



# *Oregon Communities* For A Voice In Annexations

Promoting & Protecting Citizen Involvement in Land Use Issues

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## **Responding to the common arguments against Voting on Annexations**

In its 9 years of fighting for taxpayers' right to vote on annexations, OCVA has researched and responded to the most common arguments raised against voting on annexations. If you are contemplating a campaign to gain the right to vote on annexations, please take a moment to review this document. OCVA has packed it full of ideas and information we know you will find useful.

Raising and refuting these arguments before your opponents raise them will give your campaign early legitimacy and make it more difficult for your opponents.

Most research agrees: annexations - especially large ones - cost communities more than they bring in with additional tax revenue. A good example was Springfield's 1994 attempt to annex its UGB. The city's own calculations revealed this would have created a \$40 million shortfall city taxpayers would have to make up.

Keep in mind, organizations pushing annexations almost always expect to gain something from them. In Springfield's case, the Lane Council of Governments campaigned for a major annexation. You might expect them to be the "experts" and know what's best for your area, but at the time, LCOG had more than 200 public sector employees. Many of their job titles included some derivation of the word "plan" in them. More annexations mean more "planning," so you have to question LCOG's motivation.

### **Argument 1. "Our city is short of money! We must annex more land and add it to the tax base."**

There are a variety of factors that cause cities to run low on money. Ever since tax limitation measures M5, M47, & M50 passed, public budgets have shrunk, causing local governments to increasingly turn to annexation as a way of raising tax revenue. It is true that annexing land adds to a city's tax base. But what is conveniently left out is the expense side of the equation-- the cost of roads, schools, police and fire protection, parks, water and sewer systems, and so on. These costs easily outstrip the revenue generated by an annexation. So since annexations hardly ever pay their way, cities can't solve their budget shortfalls by annexation.

**Argument 2. “Voting on annexations raises housing costs.”**

This argument claims that without a steady supply of developable land coming on the market via annexation, developers must pay higher land prices and pass the costs on to the house buyers.

So why do Portland, Florence, and other Oregon cities who don't vote on annexations have some of the highest housing costs in the state? It's because *the market* sets the price of houses. Too many houses and the prices go down; too many developers in the market and price competition sets in. Everyone knows that during times of interest rate increases people are reluctant to commit to mortgages so housing prices tend to go down. Annexing land is powerless against these market forces; it can neither raise nor lower housing prices.

**Argument 3. “Voting on annexations runs counter to state land use law.”**

This is simply false. With or without voting on annexations, the annexation process must follow state and comprehensive plan guidelines. The state's highest courts have ruled that discretionary annexation (annexations not required by state law) are a two-step process.

In the first step, the Planning Department decides that an annexation CAN occur after a proposed annexation meets state law and the applicable comprehensive plan. The second step is political. Often the City Council rubberstamps the annexation. But in those communities that have the right to vote on annexations, voters decide if the annexation SHOULD occur.

ORS 222, 195, 197 et. al. provide for voting, whether a city votes on annexations or not. But these laws don't cover all the discretionary annexation methods. In fact, the most common annexations are those requested by developers. These types of annexations are not subject to a vote --except in a VoA community. THAT'S why voting on annexations is important.

Oregon courts have repeatedly ruled that voting on annexations is a political act and not a land use decision, so voting is not subject to state land use law. In fact, the courts say that voter approval of annexations is a “necessary and legitimate” part of the annexation process. Keep in mind that the very first Goal of Oregon's land use planning rules is “citizen participation.” Voting on annexations is one of the most important tools for increasing citizen involvement in local land use issues.

**Argument 4. “It costs too much money to hold annexation elections.”**

False again. Corvallis taxpayers have been voting on annexations since 1976. Several years ago they began scheduling annexation votes during general elections. The alleged “extra costs” of elections never materialized. Since then, communities have discovered that putting annexations on the ballot is neither costly nor complicated.

**Argument 5. “The local government and planners are better informed and prepared to make these decisions than the public.”**

If “getting elected” made people smarter, wouldn’t our governments be doing a better job? Why do city governments frequently place a seal of approval on every development that comes down the pike no matter what it costs the taxpayers?

Yes, planners have been educated and trained. They perform an important function: making sure that the proposal meets the local requirements. But how can they know what the taxpayers want? Planners are often under political pressure from local governments and developers to simply “approve” what special interests want. The best way to openly determine what the taxpayers want is by seeking their opinion during an election.

**Argument 6. “Voting on annexations will stop community growth and prosperity.”**

Why would anyone want to stop community growth? Planning and community development are complex processes. Sometimes mistakes are made. Voting on annexations provides vital checks and balances.

It's important to stress that voting on annexations is not "anti-growth." It is "pro citizen involvement." Voting on annexations is NOT a ban on annexations. It simply gives the citizens of a community their rightful voice in how they want their community to grow and what they want to pay for.

Almost all of the annexations in OCVA’s member communities are approved. OCVA believes this is because developers and the city governments know that they must make an annexation proposal appear to match community needs and pay its way. Voting on annexations forces developers to give the residents a "better deal" than they would otherwise get. Voting on annexations informs and empowers citizens to make good decisions about their community’s future. That’s why OCVA keeps adding to its list of 30 cities where citizens have successfully gained the right to approve all discretionary annexations.

“Growth” and “prosperity” are not the same thing. Most studies of the cost of growth agree that the faster a community grows, the more likely it will experience financial shortages. The Oregon Governor's Task Force on Growth (1998) concluded that taxpayers pay far more for growth than communities collect from system development charges and taxes on new growth. A private, more detailed Oregon study by Fodor and Associates in Eugene the same year reached the same conclusion. Nothing has changed since these studies were conducted. (These studies are available at [www.OCVA.org](http://www.OCVA.org).)

Using these arguments will strengthen your campaign for one of the most important rights we have in a democracy, the right to vote --on annexations.

Please contact us if you have questions or comments.