



PROPOSED FINDINGS, REASONS FOR DECISION AND CONCLUSIONS

FILE NO: AN-16-0002

APPLICATION TYPE: Annexation (Sewer Connection)

CITY COMMISSION

HEARING DATE: July 5, 2017, 7:00 p.m., City Hall
615 Center Street
Oregon City, OR 97045

REPRESENTATIVE: Rick Lesniak
518 4th St, Lake Oswego, OR 97034

OWNER: Betty Savage
P.O. Box 425, Wilsonville, OR 97070

REQUEST: The applicant is requesting approval of an emergency annexation of one 0.92 acre property due to a certified failing septic system. The property will retain its existing FU-10 zoning.

LOCATION: The subject site is located at 19763 S. Parrish Rd and identified as Clackamas County Map 3-1E-12DC, Tax Lot 5600.

REVIEWER: Pete Walter, AICP, Associate Planner
Development Services Division

RECOMMENDATION: Evaluate Annexation against Factors, and Adopt the Staff Report and Proposed Findings, Reasons for Decision, and Recommendations.

PROCESS: Pursuant to OCMC Chapter 14.04. *City Boundary Changes and Extension of Services*, the procedure for review of annexations is governed by State Law and Oregon City Code Chapter 14.04. The procedure for a zone change is set forth in Oregon City Code Chapter 17.50.

The public hearing process is governed by OCMC 14.04 and 17.50.

The applicant and all documents submitted by or on behalf of the applicant are available for inspection at no cost at the Oregon City Planning Division, 221 Molalla Avenue, Oregon City, Oregon 97045, from 8:30am to 3:30pm Monday thru Friday. The staff report, with all the applicable approval criteria, will also be available for inspection 7 days prior to the hearing. Copies of these materials may be obtained for a reasonable cost in advance. The



OREGON CITY

Community Development – Planning

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annexation was initiated as a result of a public health hazard and as a result, City policy is to forward these annexations directly to the City Commission without a Planning Commission recommendation. Therefore, the City Commission will open the record and consider testimony to determine whether the application has or has not complied with the factors set forth in section 14.04.060 and 17.68.020 of the Oregon City Municipal Code. The City Commission decision is appealable to LUBA within 21 days of issuance of the Notice of Decision.

PROPOSAL NO. AN-16-0002 - CITY OF OREGON CITY - Annexation

Property Owners / Voters: Betty Savage

Applicant(s): Same as Owner

Proposal No. AN-16-0002 is a single tax lot annexation initiated by consent petition of 100% of the property owners and registered voters. Due to the nature of the emergency septic failure, this annexation proposal bypassed the Planning Commission as in the past emergency sewer connection requests. The petition meets the requirement for initiation set forth in ORS 222.170 and Metro Code 3.09.040(a).

The City's policy is to expedite the processing of such annexations by forwarding a recommendation directly to the City Commission without a Planning Commission recommendation. This is consistent with Comprehensive Plan Policy 14.4.4:

14.4.4

Expedite the annexation of property as provided by state law in order to provide sewer service to adjacent unincorporated properties when a public health hazard is created by a failing septic tank sewage system.

REASON FOR ANNEXATION

In order to address the emergency, the property has already connected to the City sewer system, on the condition that the owner subsequently petition for annexation to the City.

In this situation the septic system failure was due to a collapsed septic tank and the lack of space for an updated drain (leach) field. City water and sewer services were available close to the property and the owner desired to make the needed connections.

The territory to be annexed is located at the southern edge of City at the corner of Parrish Road and Central Point Road as shown in Exhibit 1. The territory in Proposal No. AN-16-0002 contains approximately 0.92 acres, has one single-family residence with a population of 2, and an assessed value of \$208,244.

The property has an Oregon City Comprehensive Plan designation of LR – Low Density Residential. The property is part of the 1979 Urban Growth Boundary and is not within a concept plan area. The applicant wishes to retain the current FU-10 zoning, requiring 10 acre minimum lots, which will serve to preclude any further development or land divisions on the subject property in advance of seeking a zone change. Any request for rezoning in the future must comply with the applicable provisions of OCMC Chapter 17.68 - Zoning Changes and Amendments. Though the Oregon City Municipal Code requires application of a City zoning designation upon annexation, a zone change may only be initiated with a zone change application which is accompanied by a transportation analysis to demonstrate

compliance with applicable regulations, such as the Transportation Planning Rule (TPR). As the applicant is required to initiate annexation due to a failed septic system, staff finds it appropriate in this case to retain the existing Clackamas County zoning designation if the development onsite is limited.

The owner would be able to receive city services, specifically, sanitary sewer, and water connections as well as the full range of administrative and municipal services provided upon annexation to the City. The property is within 300 feet of a city sanitary sewer system and by Oregon Revised Statute, it must be connected to the city sewer service and annexed.

SB 1573

If the City Commission determines that the proposed annexation should be approved, the City Commission is required by the Charter to submit the annexation to the electors of the City. However, the passage of SB 1573 requires that the City annex the territory without submitting the proposal to the electors of the city if:

(a) The territory is included within an urban growth boundary adopted by the city or Metro, as defined in ORS 197.015;

(b) The territory is, or upon annexation of the territory into the city will be, subject to the acknowledged comprehensive plan of the city;

(c) At least one lot or parcel within the territory is contiguous to the city limits or is separated from the city limits only by a public right of way or a body of water; and

(d) The proposal conforms to all other requirements of the city's ordinances.

