



STAFF REPORT WITH FINDINGS AND RECOMMENDATION

FILE NOS.: AN-16-0004 / ZC-16-0001

APPLICATION TYPE: Annexation of 35.65 acres into Oregon City limits with Zone Change

HEARING DATES: *Planning Commission*
Monday, February 27th, 2017 - 7:00 p.m., Oregon City City Hall
625 Center Street, Oregon City, OR 97045

City Commission
Wednesday, March 1st, 2017 - 7:00 p.m., Oregon City City Hall
625 Center Street, Oregon City, OR 97045

APPLICANT: Serres Family H, LLC, 15207 S Forsythe Rd, Oregon City, OR 97045

OWNER(s): Same as Applicant (See petition signature sheet for details)

REPRESENTATIVE: Rick Givens, 18680 Sunblaze Dr, Oregon City, OR 97045

REQUEST: Annexation and Zone Change of six properties north of Holcomb Blvd and west of Winston Drive totaling 35.65 acres into Oregon City. The subject territory is within the Oregon City Urban Growth Boundary, and has a Comprehensive Plan designation of LR – Low Density Residential. Applicant has requested zone change to R-10 Single Family Residential.

LOCATION: Clackamas APN 2-2E-28A, TL 500 (3.3 ac), TL 580 (9.7 ac), and TL 590 (4.9 ac)
Clackamas APN 2-2E-21D, TL 2100 (5.0 ac), TL 2190 (5.0 ac), and TL 2200 (7.2 ac)

STAFF REVIEWER: Pete Walter, AICP, Planner

**COMPREHENSIVE
PLAN DESIGNATION:** LR – Low Density Residential

CURRENT ZONING: Clackamas County FU-10 (Future Urban - 10 Acre)

RECOMMENDATION: Approval.

PROCESS: 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 hearings. Copies of these materials may be obtained for a reasonable cost in advance.

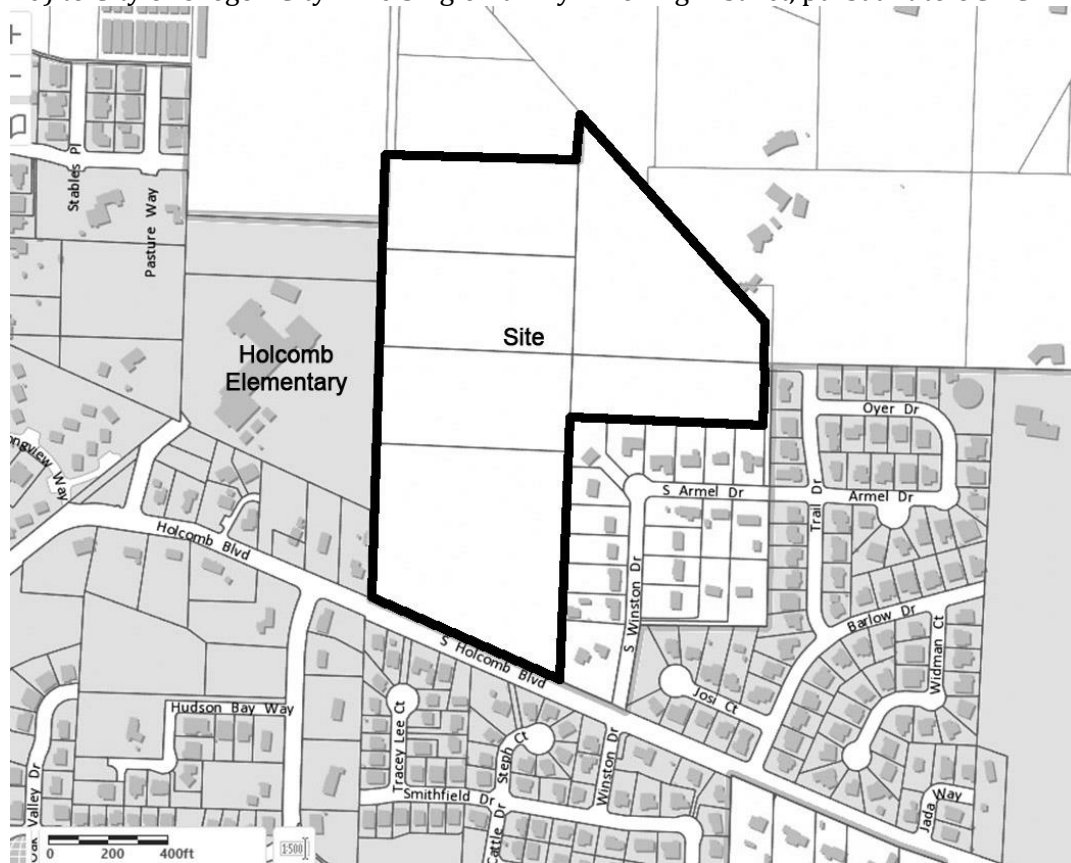
Please be advised that this is a Type IV proceeding. All new evidence must be submitted before the Planning Commission closes the public record. The City Commission's review will be on the record and limited to evidence that was submitted before the Planning Commission. Any issue that is intended to provide a basis for appeal must be raised before the close of the City Commission hearing, in person or by letter, with sufficient specificity to afford the City Commission and the parties an opportunity to respond to the issue. Failure to raise an issue with sufficient specificity will preclude any appeal on that issue. After considering the recommendation by the Planning Commission, the City Commission will make a determination as to whether the application has or has not complied with the factors set forth in section 14.04.060 of the Oregon City Municipal Code. Since the site has an acknowledged Comprehensive Plan map designation, upon annexation, the site shall be rezoned to implement the comprehensive plan.

I. INTRODUCTION	4
General Information	4
Summary of Proposal and discussion of zone change criteria	5
Existing Conditions	6
Site History	7
II. APPLICABLE REGULATIONS AND APPROVAL CRITERIA.....	8
II a. ANNEXATION CRITERIA.....	8
COMPLIANCE WITH Metro Code 3.09 – LOCAL GOVERNMENT BOUNDARY CHANGES.....	8
3.09.030 Notice Requirements	8
3.09.040 Requirements for Petitions	10
Consistency with Metro Code 3.09.04(D)(1) for Expedited Decisions	10
Consideration under Metro Code 3.09.045(D)(2) for Expedited Decisions	15
Compliance with Oregon City Municipal Code	16
OCMC Chapter 14.04	16
AVAILABLE PUBLIC FACILITIES AND SERVICES.....	17
OCMC 14.04.050(E)(7)(a) - (g) NARRATIVE STATEMENTS	17
Compliance with OCMC 14.04.060 – Annexation Factors	25
Compliance with OCMC 14.04.060 – Annexation Factors – Continued	32
Compliance with OCMC 14.04.060 – Annexation Factors – Continued	32
Compliance with applicable provisions of ORS 222.....	34
TRANSPORTATION PLANNING RULE (OAR 660-012-0060).....	34
II b. ZONE CHANGE CRITERIA	35
1. Concurrent Zoning Map Amendment from (FU-10) to (R-10).....	35
2. Transportation Planning Rule ("TPR") Compliance.....	37
III. STAFF RECOMMENDATION.....	39
IV. PROPOSED FINDINGS and REASONS FOR DECISION	39

I. INTRODUCTION

GENERAL INFORMATION

This application requests approval to annex approximately 35.65 acres of land to the City of Oregon City. Also requested is a concurrent zone change from Clackamas County Future Urbanizable-10 (FU-10) to City of Oregon City R-10 Single-Family Dwelling District, pursuant to OCMC 17.68.025A.



The subject property is located on the north side of Holcomb Blvd., west of Winston Drive, east of Holcomb Elementary School, and south of the Urban Growth Boundary.

The subject property is described as Tax Lots 2100, 2190 and 2200 of Clackamas County Assessor's Map 22E21D, and Tax Lots 500, 580 and 590 on Map 22E 28A. The property is vacant and parts of it have been in use for production of row crops.

The annexation petition is signed by a Single Owner of all land in the territory, Serres Family LLC, (approximately 35.65 acres). The petition thus meets the requirement for initiation set forth in ORS 222.125.

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;

Finding: The territory is included within the City's UGB adopted by the City and Metro.

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

Finding: The territory has a Comprehensive Plan Designation of Low Density Residential pursuant to the acknowledged Oregon City Comprehensive Plan.

(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

Finding: The territory is contiguous to the City Limits along its southern and western edge for approximately 2,213 feet. The City limits extend to the north side of Holcomb Boulevard abutting the property.

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

Finding: 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.

SUMMARY OF PROPOSAL AND DISCUSSION OF ZONE CHANGE CRITERIA

There is no proposal to develop the site at the present time. The most recent revision to the application includes a request by the Applicant to be automatically rezoned to R-10 Single Family Residential upon approval of the annexation. The applicant has provided additional argument to support the zone change in their revised narrative:

1. Concurrent Zoning Map Amendment from (FU-10) to (R-10).

The Site has an acknowledged Oregon City Comprehensive Plan map designation of Low Density Residential, (see Appendix A, "Oregon City's Comprehensive Plan Land Use Map" in the Oregon City Comprehensive Plan). Oregon City Municipal Code ("OCMC") 17.68.025.A provides that "notwithstanding any other section of this code", a concurrent zoning map application under OCMC Chapter 17.50 is required. Further, this section requires that the zoning map designation correlate to the corresponding Comprehensive Plan map designation for the site as shown in OCMC 17.68.025.A. The section is mandatory; it provides that "the property shall be rezoned upon annexation to the corresponding zoning designation as follows..."(emphasis added). In other words, there is no discretion to be applied to the zoning map amendment and not only is a concurrent zoning map amendment required, the outcome is automatic based on the acknowledged OCMC.

