

City of Grants Pass



May 29, 2014

Dear Neighbor:

The Grants Pass City Council regularly evaluates areas within the Urban Growth Boundary for annexation into City limits. The City Council is seeking to assure logical boundaries for the City are maintained over time, and to meet the requirements of the agreement between the City and County to evaluate periodic annexations as growth occurs.

Annexation 2014, Area 1
101 NW 'A' ST, 360517BC002300

JOHN SMITH
101 NW 'A' ST
GRANTS PASS, OR 97526

You are receiving this notice because you have property within an area proposed for annexation. The top of your mailing label lists the tax lot number and address of the property proposed for annexation, and it identifies the proposed annexation area.

The attached hearing notice includes a map of the proposed annexation areas. Larger maps are available on the City's website and at the Parks & Community Development office.

In 2000, city voters approved a ballot measure amending the City Charter. The City Charter requires that the City Council refer all proposed annexations to a vote by city electors. The City Council will consider an annexation ordinance which would be referred to a vote by city electors on the November 4, 2014 ballot.

The following meetings are scheduled as opportunities for you to provide input and have your questions answered.

1. **Open Houses.** City staff will hold open houses to provide general information and answer your questions about annexation. The meetings are informational only, and no action will be taken at the meetings. Staff will be available during these hours, and information materials will be available. There is no formal presentation, so you can come at any time during these hours.

Area 1. The open house for this area will be held **Tuesday, June 10, 2014 between 5:30 and 7:30 p.m. in the City Council Chambers**, 101 NW 'A' Street, Grants Pass, Oregon 97526.

Areas 2-18. The open house for these areas will be held **Thursday, June 12, 2014 between 5:30 and 7:30 p.m. in the City Council Chambers**, 101 NW 'A' Street, Grants Pass, Oregon 97526.

2. **Planning Commission Hearing.** The Planning Commission will hold a public hearing as an additional opportunity to receive written and oral testimony, which will be provided to the City Council in advance of their hearing. The Planning Commission doesn't make a recommendation or decision. The Planning Commission hearing will be held on **Wednesday, June 25, 2014 at 6:00 p.m. in the City Council Chambers**, 101 NW 'A' Street, Grants Pass, Oregon, 97526.
3. **City Council Hearing.** The City Council will hold a public hearing and vote on an annexation ordinance which would be referred to the City voters for the November 4, 2014 ballot. The City Council will also vote on the ballot title. The City Council hearing will be held on **Wednesday, July 16, 2014 at 6:00 p.m. in the City Council Chambers**, 101 NW 'A' Street, Grants Pass, Oregon, 97526.

The public hearings will provide an opportunity to present oral and written testimony. In addition, you may provide written materials to staff at any time in advance of the hearing, and staff will forward those materials to City Council for their public hearing.

The following materials are attached for your reference:

- A public hearing notice, including a map of the proposed annexation areas. Larger maps are available on the City's website and at the Parks & Community Development Department office.
- Answers to frequently asked questions about annexation
- A summary of major changes resulting from annexation
- An example of costs and savings associated with annexation of a residential property

We hope the open houses scheduled for June 10 and 12 will provide the opportunity to answer any questions you have about annexation. In the past we have experienced a high volume of calls following notice of proposed annexation. We have found that the open houses provide the most effective way to respond to your questions, and we hope you will come prepared with any questions you have. However, if you are unable to attend or have questions prior to the meetings, please feel free to contact us. The Parks & Community Development Department is located in Room 201 of the Municipal Building at 101 NW 'A' Street. Office hours are 8:00am to 5:00pm Monday through Friday. Our telephone number is (541) 450-6060.

Additional information is also available on the City website at www.grantspassoregon.gov. You can access the **Annexation 2014** page from the "I am looking for..." dropdown box on the home page.



Sincerely,

Tom Schauer
Senior Planner

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ANNEXATION

QUICK FACTS

What Does Annexation Mean To Me?