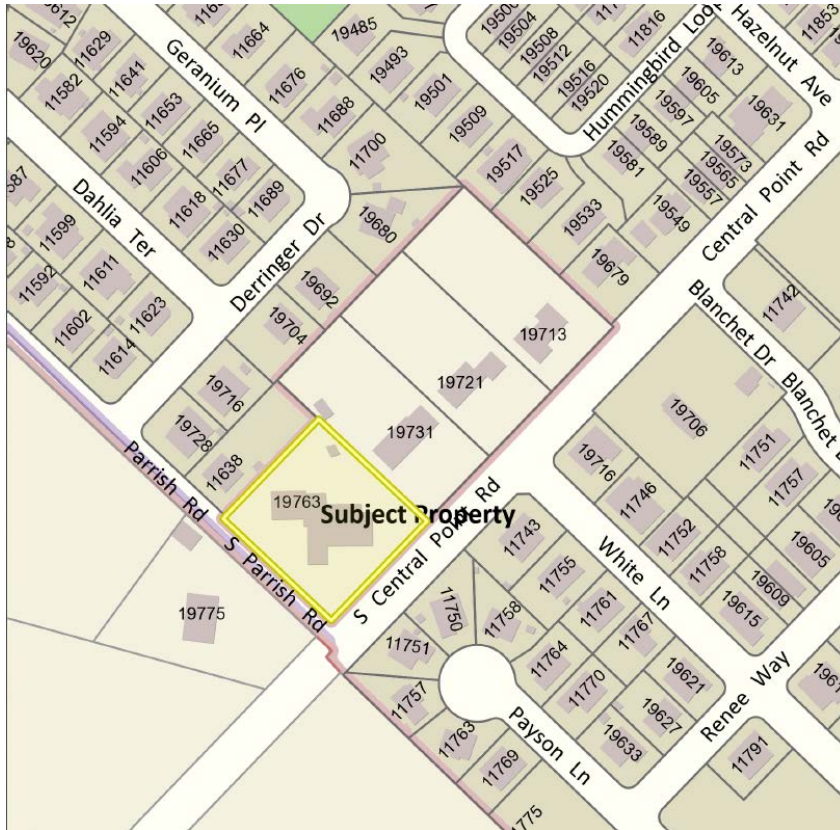
The territory is included within the City's UGB adopted by the City and Metro. The territory has a Comprehensive Plan Designation of Low Density Residential pursuant to the acknowledged Oregon City Comprehensive Plan. The territory is contiguous to the City Limits. As demonstrated within this report, the proposal can meet the City's applicable ordinances.

Thus, the proposal meets items (a) through (d), with the conditions of approval and the City may annex the territory without submitting the proposal to the electors of the city.

LAND USE PLANNING

SITE CHARACTERISTICS

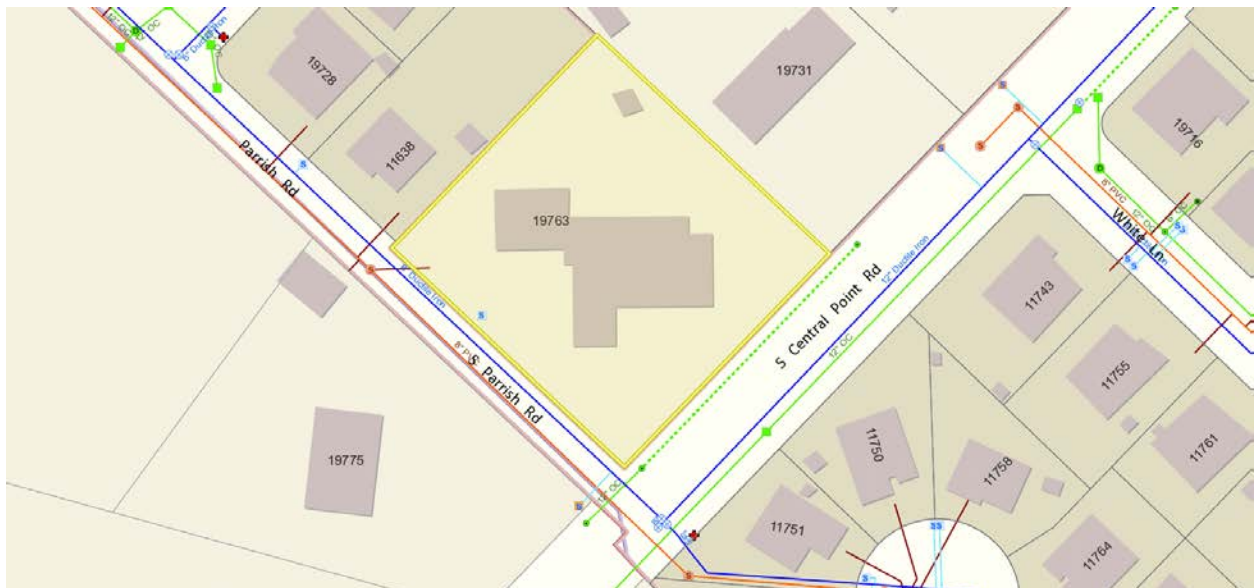
The property is generally level, draining gently to the south. The applicant has connected to the city sewer main system running in S. Parrish Road that passes along the southwest edge of the property with a service line. The site is a residential parcel with a few scattered trees around the existing house and outbuilding. The property is in the South End Drainage Basin.



