



Oregon

Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

635 Capitol Street, Suite 150

Salem, OR 97301-2540

(503) 373-0050

Fax (503) 378-5518

www.lcd.state.or.us

NOTICE OF ADOPTED AMENDMENT

June 7, 2007

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Mara Ulloa, Plan Amendment Program Specialist

SUBJECT: City of Hood River Plan Amendment
DLCD File Number 005-07



The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. A copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: June 21, 2007

This amendment was submitted to DLCD for review 45 days prior to adoption. Pursuant to ORS 197.830 (2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.**

Cc: Gloria Gardiner, DLCD Urban Planning Specialist
Gary Fish, DLCD Regional Representative
Alex Sosnkowski, City of Hood River

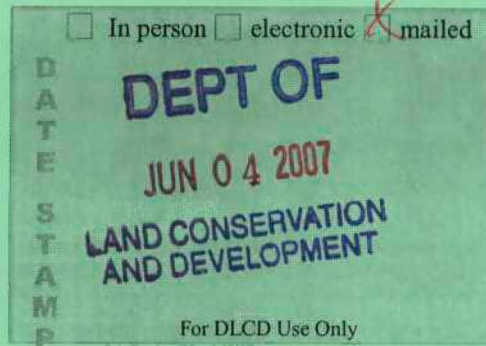
<paa> ya/

FORM 2

DLCD

Notice of Adoption

THIS FORM **MUST BE MAILED** TO DLCD
WITHIN 5 WORKING DAYS AFTER THE FINAL DECISION
PER ORS 197.610, OAR CHAPTER 660 - DIVISION 18



Jurisdiction: **City of Hood River**

Local file number: **2007-07**

Date of Adoption: **5/30/2007**

Date Mailed: **5/31/2007**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? **Yes** Date: 3/12/2007

Comprehensive Plan Text Amendment

Comprehensive Plan Map Amendment

Land Use Regulation Amendment

Zoning Map Amendment

New Land Use Regulation

Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Annexation and withdrawal of islands of unannexed territory within City limits pursuant to ORS 222.750 and 222.254

Does the Adoption differ from proposal? No, no explanation is necessary

Plan Map Changed from: **na**

to: **na**

Zone Map Changed from: **Annexation (see attached map)** to:

Location: **(see attached map)**

Acres Involved: **54**

Specify Density: Previous: **na**

New: **na**

Applicable statewide planning goals:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Was an Exception Adopted? YES NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing?

Yes No

If no, do the statewide planning goals apply?

Yes No

If no, did Emergency Circumstances require immediate adoption?

Yes No

DLCD # 005-07 (15952)

DLCD file No. _____

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Ice Fountain Water, Westside Fire, Hood River County, Farmers Irrigation

Local Contact: Alex Sosnkowski

Phone: (541) 387-5223 Extension:

Address: PO Box 27

Fax Number: 541-387-5289

City: Hood River

Zip: 97031-

E-mail Address: alex@ci.hood-river.or.us

ADOPTION SUBMITTAL REQUIREMENTS

This form **must be mailed** to DLCD **within 5 working days after the final decision**
per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and TWO Complete Copies (documents and maps) of the Adopted Amendment to:

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

2. Electronic Submittals: At least **one** hard copy must be sent by mail or in person, but you may also submit an electronic copy, by either email or FTP. You may connect to this address to FTP proposals and adoptions: **webserver.lcd.state.or.us**. To obtain our Username and password for FTP, call Mara Ulloa at 503-373-0050 extension 238, or by emailing **mara.ulloa@state.or.us**.
3. Please Note: Adopted materials must be sent to DLCD not later than **FIVE (5) working days** following the date of the final decision on the amendment.
4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.
5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within **TWENTY-ONE (21) days** of the date, the Notice of Adoption is sent to DLCD.
6. In addition to sending the Notice of Adoption to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.
7. **Need More Copies?** You can now access these forms online at **http://www.lcd.state.or.us/**. Please print on **8-1/2x11 green paper only**. You may also call the DLCD Office at (503) 373-0050; or Fax your request to: (503) 378-5518; or Email your request to **mara.ulloa@state.or.us** - ATTENTION: PLAN AMENDMENT SPECIALIST.

ORDINANCE NO. 1934

(An ordinance proclaiming the annexation of certain contiguous island territories of Urban Growth Area located within the City limits—Island Annexation.)

WHEREAS, the Planning Commission and the City Council of the City of Hood River have, in accordance with the procedures set forth in Title 17 of the Hood River Municipal Code, considered the application of the City of Hood River to annex certain island territories into the City of Hood River;

See Exhibit "A"

WHEREAS, following public hearings before the Planning Commission and City Council, the City Council approves the application;

WHEREAS, the island territories are described as set forth in the application and are located in Hood River County, State of Oregon (the "Islands");

WHEREAS, this annexation was initiated by the City pursuant to ORS 222.750 and does not require the consent of the property owners;

WHEREAS, the Islands sought to be annexed are completely surrounded by City limits as shown on the map included in Exhibit "A."

WHEREAS, the Islands are located within the Westside Rural Fire Protection District and the Ice Fountain Water District and ORS Chapter 222 provides for the withdrawal of territories from districts such as the Westside Rural Fire Protection District and Ice Fountain Water District upon annexation;

WHEREAS, notice of the public hearing on the questions of annexation and withdrawal was published and posted as provided in ORS Chapter 222;

WHEREAS, the Council concludes that the Islands sought to be annexed should be withdrawn from the Westside Rural Fire Protection District and Ice Fountain Water District as part of the proposed annexation;

WHEREAS, the City has the authority, within constitutional and statutory limits, to set the property tax rate at which annexed territories should be taxed;

WHEREAS, the Planning Commission and the City Council have, in accordance with the procedures set forth in Chapter 17.15 of the Hood River Municipal Code, held public hearings (May 7, 2007 and May 29, 2007, respectively) to consider the annexation of the Islands into the City of Hood River and withdrawal of the Islands from the affected special districts;

WHEREAS, the City Council considered the Planning Commission's record and recommendation, the Planning Staff's report, and testimony presented, if any;

WHEREAS, the City Council adopts the Planning Commission's recommendation dated May 7, 2007, as supplemented by the Cover Sheet dated May 29, 2007, both of which are attached to this Ordinance and incorporated by reference as if fully set forth herein;

WHEREAS, the Oregon Legislature is considering legislation that may affect the ability of the City to annex some of the Islands;

WHEREAS, as set forth in the Planning Commission's Recommendation, the annexation of the Islands is supported by Ice Fountain Water District, West Side Rural Fire Protection District and Hood River County, and is essential to reorganize these agencies' and the City's jurisdictional boundaries to create seamless territories to more efficiently provide service to their citizens;

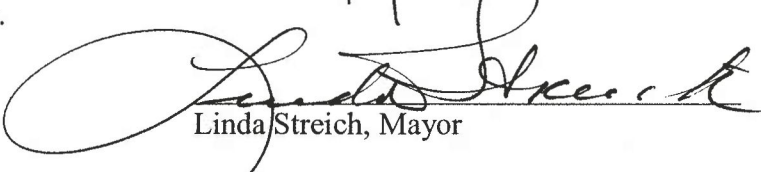
WHEREAS, this ordinance is, therefore, necessary to preserve the public health, safety, and welfare and should be effective immediately upon passage.

NOW, THEREFORE, the City of Hood River ordains as follows:

1. The Islands described above are hereby proclaimed to be annexed to the City of Hood River.
2. The Islands described above are hereby withdrawn from the Westside Rural Fire Protection District and the Ice Fountain Water District, and not withdrawn from Farmers Irrigation District.
3. The effective date of the annexation is the date of filing within the Secretary of State.
4. The effective date for the withdrawal of the territory from the Ice Fountain Water District is July 1, 2008.
5. The effective date for the withdrawal of the territory from the Westside Rural Fire Protection District is the date the annexation is effective.

Read for the first time: May 29, 2007.

Read for the second time and passed: May 30, 2007, to become effective immediately.


Linda Streich, Mayor

ATTEST:



Jill Rommel, City Recorder

EXHIBIT A

ANNEXATION STAFF REPORT

April 30, 2007

TO: Planning Commission
FROM: Planning Department
SUBJECT: **54 acre island annexation into the City of Hood River; 2007-07**

I. BACKGROUND INFORMATION:

- A. REQUEST: To annex the islands of urban growth area located within City limits consisting of approximately 54 acres into the City of Hood River.
- B. APPLICANT AND OWNER: Applicant: City of Hood River; Property Owners: see **attachment "A"** for property owners list.
- C. PROPERTY LOCATION: The properties are eight islands of urban growth area located within City limits and west of Rand Road; see **attachment "B"**.
- D. PARCEL SIZE: The total area to be annexed is approximately 54 acres.
- E. AGENCY COMMENTS: Comments were received from the following agencies and have been incorporated and/or addressed in the staff report.
- City Engineering Department
City Police
Fire Marshal
Farmers Irrigation District; see **attachment "C."**
- F. PROPERTY OWNER COMMENTS: See **attachment "D"**.
- G. ORDINANCE CRITERIA:
17.15.050 Evaluation Criteria – Developed Land
17.15.060 Evaluation Criteria – Undeveloped Land
17.15.070 Factors to be taken into Consideration when Determining Fiscal Impact
17.15.080 Factors to be taken into Consideration when Determining Urban Service Capabilities
- H. ORS CRITERIA:
Chapter 222
- H. HISTORY:
March 12, 2007 DLCD Notice of Proposed Amendment
March 16, 2007 Special District Meeting
April 3, 2007 Notice of Neighborhood Meeting
April 12, 2007 Neighborhood Meeting
April 23, 2007, Notice of Public Hearing to Property Owners
April 25 and May 2, 2007, Notice of public hearing published in Hood River News
May 7, 2007 Planning Commission Public Hearing

II. FINDINGS OF FACT:

INTRODUCTION.