Annexation is when lands in the Urban Growth Boundary (UGB) are included within City limits. We want to be sure you have the facts to know what annexation means to you.

Most people want to know three things about annexation:

- Are there associated benefits?
- Are there associated costs and/or savings?
- Are there other associated changes or requirements?

This information sheet and the attached materials answer these questions, provide facts, and answer some common ‘**why**’ and ‘**how**’ questions about annexation and the annexation process.

Major Changes

Below are some of the most significant changes you can expect with annexation. Different properties have some different circumstances.

For properties with Post-June 15, 2001 Service & Annexation Agreements:

- These already pay a fee equal to the city property tax and receive city public safety services and response, both police and fire. After annexation, they pay city property taxes rather than a fee, so there is no change in the amount paid or the public safety provider.

For other properties:

- These will pay city property taxes and receive city public safety services, both police and fire. Response time is approximately five minutes for emergency calls. City police provide patrols.
- They no longer need to pay for a separate rural fire protection contract.

For all properties:

- Most homeowners can write off their property taxes on their federal income tax return, whereas they may not be able to write off their current fire protection contracts or service fees. (The first property tax statement with city property taxes would be in the fall of 2015).
 - Electors will be able to vote in city elections, for city officials and on city issues.
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Common Myths

There are some changes that come with annexation, but many things won't change. There are some common misconceptions about annexation. The reality is most laws and policies governing property and improvements already apply throughout the urban growth boundary (UGB), and inclusion in the city doesn't change how they apply.

Myth: “Annexation means I’m going to be required to connect to city water and sewer.”

Truth: Annexation doesn't change whether property is required to connect to city water or sewer.

Myth: “Annexation means I’m going to be assessed for a local improvement district.”

Truth: Annexation doesn't change whether property can be part of a local improvement district.

Myth: “Annexation means I’m going to be in a different school district.”

Truth: Annexation doesn't change school districts or their taxes.

Myth: “Annexation means my property taxes will no longer support county services.”

Truth: Properties in the city are still part of the county. They still support the county-wide criminal justice system (jail, courts, etc.) and services, and electors still vote in county elections.

Read on for more information about issues above and answers to frequently asked questions.

Benefits

The attached information sheet, **Summary of Major Changes Resulting from Annexation**, provides a quick reference with a side-by side comparison of major issues before and after annexation. Below are a few of the most popular benefits:

- **City Elections.** Electors vote in city elections, for city officials and on city issues.
- **Public Safety & Emergency Response.** City police and fire provide typical five-minute response times for emergency calls. City police provide patrols.
- **Code Enforcement.** City community service officers respond to citizen calls about code violations including trash accumulation, fire hazards and overgrown weeds, and other nuisances.
- **Spring & Fall Yard Waste Collection.** City residents receive this curbside collection service twice a year at no additional cost.
- **More State Funds Returned to the Community.** Certain 'state revenue-sharing' funds collected by the state are distributed to communities based on the population within city limits. A greater share of those funds would come back to Grants Pass rather than going to other parts of the state. This helps fund local services with less demand on other local resources.

Costs and Savings

The attached information sheet, **Example of Costs and Savings Associated with Annexation**, provides a quick reference with a side-by side comparison of major costs and savings before and after annexation. Below are a few of the most significant costs and savings:

- **City Property Tax.** All city property taxes go to public safety. Properties with post-June 15, 2001 service and annexation agreements already pay a fee equal to the city property tax rate and receive city public safety services. After annexation, they pay the same amount, but as a property tax rather than a fee; therefore, there is **no change** in the amount paid.

For other properties, the most significant **cost** associated with annexation is city property taxes. However, these properties will no longer need to pay for a separate rural fire protection contract and will also experience that **savings**.

Most homeowners can **write-off** their property taxes on their federal income tax return, resulting in additional **savings**, whereas they may not be able to write off their current fire protection contracts or service fees.