Further, compliance with OCMC Chapter 17.50 requires a zoning map amendment application but does not require compliance with the discretionary zoning map amendment application in OCMC 17.68.020.

The Planning Commission can find that the Application satisfies the approval criteria in OCMC 17.68.025.A. and B. and the zoning map amendment shall be approved.

Please see findings on Page 35.

2. Transportation a Planning Rule ("TPR") Compliance.

The applicant submitted a Transportation Impact Analysis (TIA), prepared by Lancaster Engineering, which includes an analysis of future trip generation and distribution, safety analysis, operational analysis and a discussion of compliance with the State Transportation Planning Rule OAR in support of the requested rezoning to R-10.

The TIA was prepared in consultation with City and Oregon Department of Transportation (ODOT) staff and analyses the performance of three off-site intersections that would be impacted by future development of the annexation area.

The City's transportation consultant, Replinger and Associates, reviewed the applicant's TIA and TPR analysis and provided findings with recommended conditions of approval for the annexation and rezoning.

Please see findings on Page 37.

EXISTING CONDITIONS

The territory is located in Northeastern Oregon City in the Park Place neighborhood, north of Holcomb Boulevard. The site is comprised of six tax lots that total approximately 35.65 acres. The entire area is currently zoned County FU-10. This is a Clackamas County zone district with a 10-acre minimum parcel size that is intended as a holding zone that precludes urbanization until properties are annexed into the City from within the Urban Growth Boundary. The property is vacant and parts of it have been in use for production of row crops. The site is partially forested along the eastern boundary with the abutting county subdivision to the east. The land slopes to the northwest with most of site at grades between 5%, although some smaller portions of the eastern side of the property have sloped up to 20%. There are no structures on the properties. The property is vacant and parts of it have been in use for production of row crops.

Uses surrounding the site are described below.

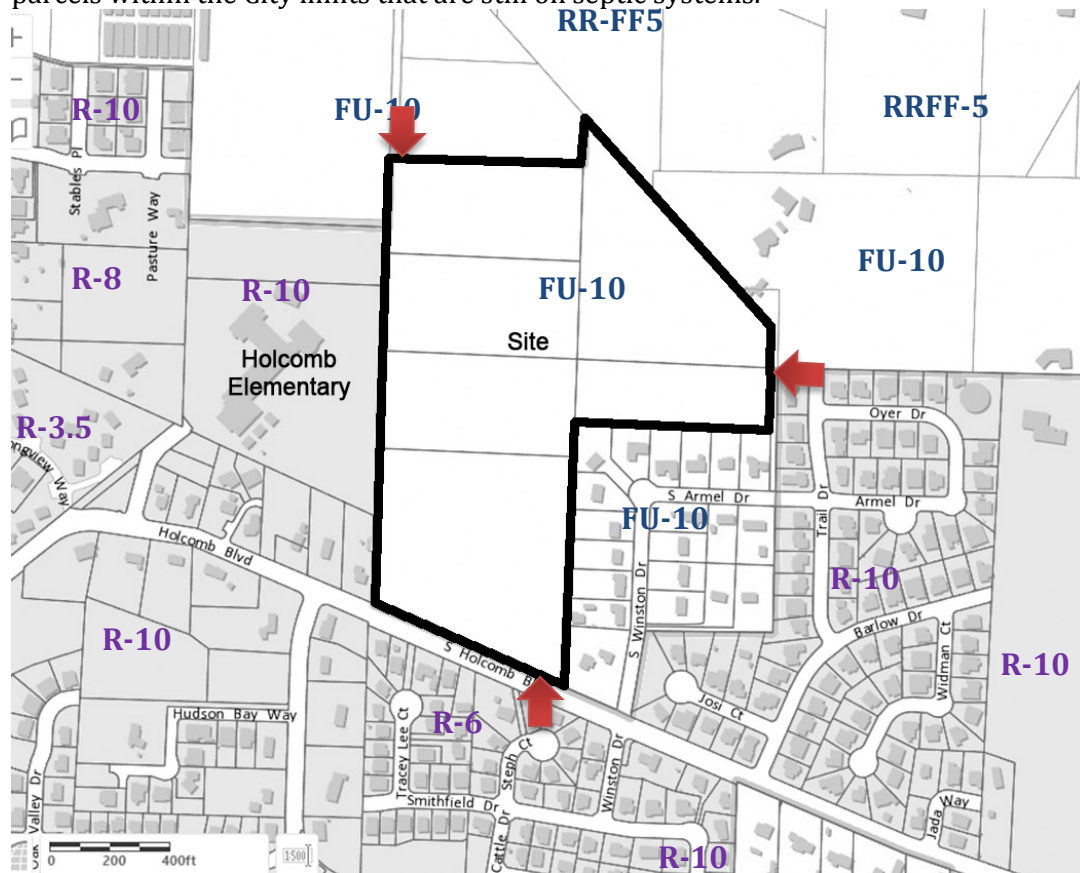
Holcomb Boulevard is a minor arterial road with a current right-of-way width of 74 feet. The north side of Holcomb Boulevard does not have sidewalks yet, but includes a striped 3' shoulder and a 12-foot wide paved travel lane.

North: The northern boundary of the territory is the UGB. Land uses to the north include agricultural land zoned FU-10 and Rural Residential Farm Forest zoned RRFF-5 by Clackamas County.

East: The site is bordered on the east by rural residential lands outside the Urban Growth Boundary, city subdivision (Barlow Crest), a county subdivision (Winston Hills).

South: To the south, directly across Holcomb Boulevard, are City residential subdivisions (Tracey Heights and Wasko Acres) zoned R-6 Single Family Residential.

West: Abutting to the west is Holcomb Elementary School and some larger R-10 single family zoned parcels within the City limits that are still on septic systems.



Access to the site from the north is currently provided by a 30-foot wide county road that is unimproved, and from the south off Holcomb Boulevard via a narrow gravel driveway on the eastern corner of the site. There is also access from the east via S. Umber View Lane from the Barlow Crest subdivision.

SITE HISTORY

The proposed annexation territory has long been planned for urban levels of development. The property was included in the original UGB boundary when it was established by Metro in 1979. Due to fact that the territory is part of the original UGB, the property is not subject to Metro Title 11 requirements (concept plans), prior to annexation.

II. APPLICABLE REGULATIONS AND APPROVAL CRITERIA

The remainder of this staff report provides findings to demonstrate that the proposed annexation and zone change is consistent with applicable approval criteria. The findings are based largely on the applicant's submitted approval criteria narrative, with additional details and specificity provided where necessary.

Annexations in Oregon City are governed at both local (city) regional (Metro) and State level. Locally, annexations are regulated by Title 14 of the Oregon City Municipal Code, and by goals and policies in the adopted Comprehensive Plan. Regionally, annexations are regulated by Metro's Code Section 3.09, which establishes requirements for local government boundary changes.

Annexations are required to demonstrate a "positive balance of factors" in order to comply with the approval criteria in Chapter 14.04.060. Findings for compliance with the Annexation criteria are provided in section II.A. below.

Zone Changes in Oregon City are governed by the criteria in *OCMC Chapter 17.68 – Zoning Changes and Amendments*, and *OCMC Chapter 17.06 – Zoning District Classifications*. Each of these two chapters includes a specific subsection related to zoning of annexed areas. Findings for compliance with the applicable zone change criteria are provided in section II.B. on Page 31. In the case of annexation areas, the Applicant's proposal is that staff apply the R-10 zone without discretion pursuant to the pursuant to OCMC 17.68.025.A.

Annexation and Zone Changes are both discretionary decisions requiring the Planning Commission make a recommendation to the City Commission regarding the approval or denial of the application and any conditions necessary to assure compliance with the applicable approval criteria.

II A. ANNEXATION CRITERIA

COMPLIANCE WITH METRO CODE 3.09 – LOCAL GOVERNMENT BOUNDARY CHANGES

Metro Code Section 3.09 establishes requirements for local government boundary changes. The criteria for a minor boundary change are found in Section 3.09.050.D and are applicable to this annexation request. This annexation is considered an expedited decision pursuant to Metro code. Additional petition and notice requirements are also noted below.

3.09.030 Notice Requirements

B. Within 45 days after a reviewing entity determines that a petition is complete, the entity shall set a time for deliberations on a boundary change. The reviewing entity shall give notice of its proposed deliberations by mailing notice to all necessary parties, by weatherproof posting of the notice in the general vicinity of the affected territory, and by publishing notice in a newspaper of general circulation in the affected territory. Notice shall be mailed and posted at least 20 days prior to the date of deliberations. Notice shall be published as required by state law.

Finding: The proposal is consistent with this requirement. The public notice requirements were met as described below.

Public Notices for AN-16-0004:

The City provided initial public notice of the original application for annexation, AN-16-0004, to all property owners within 300 feet of the property prior to October 25th, 2016. Notice was provided to affected agencies, utilities and affected parties, including all Oregon City Neighborhood Associations,

the Hamlet of Beavercreek Community Planning Organization (CPO), the Holcomb-Outlook CPO and the Central Point / Leland Road / New Era CPO via email on October 7th, 2016.

Notice was provided to Metro and DLCD on October 7, 2016.

Public Notices for the Revised Application - AN-16-0004 / ZC-16-0004:

Following revision of the application to include a Zone Change, the City provided a revised public notice of AN-16-0004 / ZC-16-0004 to all property owners within 300 feet of the property prior on December 1st, 2016. Notice was published in the Clackamas Review / Oregon City News on December 14, 2016. Notice was provided to affected agencies, DLCD, Metro, utilities and affected parties, including all Oregon City Neighborhood Associations, the Hamlet of Beavercreek Community Planning Organization (CPO), the Holcomb-Outlook CPO and the Central Point / Leland Road / New Era CPO via email on December 1st, 2016.