The property is one of four tax lots on Central Point Road that form an existing county island. Annexation of the property would therefore reduce the size of the unincorporated island. The abutting right-of-way of Central Point Road and Parrish Road are already within the city, and the property is contiguous to the City Limit for 189 feet along its northwestern boundary.

The property was recently improved with a large new home constructed in the middle of the site with building permits issued by Clackamas County. Due to the newness of the

construction and the location of the home, additional land division of the property is not anticipated.



The figure above indicates the location of Oregon City sewer, water and storm water utilities adjacent to the property.

REGIONAL PLANNING

General Information

This territory is inside Metro's jurisdictional boundary and inside the regional Urban Growth Boundary (UGB).

Metro Boundary Change Criteria

The Legislature has directed Metro to establish criteria that must be used by all cities within the Metro boundary. The Metro Code states that a final decision shall be based on substantial evidence in the record of the hearing and that the written decision must include findings of fact and conclusions from those findings. The Code requires these findings and conclusions to address the following minimum criteria:

1. Consistency with directly applicable provisions in ORS 195 agreements or ORS 195 annexation plans.
2. Consistency with directly applicable provisions of urban planning area agreements between the annexing entity and a necessary party.
3. Consistency with directly applicable standards for boundary changes contained in Comprehensive land use plans and public facility plans.
4. Consistency with directly applicable standards for boundary changes contained in the Regional framework or any functional plans.
5. Whether the proposed boundary change will promote or not interfere with the timely, orderly and economic provision of public facilities and services.
6. Consistency with other applicable criteria for the boundary change in question under state and local law.

Consistency with the County and urban service provider planning agreements along with the timely, orderly and economic provision of public services as required by the Metro Code are discussed in greater detail below.

The Metro Code also contains a second set of 10 factors that are to be considered where: 1) no ORS 195 agreements have been adopted, and 2) a necessary party is contesting the boundary change. Those 10 factors are not applicable at this time to this annexation because no necessary party has contested the proposed annexation.

Metro Regional Framework Plan

The law that requires Metro to adopt criteria for boundary changes and specifically states that those criteria shall include "... compliance with adopted regional urban growth goals and objectives, functional plans ... and the regional framework plan of the district [Metro]." Metro's Growth Management Functional Plan was reviewed and found not to contain any

criteria directly applicable to boundary changes. The Regional Framework Plan was reviewed and found not to contain specific criteria applicable to boundary changes.

CLACKAMAS COUNTY PLANNING

The Metro Code states that the Commission's decision on this boundary change should be ". . . consistent with specific directly applicable standards or criteria for boundary changes contained in comprehensive land use plans, public facility plans, . . ."

The Clackamas County Comprehensive Plan is the currently applicable plan for this area. The plan designation for this site is Low Density Residential (LR) on the County's Oregon City Area Land Use Plan (Map IV-5). The County Zoning on the property is FU-10, Future Urban, and 10-acre minimum lot size. This is a holding zone to prevent the creation of small parcels in areas within the UGB to preserve the capacity of land to fully develop once a full range of urban services is available. Lands located outside areas having sanitary sewer service available were designated Future Urbanizable.

Clackamas County Zoning and Development Ordinance (ZDO) section 314.02 provides that the Future Urban 10-Acre District is applied to those areas designated as Future Urban by Chapter 4 of the Clackamas County Comprehensive Plan.

The *Land Use* section of the Plan, Chapter 4, identifies the territory proposed for annexation as *future urban*, which are defined as:

"Future urban areas are lands within urban growth boundaries but outside immediate urban areas. Future urban areas are planned to be provided with public facilities, but currently lack providers of those facilities. Future urban areas are substantially underdeveloped and will be retained in their current use to ensure future availability for urban needs. Future urban areas are planned for urban uses but zoned for large-lot, limited development."

Urban Growth Management Agreement

The City and the County have an Urban Growth Management Agreement (UGMA), which is a part of their Comprehensive Plans. The territory to be annexed falls within the Urban Growth Management Boundary (UGMB) identified for Oregon City and is subject to the agreement. The County agreed to adopt the City's Comprehensive Plan designations for this area that is Low Density Residential. Consequently, when property is annexed to Oregon City, it may receive a City planning designation by default, which is R-10 single-family dwelling district, provided adequate public facilities can be demonstrated.

Regarding transportation impacts, rezoning must demonstrate compliance with, or be exempted from, the mobility standards of [OCMC 12.04.205 – Mobility Standards](#). The applicant has not applied to rezone the property and does not intend to redevelop the site at higher density. A transportation analysis is not required. Staff recommends that the property maintain its existing County FU-10 zoning, which will serve to preclude any further development or land divisions on the subject property in advance of a zone change.

The UGMA presumes that all the urban lands within the Urban Growth Boundary will ultimately annex to the City. It specifies that the city is responsible for the public facilities plan required by Oregon Administrative Rule Chapter 660, division 11. The Agreement goes on to say:

4. City and County Notice and Coordination

* * *

D. The CITY shall provide notification to the COUNTY, and an opportunity to participate, review and comment, at least 20 days prior to the first public hearing on all proposed annexations . . .

* * *

5. City Annexations

A. CITY may undertake annexations in the manner provided for by law within the UGMB. CITY annexation proposals shall include adjacent road right-of-way to properties proposed for annexation. COUNTY shall not oppose such annexations.