This is an annexation initiated by the City of Hood River pursuant to ORS 222.750, the so-called "island annexation" statute. This statute allows the City to annex "islands" of urban growth area that are surrounded by previously annexed territories that are now in City limits. A map of the islands to be annexed is attached as attachment "B." The islands are numbered and this staff report follows the numbering system shown on the map.

At its most recent goal setting session, the City Council approved the concept of annexing the islands of non-City lands located within the City limits. Pursuant to the City's Intergovernmental Agreements with West Side Rural Fire Protection District ("West Side"), Farmers Irrigation District ("Farmers"), and Ice Fountain Water District ("Ice Fountain"), the City staff held a meeting to discuss the proposed annexations with these Districts on March 16, 2007. The outcome of the meeting was that West Side and Ice Fountain are in full support of these annexations because when completed, each District and the City will have seamless and clearly delineated service territories. (Farmers is generally neutral as no withdrawal or change in their territory will occur). Currently, these islands create service gaps for the City and the Districts. These gaps are particularly troublesome for emergency services and 911. Annexation of these islands will eliminate these problems.

The proposed annexation contains some properties that were ultimately omitted from the last City-initiated annexation when the City annexed the Willow Ponds subdivision and some properties along Rocky Road. That annexation was an annexation based on having the requisite written consents of the property owners and was not an island annexation. That annexation was partially development driven—the City was unable to annex the Willow Ponds subdivision at the time of connection because of lack of contiguity, but delaying annexation further into the future would have become cost prohibitive because of the City's obligations under its intergovernmental agreements with the Districts. In addition, the City sought to address the Districts' concerns with respect to the inal configuration of the property annexed. As noted above, this annexation is based on the concept of islands, and eliminating islands of service areas from both City service areas as well as special district service areas. Rocky Court properties are not included because those properties are not islands as they are not bounded on all sides by City limits.

Because this is not a property owner initiated annexation, and although this is a legislative action (in both the land use and non-land use contexts), the City provided individual written notice to the property owners and held a neighborhood meeting on April 12, 2007, to discuss the City's proposal to annex the islands and address any questions and concerns of the property owners. The questions and comments, and staff's responses, are incorporated into this staff report.

The Planning Commission is scheduled to hold its public hearing on May 7, 2007. The City Council is scheduled hold its public hearing on May 29, 2007.

Although this annexation may not be politically popular for many of the same reasons property owners did not want to be brought into the City limits during the City's annexation of the Willow Ponds area, the staff strongly recommends annexation of the islands shown on attachment "B" because it reorganizes disorganized jurisdictional boundary lines, resulting in seamless territories, which results in more efficient provision of services. Moreover, the authority granted by ORS 222.750 to annex islands was designed to address exactly the kind of situation faced by Hood

River. If these islands are not annexed at this time, it is possible the Oregon legislature will repeal or modify ORS 222.750, making this kind of annexation impossible or cost-prohibitive.

APPLICABLE CRITERIA.

HRMC 17.15.010-Introduction is not an approval criterion but merely a broad policy statement implemented by the criteria in 17.15.050 and 17.15.060 and is not used as evaluating criteria annexations.

17.15.050 Evaluation Criteria – Developed Land.

Prior to approving a proposed annexation of developed land, affirmative findings shall be made relative to the following criteria:

The islands overwhelmingly consist of properties developed to urban levels—primarily residential and some commercial uses.

A. The territory is contiguous to the city limits and with in the Urban Growth Area;

The subject properties are islands of urban growth area within the City limits; see the attached map (attachment “B”). The properties are contiguous on all sides.

FINDING: The subject properties are contiguous to the City limits on all sides and satisfy this criterion.

B. The annexation represents the natural extension of the existing City boundary to accommodate urban growth;

The properties are part of the Urban Growth Area created by the City and County in approximately 1979 during the Goal 14 - Urbanization process required as part of the comprehensive planning process. Each jurisdiction was required to designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion. The City’s Urban Growth Area (“UGA”) was adopted by the Council and LCDC in 1983 and zoned for future urban uses at that time. Since then, considerable urban development has occurred within the UGA. Initially, it was not in the City’s interests to annex lands in the UGA because of the negative fiscal impact due to then current law regarding the ability of the City to assess and receive taxes on annexed lands. Since 1997, however, when the laws changed, the City has annexed contiguous lands as they are developed within the UGA because it is permitted (and required) to assess annexed lands at the same rate as within existing City limits. The net result of these two state-mandated fiscal policies was to create “islands” of UGA within the City limits as properties around already developed lands developed and sought City services.

These resulting islands are not only islands from a City limit/UGA point of view, but also islands with respect to provision of urban services as among the City (water, sewer, fire and police), West Side, Ice Fountain, the County (police), and Farmers Irrigation District. The annexation of these islands will extend the City’s service area seamlessly throughout the City, and remove any resulting patchwork of service areas for the remaining service providers.

FINDING: Based on the above findings of fact this proposal represents a natural extension of the City boundary.

- C. **The development of the property is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area;**
All of the islands are adjacent to and inside City limits as noted above.

The subject properties are partially developed with City sewer and Ice Fountain water. Because this creates gaps, arguably the development of these properties was not compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area. However, this provision, as written, does not apply very well to island territories. The intent of this provision is to ensure that utility and road extensions are not compromised in connection with the City's capital facilities plans—because the City's capital facilities plans represent the rational and logical extension of urban roads and utilities.

Extension of the City's water and sewer lines to these islands would allow connection of the developed portions to City water and, more importantly, would eliminate gaps in the service lines not contemplated by the City's capital facilities plans for water and sewer.

Because the properties are located inside City limits and development has occurred around them, roads have already been developed and extended consistent with the City's TSP. Therefore, the extension of these existing roads through is rational and logical.

Finally, from a water service point of view, because it is not efficient for Ice Fountain to provide service to these islands, or for the County to provide police protection, or for West Side to provide fire service, it is rational and logical to extend City services to these islands. This will be even more important given the development potential of the properties. (**Attachment "E"** provides information regarding the zoning, existing uses, and development potential for the properties, which is discussed in more detail in Section E below.)

FINDING: Staff concludes that based on the above findings of fact the annexation is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area.

- D. **The City is capable of providing and maintaining its full range of urban services to the territory without negatively impacting the City's ability to adequately serve all areas within the existing city limits.**

The increases in services will be seen in maintenance of water system meters, valves and hydrants; sanitary sewer cleaning; storm drain cleaning; along with the increased demands on fire, police, and public inquiries in general. Much of the annexation area has or will have new infrastructure that is less costly for the City to maintain. With respect to roads, the City typically takes on pothole repair, sweeping and snow plowing, but some of the roads are already part of the City's maintenance system, so there will not be added maintenance costs.

In many respects, because the properties are islands, annexation may reduce costs because the City will no longer need to maintain around gaps in its service areas and can provide better service in a seamless service area. However, the bottom line comes down to the ability of the City's budget to absorb the cost of servicing additional territory. Although the City's general fund is operating at a deficit, the City is capable of providing and maintaining its full range of services to the island properties without negatively affecting the City's ability to serve those within the City limits. This is because the City actually already provides fire and police services to the area through mutual aid agreements. In addition, the City already covers these areas in a de facto manner because of the properties' location inside City limits. The Fire Chief and the Police Chief state that no new personnel, increased staffing levels, or equipment are needed by the Police or Fire Departments as a result of this annexation, or as a result of future development of the annexed properties. Therefore, there will be no impact on the deficit.

In addition, neither the City's water nor sewer funds have a deficit (the deficit is in the City's general fund, which does not affect provision of those services). Sewer is already being provided in some cases, so would not be impacted. Where sewer is not provided, sewer and water can be provided without negatively affecting the quality of the water or service, and user fees will offset maintenance and service provision costs. The capital facilities plans for water and sewer contemplate providing service to the entire UGA. Therefore, capacity is already built into the system and capital improvement project plans.

FINDING: Based on the above findings of fact, the increase in service area will not negatively impact the City's ability to adequately serve all areas within the existing City limits.

E. The fiscal impact of the annexation is favorable, as determined by the City of Hood River because of existing development;

All figures in this section were provided by the Director of Personnel and Finance or obtained from the County Assessor's office. This section addresses the cost to the City of extending services to the islands, and the offsetting revenue to the City from providing service and realizing the development potential associated with the properties.

Before evaluating the fiscal impact, it is important to understand the effects of development on annexed properties. Prior to 1997, when Measure 50 was adopted, when property developed, tax revenues generally were not affected and tax rates went down. Therefore, before 1997, there was no reason to annex undeveloped properties into the City from a fiscal point of view. After 1997, however, the vast majority of property taxes became based on permanent tax rates. This means that local governments, which levy property taxes, get more property tax revenues when land develops. But because it is difficult to determine what that increase in tax revenue might be (we don't know when and how much property will develop), the fiscal analysis below evaluates the total revenue stream full build out of the annexed properties would create. Generally, the calculations are based on an average square foot area available for development, after taking out a specified percentage for roads, based on the underlying zoning. Further

modifications are made for steep slopes, cliffs, known wetlands, etc. A copy of the calculations is attached to this staff report as **attachment "E."**

The discussion that follows addresses both developed and undeveloped lands (17.05.050(E) and 17.05.060(E)), because, as noted above, it takes into account the development potential. For example, in some cases, although some properties have been developed (ie, a residence is located on the property), all of the property is not developed. In addition, it is worth noting that no cost has been imputed to full build out because infrastructure improvements are funded by the development itself and police and fire anticipate no costs associated with full build out at this time.

The permanent tax rate for the City of Hood River is \$2.8112 applied per thousand dollars of assessed valuation. Therefore, the City will receive approximately \$2,811 in tax revenue into its general fund for each million dollars of assessed valuation. The current assessed value of the properties for 2007 is \$6,025,465, which translates to annual tax income of \$17,477.00. This does not take into account the increase in tax assessed value of developed properties from year to year. Nor does (or can) this take into account the increase in assessed value resulting from development or redevelopment of properties from year to year.

