated property owners in River Road pay taxes for the River Road Park and Recreation District, the River Road Water District, and Fire/EMS for a total of \$5.45 per \$1,000 assessed property value. Annexed owners pay \$8.84 in city taxes, a difference of \$3.39. In Santa Clara, unincorporated property owners pay for Lane Rural Fire/Rescue at \$2.12 per \$1,000 assessed property value or \$1.04 for Santa Clara RFPD. Annexed neighbors pay the City of Eugene \$8.84, for a difference of \$6.72 or \$7.80 depending on which Fire/EMS. Through annexation of River Road, the City would collect an additional \$3.2 million annually; annexation of Santa Clara would provide an additional \$4.6 million. This would come with an accompanied increased burden for services, particularly for an increase in staff, officers, and infrastructure. Also, the City would receive an increase in the state-shared revenues, which are distributed to cities on a per capita basis.

LANE COUNTY FINANCE POSITION SHOWING PROPOSED CHANGES

Consensus March 2000

Parentheses indicate proposed deletions

Underlinings indicate proposed additions

(LANE COUNTY) LOCAL GOVERNMENT FINANCE

Position: The League of Women Voters of Lane County believes that the following governmental principles apply to (Lane County) county, city and special district finances:

1. Democratic government depends upon the informed and active participation of its citizens.
2. Governmental bodies should protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings, and making public records accessible.
3. (County) Local governments must be responsive to the will of the people.

The League believes that efficient and economical government requires competent personnel, the clear assignment of responsibility, adequate financing, and coordination among the different governmental agencies. (serving Lane County.)

1. Consolidation and coordination of services (particularly within county government,) should be pursued when (performance auditing) substantive analysis demonstrates it will eliminate overlap of responsibilities and improve employee efficiency and cost savings.
2. Contracting (out) services should be approached cautiously(,). A(a) cost-benefit analysis should demonstrate savings and assure fair benefits and working conditions for both (county) local government and contracted employees. (and non-county workers employed by Lane County contractors.)
3. If cuts are necessary, preference should be based on an established priority of services, not across-the-board decreases, so that least essential services are reduced or eliminated first.
4. Likewise, if additional funding is available, decisions should be based on (an) established priorityies rather than (and not) across-the-board increases.

The League believes that (Lane County) local governments should maintain an equitable, adequate, stable, and flexible system of taxation that is understandable and easy to administer (and understand).

1. (The county) Local tax systems should recognize the individual's responsibility for government services by providing a broad sharing of the tax burden.
2. (The t)ax systems should be based on the ability to pay but may apply a benefits-received principle wherever reasonable.
3. User fees may be appropriate for specific services, but consideration should be given to sliding scales and the cost of collection before (deciding to) impos(e)ing them.
4. Systems development charges are an appropriate way to recover the cost of growth, but exemptions for low-income housing should be provided.
5. (The t)ax systems must be flexible enough to adjust to social and economic changes.
- (6. Ballot measures proposing new or additional taxes are most likely to succeed when providing for specific services and scheduled for general elections.)_

METROPOLITAN GOVERNMENT: EXISTING POSITION

Consensus 1969, 1977, Concurrence 1996

Position:

The League of Women Voters of Lane County believes that such basic services as fire protection, police protection, sanitary sewers and water must be provided to areas of urban density. In areas that have been allowed to develop to urban density outside existing city limits, services should be provided after annexation to the nearest city. If this isn't feasible, the League believes a county service district is the next best alternative for the provision of essential urban services.

Additional areas of urban-level density development should not be allowed where urban services do not now exist or are not planned. To prevent such developments, a comprehensive plan for the metropolitan area should include a site-specific boundary beyond which services should not be extended and for which there is an established method of systematic review. In order for an Urban Service Boundary to be effective, all local governments must cooperate to enforce it.

The Urban Service Boundary for the Eugene-Springfield metro area should be the one designated by the Eugene-Springfield Metropolitan Area Comprehensive Plan.

URBAN SERVICES: PROPOSED POSITION TO REPLACE THE ABOVE METROPOLITAN GOVERNMENT POSITION

Position:

The League of Women Voters of Lane County believes that because urban areas require more governmental services than rural areas, site-specific urban growth boundaries must be delineated. Eugene-Springfield and the other cities of Lane County also need a systematic method for reviewing and adjusting such boundaries when necessary.

Urban services, such as sanitary sewer and water systems, should not be provided to areas outside the urban growth boundary. In areas that have been allowed to develop to urban density outside existing city limits, services ordinarily should be provided only after annexation to the nearest city. These services must be provided in urban areas and should be furnished, in priority order, by

- Annexation to the nearest city,
- Formation of a county service district, or
- Formation of a special district.

The League also supports the provision of libraries, parks, emergency and public safety services, and other services in urban areas. In evaluating the type of entity to provide these services, consideration should be given to the criteria in the LWVLC Structure of Local Government position.

DISCUSSION QUESTIONS

1. What are some changes over the last 25 years that have had an impact on service delivery to city and county residents?
2. What are some challenges facing both residents and cities concerning areas between the urban growth boundary and the city limits?
3. Shall we change the Lane County Finance position so it applies to all local governments in Lane County? Do you concur with the proposed wording?
4. Shall we change the Metropolitan Government position so it applies to all Lane County? So it is open to varied ways of providing urban services? Do you concur with the proposed wording?

SOURCES

LWVLC Metropolitan Government Everymember Material – Part 1, May 2005
Eugene/Springfield Metropolitan Area General Plan. 1987 Update
Fiscal Analysis of Urban Services in River Road and Santa Clara, October 2004
Various publications by the Land Management Division of Lane County Public Works

COMMITTEE MEMBERS

Emily Schue and Merle Bottge (co-chairs), Lois Taylor, Ellen Maddex, Mary Ann Holser, Pat Hocken, Janet Calvert, Renee Buchanan

* River Road = Roosevelt to Beltline; Santa Clara = Beltline to Beacon