B. Upon annexation, CITY shall assume jurisdiction of COUNTY roads and local access roads that are within the area annexed. As a condition of jurisdiction transfer for roads not built to CITY street standards on the date of the final decision on the annexation, COUNTY agrees to pay to CITY a sum of money equal to the cost of a two-inch asphaltic concrete overlay over the width of the then-existing pavement; however, if the width of pavement is less than 20 feet, the sum shall be calculated for an overlay 20 feet wide. The cost of asphaltic concrete overlay to be used in the calculation shall be the average of the most current asphaltic concrete overlay projects performed by each of CITY and COUNTY. Arterial roads will be considered for transfer on a case- by-case basis. Terms of transfer for arterial roads will be negotiated and agreed to by both jurisdictions.

C. Public sewer and water shall be provided to lands within the UGMB in the manner provided in the public facility plan . . .

* * *

The required notice was provided to the County at least 20 days before the City Commission hearing. The agreement requires that adjacent road rights-of-way be included within annexations. The rights-of-way of Parrish Road and Central Point Road are already within the city limits.

The property is currently within the Clackamas River Water District (CRW). The property is hooked up to City water. The City is currently working with CRW on a plan to clarify the City / CRW service boundaries, and will include this property with a large scale withdrawal of multiple properties from CRW. The property will be removed from the Clackamas River Water District at the time that this plan is finalized.

The City provided sewer service to the property in accordance with state requirements to hook up to city sewer and in accordance with the Oregon City Sanitary Sewer Master Plan (SSMP). The property also is currently receiving water service from the City.

OREGON CITY COMPREHENSIVE PLAN

This territory is designated by the Oregon City acknowledged Comprehensive Plan as LR – Low Density Residential. Portions of the City’s Comprehensive Plan have some applicability and these are covered here.

Section 2 of the Oregon City Comprehensive Plan is entitled *Land Use*. Several Goals and Policies in this section are pertinent to proposed annexations.

The *Public Facilities* Section of the Comprehensive Plan contains the following pertinent Goals and Policies.

Goal 11.1: Provision of Public Facilities

Serve the health, safety, education, welfare, and recreational needs of all Oregon City residents through the planning and provision of adequate public facilities.

Policies

Policy 11.1.1 Ensure adequate public funding for the following urban facilities and services, if feasible:

- a. Streets and other roads and paths*
- b. Wastewater collection*
- c. Storm water management services*
- d. Police protection*
- e. Fire protection*
- f. Parks and recreation*
- g. Water distribution*
- h. Planning, zoning and subdivision regulation*

Streets and other roads and paths

Parrish Road and Central Point Road are city-owned and maintained. There are currently no plans to alter or improve the roads abutting the property. The policies that govern city streets and roads are the adopted 2014 Transportation System Plan and Municipal Code Chapter 12.04 - Streets, Sidewalks and Public Places. The City charges a pavement maintenance utility fee (PMUF) for upkeep of road surfaces which will be applied to the property upon annexation.

Wastewater collection

Upon annexation, this one home will start paying the current stormwater utility fee. Therefore, no additional public funds will need to be spent.

Police and Fire Protection

This annexation will immediately add one home to the city's police and fire protection coverage and withdraw the property from Clackamas County Sheriff's Enhanced Law Enforcement District. The Oregon City Police Department indicated the address is serviced by Clackamas County Sheriff's Office. Currently any calls to Clackamas County 9-1-1 (CCOM) are dispatched to a Clackamas County Sheriff's Deputy. However, if it is a priority call and Oregon City officers are available they would respond as they would be able to arrive much quicker than a Clackamas County Sheriff's Deputy. Once annexed, the property will be serviced by Oregon City Police Department (OCPD). OCPD has no conflicts with this annexation.

The property is already within the Clackamas Fire District #1 and will remain in CFD#1 upon annexation.

Water

The property is currently within the Clackamas River Water District (CRW). The property is hooked up to City water. The City is currently working with CRW on a plan to clarify the City / CRW service boundaries, and will include this property with a large scale withdrawal of multiple properties from CRW. The property will be removed from the Clackamas River Water District at the time that this plan is finalized.

Policy 11.1.1 defines what is encompassed within the term "urban facilities and services" as it pertains to annexation. The City's plan is more inclusive in its definition of what services are considered an "urban service" than is the Metro Code. The City's Plan adds fire protection and planning, zoning and subdivision regulation to the list of urban services that are to be considered by the Metro Code. The adequacy of these facilities and services to serve the subject property, containing a single home, is discussed in greater detail below. The Metro Code also includes mass transit in addition to streets and roads.

Policy 11.1.3 Confine urban public facilities and services to the city limits except where allowed for safety and health reasons in accordance with state land use planning goals and regulations. Facilities that serve the general public will be centrally located and accessible, preferably by multiple modes of transportation.

Policy 11.1.4 Support development on underdeveloped or vacant buildable land within the City where urban facilities and services are available or can be provided and where land use compatibility can be found relative to the environment, zoning, and comprehensive plan goals.

Policy 11.1.5 Design the extension or improvement of any major urban facility and service to an area to complement other urban facilities and services at uniform levels.

Policies 11.1.3 and 11.1.4 encourage development on sites within the City where urban facilities and services are either already available or can be provided. This policy implies that lands that cannot be provided urban services should not be annexed. The City has capacity to provide urban services to this existing home.