Due to a typographic error on the AN-16-0004 / ZC-16-0001 public notice, staff provided a corrected second notice to all of the parties listed above on December 5th, 2016.

The Land Use Notice Sign was posted on the property 21 days prior the public hearing.

Due to the revisions to the application, the initial Public Hearing for AN-16-0004 / ZC-16-0001 has been continued by the Planning Commission and City Commission on several dates with the record open.

Public Hearings and Continuances

Planning Commission

November 14, 2016
January 9, 2017
February 13, 2017
February 27, 2017

City Commission

December 7, 2016
February 1, 2017
March 1, 2017

Public Comments

Verbal testimony given at the Public Hearings listed above for this file is available via the City's meeting website, which includes all agendas, meeting materials and includes streaming videos of all public meetings at <https://oregon-city.legistar.com/Calendar.aspx>. Minutes will be made available once approved by the Planning and Commission.

The following written public comments have been received so far and are attached to the record.

02/13/2017 – Planning Commission

Bob LaSalle – Written Testimony

Note: the written testimony from the 02/01/2017 City Commission hearing was entered

02/01/2017 – City Commission Testimony

Barbara Renken - Written testimony

Mike Marchione and Kathleen Eisele - Written testimony

Email

10/25/2016 - Jim and Lynn Charriere – 15990 and 15998 Umber View Lane

The Charrieres did not receive a mailed public notice due to a technical error with the city's GIS based mailing label generator, which did not include four properties within 300 feet of the annexation territory but outside the Urban Growth Boundary. Staff has corrected the error and provided updated mailed notice.

3.09.040 Requirements for Petitions

A. A petition for a boundary change must contain the following information:

- 1. The jurisdiction of the reviewing entity to act on the petition;*
- 2. A map and a legal description of the affected territory in the form prescribed by the reviewing entity;*
- 3. For minor boundary changes, the names and mailing addresses of all persons owning property and all electors within the affected territory as shown in the records of the tax assessor and county clerk; and*
- 4. For boundary changes under ORS 198.855(3), 198.857, 222.125 or 222.170, statements of consent to the annexation signed by the requisite number of owners or electors.*

Finding: The proposal is consistent with this requirement. Items 1-4 were submitted.

Consistency with Metro Code 3.09.04(D)(1) for Expedited Decisions

a. Any applicable urban service agreement adopted pursuant to ORS 195.065;

Finding: This criterion requires that annexations be consistent with applicable provision of annexation plans and/or agreements that have been adopted pursuant to ORS 195. Urban services are defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit, and have been addressed in the Statements of Availability of Facilities and Services findings of this report as required by under OCMC 14.04 .040 and Metro Code 3.09.

The City has an Intergovernmental cooperative agreement (IGA) with Clackamas River Water (CRW) known as the HOPP Area Water Service Plan (Holcomb-Outlook-Park Place) agreement adopted in 1998 to provide water service for urbanizing areas above the 450' pressure zone from the Barlow Crest Pump Station and the upstream Hunter's Heights Reservoir system. The HOPP agreement is provided as an exhibit.

b. Any applicable annexation plan adopted pursuant to ORS 195.205;

Finding: This criteria is not applicable. There is no annexation plan applicable to the subject site. Therefore, this criterion does not apply.

c. Any applicable cooperative planning agreement adopted pursuant to ORS 195.020(2) between the affected entity and a necessary party;

Finding: The proposal is consistent with this requirement. The City and the County have an Urban Growth Management Agreement (UGMA) for portions of the property, which is a part of their Comprehensive Plans.

Clackamas County – City of Oregon City Urban Growth Management Agreement (UGMA, 1990)

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 Agreement presumes that all the urban lands within the UGMB 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:

- 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 . . .

Finding: The proposal is consistent with this requirement. The required notice was provided to Clackamas County at least 20 days before the Planning Commission hearing. The UGMA requires that adjacent road rights-of-way be included within annexations. The right-of-way adjacent to the subject site is already within the City Limit and jurisdiction of the Right-of-Way is under the city.

d. Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services;

Finding: The proposal is consistent with this requirement. The proposed annexation is consistent with adopted public facility plans, as described below.

Water: The city's 2012 *Water Distribution System Master Plan (WMP)* identifies recommended improvement projects intended to serve the proposed annexation area. Those projects include:

Additional storage reservoir capacity of 1mg at the existing Barlow Crest reservoir site including various water mains between 8 and 12 inches. The applicant has reviewed the WMP and notes that on page ES-3 the plan states,

“Water demands were projected through buildout of the City’s Urban Growth Boundary (UGB) using a unit demand methodology based on land uses in the City’s Comprehensive Plan.”

The proposed zone change would adopt the default R-10 zoning applicable to the Low Density Residential comprehensive plan designation applied to the subject property. Thus, the Water Distribution Master Plan has accounted for the increased demand that would be generated in the future by this zone change. The lower portion of the property would be served from existing City lines and existing water storage reservoirs. The upper portion would be served by Clackamas River Water District through the existing HOPP agreement.

Sewer: The *Oregon City Sanitary Sewer Master Plan* (2014) also identifies recommended improvements intended to accommodate future demand in the proposed annexation area. Those improvements consist of gravity sewer extensions throughout the annexation area connecting to Holcomb Boulevard and existing sewer stubs on adjacent properties where feasible.

Figure 5-1a. indicates a proposed gravity sewer extension through the annexation area to serve future development.

The SSMP indicates the need for 8” and 10” sewer mains to serve the annexation area.

Transportation: The City’s 2013 Transportation System Plan identifies the following planned improvements intended to serve the area:

- Project S11 – This project is a shared-use path connecting Holcomb Blvd to Forsythe Road that would be located on the Holcomb School property to the west, not on the applicant’s property. The estimated cost is \$433,000, funding is unlikely and the priority is Long-Term Phase 4.
- Metro Regional Transportation Plan (RTP) project 10150 is the Barlow Road Trail. The historic corridor of the Barlow Trail crosses the property and this project will follow the pioneer wagon train route from the Cascades west to the End of the Oregon Trail Center in Oregon City.
- Project B12 - this project would add bicycle lanes on both sides of Holcomb Boulevard. It has a total estimated cost of \$272,500, is medium term priority (5-10 years), and is listed as Likely to be Funded.
- Project W12 – this project would add sidewalks on both sides of Holcomb Boulevard from Longview Way to Winston Drive. It has an estimated cost of \$271,500, is medium term priority, and is listed as likely to be funded.

With the exception of the RTP project 10150, all TSP projects improvements abutting or located on the annexation property are designated as Likely to be Funded System Projects.

The TSP is implemented through the City Code section 12.04 at the time a development is proposed. The TSP and Chapter 12.04 require that development provide on-site and off-site mitigation based on their impacts. This includes requiring that local street connections and abutting existing streets be brought up to current standards throughout the annexation area when development occurs.

Developers must also pay all applicable Transportation Related System Development Charges with future building permits, provide dedications of land for all new and upgraded local and arterial public streets, and provide new road pavement, curbs, gutters, sidewalks and street trees pursuant to OCMC 12.04 at the time of development.

Stormwater: On-site or sub-regional stormwater drainage, water quality, and detention facilities will be required at the time of development. The City's stormwater management standards, set forth in OCMC 13.12 and the City's Stormwater and Grading Design Standards, emphasize low-impact development (LID) practices, source controls for higher pollutant generating activities, erosion prevention and sediment controls, and operation and maintenance practices designed to properly manage stormwater runoff and protect water resources. When development is proposed for the subject site, the owner will be required to design a stormwater drainage plan that is consistent with these standards.

Police, Emergency and Fire Protection:

The area to be annexed lies within the Clackamas County Service District for Enhanced Law Enforcement, which provides additional police protection to the area. The combination of the county-wide service and the service provided through the Enhanced Law Enforcement CSD results in a total level of service of approximately 1 officer per 1000 population. 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 serve the subject site. Oregon City currently fields approximately 1.25 officers per 1,000 people. The Oregon City Police Department has a goal of four-minute emergency response, 7 to 9 minute actual, and twenty-minute non-emergency response times. As no development is proposed as part of this annexation application, this annexation will have a minimal impact on police services.

The proposed annexation area is currently, and will remain, within the Clackamas Fire District #1. The Clackamas Fire District provides all fire protection for Oregon City since the entire city was annexed into their district in 2007. Clackamas Fire District #1 was provided notice of the proposed annexation and did not comment. 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; however, based on the November 2007 fire district annexation approval, staff recommends that the properties remain within the fire district.

Emergency Medical Services to the area are provided through American Medical Response (AMR) through a contract with Clackamas County. Oregon City and the unincorporated areas surrounding Oregon City are all part of the AMR contract service area. Clackamas Fire District#1 provides EMS service to all areas they serve include ALS (advanced life support) staffing. This means all fire apparatus are staffing with a minimum of one firefighter/paramedic; usually there are more than one. Additionally, Clackamas Fire does provide ambulance transport when an AMR unit is not readily available. Therefore EMS services are provided from Clackamas Fire #1 with AMR being dispatched as well.

e. Any applicable comprehensive plan;

Finding: The proposal is consistent with this requirement. The Oregon City Comprehensive Plan and zoning code will guide future development in the proposed annexation area. The annexation area is part of the original UGB and no concept planning pursuant to Metro Title 11 is required prior to annexation. The Comprehensive Plan serves as the principal guiding land use document for annexation and urbanization of the area, as well as four recent major public facilities master plan updates; the Water System Master Plan (2012), the Sanitary Sewer Master Plan (2014), the Transportation System Plan (2013), and the Stormwater and Grading Design Standards (2015).