- **Business License/Tax.** If you operate a business on the property and don't already conduct any business within the City, there is also a business license/tax and associated **cost**. Many businesses already conduct business in the City and will experience **no change**.
- **Franchise Fees.** Utility providers pay a franchise fee for use of the public right-of-way and often pass this on to their customers as a **cost**.
- **Street Utility.** If your property has a post-June 15, 2001 service and annexation agreement, you are already paying a street utility which helps maintain existing streets, so there is **no change**. This will be a new **cost** for other properties.
- **Flood Insurance Discount.** If you have flood insurance, the City's participation in the Community Rating System (CRS) means you qualify for a flood insurance discount **savings**.

Other Changes or Requirements

Below are other issues people often ask about. Please let us know if you would like more information.

- **Open Burning.** Open burning of yard debris requires a permit and is limited to burn windows in the spring and fall. This helps to reduce particulate matter in the air, maintain our air quality, and reduce respiratory problems like asthma.
- **Animals.** Most regulations about keeping animals already apply throughout the UGB, but there are a few additional limitations within the city. These mainly apply to keeping of exotic animals and keeping animals from running at large. There isn't a difference for most people.

ANNEXATION

FREQUENTLY ASKED QUESTIONS (FAQs)

- Context.** The City of Grants Pass and Josephine County have a management agreement that applies to all lands within the Urban Growth Boundary (UGB). Most laws and policies governing property and improvements already apply throughout the urban growth boundary (UGB), and inclusion in the city doesn't change how they apply.
 - **Land use laws, development standards, and building codes already apply throughout the UGB.** These don't change when property is included in the City. Further, annexation doesn't change requirements for public improvements or connection to public facilities; these apply throughout the UGB based on whether there is new development on property (and in rare instances where an existing septic system fails and could require connection to sewer).
 - **Public facility plans already apply throughout the UGB.** Public improvements are planned, prioritized, and built based on the system-wide needs in the UGB as a whole, not whether property is inside or outside of the city limits. Annexation doesn't change priorities or timing for capital projects or infrastructure extension, funding and financing alternatives, or standards.
 - **With minor exceptions, procedures and standards are the same throughout the UGB,** whether or not property is within the city limits. However, most Municipal Code provisions only apply within city limits.

WHYs & HOWs ABOUT ANNEXATION AND ANNEXATION PROCEDURES

2. Why is my property proposed for annexation?

The Urban Growth Boundary (UGB) is the area where new urban development occurs and where urban services are provided. Before current development standards, some properties developed with one or more urban services, but not with all urban services. Also, some properties were previously able to receive urban services outside city limits without a service and annexation agreement for future annexation.

Today, new development requires the provision of all urban services. If the property is outside city limits, this also requires a service and annexation agreement consenting to future annexation. The city evaluates annexations where new development is occurring and where services are extended, often in areas where new development has grown around areas that urbanized under previous requirements.

Properties are included within proposed annexation areas for one of the following reasons:

- A current or previous property owner signed a Service and Annexation Agreement, requesting services to develop the land, and in return agreeing to be annexed (see additional information below). For properties developed since 1998, the property is generally to be annexed within one year from development, as permitted by law.
- Urban development is occurring around and/or on your property. As properties have developed, the owners have signed Service and Annexation Agreements. Your property is proposed as part of a larger annexation area to provide a logical service boundary for services such as public safety through current and future annexations.

3. **What is a Service and Annexation Agreement?**

The City/County management agreement for the UGB allows for provision of city services and new development to occur outside city limits prior to annexation, subject to a Service and Annexation Agreement.

A Service and Annexation Agreement is like a contract between a property owner and the city. When properties in the UGB outside City limits receive municipal services, the property owner must sign a Service & Annexation Agreement. The agreement allows a property owner to obtain municipal services and develop property without waiting for the property to be annexed. In return, the owner agrees to future annexation of the property. Without an agreement, the development and services would not have been able to occur prior to inclusion in the city.