Policy 11.1.5 requires that the installation of a major urban facility or service should be coordinated with the provision of other urban facilities or services. No major urban facility or service is required here; rather, it requires normal extension of sanitary sewer from the existing sewer main abutting the site in S. Parrish Road.

The owner has not proposed to further divide the existing parcel at this time.

Read together, these policies suggest that when annexing lands, the City should consider whether a full range of urban facilities or services are available or can be made available to serve the territory to be annexed. Oregon City has implemented these policies with its Code provisions on processing annexations, which requires the City to consider adequacy of access and adequacy and availability of public facilities and services. Overall, it appears that the city can provide urban service capacity to this one home.

Goal 11.2: Wastewater

Seek the most efficient and economic means available for constructing, operating, and maintaining the City's wastewater collection system while protecting the environment and meeting state and federal standards for sanitary sewer systems.

Policies

Policy 11.2.2 Plan, operate and maintain the wastewater collection system for all current and anticipated city residents within the existing urban growth boundary. Strategically plan for future expansion areas.

Since all new development on annexed land is required to connect to the sanitary sewer system, this policy suggests that a measure of the adequacy of the sanitary system should be whether it could serve the potential level of development provided for by the Comprehensive Plan and Zoning designations. The city's sanitary sewer is available to this property.

Policy 11.2.3 Work with Tri-City Service District to provide enough capacity in its collection system to meet standards established by the Oregon Department of Environmental Quality (DEQ) to avoid discharging inadequately treated sewage to surface waters.

The Tri-City Service District was provided notice of this annexation. The District responded that it has adequate capacity to serve the annexation. The District provides sewer collection to the Cities of West Linn, Oregon City and Gladstone. The property owner must initiate the Tri-City Service District annexation after annexation to the City and has included an acknowledgement of this requirement in their petition. The City Commission should concur with Tri-City Service District's annexation of the subject property in the enacting ordinance upon voter approval of the annexation.

Goal 11.3: Water Distribution

Seek the most efficient and economic means available for constructing, operating, and maintaining the City's water distribution system while protecting the environment and meeting state and federal standards for potable water systems.

Policies

Policy 11.3.1 Plan, operate and maintain the water distribution system for all current and anticipated city residents within its existing urban growth boundary and strategically plan for future expansion areas.

Since new development on annexed lands may connect to the city water distribution system, this policy suggests that a measure of the adequacy of the water distribution system should be whether it could serve the potential level of development provided for by the Comprehensive Plan and Zoning designations. The subject property is zoned FU-10, imposing a 10 acre minimum lot size, which will serve to preclude any further land divisions until the land is rezoned to a City zoning designation.

The property is currently within the Clackamas River Water District (CRW). The property is hooked up to City water. The City is currently working with CRW on a plan to clarify the City / CRW service boundaries, and will include this property with a large scale withdrawal of multiple properties from CRW. The property will be removed from the Clackamas River Water District at the time that this plan is finalized.

Goal 11.4: Stormwater Management

Seek the most efficient and economical means available for constructing, operating, and maintaining the City's stormwater management system while protecting the environment and meeting regional, state, and federal standards for protection and restoration of water resources and fish and wildlife habitat.

Policies

Policy 11.4.1 Plan, operate, and maintain the stormwater management system for all current and anticipated city residents within Oregon City's existing urban growth boundary and strategically plan for future expansion areas.

Policy 11.4.4 Maintain existing drainageways in a natural state for maximum water quality, water resource preservation, and aesthetic benefits.

Since new development on annexed lands may connect to the city stormwater management system, this policy suggests that a measure of the adequacy of the stormwater management system should be whether the city (or the county stormwater management system in the event that drainage goes to the county) could serve the potential level of development provided for by the Comprehensive Plan and Zoning designations. New development may also have opportunities to provide further protection to preserve water quality. This annexation will not result in any changes to the stormwater drainage. No future development would be allowed under the existing FU-10 zoning designation. Improvement

of the existing storm water connections leading to would be in conformance with city stormwater design standards.

Goal 11.9: Fire Protection

Maintain a high level of fire suppression and emergency medical services capacity.

Policies

Policy 11.9.1 Ensure that all areas, including newly annexed areas, receive fire protection and emergency medical services.

The property is already within Clackamas County Fire District #1. Fire protection and emergency services will be unaffected by this proposal. The annexation was transmitted to Clackamas County Sheriff's Department and Oregon City Police Department for comment. OCPD already responds to priority County emergency calls for the unincorporated area in this location. Clackamas County Sheriff's Department was contacted and had no conflicts with the annexation. Upon annexation the area would be removed from the Clackamas County Sheriff's Enhanced Law Enforcement District. OCPD does not anticipate any police service problems due to the annexation of this one home.

The final section of this staff report addresses each urban service to determine whether the services are currently available or can be made available at an adequate level to serve the potential development of the property under the current planning designation and zoning that implements it.

Section 14 of the Plan is entitled *Urbanization*. Several policies in this section are pertinent to proposed annexations. The following excerpts expand on the City's annexation philosophy and requirements.

The City is required to refer all proposed annexations to the voters. Rather than having voter approval of individual property owners' requests to annex, the City should prepare and implement an annexation plan and program. The City could then annex large blocks of properties (with voter approval) at one time, rather than in a piecemeal fashion. Annexation would be tied more directly to the City's ability to provide services efficiently, maintain regular city boundaries, and help the city meet Metro targets for housing and employment. The zoning of the property should be decided at the time the Planning Commission and City Commission review and approve the annexation request.