The applicant has requested automatic default rezoning (R-10) to implement the comprehensive plan designation of LR (Low Density Residential) upon annexation. Findings are provided under Section IIB of this report.

The annexation area zoning designation of FU-10 is consistent with Clackamas County's Comprehensive Plan. The Clackamas County Comprehensive Plan implements the Oregon City Comprehensive Plan for lands within the Urban Growth Boundary. The plan designation for these properties on the County's Urban Area Land Use Plan the properties as Urban. According to the County's Plan,

"Urban areas include all land inside urban growth boundaries. Urban areas are either developed or planned to be developed with adequate supportive public services provided by cities or by special districts. Urban areas have concentrations of people, jobs, housing, and commercial activity."

The Land Use section of the Clackamas County Comprehensive Plan, Chapter 4, further distinguishes Urban Areas into Immediate Urban Areas and Future Urban Areas.

Immediate Urban Areas: Immediate urban areas are lands that are within urban growth boundaries, are planned and zoned for urban uses, and meet at least one of the following conditions:

1. Served by public facilities, including sanitary sewage treatment, water, storm drainage, and transportation facilities;
2. Included within boundaries of cities or within special districts capable of providing public facilities and planned to be served in the near future; or
3. Substantially developed or surrounded by development at urban densities.

The County's plan and map 4-1 identifies the territory proposed for annexation as a future urban area, which is defined as:

"Future urbanizable areas are lands within the Urban Growth Boundaries but outside Immediate Urban areas. Future Urbanizable areas are planned to be served with public sewer, but are currently lacking a provider of sewer service. Future Urbanizable areas are substantially underdeveloped and will be retained in their current use to insure future availability for urban needs.

Section 4.A of the County's Plan includes several policies that address the conversion of Future Urbanizable lands to Immediate Urban lands to "Provide for an orderly and efficient transition to urban land use." and "Encourage development in areas where adequate public services and facilities can be provided in an orderly and economic way."

Further, County Land Use Policy 4.A.1 requires that the County "Coordinate with Metro in designating urban areas within Metro's jurisdiction. Recognize the statutory role of Metro in maintenance of and amendments to the Portland Metropolitan Urban Growth Boundary."

Finally, 4.C. the County's Future Urban Policy 4.C.1. requires that the County control premature development (before services are available) by:

4.C.1.1. Applying a future urban zone with a 10-acre minimum lot size within the Portland Metropolitan UGB except those lands identified in Subsection 7.1.b.

The subject site is adjacent to the City limits of Oregon City. As demonstrated within this report, public facilities and urban services can be provided in an orderly economically efficient manner to the subject site. Nothing in the County Plan speaks directly to criteria for annexation of property from the County to the City, although the Urban Growth Management Agreement (UGMA) between the City and the County does address these requirements as discussed above.

f. Any applicable concept plan; and

Finding: Not applicable. As discussed above, there are no concept plans applicable to the subject property.

Consideration under Metro Code 3.09.045(D)(2) for Expedited Decisions

a. Promote the timely, orderly and economic provision of public facilities and services;

Finding: The proposal is consistent with this requirement. The proposed annexation site is inside the UGB, contiguous with the city limits, and directly adjacent to developed areas that currently receive public facilities and services. Public facilities (water, sewer and transportation) are available near the proposed annexation site and the city has adopted public facilities plans that provide for extension of those facilities to serve the site to accommodate future development. A future development application will need to be filed and approved by the City of Oregon City prior to any development occurring. Upon approval of a development plan, the developer will provide for the installation of needed public facilities and services.

b. Affect the quality and quantity of urban services; and

Finding: The proposal is consistent with this requirement. The city has updated its sewer, water and transportation facilities master plans to plan for future extension of those services into the proposed annexation area. The annexation of this property will have no immediate impact upon the quality or quantity of urban services since no development is proposed. At such time as the site is developed in the future, it will be in a manner consistent with the Low Density Residential designation of the property. The City has planned for the provision of necessary public facilities and services in this area in its Public Facilities Plan and Transportation Systems Plan. Since the future development will conform to the anticipated level of development, it will not have a negative impact upon the quality or quantity of urban services.

c. Eliminate or avoid unnecessary duplication of facilities or services.

Finding: The proposal is consistent with this requirement. The city notified all applicable service providers of this annexation request for their review and comment. Annexation to, or withdrawal from, service provider districts has been addressed in this report as part of the final recommendations, and will be done concurrent or subsequent to this proposed annexation. With the exception of water, all services in this area will be provided by the City of Oregon City so there will be no unnecessary duplication of facilities and services. Water services in this area are provided by the City and Clackamas River Water District. These agencies have a plan and agreement that governs the provision of water services so as to avoid unnecessary duplication of facilities and services.

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. **This criterion is not applicable.**

COMPLIANCE WITH OREGON CITY MUNICIPAL CODE

OCMC Chapter 14.04

14.04.050 - Annexation Procedures

A. Application Filing Deadlines

Finding: The proposal is consistent with this requirement. Annexation of these properties may not be subject to vote provided that the application meets all of the requirements of SB 1573. Should an annexation approval require subsequent approval by the Voters of Oregon City, staff will prepare the necessary ballot title and resolution scheduling an election pursuant to this requirement and in sufficient time for the matter to be submitted to the voters as provided by the election laws of the State of Oregon.

B. Pre-Application Review

Finding: The proposal is consistent with this requirement. The applicant and applicant's representative attended a pre-application review meeting with city staff on November 29, 2016. Pre-application meeting notes are included with the application.

C. Neighborhood Contact

Finding: The proposal is consistent with this requirement. The subject property is within the Park Place Neighborhood Association boundaries. The applicant contacted the Park Place Neighborhood Association, as required by city standards, and a meeting was held on June 7, 2016 at Alliance Charter Academy. A second Neighborhood Meeting on December 6, 2016 was conducted in order to address the need to include a concurrent zone change application.

D. Signatures on Consent Form and Application.

Finding: The proposal is consistent with this requirement. The application submittal package includes the application form and consent form signed by the owners of the subject properties.

E. Contents of Application. An applicant seeking to annex land to the city shall file with the city the appropriate application form approved by the city manager. The application shall include the following:

- 1. Written consent form to the annexation signed by the requisite number of affected property owners, electors or both, provided by ORS 222, if applicable;*
- 2. A legal description of the territory to be annexed, meeting the relevant requirements of the Metro Code and ORS Ch. 308. If such a description is not submitted, a boundary survey may be required. A lot and block description may be substituted for the metes and bounds description if the area is platted. If the legal description contains any deed or book and page references, legible copies of these shall be submitted with the legal description;*
- 3. A list of property owners within three hundred feet of the subject property and, if applicable, those property owners that will be "islanded" by the annexation proposal, on mailing labels acceptable to the city manager;*
- 4. Two full quarter-section county tax assessor's maps, with the subject property(ies) outlined;*
- 5. A site plan, drawn to scale (not greater than one inch = fifty feet), indicating:*
 - a. The location of existing structures (if any);*
 - b. The location of streets, sewer, water, electric and other utilities, on or adjacent to the property to be annexed;*
 - c. The location and direction of all water features on and abutting the subject property. Approximate location of areas subject to inundation, stormwater overflow or standing water. Base flood data showing elevations of all property subject to inundation in the event of one hundred year flood shall be shown;*

d. Natural features, such as rock outcroppings, marshes or wetlands (as delineated by the Division of State Lands), wooded areas, identified habitat conservation areas, isolated preservable trees (trees with trunks over six inches in diameter—as measured four feet above ground), and significant areas of vegetation;

e. General land use plan indicating the types and intensities of the proposed, or potential development;

6. If applicable, a double-majority worksheet, certification of ownership and voters. Certification of legal description and map, and boundary change data sheet on forms provided by the city.

Finding: The proposal is consistent with this requirement. The materials required in items 1 through 6 are included in the application submittal.

AVAILABLE PUBLIC FACILITIES AND SERVICES

OCMC 14.04.050(E)(7)(a) - (g) NARRATIVE STATEMENTS

This code section requires a series of narrative statements explaining how and when public facilities and services will be provided to serve the annexation property when development occurs. These statements and the findings that follow provide additional factual basis for a determination of a “positive balance of factors” required for approval of an annexation petition, as required under OCMC 14.04.060, which section follows this one.

In addition to the narrative submitted at the time of application, the applicant’s planner provided an additional narrative regarding the adequacy and availability of public water, sanitary sewer and storm drainage on February 13, 2017. These responses were reviewed by the Development Services Engineering Division, whose findings are incorporated into this report. As explained by the applicant’s planner,

The property can presently be developed with three homes under County zoning. With the annexation and zone change to City R-10 zoning, the development potential would increase to approximately 124 units. This assumes a deduction of 20 percent of the 35.65 acre site for streets and infrastructure. The proposed re-zoning would, therefore, add potential future development of 121 lots over the existing condition. It should be noted that the actual development of the site cannot occur until some point in the future when the City adopts alternative mobility standards for the transportation system.

The applicant’s narrative statements required under this section are summarized below.

7. A narrative statement explaining the conditions surrounding the proposal and addressing the factors contained in the ordinance codified in this chapter, as relevant, including:

a. Statement of availability, capacity and status of existing water, sewer, drainage, transportation, park and school facilities;

Finding: The proposal is consistent with this requirement. Overall, the land proposed for annexation is largely undeveloped and located within a future urban zone at the edge of urban/rural development. Although the subject property will not be developed at this time and will remain undeveloped for the immediate future, services are available to allow for the future

development of this site. The following information describes the existing availability, estimate of increased demand, and notes improvements that may be required to provide these services:

Water

There are existing City of Oregon City water lines in Holcomb Blvd., along the subject property's frontage on that street, and Ames Street. Water service in this area is also provided by Clackamas River Water District.