The agreement is recorded on the property, runs with the land, is disclosed on a title report, and applies to current and future owners. This is similar to other types of agreements that may also run with the land, such as easements and restrictive covenants.

4. **How do Service and Annexation Agreements differ?**

The terms of these agreements have changed in some respects over the years. Agreements signed after June 15, 2001 have some significant differences from those signed before that date that will have a bearing on the net financial difference associated with annexation of property.

Properties that are not subject to a Service and Annexation Agreement or that are subject to an agreement signed before June 15, 2001 may be receiving water and/or sewer services and paying the utility rate as utility customers. However, they are not receiving City Public Safety Services and are not paying a contractual fee equivalent to the City's property tax rate. Therefore, the property taxes will be a new cost when the property is annexed. Payment of water and sewer utility bills will continue to be the same, just as it is for utility customers inside City limits.

Properties that are subject to Service and Annexation Agreements signed after June 15, 2001 are already receiving City services, including Public Safety, and paying a contractual fee equivalent to the City's property tax rate as part of the Service and Annexation Agreement. For example, all of the lots in a subdivision platted after June 15, 2001 are already subject to Service and Annexation Agreements and are already paying the contractual fee. Upon annexation, the fee will be eliminated when the property becomes subject to City property taxes. Since the fee is the equivalent of the City's tax rate, there will be no net difference in cost associated with the property tax. The payment will change from a contractual fee to a property tax at the same amount. As a property tax, there may be federal tax advantages to your property. (On a newly improved property for which the Assessor's Office has not yet established the value, the contractual fee is based on an estimate of the value).

To determine which information on the following pages most closely relates to your property, you will need to know if a Service and Annexation Agreement was recorded for your property. If a Service and Annexation Agreement was recorded for the property before you purchased it, this was disclosed when you purchased the property and can be found on your title report.

If your property is subject to an agreement, but you do not have a copy, you can obtain a copy from the Parks & Community Development Department. Also, if you provide the document recording number to the County Recorder's office, you can obtain a copy of the document for a fee.

5. What are Consent and Triple-Majority Annexations?

- **Consent** annexation is when 100% of the properties already have Service and Annexation Agreements consenting to annexation, whether it is one property or more than one property.
- **Triple Majority** annexation is when more than 50% of the properties in an area have Service and Annexation Agreements consenting to annexation. In addition, those properties must also comprise more than 50% of the acreage and more than 50% of the assessed value of the area. This assures that even with a majority of properties, those properties don't represent a large area with low value, or a small area with high value, compared to the rest of the annexation area.

6. Why don't electors in Consent and Triple-Majority annexation areas vote on these annexations, while City electors do?

When a majority of properties in an area have Service and Annexation agreements, a city can annex an area by ordinance without a separate election of the territory. The legislature gave cities the ability to annex areas this way many years ago to ensure the contractual Service and Annexation Agreements could be honored and to allow logical service boundaries to be established.

By definition, consent and triple-majority annexations mean there is already **majority** consent of the territory through annexation agreements. Therefore, state law allows for consent and triple-majority annexations to be adopted by ordinance without referral to electors, unless a city has a local charter provision that requires referral to city electors.

Some cities have provisions in their charters that require their city councils to refer all annexations to city electors for a vote. Grants Pass electors approved a ballot initiative measure in 2000 that amended the Grants Pass City Charter, adding these provisions. Therefore, city electors must ratify all annexations, including annexation of areas where a majority of properties have Service and Annexation agreements, and including areas where 100% of properties have agreements.

The consent provided by annexation agreements allows properties to develop with the needed services as allowed by their zoning without having to first be in the city. Consent and triple-majority annexations ensure the agreements are honored once the city has committed to the authorization of public infrastructure.

