



**CITY COUNCIL MEETING
STAFF REPORT**

<p>Meeting Date: March 20, 2023</p>	<p>Subject: Resolution No. 3055 A Resolution of the City of Wilsonville Authorizing the Mayor to Execute an Intergovernmental Agreement between the City of Wilsonville and the Tri-County Metropolitan Transportation District of Oregon for the Adjustment of TriMet District Boundaries and an Associated Memorandum of Understanding between the City of Wilsonville and the Tri-County Metropolitan Transportation District of Oregon Regarding Future Adjustment of TriMet District Boundaries</p> <p>Staff Member: Amanda Guile-Hinman, City Attorney</p> <p>Department: Legal</p>
<p>Action Required</p> <p><input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1st Reading Date: <input type="checkbox"/> Ordinance 2nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda</p>	<p>Advisory Board/Commission Recommendation</p> <p><input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable</p> <p>Comments: N/A</p>
<p>Staff Recommendation: Staff recommends Council adopt Resolution No. 3055.</p>	
<p>Recommended Language for Motion: I move to adopt Resolution No. 3055.</p>	
<p>Project / Issue Relates To:</p>	
<p><input type="checkbox"/> Council Goals/Priorities:</p>	<p><input type="checkbox"/> Adopted Master Plan(s):</p>
<p><input type="checkbox"/> Not Applicable</p>	

ISSUE BEFORE COUNCIL:

Consider whether to execute an intergovernmental agreement and memorandum of understanding with TriMet to withdraw certain properties within the City of Wilsonville from the TriMet service area and to plan a petition in 2026 to withdraw from the TriMet’s service area the Basalt Creek urban growth boundary (UGB) area.

EXECUTIVE SUMMARY:

TriMet currently collects payroll taxes from certain employers within the Wilsonville city limits, amounting to approximately \$273,800 annually, while providing no transit service to these properties. The City of Wilsonville (“City”) has attempted, for many years, to urge TriMet to change its service boundary to remove properties within the City limits and within the City’s UGB so that the City, through its South Metro Area Regional Transit (“SMART”), can continue to provide service and plan for expanded service for the Wilsonville community. Additionally, the City’s current and planned future investments of millions of dollars within its UGB to incentivize development of high-wage industrial and commercial jobs, will unfairly create a windfall for TriMet through its collection of payroll taxes while it continues to provide minimal (if any) transit service to the area.

TriMet has been unwilling to change its service boundary until the City sought a legislative remedy through the introduction of HB 2666 during the 2023 legislative session. When TriMet met with the City after HB 2666 was introduced, TriMet made representations that processes currently exist to get to the outcomes the City seeks through HB 2666. These processes consisted of two steps, according to TriMet. The first step consisted of a withdrawal from the TriMet service boundary of the parcels that are currently within Wilsonville’s city limits (“Step 1”). The second step would be for the City to petition TriMet to withdraw the UGB area in 2026, the next time petitions may be considered under state statutes (“Step 2”). Based on TriMet’s representations regarding the processes available to the City to adjust the service boundaries, the next steps were for TriMet to draft an intergovernmental agreement (“IGA”) to address Step 1 and a memorandum of understanding (“MOU”) to address Step 2, which would work together to address all of the City’s concerns regarding the TriMet boundary.

The drafted language of the IGA and MOU, attached to Resolution No. 3055, represent the two-step process City staff is confident that it will be able to address the TriMet boundary issue, whereby the City can seek withdrawal of HB 2666.

EXPECTED RESULTS:

Assuming TriMet’s agreement to the form of the IGA and MOU attached to Resolution No. 3055, the areas within the city limits that are TriMet service boundary will likely be withdrawn from the TriMet service area by fiscal year end. The petition to withdraw the UGB area would likely occur in the early part of calendar year 2026.

TIMELINE:

For the IGA, seek TriMet execution and implement prior to the end of the current fiscal year. For the MOU, it must be executed contemporaneous with the IGA, and implementation will occur in 2026.

CURRENT YEAR BUDGET IMPACTS:

Staff seeks a budget supplemental to compensate TriMet for ten years' worth of the revenue it will no longer collect from the properties within the city limits because TriMet was unwilling to move forward with the two-step process without this compensation.

The City will be able to begin collecting its payroll tax from these employers, which payroll tax rate is significantly less than TriMet's (0.5% compared to 0.8037%).

COMMUNITY INVOLVEMENT PROCESS:

N/A

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Better transit service to areas that will be annexed into the City of Wilsonville in the future,.

ALTERNATIVES:

Continue to push for a legislative remedy.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 2666
 - A. Intergovernmental Agreement between the City of Wilsonville and the Tri-County Metropolitan Transportation District of Oregon for the Adjustment of TriMet District Boundaries
 - B. Memorandum of Understanding between the City of Wilsonville and the Tri-County Metropolitan Transportation District of Oregon Regarding Future Adjustment of TriMet District Boundaries