The City of Oregon City and Clackamas River Water have an active agreement in place for water service within the proposed annexation area, titled the Holcomb-Overlook-Park Place (HOPP) Agreement. The HOPP Agreement will guide how the proposed annexation area is served domestic water. The proposed annexation area is within two water system pressure zones: Park Place Intermediate and Park Place Upper.

An existing City 16-inch D.I. waterline exists within Holcomb Boulevard along with an abandoned 6-inch CRW D.I. waterline.

The 2012 Water Distribution System Master Plan was adopted in February 2012.

At the time that a subdivision is proposed for the subject property, water improvements will be required. The water improvements are based on the 2012 Water Distribution System Master Plan. Actual improvements required may vary depending on the proposed developed area.

The applicant has indicated via memorandum prepared by Rick Givens, dated February 13, 2017 that discussions with City staff indicate that a reservoir is planned as a condition of approval of a recent subdivision in this area. However, City staff does not have knowledge of a reservoir being installed in this area.

Sanitary Sewer

Existing sanitary sewer service in the vicinity of the proposed annexation consists of an 8" pipe in Holcomb Boulevard and an 8" pipe in Ames Street. The Oregon City Sanitary Sewer Master Plan (2014) identifies a number of recommended future capital improvement projects intended to serve the area.

Based on the existing topography of the area, the southern portion of the proposed annexation area can discharge sanitary sewer flows to the existing sanitary sewer system within Holcomb Boulevard, whereas the northern portion of the proposed annexation area will discharge to the existing sanitary sewer system located within Ames Street. The applicants also own the intervening property separating this site from the sewer in Ames Street and have indicated they will grant the required easement needed for the future extension to service the subject property. A more detailed analysis of sanitary sewer discharge locations will be performed at the time of future development.

The 2014 Sanitary Sewer Master Plan identifies an existing 8-inch sanitary sewer main on Holcomb Boulevard (near the intersection with Holcomb School Road) that needs to be upsized to a 10-inch sanitary sewer main to take on additional sanitary sewer flows. If future development proposes sanitary sewer discharge to this existing Holcomb Boulevard system, this existing main will need to be upsized.

Stormwater Drainage

The proposed annexation site slopes generally to the northwest via sheet flow. There are no existing stormwater conveyance facilities currently serving the site. The City's Stormwater Master Plan has not

yet been completed. Future stormwater facilities to serve anticipated development will be consistent with the City's Stormwater and Grading Design Standards and will be constructed concurrently with site development. Improvements will comply with the Master Plan at time of its eventual adoption.

Stormwater run-off generated from future development will generally flow in the northwesterly direction. This flow must be conveyed to a natural drainage channel located north of Forsythe Road and east of Highland Road. Flow to the stormwater system located within Ames Street, and to the natural drainage channel to which this system flows, will not be permitted as this system is at capacity. The applicant should anticipate making upgrades to the downstream (offsite) system.

Transportation

The existing transportation network currently serving the proposed annexation area consists of Holcomb Boulevard and some county gravel roads that abut the site to the north and east.

For a discussion of the transportation impact analysis (TIA) of future development, please refer to the applicant's submitted TIA, and City Transportation Consultant's review of the TIA and the findings on pages 36.

The nearest available public transit (TriMet bus lines) are located along Holcomb Boulevard at the Clackamas Housing Authority View Manor site approximately ¼ mile to the west.

Parks

The applicant provided additional narrative regarding parks and trails. The applicant notes in that letter the following:

We would note that the proposed annexation and zone change do not in and of themselves generate any immediate need for park resources. The need for park lands in this area would come with future development of this and other properties. Since this application will be conditioned to restrict development until such time as the alternative mobility standards are adopted by the City, there is ample time for the City to amend its Parks SDC to include the Park Place neighborhood so that future homes to be built on this and other properties in this neighborhood would contribute to the costs of park acquisitions.

There are currently no Oregon City parks in the immediate vicinity of the proposed annexation area. The nearest park is Park Place Park ½ mile to the west. Oregon City's Parks and Recreation Plan identifies open space and park locations to serve the community. Although not indicated within the annexation, in this general area, the Parks plan identifies the following:

The 1999 Parks Master Plan and its 2008 update does not indicate the need for parks or open space within the annexation area.

The 2008 Parks Master Plan update states that focus groups who participated in the update identified the Park Place area as one of several areas of the city that are currently "underserved" by parks and recreation facilities (P. 51), and which also have challenging physical characteristics that serve as a barrier to pedestrian access to existing facilities due to major roads, railroads and natural features (P. 93). Based on the Level-of-Service (LOS) methodology used in the plan, Area 3 – Park Place has an LOS of 28.63 compared to the City's average LOS of 45, and the plan states that the "Quality and diversity of services in this area should be improved in the future, especially if the area continues to develop and

expand to the west” (P. 94). The 2008 update mentions the following Goals, Objectives and Strategies that are pertinent to the area affected by the annexation:

(See P.12, Oregon City, Parks and Recreation Master Plan Update 2008)

Goal 3: Increase access to parks by implementing trails plan.

Objective: Continue to plan for parkland acquisition.

Future park acquisition should be considered on an individual basis for its current or potential recreational value.

Strategies:

- Work to fund Tier 1 local trails as identified in the 2004 Trails Master Plan. Place emphasis on constructing trails that connect parks to other parks, trails, or neighborhoods. For example: Park Place Development Trails (L4), Barclay Park Connection (L11), Parks Trail (L21), and Wesley Lynn – Chapin Trail (L23).
- Continue to fund planning and construction for Tier 1 Regional Trails as identified in the 2004 Trails Master Plan. Use the Trails Master Plan for priorities and specifics about implementation costs.
- As funding permits, determine the existing condition and location of the Oregon Trail-Barlow Road Historic Corridor and review the existing standards within the Oregon City Municipal Code to determine if modifications to the development standards and/or City master plans are necessary to protect the corridor. If modifications to the existing code language are proposed, they should include methods to encourage property owners to preserve the historic corridor in the original condition while allowing the property to be used in an economically viable manner. This strategy recommendation shall utilize/reference the Barlow Road Historic Corridor Westernmost Segment of the Oregon Trail Background Report & Management Plan (Clackamas County, 1993), or most current adopted report.

Parks Place Concept Plan Parks and Open Space

The Park Place Concept Plan identifies a large 8-10 acre park on the South side of Holcomb Boulevard, in addition to protected natural areas within stream buffers and areas which would remain undeveloped due to slopes and geologic hazards. This park would serve existing and future developed areas within a half mile both north and south of Holcomb Boulevard, provided adequate pedestrian and bicycle access via path, sidewalks and trails is provided.

Currently, there are no specific code requirements that require developers to dedicate land for trails and open space as exactions. Typically the process for obtaining park land requires several additional steps by the Community Services Department, which is responsible for City parks, involving identification of property, appraisal, negotiation and purchase. Due to extremely limited resources the Parks Department has been challenged with maintaining the current park system without further expansions. The most recent capital improvement master planning for parks was for the regional park west of Oregon City High School and south of Clackamas Community College off Glen Oak Road and long awaited improvements to the Filbert Run park site to serve the South End / Hazel Grove - Westling Farms neighborhoods.

In light of this uncertainty and lack of resources, in order to demonstrate adequacy of parks facilities, the City has relied on the long-standing policy that future development must pay Parks System Development Charges in accordance with OCMC 13.20 with building permits. The current 2017 Parks

SDC for a Single Family Home is \$4,881. It should be noted that the Parks SDC fee, as with other city SDCs, is increased annually based on the Engineering News Record Construction Cost Index and, in the case of the parks SDCs only, is also tied to the Average Market Value Growth Rate for Clackamas County. The typical SDC increase varies on average annually between 2-4%, while the Average Market Value Growth Rate for Clackamas County was 26% in 2017¹. The actual Parks SDC increases for the last four years are as follows:

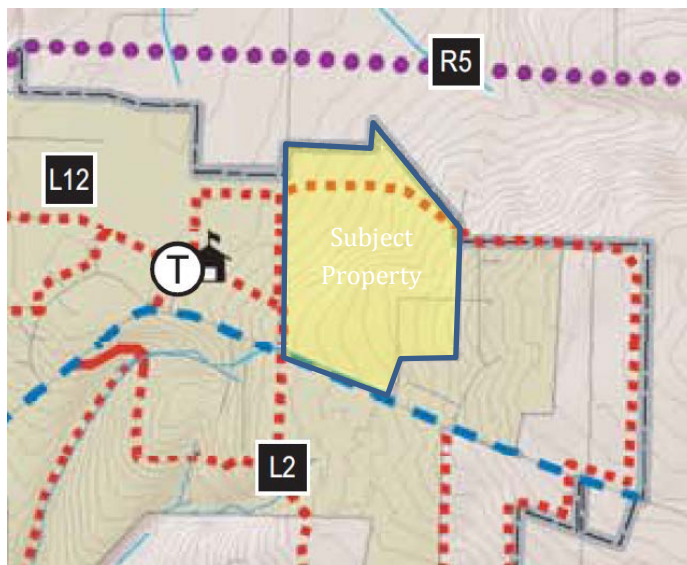
Effective Date	Fee
1/1/2017	\$4,881
1/1/2016	\$4,279
1/1/2015	\$4,034
1/1/2014	\$3,835

The Park's SDC methodology may need to be updated to include needed park facilities in the three concept plan areas (Park Place, South End and Beavercreek Road). Other sources of funding that the City has relied upon in the past to support park and trail improvements include grants from Metro and funding organizations and donations.