PUBLIC SERVICES AND IMPROVEMENTS

7. Does annexation change whether public facilities will be extended?

No. See #1 above. Public facility extensions are planned for the Urban Growth Boundary as a whole, and annexation doesn't change this. Improvements to roadways, water systems, and sewer systems may be constructed within the UGB through development requirements, user fees, and/or assessments on property. 100% of city property taxes go to public safety, and no funds from property taxes are utilized for these capital improvements. Funds from the street utility are used for maintenance such as overlays and pedestrian safety improvements.

8. Does annexation change whether I would be required to connect to City services or pay for road improvements?

No. See #1 above. Existing development may remain connected to a well or septic system. Development, not annexation, is the action that would require improvements related to water, sewer, and street improvements. Improvements may also occur through formation of a local improvement district. These provisions already apply to lands throughout the Urban Growth Boundary, and annexation does not change this.

9. Will I still need a contract for fire protection with Rural Metro or Grants Pass Rural?

No. If annexed, the City will provide fire protection services to you. You will no longer need to contract for additional fire protection with Rural Metro or Grants Pass Rural.

10. Does annexation affect school district boundaries?

No. The school districts have their own boundaries, which do not follow City limits. If annexed, you will remain in the same school district as before, and the school district portion of your property tax bill will continue to be paid to your same school district at its rate.

11. Who maintains roadways inside City limits?

The City, County, and State all maintain roadways within City limits, although most are maintained by the City. State highways within City limits are maintained by the Oregon Department of Transportation. A 1998 Agreement between the City and County outlines maintenance responsibility for various roads within the City and Urban Growth Boundary. County roads within City limits are maintained by the County until they are improved to City standards, at which time they are transferred to City jurisdiction. Some developments are served by private roads which are maintained by owners through a homeowners association. In general, roads that are residential or local collectors are maintained by the City when annexed.

REPRESENTATION

12. Who will represent me on City Council?

As a City resident, you will be able to vote for the Mayor and for all eight members of City Council. You will also be able to vote on measures for city issues. The City includes four wards, representing the geographical areas of the City. The City Council is composed of two members from each ward. The officials, wards, and terms are provided below.

Mayor:

Darin Fowler, (1/1/12-12/31/16)

Ward 1:

Dennis Webber, (11/2/11-12/31/14)
Dan DeYoung, (4/7/10-12/31/16)

Ward 2:

Rick Riker, (4/7/10-12/31/14)
Lily Morgan, (4/7/10-12/31/16)

Ward 3:

Jim Williams, (1/3/11-12/31/14)
Ken Hannum, (1/7/13-12/31/16)

Ward 4:

Jim Goodwin, (2/25/13-12/31/14)
Mark Gatlin, (1/7/13-12/31/16)

DEVELOPMENT

13. Can development occur whether or not land is annexed?

Yes. See #1 above. The same zoning and development standards apply throughout the Urban Growth Boundary (UGB) and annexation doesn't change this. However, development within the UGB outside city limits that is more extensive than the construction of a single-family home, duplex, or minor expansion of a commercial development on an existing lot of record must sign a Service and Annexation Agreement. The city typically evaluates annexation of these properties within one year of development.

PROPERTY TAXES

14. What is the City tax rate?

Your overall property tax bill includes property taxes for various districts, including the City, the County, the School District, Rogue Community College, Southern Oregon ESD, and 4H/Extension.

For Fiscal Year 2014 (Tax Year 2013-2014) the tax rate is currently as follows based on each \$1,000 of assessed value.

TAX RATES FOR FY 2014 (TAX YEAR 2013-2014)

	<u>Properties in School District #7</u>	<u>Properties in Three Rivers School District</u>
Taxing Districts excluding City	6.1823/1,000	5.9413/1,000
City	6.3092/1,000	6.3092/1,000
Total	12.4915/1,000	12.2505/1,000

The City rate above includes the city's permanent rate, voter-approved public safety operations levy, and voter-approved bonds that built two public safety stations. The bonds will no longer be part of the city tax rate once they have been repaid.