Most of the properties proposed to be annexed are developed, although, as noted above, not fully developed. Most of the properties are zoned for residential uses and the remaining are zoned for commercial uses. (See attachment "E" for zoning.)

Based on the calculations in attachment "E," the potential build-out represents approximately 126 single family dwelling units, 176 multi family dwelling units, and 8 commercial units. The associated revenue to the City is shown in attachment "F." The potential build-out translates into \$609,524 water/sewer system development charge (SDC) revenue into the water and sewer funds, \$92,300 stormwater SDCs revenue into the stormwater fund, and \$100,110 traffic SDCs into the traffic/road fund. These funds would be used for future infrastructure improvements to the respective City systems for the benefit of all citizens served.

As to water and sewer service fees that go directly into the water and sewer operating funds to help offset the cost of providing the service, the annual base fee water/sewer revenue is calculated to be in excess of \$115,542 for full build out.

The following is a comparison of the 54 acres if the property was annexed and developed in the City versus the County and then if it remained in the UGA.

<u>Fiscal Impact If annexed</u>		<u>Fiscal Impact If not annexed</u>	
Sewer hook-ups	\$214,960		none
Water hook-ups	\$394,564		Ice Fountain water; loss of \$394,564.

Annual water	\$42,006	Ice Fountain water; loss of \$42,006 annually.
Annual sewer	\$73,536	none
Traffic impact	\$100,110	Loss of \$100,110.
Stormwater SDC	\$92,300	Loss of \$92,300
Stormwater fee	\$4,260	Loss of \$4,260
Franchise fees	\$22,320	Loss of \$22,320
Property Taxes:	\$17,447	Loss of \$17,447/\$196,502
With full build out -	\$196,502	
Building permits:	\$867,836	Loss of \$867,836

- Total one time fees collected by the City if annexed – \$1,570,431
- Total annual fees collected by the City if annexed – \$328,367
- Total fees collected by the City if not annexed – \$20,544

Annexing the existing development into the City, as well as future build out, will include the utilities usage in the calculation of franchise fees for Pacific Power and Light, Northwest Natural Gas, Falcon Cable, and Hood River Garbage Service, which go into the City's general fund. Assuming a total monthly outlay of just 150 per month for the future households franchise fees would be in excess of \$22,320 a year (150 X 12 X 310 X 4%).

Pursuant to the City's IGA with Westside Rural Fire Protection District, the City is required to compensate the District for lost property tax revenue in the amount of \$26,422. The amount can be paid, at the City's option, in a lump sum or over 5 years. The payment to West Side would come out of the City's general fund. As can be seen above, the income to the general fund from the annexation is greater than this expense.

Pursuant to the City's IGA with Ice Fountain Water District, the City is required to compensate the District for lost service revenue, District indebtedness, and infrastructure taken over by the City. The amount due to Ice Fountain for lost service and district indebtedness will be \$154,759. The amount associated with infrastructure will be \$109,465. This cost is not entirely associated with this annexation, however, because the City previously entered into an agreement with Ice Fountain to purchase portions of their system that presently serve these properties. This agreement was entered into to address other existing service gap issues and to allow Ice Fountain to abandon their sub standard mains that would need to be replaced in any event in conjunction with future development. Pursuant to the IGA, the entire amount can be paid over a period of years or in one lump sum. The payment to Ice Fountain would come out of the City's water fund and the infrastructure portion funded by SDCs.

FINDING: Even with the compensation due to Westside Rural Fire Protection District and Ice Fountain, the increased revenues will outweigh the costs. The financial impact is, therefore, favorable upon application.

F. The proposed annexation does not negatively impact nearby properties, whether located within the city limits or the urban growth area; and

This criterion requires consideration of impacts an annexation may have that are not taken into account by the other criteria. For example, the criteria discussed above already address the growth of the City, extension of City services, financial impact, and ability to continue to provide services to existing residents. What has not been addressed is the uses on the subject property and how those might affect nearby properties located in city limits or the UGA.

Properties in the city limits will generally not be affected because the zoning of the properties will not change and that zoning is the same zoning as found under the City's Zoning Ordinance. One property owner has raised a concern regarding farm animals in City limits. The City does not prohibit farm animals in City limits, but the City does have and enforces a nuisance law that would limit the type, number and extent to which farm animals are maintained in the City, which are similar to existing limits on the subject properties. Consequently, nearby properties in the city limits would not be negatively impacted.

Even with the potential for development and, therefore, increased density, the surrounding properties in the City limits should not be affected because the City's Zoning Ordinance will require development to have or construct infrastructure capable of handling the proposed development.

FINDING: Based on the above findings of fact, the proposed annexation will not negatively impact nearby properties in the city limits or the urban growth area.

G. The annexation conforms to the Comprehensive Plan.

The County has adopted the City's ordinances for use in the UGA. The City's ordinances, and those adopted by the County, were adopted under the City's Comprehensive Plan and have been acknowledged as consistent with the City's Comprehensive Plan and the Statewide Goals. Generally, the City's Comprehensive Plan does not contain approval standards. Therefore, compliance with the Comprehensive Plan is achieved through compliance with the City's ordinances.

Goal 1: Citizen Involvement

This Goal is satisfied through provisions in the acknowledged Plan and Hood River Zoning Ordinance providing for citizen participation and public hearings on annexation requests. This application has been processed pursuant to those provisions.

Goal 2: Land Use Planning

The Comprehensive Plan and Zoning Ordinance provide a land use planning process and policy framework as the basis for all decision and actions relating to the use of land. By following the zoning code, procedures for processing this

application and the conduct of all public hearing related to the application, this Goal is satisfied.

Goal 3: Agricultural Land

This goal is not applicable as the property is located within the City's Urban Growth Area and is not used as agricultural land.

Goal 4: Forest Land

This goal is not applicable as the property is located within the City's Urban Growth Area and has been "excepted" from the County's resource base.

Goal 5: Open Spaces, Scenic and Historic Areas and Natural Resources

As noted above, the County has adopted the City's ordinances for use in the UGA.

However, the County has not adopted the City's Goal 5 Ordinance (1874) addressing protection of riparian areas. Upon annexation, the subject properties will be subject to the City's Goal 5 ordinance.

Policy #3 states "when areas are annexed into the City, lands determined to be desirable or needed for open space will be preserved; and Implementation Strategy #3 states "when an area is annexed into the City, an assessment shall be made by the Planning Commission to determine if the area contains land needed or desirable for open space."

The following open space information is assembled from the Parks and Recreation District Master Plan and applies a methodology as described in the "Best Development Practices" book to determine adequacy of open space. Based on this information staff finds that there is adequate open space in the City to accommodate the annexation area.

OPEN SPACE INFORMATION

All parks and open space inventory is from the Parks and Recreation Capital Facilities Master Plan¹.

Open Space in the City

12.11 Acres Morrison, Coe, Friendship and Portions of Wells Island

City Parks

6.77 acres	Jackson
1.24 acres	Gibson
1.05 acres	Wilson
.87 acres	Waucoma
.48 acres	Mann
.94 acres	Aquatic Center
2.71 acres	Jaymar "Skate Park"
9.5 acres	Port and Event Site
.5 acres	Library
.2 acres	Overlook Memorial Park

¹ Hood River Valley Parks and Recreation District/City of Hood River "Parks and Recreation Capital Facilities Master Plan", Don Ganer & Associates, 1998.

.2 acres	Sherman Triangle Park
.5579 acres	Maley Park and trail
24.46 Acres	Total Park – This does not include schools
12.11 Acres	Open Space
37.1279 Acres	TOTAL

The Open Space methodology calculation was based on the Best Development Practices Book² of:
1.5 acres per 1,000 population

6,200 population $6.2 \times 1.5 = 9.3$ acres of open space/park land needed

With 37.1279 acres of open space/park land, the City can support a population of 24,752 with the current amount of open space. The annexation of the subject area will not place the City's population near 24,000.

In addition, the subject area includes a PUD, which contains private open space which, although not included in the City's open space inventory, does add additional open space to city limits.

FINDING: Based on the above Open Space information staff finds that there is an adequate amount of open space in the City.

Goal 6: Air, Water and Land Resources Quality

This application does not increase or decrease the air, water and land resource qualities of the area because it does not involve development of the parcel.

Goal 7: Natural Disasters

This site is not in a floodplain; does not include slopes greater than 25%; does not contain any environmental protection areas and has no designated geologic hazard areas within its boundaries.

Goal 8: Recreational Needs

Policy 8 states "as parcels of land are annexed from the UGA into the City, some land will be designated Open Space/Public Land for the development of new parks and public facilities, including access ways, to serve the recreational needs of the community."

Based on the Parks and Recreation District's Master Plan, there is no need for recreation designations on the subject property.

Goal 9: Economy of State

This Goal requires the City to ensure that there is adequate land with public services provided to meet the needs for economic growth and development. This

² Ewing, Reid "Best Development Practices", American Planning Association, 1996. Page 35.

goal is not applicable.

Goal 10: Housing

These properties have been included within the current buildable lands inventory for the City/UGA, and are and would remain zoned for housing uses.

Goal 11: Public Facilities

See 17.15.050(C)&(D) above. Based on those findings, the annexation of the developed lands in the subject property is consistent with Goal 11.

Goal 12: Transportation

The Urban Growth Area is required to meet city road standards and for the City's Transportation Systems Plan ("TSP"). The County has adopted the City's TSP for use in the UGA. Development has been reviewed for consistency with the TSP. Therefore, this annexation is consistent with the City's TSP and Goal 12.

Goal 13: Energy Conservation

This annexation request does not include proposals for development.

Goal 14: Urbanization

The subject property is located within the Urban Growth Area. Goal 14 provides for annexation of property within the UGA. Therefore, annexation of the subject is consistent with Goal 14.

FINDING: Based on the above findings of fact, the annexation request complies with the Comprehensive Plan.