This approach is consistent with the City's policy of charging SDS's, along with development exactions and dedications permitted by code, for adequacy of public facilities when the exact location and impact of development is unknown at the time of annexation and zoning, and staff recommends that the City continue to find that this approach is suitable for the subject annexation proposal.

Based on the above facts, it is feasible and likely that adequate park facilities can be made available to serve the annexation area at the time of development.

Trails



The applicant provided additional narrative regarding parks and trails. With respect to the Holcomb Ridge Loop Trail L2, the Oregon City Conceptual Trails Map in the Oregon City Trails Master Plan indicates a conceptual alignment for a future trail across the subject property.

The adopted Trails Master Plan (2004) identifies the need for a future local trail known as Trail L2 - "Holcomb Ridge Loop Trail" within the annexation property which would connect to Holcomb Elementary with other trails in the vicinity. On Page 57 the plan describes this trail segment as part of:

"A series of trails that would follow the perimeter of Holcomb Elementary school and the UGB to the future Park Place development. The trails would then connect through the Holcomb Ridge development on existing roadways

¹ Communication with Oregon City Finance Department staff.

and trails and connect back to the elementary school on Holcomb Blvd.” The trail would consist of both paved trail and earthen hiking trail.

The parks master plan describes the implementation method as “Easements as part of new development, easements if some parcels are not developed”.

Responsibility for the implementation according to the plan would be a collaboration between Oregon City Parks and Recreation, Oregon City Public Works, Clackamas County, and the Park Place Neighborhood Association. The priority is indicated as a “2”, meaning 10-25 years, and the Planning Estimate Capital Costs (Excluding Property Acquisition/Easement) of the trail segment is listed as \$729,281. A more detailed breakdown of the estimated cost is provided on Table 6 on Page 64 of the plan, which indicates that the cost estimate assumed that wider sidewalks within subdivisions would make up a significant portion of the local trail system.

The trails shown are largely conceptual. Most need to be further studied and designed. The location of the trails may change as a result.

With regard to implementation, the trails master plan clearly states in Chapter IV. Recommended Trail Network and Implementation Measures on Page 50:

“many of the trails shown on the Conceptual Trails Map, particularly local trails located along roadways or intended as accessways, will be developed over time by Oregon City property owners and new development, much like the sidewalk system and the current accessway system has been developed. In some cases, the City will be able to require the property owner to construct the trail as part of the development review process. In other cases, the City will work with the property owner to ensure the City can develop the trail itself in the future.”

This trail could also be combined with a wider sidewalk system or as part of the Barlow Trail historic corridor, which is also indicated on the property and discussed further in this report under Goal 5 historic resources.

It is feasible that an appropriate mechanism for construction of the needed trail system can be determined at the time of development review, including, as the applicant notes, amending the Parks SDC to include the Park Place neighborhood so that future homes built on this property and other properties in this neighborhood contribute to the costs of park acquisitions. Based on the above facts, it is feasible and likely that adequate trail facilities can be made available to serve the annexation area at the time of development.

Schools

Oregon City School District received notice of the application and did not comment as of the date of this Staff Report. Staff coordinates with the Oregon City School District ways during the development review process in accordance with adopted Comprehensive Plan Goals and Policies. Standard procedures for the Planning Division includes notice of all land use actions, both long range and current proposals, to the School District, the School District actively participates at pre-application conferences in anticipation of development. The School District, not the City, is responsible for long range planning of needed school facilities.

Findings of consistency with applicable Comprehensive Plan policies regarding coordination of planning efforts between Oregon City School District and the City have been provided elsewhere in this report on pages 29 and 30.

b. Statement of increased demand for such facilities to be generated by the proposed development, if any, at this time;

Finding: The proposal is consistent with this requirement. The above item applies to development being proposed at this time and anticipates that no development may be proposed as part of an annexation application. Although the subject property will not be developed at this time and will remain undeveloped for the immediate future, services are available to allow for the future development of the site. As discussed elsewhere in this report, all applicable public facilities and services to serve future development of the site will be made available pursuant to the adopted Public Facilities plans that the City has adopted, which take future development within the Urban Growth Boundary into account based on estimates of growth capacity for the area in question.

c. Statement of additional facilities, if any, required to meet the increased demand and any proposed phasing of such facilities in accordance with projected demand;

Finding: The proposal is consistent with this requirement. The above item applies to development being proposed at this time and anticipates that no development may be proposed as part of an annexation application. No development is being proposed as part of this annexation application.

As discussed elsewhere in this report, all applicable public facilities and services to serve future development of the site have been or will be made available pursuant to the adopted Public Facilities plans that the City has adopted, which take future development within the Urban Growth Boundary into account based on estimates of growth capacity for the area in question. Although not required for approval of the annexation, the City is required by law to assure that System Development Charges commensurate with the projected level of demand for public facilities are applicable and payable by new development.

There are four recent major public facilities master plan updates which are part of the City's Capital Improvement Program; the Water System Master Plan (2012), the Sanitary Sewer Master Plan (2014), the Transportation System Plan (2013), and the Stormwater and Grading Design Standards (2015). These facilities are mainly funded, part of the City's Capital Improvement Program, and the City is collecting System Development Charges to fund these improvements.

d. Statement outlining method and source of financing required to provide additional facilities, if any;

Finding: The proposal is consistent with this requirement. Each of the City's recently adopted public facilities for Transportation, Sewer, and Water include a discussion of methods and sources of financing required to provide such facilities to the proposed annexation area. Specific funding mechanisms are not required to be identified until the time a development is proposed. Although not required for approval of the annexation, the City is required by law to assure that System Development Charges commensurate with the projected level of demand for public facilities are applicable and payable by new development.

Typical development funded improvements to offset direct impacts of planned development include dedications of right-of-way and land for storm detention, easements, exactions, and construction of sewer, water, stormwater and transportation improvements.

Given the size of the annexation area it is anticipated that the developer will be wholly responsible for the cost of providing and constructing public improvements and that should other methods of

financing capital improvements be required, then they will utilize full capital-cost and operating cost recovery methods to avoid unsustainable fiscal impacts to the City's general fund. Hence, existing funding sources, including System Development Charges (SDCs), utility fees, connection charges and rates, and capital improvement programs are in place prior to annexation and development.

Advance financing required for system upsizing and large sewer improvements would likely require some form of developer or city financing, which could include the use of a local improvement district, reimbursement district, grants, bonds and loan, though none of these has been determined to be necessary at this time.

e. Statement of overall development concept and methods by which the physical and related social environment of the site, surrounding area and community will be enhanced;

Finding: The proposal is consistent with this requirement. The adopted City of Oregon City Comprehensive Plan designation is Low Density Residential. The implementing zones for this plan designation are R-6, R-8 and R-10. The applicant has requested the default zoning of R-10 at this time. The development of this site in a manner consistent with the adopted Comprehensive Plan will serve to provide needed housing to accommodate the projected population growth of the City of Oregon City. The site is well suited from a physical standpoint to be developed in this manner as it is free of any significant development constraints, other than a very small area of moderately steep slopes. Providing for future development of needed housing within walking distance of Holcomb Elementary School for school and recreational services will assist in providing for a beneficial social environment in this neighborhood.

f. Statement of potential physical, aesthetic, and related social effects of the proposed, or potential development on the community as a whole and on the small subcommunity or neighborhood of which it will become a part; and proposed actions to mitigate such negative effects, if any;

Finding: The proposal is consistent with this requirement. There will be no immediate physical, aesthetic, or related social effects from the annexation of this property because there will be no development at this time. Future development of the property will result in typical Low Density Residential impacts on traffic, schools, and public infrastructure, but these impacts have been anticipated by the City's Comprehensive Plan. Impacts to public facilities and services have been assessed in the existing public facilities plans adopted by the City for the Urban Growth Boundary, and mitigation measures will be further determined when development is proposed.

In terms of physical effects of potential development, the annexation area will eventually be developed with a mix of housing types and densities. A new street network will be developed. Public facilities will be extended to serve the site. The annexation site will be subject to existing city code requirements related to impacts of new development, including protection of natural resources, street design, and buffering and landscaping.

Socially, the proposed annexation site will ultimately be developed to be part of a complete community, one that integrates a diverse mix of uses, including housing, services, and public spaces. Eventually the Park Place Concept Plan area south of Holcomb Boulevard will develop and provide greater commercial amenities and housing choices as well. New streets and street improvements will be designed to maximize safety and convenience for all users, including pedestrians and cyclists. Natural resources will be managed for optimum ecological health to help protect watersheds.

Overall, the annexation site will be developed in accordance with the vision identified in the Oregon City Comprehensive Plan that was adopted by the city to guide future growth in a way that will contribute to Oregon City as a whole.

g. Statement indicating the type and nature of any comprehensive plan text or map amendments, or zoning text or map amendments that may be required to complete the proposed development;

Finding: The proposal is consistent with this requirement. No change to the comprehensive plan text or map designation is proposed for this site, which is LR – Low Density Residential. The applicant requests that the zone change from Clackamas County FU-10 to Oregon City R-10 per the provisions of OCMC 17.68.025.A. This zone change is in conformance with the acknowledged Low Density Residential land use designation for the property. Please refer to the discussion of the zone change proposal in Section IIB of this report.

8. The application fee for annexations established by resolution of the city commission and any fees required by metro. In addition to the application fees, the city manager shall require a deposit, which is adequate to cover any and all costs related to the election;

Finding: The proposal is consistent with this requirement. The application was paid as part of this application submittal.

