MAJOR BOUNDARY CHANGE PROPOSAL No. WA-0111
FORMATION OF THE NORTH BETHANY COUNTY SERVICE DISTRICT

STAFF REPORT
For the March 15, 2011 Board of Commissioners Hearing
(The public hearing will begin no sooner than 10:00 AM)

STAFF RECOMMENDATION

Conduct the second public hearing. At the conclusion of public testimony adopt a resolution and order that: approves the formation (WA-0111), adopts findings in support of the Board’s decision; establishes a permanent rate limit, calls for an Election, and adopts a Ballot Title.

BACKGROUND-ANALYSIS

On March 1, 2011, your Board opened the first public hearing and took public testimony, one in opposition and five in favor of the North Bethany County Service District (NBCSD) formation. Two of the five in favor testimonies represented the development community and they requested that if land acquisition for a library is included that it be clearly defined.

At the conclusion of the public testimony, your Board voted unanimously that the NBCSD include funds to cover a portion of the roadway capital for the North Bethany Subarea. The Board also directed staff to continue pursuing options for land acquisition and continued the hearing to March 15, 2011 to address the following:

Legislative Changes to ORS 198.815
Staff will provide an update on Senate Bill 306 at the March 15th hearing.

Economic Feasibility Statement
The Board requested that a modification to the NBCSD Economic Feasibility Statement be made to reflect the Board’s intent to ultimately adopt a fixed amount of Transportation Development Tax (TDT) revenue dedicated to North Bethany as opposed to a percentage (an allocation of 75% of the TDT revenue generated by development within North Bethany in the interim funding strategy).
Options for Land Acquisition

The Board directed staff to investigate options for land acquisition.

Depending on the option, the land that could be acquired could be used for a library, or more generally a civic use.

Option A: Set the permanent rate at $1.20. Limit the CSD to Roads and do not provide funds for acquiring land.

Under this option, at this time, no land would be set aside for a library or a civic use. However, it does not preclude the Board from acquiring land in North Bethany for a civic use at some other time, using some other funding source.

Option B: Set the permanent rate at $1.25. Limit the CSD to Roads and land acquisition for a library.

This option would generate approximately $500,000 over 30 years to be used for land acquisition for a library. A downside to this option is the land would need to be utilized for a library, and there appears to be concern about buying property at this time specifically for a library (as opposed to a more general civic use).

Option C: Set the permanent rate at $1.25. Limit the CSD to Roads and commit to finding approximately $500,000 in funding from another County funding source for land for a civic use.

This option increases the funding to roads in the CSD. This would allow some other source associated with the transportation funding strategy to be reduced by $500,000. This would allow the county to fund acquisition of land for a civic use out of another, to-be-determined funding source. Presumably, this other funding source would have the flexibility to allow for purchase of land for a civic use, as opposed to specifically a library. The specific determination of the “other” funding source would not need to occur at this time.