Applications for annexation, whether initiated by the City or by individuals, are based on specific criteria contained in the City's municipal code. Metro and state regulations promote the timely and orderly provision of urban services, with which inappropriate annexations can conflict. Therefore, an annexation plan that identifies where and when areas might be considered for annexation can control the expansion of the city limits and services to help avoid those conflicts and provide predictability for residents and developers. Other considerations are consistency with the provisions of this comprehensive plan and the City's public facility plans, with any plans and agreements of urban service providers, and with regional annexation criteria.

The City has not completed an annexation plan and program for this area. This annexation is still sufficiently tied directly to the City's ability to provide services efficiently with the logical extension of physical utility lines as it is adjacent to several city subdivisions, that have utilities and street improvements. The proposal does not include a zone change and as such, conditions will be placed on the annexation limiting development until a zone change to a City designation occurs.

The following Plan annexation policies are approval criteria for annexations under Criteria 3 of the Metro Code.

Goal 14.4: Annexation of Lands to the City

Annex lands to the city through a process that considers the effects on public services and the benefits to the city as a whole and ensures that development within the annexed area is consistent with the Oregon City Comprehensive Plan, City ordinances, and the City Charter.

The city annexation process is set out in Chapter 14 of the Municipal Code. By requiring compliance with that code, the Metro code, and the statewide planning rules, the city is identifying the effects the full build-out of these annexed properties will have on public services and any benefits to the city as a whole.

Policy 14.4.1 *In order to promote compact urban form to support efficient delivery of public services, lands to be annexed must be within the City's Urban Growth Boundary, and must be contiguous to the existing City limits. Long linear extensions, such as cherry stems and flag lots, shall not be considered contiguous to City limits.*

The proposed property is contiguous to the city limits along the side and rear property line for approximately 340 feet. No long linear extensions are proposed. The annexation would not create any islands.

Policy 14.4.2 *Concept Plans and Sub-area Master Plans for unincorporated areas within the Urban Growth Boundary shall include an assessment of the fiscal impacts of providing public services to the area upon annexation, including the costs and benefits to the city as a whole.*

This property is part of the 1979 Urban Growth Boundary and was previously part of the city's existing Comprehensive Plan with a Low Density Residential land use designation. There is no concept plan requirement. The property has been included in all of the City's adopted public facilities master plans for sewer, water, stormwater and transportation.

Policy 14.4.3 *When an annexation is requested, the Commission may require that parcels adjacent to the proposed annexation be included to:*

- a) avoid creating unincorporated islands within the city;*
- b) enable public services to be efficiently and cost-effectively extended to the entire area;*
- or*
- c) implement a Concept Plan or Sub-area Master Plan that has been approved by the Commission.*

This proposed annexation does not create an unincorporated island within the city. The annexation would reduce the size of an existing island. There is no development proposed at this time, and future development is limited as the property has proposed to retain the exiting Clackamas County zoning designation. No additional parcels are anticipated to be annexed to enable more efficient public services at this time.

Policy 14.4.4 The City may, as provided by state law, provide sewer service to adjacent unincorporated properties when a public health hazard is created by a failing septic tank sewage system; the Commission may expedite the annexation of the subject property into the city, subject to any voter approvals of annexations.

A public health hazard existed by nature of the failing septic system. The property owner has already connected the property to the City sewer system and obtained the proper city and county permits to complete the extension of the sewer line to the property.

LAND USE

Section 2, of the City's Comprehensive Plan identifies land use types. This application has one residential land use type:

1. *Low Density Residential [LR]: Areas in the LR category are primarily for single-family detached homes.*

The City/County urban growth management agreement specifies that the County's acknowledged Comprehensive Plan and implementing regulations shall apply until annexation and the City adopts subsequent plan amendments. The Oregon City Code requires the City Planning Department to review the final zoning designation within sixty days of annexation, utilizing the chart below and some guidelines laid out in Section 17.06.030.

CITY LAND USE CLASSIFICATION

<u>Residential Type</u>	<u>City Zone</u>
Low-density residential	R-10, R-8, R-6
Medium-density residential	R-3.5, R-5
High-density residential	R-2

That section goes on to say:

"In cases where only a single city zoning designation corresponds to the comprehensive plan designation . . . Section 17.68.025 shall control."

Section 17.68.025, Zoning changes for land annexed into the city, says:

"Notwithstanding any other section of this chapter, when property is annexed into the city from the city/county dual interest area with any of the following comprehensive plan

designations, the property shall be zoned upon annexation to the corresponding city zoning designations as follows:"

<u>Plan Designation</u>	<u>Zone</u>
Low-density residential	R-10
Medium-density residential	R-3.5
High-density residential	R-2

Although the subject property is designated Low-density residential on the City's Comprehensive Plan, this proposal does not include a request to rezone the land to R-10. As noted above, no further development or land division may occur until the land is rezoned to a City zoning designation.

The City's Code contains provisions on annexation processing. Section 6 of Chapter 14 requires the City Commission "to consider the following factors, as relevant":

1. Adequacy of access to the site;

Finding: The site access is discussed below in the Facilities and Services section. The site has direct access onto S. Parrish Road and the existing access is adequate.

2. Conformity of the proposal with the City's Comprehensive Plan;

Finding: As demonstrated in this section of the staff report, the City's Comprehensive Plan is satisfied.

