



**CITY COUNCIL MEETING
STAFF REPORT**

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| Meeting Date: May 15, 2023 | | Subject: Resolution No. 3069 A Resolution of the City of Wilsonville Repealing Resolution No. 3055 and Authorizing the City Manager 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 Staff Member: Amanda Guile-Hinman, City Attorney Department: Legal | |
| Action Required | | Advisory Board/Commission Recommendation | |
| <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd 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 | | <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments: N/A | |
| Staff Recommendation: Staff recommends Council approve Resolution No. 3069. | | | |
| Recommended Language for Motion: I move to approve Resolution No. 3069. | | | |
| Project / Issue Relates To: | | | |
| <input type="checkbox"/> Council Goals/Priorities: | <input type="checkbox"/> Adopted Master Plan(s): | <input checked="" type="checkbox"/> Not Applicable | |

ISSUE BEFORE COUNCIL:

Consider approving Resolution No. 3069 (**Attachment 1**), which includes a revised version of the intergovernmental agreement (IGA) previously approved via Resolution No. 3055.

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 urban growth boundary (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 had 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. Since then, City and TriMet representatives have been negotiating an alternative to HB 2666 that is a global solution to address both the properties within the Wilsonville city limits and the properties within the Wilsonville UGB that are currently within the TriMet service district.

When negotiations stalled due to changed representations by TriMet, at the March 20, 2023 Council meeting, the City approved Resolution No. 3055, which articulated the City’s proposed processes for removing the properties within the Wilsonville city limits from the TriMet service district and for removing the properties within the Wilsonville UGB from the TriMet service district.

After that meeting, the parties further negotiated the terms of the agreements to effectuate these withdrawals, wherein TriMet proposed changes that are more aligned with the City’s goal to incorporate properties that are, or will be, within the Wilsonville city limits, into the SMART service district. The parties are generally in agreement regarding a process for the adjustment of TriMet’s boundary regarding the properties within the Wilsonville city limits to occur within this fiscal year and also a process for the withdrawal of the Wilsonville UGB from TriMet’s boundary, which is reflected in the intergovernmental agreement attached to Resolution No. 3069 as Exhibit A.

The parties also explored the possibility of withdrawing all concerned properties with a further payment by the City, but that negotiation is still ongoing. As such, the memorandum of understanding (MOU), a current draft of which is attached hereto as **Attachment 2**, contemplates either the withdrawal of the Wilsonville UGB properties through a future TriMet ordinance or through a withdrawal petition process led by the City. Staff are still working to address City concerns that the current draft MOU is not binding on the parties and thus does not require TriMet to follow through on the expectations of the City regarding future efforts to withdraw the Wilsonville UGB from the TriMet service district.

EXPECTED RESULTS:

Assuming TriMet agrees to an IGA substantially similar to Exhibit A attached to Resolution No. 3069 and to a memorandum of understanding that properly addresses the City’s goal to find a global solution that will address both the properties within the Wilsonville city limits and the properties within the Wilsonville UGB that are currently within the TriMet service district. The areas within the city limits that are within the TriMet service boundary will likely be withdrawn from the TriMet service area by fiscal year end. Withdrawal of the properties within the UGB area would likely occur either in the next fiscal year or in the early part of calendar year 2026. The process for the withdrawal of the UGB area depends on whether the parties agree to TriMet’s withdrawal of the concerned properties with a further payment by the City.

TIMELINE:

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

CURRENT YEAR BUDGET IMPACTS:

The City approved a supplemental budget line item of \$2,738,000 at the Council’s March 20, 2023 meeting 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. The City and SMART are committed to providing efficient and equitable transit that furthers local, state, and federal climate friendly goals and plans to fully transition its fleet to alternative fuels by 2028. The City seeks to expand its equitable and climate-friendly public transit service within its city limits and UGB area.

ALTERNATIVES:

Continue to push for a legislative remedy.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3069
 - A. Intergovernmental Agreement
2. Draft Memorandum of Understanding