15. When would I start paying City taxes?

If the annexation is approved by the voters in November 2014, it will be effective when the City files the annexation with the Secretary of State shortly after the election. The City will immediately begin providing public safety services. While the rates above are provided for tax year 2013-2014 and estimated for 2014-2015, if voters approve annexation of properties on the November 2014 ballot, the property tax statement sent out in the fall of 2015 will be the first one that includes City property taxes for annexed properties.

16. What do property taxes pay for?

The City Council adopted a resolution in 1997 requiring all local property taxes received by the City to go exclusively to Public Safety. All new property taxes from annexations will be placed in Public Safety, and as the tax revenue allows, additional police and fire personnel will be added to the City Public Safety system to protect area residents.

17. How are services paid for which aren't paid for by property taxes?

Other services provided by the City of Grants Pass are funded from a variety of sources including franchise fees, business license fees, and state shared revenues from gasoline, cigarette, and liquor taxes.

18. Will my property pay for School District #7 taxes?

Annexation to the City does not change school district boundaries. Your property will remain in the same school district, and you will pay taxes to the same school district after annexation as you did before annexation. If your property is in the Three Rivers School District, it will remain in the Three Rivers District, and you will continue to pay taxes to Three Rivers District at their tax rate. If your property is in School District #7, it will remain in District #7, and you will continue to pay taxes to District #7 at their tax rate.

PROCEDURES

19. How will action on annexation take place?

The letter enclosed with this mailing identifies the upcoming meetings. City staff will hold informational meetings with property owners. Following these meetings, the proposed annexations will be considered through public hearings with public testimony. The City Council will vote on an ordinance that would refer the annexations to the November 2014 ballot for a vote of city electors. If the measure is approved, the annexation information will be filed with the Secretary of State and become effective, and notice and additional information will be provided to property owners.

DO YOU HAVE OTHER QUESTIONS FOR US?

Please join us at the one of the informational open houses on June 10 and 12 (see enclosed information) or contact us and let us know if you have other questions!

SUMMARY OF MAJOR CHANGES RESULTING FROM ANNEXATION

Property Without S&A Agreement or With S&A Agreement Signed Before June 15, 2001		Property With S&A Agreement Signed After June 15, 2001		Item
Before Annexation	After Annexation	Before Annexation	After Annexation	
		✓		Property pays fee equivalent to City property tax rate.
	✓		✓	Property pays City property tax rate. (If property currently pays fee noted above, it is eliminated upon annexation and paid as property tax).
	✓	✓	✓	City Public Safety is provided to property, both fire and police service.
	✓	✓	✓	City Public Safety officers will respond to calls and concerns and Community Service Officers provide ordinance complaint response (weed abatement, animals, etc.).
	✓	✓	✓	Owner can cancel independent fire service contract.
	✓	✓	✓	Street sweeping provided as needed.
	✓	✓	✓	City, instead of your Homeowners Association, pays electric bill for streetlights.
	✓		✓	Will be part of City, able to vote on City issues, vote for and be represented by City officials, and run for City elected office.
	✓		✓	Parks and Recreation reservations and activities qualify for the lower "In-City" rate.
	✓		✓	For properties insured by a company that uses the ISO rating for fire protection, annexation may lower homeowner's insurance premium due to the City's ISO 3 rating. However, some insurance carriers have begun using zip code rating system, and annexation would not make a difference in insurance costs.
	✓		✓	For properties in the floodplain, owners qualify for lower flood insurance premiums due to City's participation in CRS program.
	✓	✓	✓	Property pays street utility, and streets are eligible for expenditure of street utility funds for maintenance, such as overlays.
	✓		✓	Eliminates surcharge payments for water service for certain properties. (This is not widely applicable, as it applies to certain older subdivisions that connected to City water without an annexation agreement).