3. Adequacy and availability of public facilities and services to service potential development;

Finding: The Facilities and Services discussion of this report demonstrates that public facilities and services are available and are adequate to serve any potential development that could occur under the existing low density plan designation, though none is proposed.

4. Compliance with applicable sections of Oregon Revised Statutes Chapter 222, and Metro Code 3.09;

Finding: The only applicable criterion in ORS 222 is that annexed lands be contiguous to the City. The site is contiguous at its border with city property for about 340 feet along the property boundary. The Metro Code criteria are set out on page 2 of this report. This report considers each factor and the Conclusions and Reasons in the Findings and Reasons demonstrate that these criteria are satisfied.

5. Natural hazards identified by the City, such as wetlands, floodplains, and steep slopes;

Finding: No natural hazards are identified on the property.

6. Any significant adverse effects on specially designated open space, scenic historic or natural resource areas by urbanization of the subject property at the time of annexation;

Finding: No adverse effects on the identified resources are apparent. There are no overlay districts which affect the property. The property is in the South End drainage basin according to the Drainage Master Plan.

7. *Lack of any significant adverse effects on the economic, social and physical environment of the community by the overall impact of annexation.*

Finding: No significant adverse effects have been identified by any necessary party.

The Commission interprets the “community” as including the City of Oregon City and the lands within its urban service area. The City will obtain a small increase in property tax revenues from adding additional assessed value to its tax roll as a result of annexing the territory. The City will also obtain land use jurisdiction over the territory. Finally it will have service responsibilities including fire, police, and general administration. The City already occasionally delivers police service to the unincorporated area in the course of patrolling to deliver service to the incorporated area. The increases in service responsibilities to the area that result from the annexation are insignificant.

If annexed, the property owner could apply to the City for land use permits after the zone is changed. Any impacts on the community that result from approval of development permits are a direct consequence of the permit approval, not of the annexation. Before any urban development can occur, the territory must also be annexed to the Tri-City Service District. The City Commission must concur with Tri-City Service District’s annexation of the subject property in the enacting ordinance upon voter approval of the city annexation.

Section 8 of the Ordinance states that:

“The City Commission shall only set for an election annexations consistent with a positive balance of the factors set forth in Section 6 of this ordinance. The City Commission shall make findings in support of its decision to schedule an annexation for an election.”

FACILITIES AND SERVICES

ORS 195 Agreements. ORS 195 requires agreements among providers of urban services. Urban services are defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit.

Sanitary Sewers. The City of Oregon City provides sanitary sewer service from the 8” PVC sewer line in S. Parrish Rd. Sanitary sewer to service this site comes from an existing 4 inch PVC sanitary sewer lateral stubbed to the subject property from the sewer manhole in Parrish Road. The existing manhole is approximately 18.5 feet deep therefore the stubbed 4 inch lateral should be deep enough to allow the subject property to flow by gravity to the sanitary sewer system.

The Tri-City Service District provides sewage transmission and treatment services to the cities of Oregon City, West Linn and Gladstone. Each city owns and maintains its own local sewage collection system. The District owns and maintains the sewage treatment plant and interceptor system. The three cities are in the District and as provided in the intergovernmental agreement between the District and the City, the District does not serve territories outside Oregon City, with one exception.

Before January 1, 1999, state statute (ORS 199) provided that when territory was annexed to a city that was wholly within a district, the territory was automatically annexed to the district as well. That statute no longer applies in this area. Therefore, each annexation to Oregon City needs to be followed by a separate annexation of the territory to the Tri-City Service District. The City Commission must concur with Tri-City Service District's annexation of the subject property in the enacting ordinance upon voter approval of the city annexation.

The Tri-City Service District plant is along Interstate 205 in Oregon City just east of the junction of the Willamette and the Clackamas Rivers. The plant has an average flow capacity of 11 million gallons per day (mgd) and a design peak flow capacity of 50 mgd. The available average capacity is 4.4 mgd. The plant was designed to serve a population of 66,500 in the year 2001; however, the facility was recently expanded to increase the available average dry weather capacity to 11.9 mgd.

Due to the public health concern caused by a failed septic system, the City has approved access to the City sewer system and the site has been connected. The city issued permits for the connection in August, 2016.

Water. The property is currently within the Clackamas River Water District (CRW). The property is hooked up to City water. The City is currently working with CRW on a plan to clarify the City / CRW service boundaries, and will include this property with a large scale withdrawal of multiple properties from CRW. The property will be removed from the Clackamas River Water District at the time that this plan is finalized.

Stormwater. No additional development has been proposed. On-site stormwater drainage or discharge to a city or county facility will be required upon future development. Any future development would have to convey site stormwater runoff to the appropriate stormwater system in the area.

Fire Protection. This territory is currently within Clackamas Fire District #1 which serves portions of Clackamas County as well as Oregon City. Oregon Revised Statute 222.120 (5) allows the City to specify that the territory be automatically withdrawn from the District upon approval of the annexation. Staff recommends that the territory not be withdrawn from CCFD#1.

Police Protection. The Clackamas County Sheriff's Department currently serves the territory. The proposed annexation was forwarded for comment to the Sheriff's Department as well as Oregon City Police Department. Neither entity indicated that there is inadequate capacity to serve the property.

The area to be annexed lies within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. Due to the location being surrounded by Oregon City, Oregon City Police Department already responds to County emergency calls for the unincorporated area. The impact to police services upon

annexation will be negligible. Clackamas County Sheriff's Department was contacted and had no conflicts with the annexation.