17.15.060 Evaluation Criteria – Undeveloped Land

Prior to approving a proposed annexation of undeveloped land, affirmative findings shall be made relative to the following criteria:

- A. **The territory is contiguous to the city limits and within the Urban Growth Area;**
See 17.15.050 (A) above.
- B. **The annexation represents the natural extension of the existing City boundary to accommodate urban growth;**
See 17.15.050 (B) above.
- C. **The annexation of the territory is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area;**
See 17.15.050 (C) above.

With respect to the undeveloped parcels in the subject property, annexation would provide the City with design control over the utilities and how they are installed. Greater City control would allow the engineering department to monitor the design of water, sewer and other utilities and in the long run would be a cost saving to the entire City.

D. **The City is capable of providing and maintaining its full range of urban services to the property without negatively impacting the City's ability to adequately serve all areas within the existing city limits;**
See 17.15.050 (D).

E. **The fiscal impact of the annexation is favorable, as determined by the City of Hood River, either upon approval or because of a commitment to a proposed development, unless the City determines that a public need outweighs the increase;**
See 17.15.050 (E).

F. **The annexation meets the City's urban growth needs and it is to the City's advantage to control the growth and development plans for the territory; i.e., to be able to address the issues of traffic, density, land use and the level and timing of necessary facilities and services;**

This annexation meets the City's urban growth needs because it consists of lands inventoried under Goal 14 for the City's urban growth.

Although, as noted above, the County has adopted the City's ordinances and TSP for application in the UGA, it remains to the City's advantage to control the growth and development of the subject property because development of the subject property has a direct and substantial impact on City sewer, water, storm water and traffic facilities. The City is in the unique position of coordinating growth on the subject property with growth in the City.

In addition, it is to the City's fiscal advantage to control development on the subject property because doing so will generate additional systems development charges/impact fees for water, storm water and traffic, which can be allocated for future City infrastructure development.

FINDING: Based on the above findings of fact, the annexation of the subject parcels meets the City's urban growth needs and it is to the City's advantage to control the growth and development plans for the territory; i.e., to be able to address the issues of traffic, density, land use and the level and timing of necessary facilities and services.

G. **If the criteria in 17.15.060 (F) does not apply, the annexation provides a solution for existing problems resulting from insufficient sanitation, water service, needed routes for utility or transportation networks or other service-related problems;**

Because subsection (F) does apply, this subsection is not applicable.

H. **The proposed annexation does not negatively impact nearby properties, whether located within the city limits or the urban growth area; and**
See 17.15.050 (F) above.

I. **The annexation conforms to the Comprehensive Plan.**
See 17.05.050(G) above.

17.15.070 Evaluation Criteria—Fiscal Impact

The following factors are to be taken into consideration when determining fiscal impact for both developed and undeveloped land and may include, but are not limited to:

1. The additional revenues, if any, available to the City as a result of the annexation.
2. Whether any unusual or excessive costs will be incurred as a result of the annexation.
3. The impact on the City's tax base, if any, as a result of the annexation.

The analysis set forth above in 17.15.050 (E) and 17.15.060(E) takes these factors into consideration.

17.15.080 Evaluation Criteria--Urban Service Capabilities

1. The municipal service needs, if any, of the territory to be annexed, including those of police and fire protection, public sewer and water supply facilities, street improvement and/or construction and such other municipal services as may reasonably be required. Both short term and long term plans for all services shall be addressed.
2. The projected costs of supplying reasonably needed municipal services to the territory proposed to be annexed.

This provision contains factors to be taken into consideration when evaluating urban service capabilities. (These factors used to be in the same section as the factors in 17.15.070. The introductory sentence was omitted inadvertently; the omission was not for the purpose of turning the factors into criteria or something other than factors). The analysis set forth above in 17.15.050(C)&(D) and 17.15.060(C)&(D) takes these factors into consideration.

Property Owner Issues and Comments from Neighborhood Meeting.

Water: Most of the property owners' questions concerning water pertained to Farmer Irrigation. Farmers has stated that it will continue to provide irrigation water. However, Farmers sets its own policy regarding provision of service within the UGA and City limits, and that policy must be consistent with state law regarding irrigation service providers. It is not City policy to withdraw from Farmers when property is annexed, and the islands are not proposed to be withdrawn from Farmers either. If and when Farmers is no longer able to provide irrigation water to these annexed properties, the property owners can use City water for irrigation purposes (whereas irrigation use is not available to Ice Fountain customers). Finally, the City does not charge a franchise fee to Farmers for use of City rights of way and currently has no plan to do so.

Sewer: Property owners connected to septic systems have asked if and when connection to City sewer would be required. The Hood River Municipal Code requires connection to City sewer upon notification by the City and if the subject property is within 300 feet of the City's sewer line. Consequently, if a property owner's septic system failed, the City would not require connection to City sewer unless the sewer line was located within 300 feet of the property. The state will require connection and deny a septic permit if the sewer line is located within 300 feet, and connection to the system is both legally and physically

available. Connection is legally available because the City code makes it available. The state defines physically available as circumstances in which topographic or man-made features do not make connection physically impractical.

The City's sewer main currently runs along Frankton and Post Canyon to Stonegate, Frankton and May to Nina Lane, and from the east, along May to 30th. HOPE will be extending the line from 30th to Rocky Road in connection with their development on May. The City has no current plans to extend the sewer main and generally relies upon development for main extensions.

If a property owner does connect to City sewer, the property owner will be required to pay connection fees, the sewer SDC, cost to extend the lateral from the main to the point of service on the owner's property, and, as noted above, the cost to extend the main if connection is made in conjunction with development, or is required by state law.

Stormwater: The City adopted a new stormwater service fee in 2006. All annexed lands will be billed the stormwater fee, currently set at \$2.50 per month.

Roads: Property owners have asked if they will be required to participate financially in the costs of rerouting and constructing Country Club Road. The City has no plans or money to construct the rerouted Country Club Road that is contemplated to handle further development west of Cascade. That would be the only way the City could assess individual property owners. If new development is proposed that impacts Country Club and triggers a requirement for rerouting and reconstructing it, the new development will have to pay that cost. The developer could recover some of those costs in a reimbursement district, but costs are recovered in a reimbursement district only when further development occurs, not from existing uses.

Open Burning: The City generally does not allow upon burning within City limits. There are, however, exceptions. When the County is not in a burn ban, the City does allow outdoor hearth fireplaces, chimeneas, fires located in fire pits in approved and supervised campsites, fires for cooking permitted by the fire department, smudge pot use as approved by the DEQ to protect against frost damage to crops, and BBQs. The City does also allow vegetative debris burning if permitted by the Fire Department.

ORS 222.750 Annexation of unincorporated territory surrounded by city.

This provision gives the City authority to annex territory not within the City and which is surrounded by City lands—in other words, islands of non-City territory. This provisions states that the annexation may be approved without the consent of the property owners.

The City Charter does not require the City Council to submit a proposal for annexation to the voters. However, as noted above, the City's Zoning Ordinance does require public hearings on the issue of annexation, and those hearings were held.

ORS 222.524 Procedure for withdrawal of part of district from district.

This provision allows the City to withdraw the island territories from districts named in ORS 222.510. Ice Fountain and West Side are the type of districts named in IRS 222.510 and these annexations will also withdraw the islands from the Districts. ORS 222.524 requires the City to hold a public hearing on the issue of withdrawal and provide notice of the public

hearing to the affected districts. The City provided notice and the public hearings on the annexation were combined with the public hearings on the issue of withdrawal. Pursuant to ORS 222.111(5), the effective date of withdrawal from West Side Fire will be the effective date of the annexation and the effective date of the withdrawal from Ice Fountain will be July 1, 2008, in accordance with ORS 222.465.

ORS effective date

The public hearing for this annexation will take place before the City Council on May 29, 2007. If approved, the City Council will read the ordinance approving the annexation and withdrawing the territory from Ice Fountain and West Side Fire for the first time by title only on May 29, and for the second time by title only at the Council's Regular Meeting on June 25, 2007. Thereafter, the ordinance will be transmitted to the Secretary of State for filing.

Pursuant to ORS 222.180, the effective date of the annexation is the date it was filed with the Secretary of States. The effective date of the withdrawal from West Side will be the effective date for the annexation. Pursuant to ORS 222.465, because the ordinance will be enacted or approved after to March 31, 2007, the effective date of the withdrawal from Ice Fountain will be July 1, 2008.

RECOMMENDATION: Staff recommends approval of the annexation with the following conditions of approval and recommendations.

III. RECOMMENDATION AND PROPOSED CONDITIONS OF APPROVAL. The following shall be a condition of approval of the annexation requests:

1. Prior to final annexation, the city shall provide a legal description of the subject property indicating the exact location of the properties requested to be annexed in relation to the Urban Growth Area boundary. This annexation approval does not include any lands outside the Urban Growth Area of the City of Hood River.
2. The effective date for the annexation shall be the date of filing with the Secretary of State, except for purposes of ORS 308.225. The effective date of the withdrawal from West Side Fire will be the effective date of the annexation, except for purposes of ORS 308.225. Pursuant to ORS 222.465, because the ordinance will be enacted or approved after March 31, 2007, the effective date of the withdrawal from Ice Fountain will be July 1, 2008.

07-07
Fee **RECEIVED**
Date Rec'd
Page 1 of 2
MAR 02 2007

**CITY OF HOOD RIVER APPLICATION
ANNEXATION REQUEST and REQUEST for CONNECTION to CITY of
HOOD RIVER SEWER and/or WATER SERVICE**

Submit the completed application **WITH TWELVE (12) ADDITIONAL COMPLETE COPIES** and appropriate fees to the City of Hood River Planning Department, 301 Oak Ave. (P.O. Box 27), Hood River, OR 97031. Please note the review criteria attached to this application. If you have any questions, please contact the Planning Department at (541) 387-5210.

