

Keizer Growth Opportunities Workshop & Conversation



Please come and The purpose of the **Keizer Growth Opportunities Workshop** is to examine fiscal and social factors associated with outward urban growth. The workshop is intended to inform current conversations in Keizer about expanding the urban growth boundary (UGB). We will examine the experiences of other jurisdictions that have expanded—or attempted to expand—their UGBs, including the peer cities of Woodburn and McMinnville, as well as several expansion areas of the Portland Metro UGB—particularly North Bethany in Washington County. The following summary provides an overview of the research done in preparation for the workshop; this research is detailed in the *Costs of Growth Memo*.

UGB Amendment Process

Keizer can learn much from the experiences of other jurisdictions that have attempted to grow outward. The **City of Woodburn** was eventually successful in amending its UGB in 2016, after working for over a decade and expending an estimated at over \$1 million in public funds. The City was finally able to receive approval of its expansion plan after seeking mediation with the State of Oregon, Marion County, and 1000 Friends of Oregon. Like Woodburn, the **City of McMinnville** worked for over ten years in pursuit of a UGB expansion. However, McMinnville eventually chose to abandon its attempts in 2012 in face of relentless legal opposition. **North Bethany** is an area of unincorporated Washington County that was added to the Portland Metropolitan UGB in 2002. Although North Bethany represents a successful UGB amendment, the process was held up in litigation for several years, and the County went through many years of planning before development could occur. Funding the needed infrastructure also posed significant challenges.

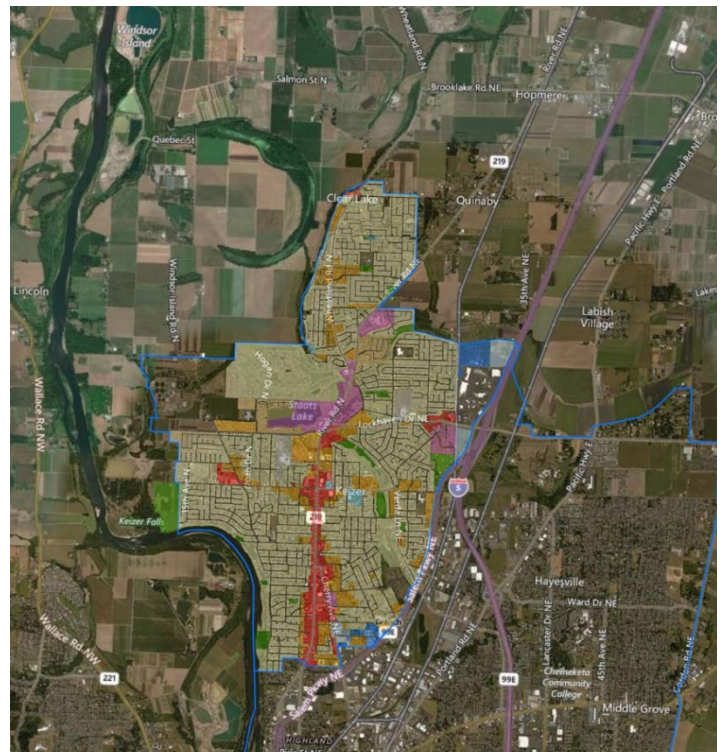
Costs of Growth

In addition to the challenging UGB amendment process, the memo considers various costs associated with accommodating growth on the edge of an urban area. These include the construction of new or expanded physical infrastructure and facilities, and the extension of urban services. While most of these near-term growth-related costs are borne by the land developer, over time, the costs for maintenance and ongoing operations shift onto the public.

In addition to these service costs, a number of other non-monetary costs are more closely associated with outward growth than with infill development. These include things like traffic congestion and crashes, potential health impacts, and changes to community character. These will be key considerations for Keizer to weigh, should it pursue a UGB expansion.

In an attempt to quantify the costs that Keizer may face should it choose to expand its UGB, the memo examines municipal budgets for peer cities Woodburn and McMinnville, and compares system development charges (SDCs) several peer cities, as well as for North Bethany and other UGB expansion areas in the Portland Metro region. Some of the key takeaways:

- The average SDC fee charged for single-family homes built in the Portland Metro UGB expansion areas is \$44,774—23% higher than the average fee charged for homes built inside the previous UGB
- Keizer charges \$4,439 in SDC fees, much lower than the expansion areas and peer cities
- Even with the SDCs, expansion areas in Oregon have faced significant challenges in financing for infrastructure—particularly for new roads
- Higher SDCs can significantly raise the cost of development, and depending on the market, could possibly prevent the development that is sought through the UGB expansion.



- UGB expansion would likely require system-wide upgrades to River Road and others much sooner than planned.