According to ORS 222.120 (5) the City may provide in its approval ordinance for the automatic withdrawal of the territory from the District upon annexation to the City. If the territory were withdrawn from the District, the District's levy would no longer apply to the property.

Upon annexation the Oregon City Police Department will officially serve the property.

Parks, Open Space and Recreation. The nearest developed City park is Filbert Run Park about 600 feet from the property.

Transportation. Access is provided from Central Point Road and Parrish Road, streets which are under Oregon City jurisdiction. Though the Oregon City Municipal Code requires application of a City zoning designation upon annexation, a zone change may only be initiated with a zone change application which is accompanied by a required transportation analysis to demonstrate compliance with applicable regulations, such as the Transportation Planning Rule (TPR). As the applicant is required to initiate annexation due to a failed septic system, it is appropriate to retain the existing Clackamas County zoning designation if the development onsite is limited. Staff recommends that the property maintain its existing County FU-10 zoning, which will serve to preclude any further development or land divisions on the subject property in advance of a zone change.

Other Services. Planning, building inspection, permits, and other municipal services will be available to the territory from the City upon annexation.

STAFF RECOMMENDATION

Based on the study and the Proposed Findings and Reasons for Decision for this annexation, staff recommends that the City Commission approve Planning File AN 16-0002, and adopt as its own this Staff Report and Exhibits.

PROPOSED FINDINGS, CONDITIONS AND REASONS FOR DECISION

Based on the staff report and findings, the Commission determines:

1. The Metro Code calls for consistency of the annexation with the Regional Framework Plan or any functional plan. The Commission concludes the annexation is not inconsistent with this criterion because there were no directly applicable criteria for boundary changes found in the Regional Framework Plan, the Urban Growth Management Function Plan, or the Regional Transportation Plan.
2. Metro Code 3.09.050(d)(1) requires the Commission's findings to address consistency with applicable provisions of urban service agreements or annexation plans adopted pursuant to ORS 195. As noted in the Findings, there are no such plans or agreements in place. Therefore the Commission finds that there are no inconsistencies between these plans/agreements and this annexation.
3. The Metro Code, at 3.09.050(d)(3), requires the City's decision to be consistent with any "directly applicable standards or criteria for boundary changes contained in comprehensive land use plans and public facilities plans." The County Plan also identifies the property as *Immediate Urban* lands, which should ensure the "orderly, economic provision of public facilities and services." The property owner has demonstrated that the City can provide all necessary urban services. Nothing in the County Plan speaks directly to criteria for annexation. Therefore the Commission finds this proposal is consistent with the applicable plan as required Metro Code 3.09.050 (d)(3).
4. The Commission concludes that the annexation is consistent with the City Comprehensive Plan that calls for a full range of urban services to be available to accommodate new development as noted in the Findings above. The City operates and provides a full range of urban services. Specifically with regard to water and sewer service, the City has both of these services available to serve the area from existing improvements abutting the property.
5. With regard to storm drainage to the South End Basin, the city has the service available in the form of regulations to protect and control stormwater management.
6. The Commission notes that the Metro Code also calls for consistency of the annexation with urban planning area agreements. As stated in the Findings, the Oregon City-Clackamas County Urban Growth Management Agreement specifically provides for annexations by the City.
7. Metro Code 3.09.050(d)(5) states that another criterion to be addressed is "Whether the proposed change will promote or not interfere with the timely, orderly, and economic provision of public facilities and services." Based on the evidence in the Findings, the Commission concludes that the annexation will not interfere with the timely, orderly, and economic provision of services.

8. The Oregon City Code contains provisions on annexation processing. Section 6 of the ordinance requires that the City Commission consider seven factors if they are relevant. These factors are covered in the Findings and on balance the Commission believes they are adequately addressed to justify approval of this annexation.
9. The City Commission concurs with Tri-City Service District's annexation of the subject property in the enacting City ordinance upon voter approval of the city annexation.
10. The Commission determines that the property should be withdrawn from the Clackamas County Service District for Enhanced Law Enforcement as allowed by statute since the City will provide police services upon annexation.
11. The Commission determines that the property should not be withdrawn from the Clackamas County Fire District #1.
12. The Commission acknowledges that the property is currently within the Clackamas River Water District. The City is currently working with Clackamas River Water on a plan to clarify the City / Clackamas River Water service boundaries, and will include this property with a large scale withdrawal of multiple properties from Clackamas River Water in the future. The property will be removed from the Clackamas River Water District at the time that this plan is finalized.
13. Prior to annexation, the property owner or assigns will record a covenant, to be approved by the City Attorney, which limits development of the site until such time that a zone change to a City zoning designation has been approved. The covenant shall acknowledge that development is reviewed for compliance with the Oregon City Municipal Code and Clackamas County Zoning and Development Ordinance. Further, until a zone change is approved the site use shall not change or intensify, or receive approval of a land division or development of the site including, but not limited to: new structures or additions to existing structures. In addition the property shall be subject to the City's fence regulations in OCMC 17.54.100 as well as the City's nuisance and animal regulations.

Exhibits:

1. Proposed Ordinance 17-1008
2. Exhibit A to Ordinance 17-1008: Map and Legal Description of Annexation Area
3. Annexation Application
4. Vicinity Map
5. Public Notices
6. Clackamas River Water District Comments
7. Water Environment Services (WES) / Tri-City Service District (TCSD) Comments
8. Oregon City Police Dept. comments
9. Oregon City School District comments