9. Paper and electronic copies of the complete application as required by the community development director.

Finding: The proposal is consistent with this requirement. Paper and electronic copies of this narrative have been included as part of this submittal package.

COMPLIANCE WITH OCMC 14.04.060 – ANNEXATION FACTORS

A. When reviewing a proposed annexation, the commission shall consider the following factors, as relevant:

1. Adequacy of access to the site;

Finding: The proposal is consistent with this requirement. The site has direct access onto Holcomb Blvd., an arterial street. This street would serve as the primary access for the future development of the property. A secondary access to the site is available via S. Umber View Lane, but would possibly be restricted to emergency vehicle access as it is only a one-half street connection. Future extension of Ames St. would be provided for with the provision of a street stub, but would be dependent upon future expansion of the Urban Growth Boundary for completion.

The specific design of the local street system subject site has not been determined at this time, but is subject to additional subdivision review by the city at the time a development is proposed.

2. Conformity of the proposal with the city's comprehensive plan;

Finding: The proposal is consistent with this requirement. The proposed annexation is consistent with the comprehensive plan in that the property is within the UGB, is designated Low Density Residential, and is intended to be served by the City of Oregon City. Compliance with specific plan policies is discussed below in this report.

Comprehensive Plan Section 2 Land Use

Goal 2.1 Efficient Use of Land

Ensure that property planned for residential, commercial, office, and industrial uses is used efficiently and that land is developed following principles of sustainable development.

Finding: The proposal is consistent with this requirement. The proposed annexation property is part of the Urban Growth Boundary and is designated for low density residential use. As a whole, the annexation area will support the city's goal of ensuring an adequate supply of housing in an area that can be provided with urban services in an efficient and timely manner.

Goal 2.7 Oregon City Comprehensive Plan Land-Use Map

Maintain the Oregon City Comprehensive Plan Land-Use Map as the official long-range planning guide for land-use development of the city by type, density and location.

Finding: The proposal is consistent with this requirement. The Oregon City Comprehensive Plan Land-Use Map remains the long-range planning guide for development in the city and applies to this area. Therefore, this annexation application has no impact on this policy.

Section 14 Urbanization

Goal 14.3 Orderly Provision of Services to Growth Areas

Plan for public services to lands within the Urban Growth Boundary through adoption of a concept plan and related Capital Improvement Program, as amendments to the Comprehensive Plan.

Finding: The proposal is consistent with this requirement. This policy contains a requirement that the city plan for public services to lands within the urban growth boundary through concept plans and a related capital improvement program. The property is part of the original Urban Growth Boundary and no concept plan is adopted for this area, nor is one required prior to annexation. This policy, then, is not directly applicable to this annexation request. In any event, the proposed annexation area is within an area that is long planned for residential growth. The city has updated its water, sewer and transportation master plans to include new projects intended to serve the annexation area. The following four recent major public facilities master plan updates are part of the City's Capital Improvement Program; the Water System Master Plan (2012), the Sanitary Sewer Master Plan (2014), the Transportation System Plan (2013), and the Stormwater and Grading Design Standards (2015).

Details regarding planned capital improvements to provide public services to the annexation site are below.

Water: Recommended future water service improvements identified in the 2012 *Water Distribution System Master Plan* include:

- Pipeline project no. F-CIP-10
- Project Vicinity: Ames St to S Holcomb Blvd.
- Project Description: This project is intended to supply future growth in the area and will likely be developer driven. It also completes a loop in the area providing enhanced reliability of the system. Route shown may have constructability issues near the school and will need refinement at the time of design. Add 4,140 feet of 12-inch diameter piping North of Holcomb Boulevard.
- Total estimated cost is \$828,00.
- Pipeline project no. F-CIP-11
- Project Vicinity: Clackamas Heights Airport from S Barlow Dr to S Holcomb Blvd.

- This project is intended to supply future growth in the area and add additional looping for added reliability. It will likely be developer driven, and will not be the responsibility of the City until this area is taken over from CRW. Route shown may have constructability issues and will need refinement at the time of design. Add 1,472 feet of 12-inch diameter piping North of Holcomb Boulevard.
- Total estimated cost is \$294,400.

Sewer: The *Oregon City Sanitary Sewer Master Plan* (2014) identifies recommended improvements intended to accommodate future demand in the proposed annexation area. Those improvements consist of 8-inch, 10-inch and 12-inch gravity sewer line extensions throughout the annexation area connecting to an existing line in Holcomb Boulevard.

Transportation: The 2013 *Oregon City Transportation System Plan* (TSP) identifies the following planned improvements intended to serve the annexation area:

- Project S11 – This project is a shared-use path connecting Holcomb Blvd to Forsythe Road that would be located on the Holcomb School property to the west, not on the applicant’s property. The estimated cost is \$433,000, funding is unlikely and the priority is Long-Term Phase 4.
- Metro Regional Transportation Plan (RTP) project 10150 is the Barlow Road Trail. The historic corridor of the Barlow Trail crosses the property and this project would provide trails following the pioneer wagon train route from the Cascades west to the End of the Oregon Trail Center in Oregon City.
- Project B12 - this project would add bicycle lanes on both sides of Holcomb Boulevard. It has a total estimated cost of \$272,500, is medium term priority (5-10 years), and is listed as Likely to be Funded.
- Project W12 – this project would add sidewalks on both sides of Holcomb Boulevard from Longview Way to Winston Drive. It has an estimated cost of \$271,500, is medium term priority, and is listed as likely to be funded.

With the exception of the RTP project 10150 (the Barlow Trail), all TSP projects improvements abutting or located on the annexation property are designated as Likely to be Funded System Projects.

The TSP is implemented through the City Code section 12.04. The TSP and the Chapter 12.04 require that development provide on-site and off-site mitigation based on their impacts. This includes requiring that local street connections and abutting existing streets be brought up to current standards throughout the annexation area when development occurs.

Developers must also pay all applicable Transportation Related System Development Charges with future building permits, provide dedications of land for all new and upgraded local and arterial public streets, and provide new road pavement, curbs, gutters, sidewalks and street trees pursuant to OCMC 12.04 at the time of development.

Analysis of the adequacy of the public facilities to serve the site without diminishing service or increasing costs to existing customers is required prior to any subsequent development proposal of the annexed property. Future development of the annexed properties will be required to construct or pay fee-in-lieu of construction of all necessary city public facilities to serve the subject site, as well as paying applicable System Development Charges.

Policy 14.3.1

Maximize new public facilities and services by encouraging new development within the Urban Growth Boundary at maximum densities allowed by the Comprehensive Plan.

Finding: The proposal is consistent with this requirement. The subject property is designated Low Density Residential by the Oregon City Comprehensive Plan. The proposed R-10 zoning implements the Low Density Residential designation applicable to this property. The R-8 and R-6 zones also implement the Low Density Residential plan designation, but the table in OCMC 17.68.025.A. requires the application of R-10 in LDR areas upon annexation. A zone change to a higher density may be included in a future application for development of the property. Any future development of the property will be reviewed for compliance with maximum and minimum density standards at the time of application for subdivision approval.

Policy 14.3.2

Ensure that the extension of new services does not diminish the delivery of those same services to existing areas and residents in the city.

Finding: The proposal is consistent with this requirement. As noted previously, the city has updated its water, sewer and transportation master plans to plan for extension of services to the annexation area. The updated public facility master plans take into account the demand for services from both existing and planned development in the city. Public facility plans identify future capital improvement projects intended to ensure that public services can be maintained and extended as needed to meet demand. The proposed annexation does not affect the ability of the city to deliver services to existing areas, at existing densities, and residents in the city.

Further analysis of the adequacy of the public facilities to serve the site without diminishing service to existing customers is required prior to any subsequent development proposal of the annexed property, including any zone changes, land divisions, or other development approvals required. Future development of the annexed properties will be required to construct or pay fee-in-lieu of construction of all necessary city public facilities to serve the subject site, as well as paying applicable System Development Charges.

Policy 14.3.3

Oppose the formation of new urban services districts and oppose the formation of new utility districts that may conflict with efficient delivery of city utilities within the Urban Growth Boundary.

Finding: Not applicable. The proposed annexation does not involve formation of any new urban service or utility districts.

Policy 14.3.4

Ensure the cost of providing new public services and improvements to existing public services resulting from new development are borne by the entity responsible for the new development to the maximum extent allowed under state law for Systems Development Charges.

Finding: The proposal is consistent with this requirement. All utilities that will be provided to serve the future development of this site will be the responsibility of the developer. The future homes to be built on this property will pay required Systems Development Charges at the time of application for building permits. As noted previously, the city's water, sewer and transportation master plans have been updated to plan for extension of those services to the proposed annexation area. Capital improvement projects needed to provide those services are identified in the master plans and the city's system development charges (SDCs) have been updated accordingly. The updated SDCs will ensure that new development in the annexation area will fund those public improvements to the maximum extent allowed under state law.

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.

Finding: The proposal is consistent with this requirement. This annexation application will be reviewed through a process that considers the effects on public services and benefits to the city. Consistency with the Comprehensive Plan and applicable city ordinances is required for annexation approval and has been demonstrated in this narrative and in the supporting materials provided with the application package.

The applicant revised the original application to include a zone change, and has provided additional narrative to adequately demonstrate that the impacts due to the development that would be authorized by approval of the zone change can be mitigated in accordance with the City's comprehensive plan. Further, as no additional development is proposed as part of this annexation and rezoning application, the proposal annexation will have no greater effect on public services that it currently does with the lands located outside city boundaries but within the UGB. By approving this annexation and zoning, the city takes the next step in urbanizing this area, realizing the objectives identified in the Comprehensive Plan. Several significant reviews steps remain to be taken by both the City and the applicant in order to authorize development of the property, further ensuring consistency with this Goal.