APPLICANT:

Name: City of Hood River
Address: 301 Oak Street
(physical) Hood River, OR 97031
(mailing) PO Box 27
Hood River, OR 97031
(email) _____
Telephone: _____ Cell Phone: _____
Signature: [Signature]

PARCEL OWNER: (if different than applicant)

Name: See attached
Address: _____
(mailing) _____
Telephone: _____ Cell Phone: _____
Signature: _____

**Authorization of parcel owner required.*

PARCEL INFORMATION:

Township _____ Range _____ Section _____ Tax Lot(s) _____

Current Zoning: _____ Parcel Size: _____

Property Location (cross streets or address): see attached map and sheet for parcel information

Existing Water Service, if any: Ice Fountain

Farmers Irrigation: YES NO Septic: YES NO

Is this a health hazard request for sewer connection? YES NO

If yes, Explain: _____



ADDITIONAL PARCEL INFORMATION

Please submit the following information with your completed application:

1. Assessor map (tax lot map) showing the location of your parcel.
2. For contiguous parcels, a copy of the most recent deed to your property with complete legal description.
3. Addresses of all dwellings and/or businesses located on the parcel and names, addresses, and ages of all residents and whether they are registered voters.

REQUEST

Sewer Service N/A Water Service N/A

In connection with this request to hook up to and receive water and/or sewer service from the City of Hood River, I/we hereby petition the Honorable Mayor and City Council of Hood River for annexation of the above-described property. I/we further desire that by this petition, the above-described property be annexed to and included within the corporate limits of the city of Hood river, Oregon, a municipal corporation, and I/we do hereby consent to such annexation without the necessity of any election being called within the area above described or a public hearing being held pursuant to ORS 222.125, and I/we do hereby consent to the City of Hood River taking such steps a necessary to determine whether or not the above-described property shall be annexed.

If the City determines that the above-described property is to be annexed, at least 51% of the electors residing on the property will be required to sign a Consent to Annexation in order to complete the annexation process.

If the City determines that the above-described property will not be annexed at this time, the property owner(s) will be required to execute and record a Consent to Annexation prior to connection to city water and/or sewer.

Signature _____

November 27, 2006 Council Meeting Minutes:

IX. EXECUTIVE SESSION – ORS 192.660 1(h) *To consult with counsel regarding current litigation or litigation likely to be filed.*

Mayor Streich interrupted the regular session so the executive session could be conducted. The executive session was called to order at 7:50 p.m. and adjourned at 8:33 p.m.

The regular session resumed and Mayor Streich announced that Council was directing staff to move forward with the island annexation and to ask Dr. Maccabee to continue to work with CIS to close out his claim. Councilor Cummings stated that he will recuse himself from the Council decision regarding the island annexation.

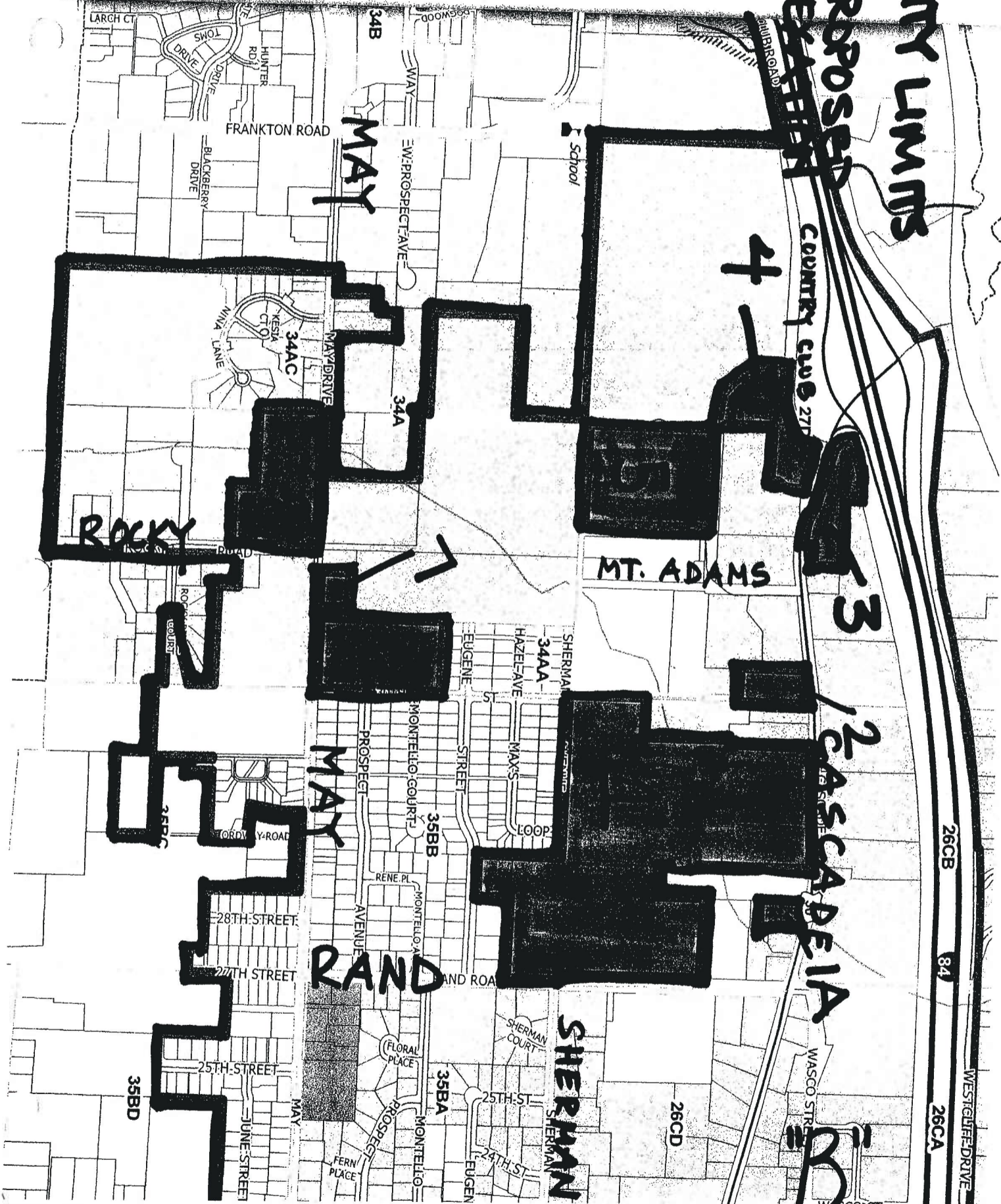
CITY OF HOOD RIVER ISLAND ANNEXATION APPLICATION

The City of Hood River is applying for annexation of the islands of territory not within City limits as shown on the attached map. This annexation is made pursuant to ORS 222.750. Consent (and signatures) of the property owners is not required.

CITY LIMITS

PROPOSED
MINERAL

COUNTRY CLUB 27D



4

3

2

ASCADIA

BI

MAY

ROCKY

MT. ADAMS

MAY

RAND

SHERMAN

26CB
84
26CA
WESTGATE DRIVE

26CD

35BD

35BA

35BB

35BC

34B

34A

34C

34AA

LARCH CT

SWOL DRIVE

HUNTER RD

FRANKTON ROAD

BLACKBERRY DRIVE

WINDY LANE

MAY DRIVE

EW. PROSPECT AVE

School

ROCKY ROAD

EUGENE STREET

HAZEL AVE

SHERMAN

MAXS LOOP

ORDY ROAD

PROSPECT AVENUE

MONTIELLO COURT

RENE PL

28TH STREET

27TH STREET

RAND ROAD

25TH STREET

JUNE STREET

FLORAL PLACE

EUGEN

MONTIELLO

24TH ST

25TH ST

SHERMAN COURT

SHERMAN

WASCO STREET

Jessica Kinder

From: Rick Brock [rick@fidhr.org]
Sent: Tuesday, April 24, 2007 2:41 PM
To: Jessica Kinder
Subject: Annexation

Jessica,
Farmers Irrigation will continue to serve irrigation water into annexed territories. We have no comment on the annexation of 54.02 acres #2007-07.
Thank you for notification of this matter.

Rick Brock
Farmers Irrigation District

Jessica Kinder

From: Paul Hohman [pchohman@hotmail.com]
Sent: Thursday, April 26, 2007 2:47 PM
To: stinastring@msn.com; MichelleH@nextdoorinc.org; jedahners@msn.com; RegNKate@comcast.net; shaunsiri@hotmail.com; tomb500@msn.com; mark.reiser@tetrattech.com; theresa_e_scott@hotmail.com; Jessica Kinder
Subject: RE: Written Testimonial re: Annexation of 105 Country Club Road

Hi Everyone,

I am will be at every meeting that the city of Hood River has and speak me peace.

As far as I'm concern we will gain nothing from annexing us with the city.I see no need to give them my hard earned money.

Paul Hohman

Unit #15

Phone # 541-490-3460

From: "KRISTINA STRINGER" <stinastring@msn.com>
To: <MichelleH@nextdoorinc.org>, <jedahners@msn.com>, <RegNKate@comcast.net>, <shaunsiri@hotmail.com>, <tomb500@msn.com>, <pchohman@hotmail.com>, <mark Scott" <theresa_e_scott@hotmail.com>, <jessica@ci.hood-river.or.us>
Subject: *Written Testimonial re: Annexation of 105 Country Club Road*
Date: *Thu, 26 Apr 2007 12:47:12 -0700*

Dear City of Hood River,

We currently own property at 105 Country Club Road #16, where we are part time residents and plan to retire there. We purchased the property outside of the city because it was affordable. We are happy with our current services, including police and fire, and do not wish to be annexed into the city. We do not feel that we will gain any better services for the huge increase in tax dollars that we will be paying as city residents. By annexing us into the city, you will drive out the last remaining affordable housing in the Hood River area. I see no reason for your annexation other than to gain more tax dollars for the city. Please let us be.