**EXAMPLE OF COSTS AND SAVINGS ASSOCIATED WITH ANNEXATION
ESTIMATE BASED ON FY 2014 (TAX YEAR 2013-2014) TAX RATES**

	A. Property with Service & Annexation Agreement Signed <u>Before</u> June 15, 2001 or Property without Service and Annexation Agreement			B. Property with Service & Annexation Agreement Signed <u>After</u> June 15, 2001		
	Current Cost	Cost After Annexation	Difference	Current Cost	Cost After Annexation	Difference
1,845 sf 3-bedroom single-family residence built in 2007 on a 10,060 sf lot zoned R-1-10						
Market Value: \$322,620						
Assessed Value: \$218,280						
Property Tax						
City Property Tax ⁽¹⁾	\$0	\$1,377	+\$1,377	\$0	\$1,377	+\$1,377
Other Taxing Districts ⁽²⁾	\$1,297	\$1,297	\$0	\$1,297	\$1,297	\$0
Service & Annexation Agreement Contractual Fee ⁽³⁾	\$0	\$0	\$0	\$1,377	\$0	-\$1,377
Fire Protection Contract ⁽⁴⁾	\$430	\$0	-\$430	\$0	\$0	\$0
Homeowners Insurance ⁽⁴⁾ Depending on insurance company, premium may be reduced. This example assumes insurance company does not reduce premium as a result of annexation.	Varies- Unchanged by Annexation for this Insurance Company	Varies- Unchanged by Annexation for this Insurance Company	-	Varies- Unchanged by Annexation for this Insurance Company	Varies- Unchanged by Annexation for this Insurance Company	-
Sewer Utility Fees (Yearly) ⁽⁵⁾	Varies- Unchanged by Annexation	Varies- Unchanged by Annexation	\$0	Varies- Unchanged by Annexation	Varies- Unchanged by Annexation	\$0
Water Utility Fees (Yearly) ⁽⁶⁾	Varies- Unchanged by Annexation	Varies- Unchanged by Annexation	\$0	Varies- Unchanged by Annexation	Varies- Unchanged by Annexation	\$0
Street Utility Fees (Yearly) ⁽⁷⁾	\$0	\$41	+\$41	\$41	\$41	\$0
Flood Insurance ⁽⁸⁾	-	-	-	-	-	-
Recreation Fee Savings ⁽⁹⁾	-	-	-	-	-	-
Street Lights (\$2.50/mo.) ⁽¹⁰⁾	\$30	\$0	-\$30	\$0	\$0	\$0
TOTAL DIFFERENCE (Yearly)			+\$953			\$0

ASSUMPTIONS USED IN EXAMPLE

The example is based on the following assumptions. This example is provided for a single-family residence. Actual figures will differ depending on specific property values and circumstances. Circumstances for commercial properties and other uses will also differ, in some cases significantly. Numbers are referenced to the attached table.

(1)	1,845 square foot 3-bdrm single-family residence built in 2007 on a 10,060 square foot lot zoned R-1-10	Home Fair Market Value	\$322,620
		Land Value	\$70,200
		Improvement Value	\$252,420
		Assessed Value	\$218,280

Taxes are based on assessed value, not market value. The combined city tax rate for Fiscal Year 2014 (Tax Year 2013-2014) used in this example is \$6.3092 per \$1,000 of assessed value. This includes the permanent rate of \$4.1335/\$1,000, the voter-approved public safety operations local option of \$1.7900/\$1,000, and the voter-approved public safety station bonds at \$0.3857/\$1,000. When the public safety stations are paid off, the latter will no longer be part of the city taxes. Fiscal Year 2016 (Tax Year 2015-2016) is the first year city taxes will apply to annexed properties if voters approve annexations on the November 2014 ballot, so the first property tax bill including City property taxes would be mailed in Fall 2015.

(2) Property is in Three Rivers School District. (All properties proposed for annexation are within the taxing districts of Josephine County, Rogue Community College, Southern Oregon ESD, 4H/Extension, and either School District 7 or Three Rivers School District. Annexation will not change the boundaries for any of these taxing districts, including the school district).