Thank you,

Kristina Stringer
Tom Buttram

----- Original Message -----

From: Theresa Scott
To: MichelleH@nextdoorinc.org ; jedahners@msn.com ; stinastring@msn.com ; RegNKate@comcast.net ; shaunsiri@hotmail.com ; tomb500@msn.com ; pchohman@hotmail.com ; mark.reiser@tetrattech.com
Sent: Monday, April 23, 2007 7:30 PM
Subject: RE: Timbercrest

'D'

Hi fellow timbercrest owners:
Shall we draft one letter for all of us to sign - and have at least one representative from the HOA at each meeting to read our concerns? If not, would each of you be willing to write a letter with your own concerns to bring to either of those meetings? -Theresa

REMINDER...REPLY TO: theresa_e_scott@hotmail.com

-----Original Message Follows-----

From: "Michelle Hertrich" <MichelleH@nextdoorinc.org>
To: <jedahners@msn.com>; "KRISTINA STRINGER" <stinastring@msn.com>; <RegNKate@comcast.net>; "KRISTINA STRINGER" <stinastring@msn.com>; "Shaun Siriwatanarong" <shaunsiri@hotmail.com>; "Theresa Scott" <theresa_e_scott@hotmail.com>; <tomb500@msn.com>; "Paul Hohman" <pchohman@hotmail.com>; <mark.reiser@tetrattech.com>
Subject: RE: Timbercrest
Date: Sun, 22 Apr 2007 12:38:57 -0700
MIME-Version: 1.0
Received: from mail.nextdoorinc.org ([209.216.163.190]) by bay0-mc2-f9.bay0.hotmail.com with Microsoft SMTPSVC(6.0.3790.2668); Sun, 22 Apr 2007 12:38:58 -0700
X-Message-Info: LsUYwwHHntOEbDScYEZBadWSkYvJOpdUDqtElssh5vneqrPKj33xrNj/rMx1fH4x
X-MimeOLE: Produced By Microsoft Exchange V6.5
Content-class: urn:content-classes:message
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
Thread-Topic: Timbercrest
Thread-Index: AceFFRsnWj1eucEXQEu6UFCs7IN8AAAGu7g
Return-Path: MichelleH@nextdoorinc.org
X-OriginalArrivalTime: 22 Apr 2007 19:38:58.0960 (UTC)
FILETIME=[DF3EF100:01C78515]

Sorry for a second email: the planning commissioner's meeting is on May 7th at 5:30 and another council meeting will be on the 29th of May at 6:00.

Michelle Hertrich
Case Manager
The Next Door, Inc. Treatment Services
PO Box 661
Hood River, OR 97031
541-386-5520 ext. 403
MichelleH@nextdoorinc.org

From: Michelle Hertrich
Sent: Sunday, April 22, 2007 12:33 PM
To: 'jedahners@msn.com'; 'KRISTINA STRINGER'; 'RegNKate@comcast.net'; 'KRISTINA STRINGER'; 'Shaun Siriwatanarong'; Theresa Scott; 'tomb500@msn.com'; 'Paul Hohman'; mark.reiser@tetrattech.com
Subject: Timbercrest

Sorry I haven't given an update from the city council meeting yet, but here it is: apparently last year the city tried to annex other areas around us and the residents did not want this to occur so they fought it. Their efforts worked and they were not annexed at that time because they went to the meeting and complained and gave their arguments. So these folks are pretty hot about the fact that the city is once again trying to annex them. It looks like it could go either way for them but if we do not present our arguments, we will probably be annexed. There will be two more meetings that will allow us to do this and I can't find the dates on those so I will email them to you when I find them.

D.

Also I'm still trying to set up a short HOA meeting. How about Friday the 27th at 5:00pm?

Michelle Hertrich

Case Manager

The Next Door, Inc. Treatment Services

PO Box 661

Hood River, OR 97031

541-386-5520 ext. 403

MichelleH@nextdoorinc.org

MSN is giving away a trip to Vegas to see Elton John. Enter to win today.

D.

Jessica Kinder

From: KRISTINA STRINGER [stinastring@msn.com]
Sent: Thursday, April 26, 2007 12:47 PM
To: MichelleH@nextdoorinc.org; jedahners@msn.com; RegNKate@comcast.net; shaunsiri@hotmail.com; tomb500@msn.com; pchohman@hotmail.com; mark.reiser@tetrattech.com; Theresa Scott; Jessica Kinder
Subject: Written Testimonial re: Annexation of 105 Country Club Road

Dear City of Hood River,

We currently own property at 105 Country Club Road #16, where we are part time residents and plan to retire there. We purchased the property outside of the city because it was affordable. We are happy with our current services, including police and fire, and do not wish to be annexed into the city. We do not feel that we will gain any better services for the huge increase in tax dollars that we will be paying as city residents. By annexing us into the city, you will drive out the last remaining affordable housing in the Hood River area. I see no reason for your annexation other than to gain more tax dollars for the city. Please let us be.

Thank you,

Kristina Stringer
Tom Buttram

----- Original Message -----

From: Theresa Scott
To: MichelleH@nextdoorinc.org ; jedahners@msn.com ; stinastring@msn.com ; RegNKate@comcast.net ; shaunsiri@hotmail.com ; tomb500@msn.com ; pchohman@hotmail.com ; mark.reiser@tetrattech.com
Sent: Monday, April 23, 2007 7:30 PM
Subject: RE: Timbercrest

Hi fellow timbercrest owners:
Shall we draft one letter for all of us to sign - and have at least one representative from the HOA at each meeting to read our concerns? If not, would each of you be willing to write a letter with your own concerns to bring to either of those meetings? -Theresa

REMINDER...REPLY TO: theresa_e_scott@hotmail.com

-----Original Message Follows-----

From: "Michelle Hertrich" <MichelleH@nextdoorinc.org>
To: <jedahners@msn.com>, "KRISTINA STRINGER" <stinastring@msn.com>, <RegNKate@comcast.net>, "KRISTINA STRINGER" <stinastring@msn.com>, "Shaun Siriwatanarong" <shaunsiri@hotmail.com>, "Theresa Scott" <theresa_e_scott@hotmail.com>, <tomb500@msn.com>, "Paul Hohman" <pchohman@hotmail.com>, <mark.reiser@tetrattech.com>
Subject: RE: Timbercrest
Date: Sun, 22 Apr 2007 12:38:57 -0700

D₁

MIME-Version: 1.0
Received: from mail.nextdoorinc.org ([209.216.163.190]) by
bay0-mc2-f9.bay0.hotmail.com with Microsoft SMTPSVC(6.0.3790.2668); Sun, 22
Apr 2007 12:38:58 -0700
X-Message-Info:
LsUYwwHHnt0EBDSyEZBadWSkYvJOpdUDqtElssh5vneqrPKj33xrNJ/rMx1fH4x
X-MimeOLE: Produced By Microsoft Exchange V6.5
Content-class: urn:content-classes:message
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
Thread-Topic: Timbercrest
Thread-Index: AceFFRsnWj1eucEXQEu6UFCsS7iN8AAAGu7g
Return-Path: MichelleH@nextdoorinc.org
X-OriginalArrivalTime: 22 Apr 2007 19:38:58.0960 (UTC)
FILETIME=[DF3EF100:01C78515]

Sorry for a second email: the planning commissioner's meeting is on May
7th at 5:30 and another council meeting will be on the 29th of May at
6:00.

Michelle Hertrich

Case Manager

The Next Door, Inc. Treatment Services

PO Box 661

Hood River, OR 97031

541-386-5520 ext. 403

MichelleH@nextdoorinc.org

From: Michelle Hertrich
Sent: Sunday, April 22, 2007 12:33 PM
To: 'jedahners@msn.com'; 'KRISTINA STRINGER'; 'RegNKate@comcast.net';
'KRISTINA STRINGER'; 'Shaun Siriwatanarong'; Theresa Scott;
'tomb500@msn.com'; 'Paul Hohman'; mark.reiser@tetrattech.com
Subject: Timbercrest

Sorry I haven't given an update from the city council meeting yet, but
here it is: apparently last year the city tried to annex other areas
around us and the residents did not want this to occur so they fought
it. Their efforts worked and they were not annexed at that time because
they went to the meeting and complained and gave their arguments. So
these folks are pretty hot about the fact that the city is once again

De

trying to annex them. It looks like it could go either way for them but if we do not present our arguments, we will probably be annexed. There will be two more meetings that will allow us to do this and I can't find the dates on those so I will email them to you when I find them.

Also I'm still trying to set up a short HOA meeting. How about Friday the 27th at 5:00pm?

Michelle Hertrich

Case Manager

The Next Door, Inc. Treatment Services

PO Box 661

Hood River, OR 97031

541-386-5520 ext. 403

MichelleH@nextdoorinc.org

D.

page I

Apr 25 2007
RECEIVED

APR 25 2007

PLANNING DEPARTMENT

To:

City Planning Commission and
City Council.

In regards to your letter of April 23, 2007 as to the proposed annexation of several properties on the West end of May Drive, around and adjacent to Rocky Road, we are totally against this annexation.

We have all the necessary services needed to live a good normal life.

The present services are of good quality and need no improvement.

We have just paid for a new water system and don't feel we need to pay for another old system for the City.

We are also very concerned about the irrigation water availability.

We are concerned that the City will charge the irrigation Co. such a large franchise fee that it will cause them to have to stop serving this group of property owners.

At the last meeting we were promised answers to the questions asked, so far no answers.

We find a proposed huge increase in Property taxes has very little incentive for being a part of the City.

m

Page II

We do hope all of these Concern's
will be Carefully and wisely considered.

See Attached Page.

Thank You

Donald Arbuckle
Dy Arbuckle

3801 May Drive
Hood River OR

Do

1020 Rand Road
Hood River, OR 97031

May 4, 2007

RECEIVED

MAY 07 2007

PLANNING DEPARTMENT

City of Hood River Planning Commission and City Council
301 Oak Street
P.O. Box 27
Hood River, OR 97031

Dear City Planning Commission and City Council;

We are writing in response to your notice of the proposed annexation of current Hood River County property, including our property at 1020 Rand Road. We have not read or heard convincing reasoning for annexation of our property at this time and therefore we oppose this proposal by the City of Hood River. The only reason our property and other surrounding acreage are mapped on "islands" is due to the annexation of land to the west of us for developers gain. We chose our property for our livelihood on this size parcel, land use allowances, irrigation rights and lower taxes outside of the city. We do not support illegal taxation without representation.

Currently any increased taxes would be an unwelcome burden on us plus the loss of our guarantee for irrigation rights would be a tremendous hardship. Farmer's Irrigation has gone above and beyond the call of duty to service us. Last year, the irrigation line which serves our property was severed under May Street by developers. The cities' response to this damage was to "cap" us off instead of require repair. This would have been a course for legal action from us to the city. This was avoided due to action by Farmer's Irrigation with all repairs made by them and at their expense for continued service to us, shame on the city. All of our other services are functioning just fine for us.

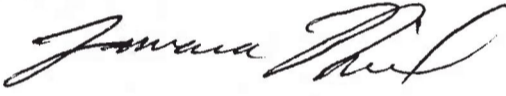
As an urban planner / landscape architect and a historic preservationist / builder with over 25 years of experience each we have witnessed the fine work of great planning in some of America's exceptionally planned communities. Great city planning includes some of the following; limited building envelopes on lots with decent front and rear yard setbacks, requirement of a good percentage of impervious surface for water quality, requirement of a percentage of affordable housing within developments, compatible architecture (size and setbacks) within existing city streetscapes, etc. We understand, now more than ever, the need for "green corridors" through denser developed areas for wildlife as well as other natural systems and our property serves some of this need now.

We would like to see, and think it wise for, the city to undertake a comprehensive study from an outside consultant group to analyze existing city infrastructure and the burden created by increased demand. The added cost to all current city residents for upgraded sewer, water, traffic engineering, road maintenance, environmental preservation, schools, etc. to handle the increase of annexed property could lead to more problems than solutions. A non-partisan analysis would certainly aid in the cities' long-term master planning and economic forecasting.

We certainly hope that the City of Hood River will adequately research that which has proven successful in other jurisdictions across our country and take the necessary steps to improve planning here for inevitable continued population growth.

Sincerely,


David B. Kao


Tamara C. Thiel

Cc: file

City of Hood River pursues May Drive annexation plan

Story by: RaeLynn Ricarte

Date Published to Web: 4/10/2006

By RAELYNN RICARTE

News staff writer

March 22, 2006

The Hood River City Council pulled six properties out of a contested annexation on Monday to appease citizens.

"I think the council heard the concerns of those people who voiced an objection about coming into the city. We hope they are happy with this decision," said Bob Francis, city manager.

The elected body decided at the special meeting March 20 to incorporate 33 instead of 38.46 acres in and around the Willow Ponds subdivision to the south of May Drive. At noon today the second and final reading will be given to the ordinance making that annexation official. The city anticipates gaining about \$52,859 more in annual revenue by folding the property into its jurisdiction. In addition, a one-time income of \$205,859 could be generated by system development charges and water and sewer hookups. Officials also expect the city to gain about \$75,293 yearly from water service and franchise fees.

However, even if citizens are pleased by the city's action, the Special Districts Coalition is not.

Mark Beam, manager of Ice Fountain, said meetings will be held by his agency and the coalition this week to determine the next course of action. He declined further comment until Ice Fountain, Farmers Irrigation District and West Side Fire District have made a decision.

At a late February council meeting, Beam registered several protests about the annexation. He disagreed that it would cost the city only \$87,000 to purchase Ice Fountain's infrastructure in that vicinity. He also said the city would have to shoulder a portion of the 12 years remaining on a \$3.8 million bond repayment for installation of the water system.

Beam asserted that the city had breached its contract with the coalition by creating a duplication of services. He believed the city was trying to circumvent raising the ire of Rocky Ridge residents by not attempting to annex those lands — at least until they were surrounded. But, he said the end result was that Ice

Attachment "E"

Island: #1 and 1A

Physical Location: Cascade Avenue and Rand Road

Total Acreage: Approximately 27.98 acres

Zoning: C-2, R-3, R-2, R-1

Current Use: One business (Automotive Repair) and scattered residential

Development Constraints: Utilities available, access is limited (but a cost of development). This area has a number of ownerships that make a cohesive plan difficult.

Development Potential: *

C-2	172,775 sq. ft.	6 new commercial developments
R-3	219,884 sq. ft.	102 multi-family or condo units
R-2	213,444 sq. ft.	30 single family dwellings
R-1	570,892 sq. ft.	57 single family dwellings

Island: #2

Physical Location: South Side of Cascade, across from west end of Les Schwab

Total Acreage: Approximately 1.2 acres

Zoning: C-2

Current Use: Residential

Development Constraints: Long, narrow parcel renders less frontage, some steepness

Development Potential:

C-2 (Commercial)	26,136 sq. ft.	1 new commercial development
C-2 (Residential)	26,136 sq. ft.	12 multi-family or condo units

- **Based on surrounding uses, discussions with owners and developers, and trends in land development*
- *Note: Residential development deducts 30% of the land base for streets*

5

Island: #3

Physical Location: Cascade Avenue Union 76 Station

Total Acreage: Approximately 1.85 acres

Zoning: C-2

Current Use: One business (gas station, c-store, espresso) and vacant parcel

Development Constraints: Utilities available. Rocky bluff on vacant parcel leaves small area for development

Development Potential: *:

C-2 1 commercial development

Island: #4

Physical Location: South Side of Cascade, Red Carpet, Timbercrest Condominiums and vacant parcel adjacent to Timbercrest

Total Acreage: Approximately 2.64 acres

Zoning: C-2

Current Use: Red Carpet, Phase I of Timbercrest Condominiums and vacant land

Development Constraints: Existing developments and reliance on realignment of Country Club for access to vacant parcel. Likely development would be expansion of Timbercrest or similar condominium project.

Development Potential *:

C-2 (Residential) 27 multi-family or condo units

- **Based on surrounding uses, discussions with owners and developers, and trends in land development*
- *Note: Residential development deducts 30% of the land base for streets*

F. 1

Island: #5

Physical Location: Stonehedge Restaurant and surrounding vacant parcels

Total Acreage: Approximately 6.39 acres

Zoning: C-2, R-1

Current Use: One business (restaurant) and vacant parcels

Development Constraints: Utilities available. Constraints are that commercial property has no frontage on an arterial and dependence on construction of Mt. Adams and realigned Country Club. Restaurant and grounds were given the entire 3.23 acres.

Development Potential: *:

C-2 (Residential)	1.79 acres	35 multi-family or condominium units
R-1	1.37 acres	6 single family units

Island: #6

Physical Location: NW corner of May and 30th

Total Acreage: Approximately 4.76 acres

Zoning: R-1

Current Use: 2 single family dwellings and vacant land

Development Constraints: Not many in this case. Utilities are available and access can be from May, Prospect, and Montello. Similar size to Fox Hollow with 25 units, but deducted for 2 existing homes and yards.

Development Potential *:

R-1	207,345 sq. ft.	20 single family dwellings
-----	-----------------	----------------------------

- **Based on surrounding uses, discussions with owners and developers, and trends in land development*
- *Note: Residential development deducts 30% of the land base for streets*

E₂

Island: #7

Physical Location: North side of May Street between 30th and Rocky

Total Acreage: Approximately .52 acre

Zoning: R-1

Current Use: Single family dwelling

Development Constraints: Deducted land for existing house.

Development Potential: *:

R-1 .52 ac 2 single family dwellings

Island: #8

Physical Location: Properties west and south of the May/Rocky intersection

Zoning: R-1

Total Acreage/Current Use:

Tax lot 2300	.82 acre	single family dwelling
Tax lot 2202	1.25 acres	single family dwelling
Tax lot 2200	1.22 acres	single family dwelling
Tax lot 2201	.61 acre	single family dwelling
Tax lot 2203	.78 acre	vacant
Tax lot 2401	.67 acre	single family dwelling

Development Constraints: The potential is for 7000 sq. ft. lots, though compensation was taken for existing homes and their placement. Access and frontage requirements will lessen full build out, too.

Development Potential *:

R-1 Based on development constraint comments – 11 single family dwellings

- **Based on surrounding uses, discussions with owners and developers, and trends in land development*
- *Note: Residential development deducts 30% of the land base for streets*

E₄

ATTACHMENT "F"(1)