FY 2015 and 2016 information is not available for other taxing authorities, so FY 2014 rates were used to give an estimate of the total property tax bill. Other taxing authorities may have different property tax rates for FY 2015 and FY 2016. However, annexation does not change the property tax attributed to other taxing authorities, so the net difference in cost due to annexation is unaffected by the tax rates for other taxing authorities. The combined FY 2014 rate for all of these districts, excluding the city, is 5.9413 in Three Rivers School District and 6.1823 in School District 7.

(3) Column A applies to a property with a Service and Annexation Agreement signed before June 15, 2001 or a property without a Service and Annexation Agreement. Column B applies to a property with a Service and Annexation Agreement signed after June 15, 2001.

(4) Property in Column A currently has a fire protection contract with Rural/Metro Fire Department. This property is able to cancel the private contract with Rural/Metro upon annexation. Property in Column B does not currently have a contract with Rural/Metro. This property began receiving Public Safety services upon signing the Service and Annexation Agreement, and it was able to cancel the private contract when the agreement was signed.

A typical Rural/Metro contract is \$1.97 per \$1,000 of assessed value. Rural/Metro has an ISO rating of 6. Property inside City limits has ISO rating of 3. (Grants Pass Rural Fire Department has ISO rating of 10).

Some insurance companies changed from use of an ISO rating to a zip code rating system in July 2001, so homeowners policies with these companies do not change upon annexation, regardless of the whether the City Public Safety Department or Rural/Metro is the first responder. The example assumes the homeowner's policy is from a company that uses the zip code system. Some insurance companies have different terms for manufactured homes that are not within 5 miles of a fire station.

(5) There was previously a 60% surcharge for sewer customers who did not live inside City limits and who had not signed a Service and Annexation Agreement. The City eliminated this sewer surcharge in 2001, resulting in a savings to non-City residents. Therefore, there is no longer a savings associated with elimination of the surcharge upon annexation.

(6) Not Paying Water Surcharge (For non-City customers who have not signed a Service and Annexation Agreement, there is a 60% surcharge). Because most areas under consideration for annexation are not served by water unless a Service and Annexation Agreement was signed, this savings was not factored into the example.

(7) Property in Column A is not paying street utility. Properties with Service and Annexation Agreements signed before June 15, 2001 and properties without agreements do not pay the same monthly street utility fee paid by properties inside City limits. They will pay this after annexation. Property in Column B is paying the street utility. Properties with Service and Annexation Agreements signed after June 15, 2001 pay the same monthly utility fee paid by properties inside City limits.

This fee is used for street maintenance and pedestrian safety. The fee for a single-family residence is \$3.42 per month. The fee is scaled for commercial development and other uses. For those properties not already paying the monthly street utility, the fee will be applied to the utility bill after the effective annexation date.

(8) Not in Floodplain. The City's participation in the CRS floodplain program qualifies City residents for a discount in flood insurance premiums. Because most areas under consideration for annexation are not within a floodplain, this savings was not factored into the example. If you have property in the floodplain, you should have savings.

(9) Annexation means properties are eligible for the "In-City" rate for the city recreation program, which is \$7 less per activity or facility reservation. In this example, we have not assumed use of the recreation program and associated savings, but city residents participating in recreation program activities or reserving facilities will have savings.

(10) Property in Column A is paying Homeowner Association Fees for Street Lights. Generally, in subdivisions where Service and Annexation Agreements were signed before June 15, 2001, electric bills are paid through Homeowners Association dues until the property is annexed, at which time the City pays the electric bill. Payment is approximately \$7.50 per fixture per month. Individual share is estimated at \$2.50/month.

Property in Column B is not paying Homeowner Association Fees for Street Lights. Generally, in subdivisions where Service and Annexation Agreements were signed after June 15, 2001, the City is already paying the electric bill for street lights.