Island Annexation
Taxable AV January 1, 2007

Account	TL	Taxable AV	Annual revenue received from develop				
Island 3			parcel 12 months prior to annexati			<u>22,787.28</u>	
3N 10E 27D	1000	403,629					
Island 4			Total District Revenue			<u>789,618.00</u>	
3N 10E 27D	1201	127,346					
	90000	0					
	90001	80,296	Debt Service For Year		Years Remaining		
	90002	80,296					
	90003	80,296	York Hill	40,373.00	5.1130%	1,165.11	6 6,990.65
	90004	80,296	Oak Grove	35,075.00	4.4420%	1,012.22	5 5,061.08
	90005	80,296	G.O. Bond	315,775.00	39.9909%	9,112.83	11 100,241.11
	90006	80,296					
	90007	80,296	Total debt service compensation				<u>112,292.84</u>
	90008	80,296					
	90009	80,296	Proportion related to debt (%)		49.5459%		
	90010	80,296					
	90011	80,296	Proportion related to revenue (%)		50.4541%		
	90012	96,356					
	90013	105,682					
	90014	80,296	Yearly Proportional Revenue (\$)			<u>11,497.13</u>	
	90015	80,296					
	90016	80,296	Multiplied by				3
	1300	292,446	Ordway Road services revenue only (DS in three year)			<u>7,974.51</u>	
Island 5							
3N 10E 27D	1600	323,280					
	1701	150,172	Total lost revenue compensation				<u>42,465.89</u>
	1700	31,970					
	1800	389	Infrastructure compensation component				
Island 2			Henderson annexation and Cascade Avenue				
3N 10E 27D	2300	205,562	2262 1979 8" mair	@	67.40		152,458.80
Island 1			27 Years depreciator	@	(3,049.17)		(82,327.59)
3N 10E 26CC	300	188,400	280 1997 8" mair	@	67.40		18,872.00
	500	93,191	9 Years depreciator	@	(377.44)		(3,396.96)
	600	25,446					
	700	30,654	May Street and Rocky Roa				
	900	272,445	595 2004 8" mair	@	38		22,610.00
	901	99,160	2 Fire hydrant	@	3000		6,000.00
	903	94,333	3 Years depreciator	@	(1,583.64)		(4,750.92)
	1000	242,558					
	1001	464,397					
	1100	82,071					
	1200	176,268					
3N 10E 35BB	100	95,118					
	200	31,045					
	500	58,070					
Island 6			Total infrastructure compensati				<u>109,465.33</u>
3N 10E 34A	200	54,151					
	201	31,970					
	300	141,824					
Island 7							
3N 10E 34A	402	130,082					
Island 8							
3N 10E 34A	2200	180,322					
	2201	120,428					
	2202	293,805					
	2203	35,226					
	2300	113,119					
	2401	110,406					
Total taxable AV		<u>6,025,465</u>					
1/1/2009 Year 1		4,705.89	1/1/2007 Year 1			165,705.27	
1/1/2010 Year 2		4,978.83	1/1/2008 Year 2			10,946.53	
1/1/2011 Year 3		5,267.60	1/1/2009 Year 3			10,946.53	
1/1/2012 Year 4		5,573.12	1/1/2010 Year 4			10,946.53	
1/1/2013 Year 5		5,896.36	1/1/2011 Year 5			10,946.53	
			1/1/2012 Year 6			10,946.53	
			1/1/2013 Year 7			10,946.53	
			1/1/2014 Year 8			10,946.53	
			1/1/2015 Year 9			10,946.53	
			1/1/2016 Year 10			10,946.53	
Total due WSRFD		<u>26,421.81</u>	Total compensation due Ice Fountain			<u>264,224.07</u>	
			Total annexation cost:				
			<u>290,645.87</u>				

Attachment "F"(2)

Island annexation

Revenue Projections		WSRFD		IF			Yearly
Account	TL	Taxable AV		Ordway			
Island 3							
3N 10E 27D	1000	403,629		Connections (base fees)	8 @	22.85	<u>2,193.60</u>
Island 4				Consumption over 5,000	139 @	1.42	<u>197.38</u>
3N 10E 27D	1201	127,346					
	90000	0		Henderson and Cascade			
	90001	80,296		Connections (base fees)	9 @	22.85	<u>2,467.80</u>
	90002	80,296		Consumption over 5,000	1 @	244.41	<u>2,932.92</u>
	90003	80,296			1,335 @	1.42	<u>1,895.70</u>
	90004	80,296					
	90005	80,296		May Street & Rocky Road			
	90006	80,296		Connections (base fees)	32 @	22.85	<u>8,774.40</u>
	90007	80,296		Consumption over 5,000	1,466 @	1.42	<u>2,081.72</u>
	90008	80,296					
	90009	80,296					
	90010	80,296					
	90011	80,296					
	90012	96,356					
	90013	105,682					
	90014	80,296					
	90015	80,296					
	90016	80,296					
	1300	292,446					
Island 5							
3N 10E 27D	1600	323,280					
	1701	150,172					
	1700	31,970					
	1800	389					
Island 2							
3N 10E 27D	2300	205,562					
Island 1							
3N 10E 26CC	300	188,400					
	500	93,191					
	600	25,446					
	700	30,654					
	900	272,445					
	901	99,160					
	903	94,333					
	1000	242,558					
	1001	464,397					
	1100	82,071					
	1200	176,268					
3N 10E 35BB	100	95,118					
	200	31,045					
	500	58,070					
Island 6							
3N 10E 34A	200	54,151					
	201	31,970					
	300	141,824					
Island 7							
3N 10E 34A	402	130,082					
Island 8							
3N 10E 34A	2200	180,322					
	2201	120,428					
	2202	293,805					
	2203	35,226					
	2300	113,119					
	2401	110,406					
Total taxable AV		<u>6,025,465</u>					
		16,938.79					
1/1/2009 Year 1		17,446.95					
1/1/2010 Year 2		17,970.36					
Total due WSRFD		(26,421.81)					
Net tax year 2		8,995.50					
				Annual Totals		<u>20,543.52</u>	

Attachment "F"(3)

Assumptions
for revenue analysis
Island Annexation

Single family dwelling

126

250,000	Assessed valuation	31,500,000	
650	Stormwater SDC		81,900
705	Traffic SDC		88,830
1,408	Sewer SDC		177,408
2,585	Water SDC		325,710
40	Monthly sewer		60,480
22.85	Monthly water		34,549
3,026	Building permits		381,276

Multi-family

Eight units of 22 each

176

200,000	Assessed valuation	35,200,000	
650	Stormwater SDC		5,200
705	Traffic SDC		5,640
2,347	Sewer SDC		18,776
4,309	Water SDC		34,427
68	Monthly sewer		6,528
38.84	Monthly water		3,728
2,564	Building permits		451,264

Commercial

8

400,000	Assessed valuation	3,200,000	
650	Stormwater SDC		5,200
705	Traffic SDC		5,640
2,347	Sewer SDC		18,776
4,309	Water SDC		34,427
68	Monthly sewer		6,528
38.84	Monthly water		3,728
4,412	Building permits		35,296

Stormwater fee @ 2.50 per month per unit.	4,260		
Franchise fee = 150x12x310x4%	22,320		
		<u>69,900,000</u>	<u>1,570,431</u>
Property tax at \$2.8112/1,000 build out	196,502		105,285
Annual base water/sewer usage revenue	105,285		
One time building permit fee	867,836		
One time SDC fees	737,891		

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: May 29, 2007

Subject: Island Annexation

Background: This is the annexation of the islands of Urban Growth Area located within the City limits, initiated by the City Council at staff's recommendation. The Planning Commission held its public hearing on May 7, 2007, and recommended approval. However, the Planning Commission was also concerned about the objections of some of the property owners, and included their concerns in their recommendation. While the recommendation to approve was correct based on the applicable standards in the Hood River Municipal Code and state law, the Planning Commission got side-tracked when it sought to take into account individual property owner objections.

Unlike other annexations that are development driven and in which the individual property owner seeks annexation in order to connect to City services, island annexation is a distinct process created by the legislature to address the inevitable result of annexation under Oregon's land use planning system. The inevitable result is the creation of islands of urban growth area within cities. Cities are required to have urban growth areas; cities may choose to annex lands or not when providing services to those lands - but the fiscal reality is that it makes little sense not to annex contiguous lands. Although one might imagine that a city's borders would naturally expand uniformly outward into the urban growth area, development (and the concurrent need for City services) does not occur in a uniform pattern. As a result, parcels of undeveloped urban growth area lands become surrounded by developed lands that are taken into city limits.

When islands result, it becomes more difficult and more expensive for service districts and cities to provide their services. Service infrastructure can become redundant or practically obsolete - except for providing service to one or two properties, emergency service providers drive through foreign territory to reach one or two remaining properties, and emergency dispatch personnel are not quite sure whom to call. Some of these problems can be addressed by mutual aid agreements and other types of intergovernmental agreements. However, unless those agreements provide for a transfer of funds to the entity providing the service, it becomes a provision of free services - to the benefit of the island property owners and to the detriment of the tax paying citizens of the city.

When the legislature created the island annexation statute, it recognized that those islands of urban growth area likely represented hold outs, properties not ready to develop or simply not interested in annexing. Moreover, when the legislature gave cities the authority to annex these islands without the consent of the property owners, the legislature acknowledged that the interests of the service providers - both in the city and in the urban growth area - were paramount in this situation.

Accordingly, not only does staff strongly believe that it is in the best interests of the City to approve this annexation, this proposed island annexation is fully supported by the special districts (Ice Fountain, West Side Fire, Farmers Irrigation) and the County, who believe it is in their best interests and the best interest of their constituents (who include the island property owners) as well.

Between the neighborhood meeting and the Planning Commission public hearing, approximately 9 out of 36 property owners voiced their objections. It is significant to note that 4 out of those 9 are Timber Crest Condominium owners who do not live in Hood River. More significantly, however, is the fact that this annexation actually provides a free annexation ticket to these property owners. Some stated that they have no plans to develop. If those property owners were to annex upon development (or simply needed to connect to City sewer), they would be obligated to pay not only the increase in property taxes of \$2.8 per thousand dollars of assessed valuation, but also the water connection fee (\$3,883), water SDC (\$2,585), if not already hooked up to water, the annexation application fee (\$2,024), and the amounts due under the City's intergovernmental agreements with Ice Fountain and Westside Fire for infrastructure, lost revenue, and debt compensation. Island annexation will cost the property owners only the increase in taxes which, for a \$300,000 property is approximately \$840.

The property owners who objected are also concerned about what can be best characterized as a loss of rural character for their properties. What this professed feeling fails to recognize, however, is the fact these properties are surrounded by urban development and have been zoned for urban levels of development since 1983. These properties are not recognized by the City or County as open space or natural resource corridors and, to the extent that open space or resource protection is needed, this will be addressed upon development. Setbacks will not change, the ability to burn vegetation will not change, and a property owner's obligation to connect to sewer will not change because state (not City) law governs that obligation.

In sum, this island annexation application represents a turning point of sorts for the City. Approval of this application will create seamless territories for all service providers, which will improve efficiency of delivery of services, thereby reducing or keeping costs down.

Staff Recommendation: Approve as proposed. Annexation of some but not all of the islands does not achieve the goal of creating seamless territories.

Suggested Motion: I move that we read Ordinance 1934 for the first time by title only and adopt the Planning Commission's findings of fact dated May 7, 2007, as supplemented by this cover sheet.

Alternatives: Do not annex. If the Council does not annex, it will allow for "service islands" which is the very issue that the Special Districts requested to be eliminated. Staff does not recommend annexing some but not all of the islands.

Fiscal Impact: The fiscal impact is favorable. See Planning Commission recommendation for a detailed discussion.