Policy 14.4.1 *Promote compact urban form and support efficient delivery of public services by ensuring that lands to be annexed are within the City's Urban Growth Boundary, and contiguous with the city limits. Do not consider long linear extensions, such as cherry stems and flag lots, to be contiguous with the city limits.*

Finding: The proposal is consistent with this requirement. This application supports this policy by proposing annexation of property that is within the city's urban growth boundary and is contiguous with the existing city limits. The subject property is entirely within the City's Urban Growth Boundary and is contiguous with the existing city limits along its entire western border and its frontage on Holcomb Blvd. This application does not propose long linear extensions such as cherry stems or flag lots.

Policy 14.4.2 *Include an assessment of the fiscal impacts of providing public services to unincorporated areas upon annexation, including the costs and benefits to the city as a whole as a requirement for concept plans.*

Finding: The proposal is consistent with this requirement. This policy contains a requirement that the city include a fiscal impact assessment as part of the preparation of concept plans. This policy, then, is not directly applicable to this annexation request, because this annexation area is not part of a concept plan. In any event, the proposed annexation will have no fiscal impacts upon the cost of providing public services because no development will be allowed until such time as all Transportation Planning Rule requirements can be met as discussed later in this report, and a development application is conditionally approved.

The City's various public facilities plans described earlier in this report, and the 2013 Transportation System Plan anticipate the future development of the subject property at Low Density Residential densities and each of the those plans provides an analysis of the costs of providing adequate levels of service in the Holcomb Boulevard area. The future development of this property will bear these costs by providing on-site infrastructure, as well as off-site storm drainage improvements, at the cost of the developer. Each future home will be assessed appropriate System Development Charges to cover the proportionate impact of the future development of this site.

Policy 14.4.3 Evaluate and in some instances require that parcels adjacent to proposed annexations be included to:

- avoid creating unincorporated islands within the city;
- enable public services to be efficiently and cost-effectively extended to the entire area; or
- implement a concept plan or sub-area master plan that has been approved by the Planning and City Commissions.



▪ **Finding: The proposal is consistent with this requirement.** The proposed annexation will not create an unincorporated island within the city so this policy recommendation is met. The Winston Hills subdivision in unincorporated Clackamas County that abuts the subject property along its eastern border will only remain connected to the unincorporated area by a 20-foot wide strip of land, as shown on the map below.

The applicant points out that while the Winston Hills subdivision will only be connected to the unincorporated area by a strip of land, this will have no impact upon the efficiency of provision of public facilities and services.

Sewer, water and storm drainage all are provided from either Holcomb Blvd. or to the northwest.

In the future, at such time as the Winston Hills neighborhood wishes to annex to the City, the future development of the subject property will aid in providing needed services and facility connections. The annexation of the Winston Hills neighborhood at this time is not needed in order to implement a sub-area master plan.

Policy 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.

Finding: Not applicable. The subject property is not subject to a public health hazard associated with a failing septic system.

Goal 2.4 Neighborhood Livability

Policy 2.4.5

Ensure a process is developed to prevent barriers in the development of neighborhood schools, senior and childcare facilities, parks, and other uses that serve the needs of the immediate area and the residents of Oregon City.

Finding: The proposal is consistent with this requirement. Development of the subject site will be subject to adopted public facilities plans. Development of this Low Density Residential property will require payment of construction excise taxes for school development. The eventual

development of this area will not present a barrier to the development of any of the facilities identified in this policy.

Goal 2.6 Industrial Land Development

Policy 2.6.3

Protect the city's supply of undeveloped and underdeveloped land zoned for industrial uses by limiting non-industrial community uses, such as schools, parks, and churches on such properties and by limiting larger commercial uses within those areas.

Finding: Not applicable. Development of the subject site will be subject to adopted public facilities plans. Development of this Low Density Residential property will require payment of construction excise taxes for school development. The eventual development of this area will improve the tax base and will not limit the availability of industrial land supply.

The following excerpt is from the Oregon City Comprehensive Plan Section 11 - Public Facilities Education, on Page. 83:

K-12. The public education system in Oregon City consists of elementary schools, middle schools, and one high school. The Oregon City School District projects enrollment based on demographic trends and a ratio of 0.94 school children per residential household. A rolling five-year projection is done every fall to ensure that the facilities will accommodate growth. The preferred number of students per classroom is 25, with the maximum considered to be 30.

To the extent possible, future school facilities should be located in, or at least adjacent to, residential areas to reduce traffic impact, maintain convenience for students, provide a focus for the neighborhoods, and promote energy conservation. Neighborhood schools and their athletic facilities should also serve as community centers by being available for community meetings and events in the evenings and on weekends.

Finding: The proposal is consistent with this requirement. No school sites have been identified for the subject property at this time. The site is close to Holcomb Elementary School and would eventually be connected to the school site through a trail system and sidewalk improvements.

The City continues to coordinate with the school district to review new development and development of this Low Density Residential property will require payment of construction excise taxes for school development. The eventual development of this area close to an existing school could help to achieve many of the benefits discussed above.

As discussed on Page 118 of the Comprehensive Plan under *Partnerships with Other Governments*.

The City does not provide all of the urban services within the city limits. Clackamas County, the Oregon City School District, the Oregon Department of Transportation, the TriCities Sewer District, Clackamas Community College, and many other agencies also provide necessary services to residents and employees. In order to efficiently and effectively use the public dollars available to all of these different agencies, the City should be proactive in forming excellent working relationships with other agencies to address urban service issues.

Urbanization

Policy 14.5.2

Coordinate public facilities, services and land-use planning through intergovernmental agreements with the school district, Clackamas Community College, Clackamas County Fire District #1, Tri-Cities Services District and other public entities as appropriate.

Finding: The proposal is consistent with this requirement. The City continues to coordinate with the school district to conduct long range planning within the UGB through the adoption of concept plans and other planning efforts, and to review current development proposals. Development of this Low Density Residential property will require payment of construction excise taxes for school development. At this time, the school district has not indicated that an intergovernmental agreement is necessary to assure adequacy of school facilities to serve the proposed annexation property, which is already within the school district.

Compliance with OCMC 14.04.060 – Annexation Factors – Continued

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

Finding: The proposal is consistent with this requirement. The adequacy and availability of public facilities and services to service the potential development of the property was discussed earlier under the applicant's statements section.

4. Compliance with applicable sections of ORS Ch. 222, and Metro Code Section 3.09;

Finding: The proposal is consistent with this requirement. See findings earlier in this report for Metro 3.09. ORS 222 requires the proposed annexation property be contiguous with the city and provides several options for annexing land into a city. As noted in 14.04.050(E)(1), this annexation relies on ORS 222.125, annexation by consent of all land owners and a majority of electors. The requirements of ORS 222, then, are met. Metro Section 3.09 is addressed separately in earlier in this report.

Compliance with OCMC 14.04.060 – Annexation Factors – Continued

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

Finding: The proposal is consistent with this requirement. The City Comprehensive Plan identifies water resource and steep slope areas that will require further investigation at time of development to demonstrate compliance with Oregon City's overlay district zoning; OCMC Chapter 17.49 regulating water resource and habitat protection and OCMC Chapter 17.44 regulating development in and near geologic hazards and steep slopes. Future development of the site will be required to meet all applicable city, state and federal requirements, which will be addressed through the land development processes (site plan and design review, land divisions, etc.). As no development is proposed as part of this annexation application, this annexation will have no impact on identified natural hazards to any greater degree than development that is currently permitted.

A title 3 wetland is indicated on property to the north of the site aligned with the property boundary and city limit/UGB. The roadside ditch along Holcomb Boulevard is also indicated as a Title 13 habitat resource, although the integrity and values of the ditch as a functional habitat area is unknown. Nonetheless, Oregon City code Chapter 17.49 protects inventoried Title 3 water resources and their associated corridors through the application of a vegetated corridor buffer of 15' to 50'. The 50' wetland buffer extends onto the property on the north side. The future application for subdivision of the property must provide a current delineation and report of these Title 3 and 13 resources, evaluating their condition and determining whether any water and habitat

resources may be affected by development. If the resources and their functions are still present, and impacts are unavoidable, then the application must provide proportional and appropriate mitigation under the mitigation standards of OCMC 17.49.

Oregon City's NROD standards are in substantial compliance with Metro Title 3 and Title 13 and Statewide Goal 5.

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

Finding: The proposal is consistent with this requirement. The above mentioned resources are Goal 5 resources that were addressed in detail in the Natural Resource and cultural and historic inventories as part of the existing conditions analysis required during the last Comprehensive Plan update. OCMC 17.49 code requires that further on-site analysis be conducted to determine the current extent of any protected resources which initially was done with the comprehensive plan. More detailed, site specific delineations of the resources and the required associated vegetated corridors next to any wetlands or streams is required prior to development, along with impact analysis and mitigation for impacts. These existing restrictions will adequately protect natural resource areas and to the extent necessary serve as a natural resource protection plan.

The only specially designated open space, scenic, historic or natural resource indicated in the City's Comprehensive Plan that is applicable to the subject area is the alignment of the Oregon Trail-Barlow Road Historic Corridor across a portion of the property. This will require compliance with OCMC 17.40.060-H by the future development plan. This code section requires that developers dedicate a visual corridor easement for the alignment of the 1993 Barlow Road Historic Corridor inventory on redeveloped land. Proposals to re-align the easement away from the adopted 1993 corridor must be approved by the Historic Review Board, while proposals that meet the following sections of OCMC 17.40.060-H may be approved by Planning Staff:

Within the Oregon Trail-Barlow Road historic corridor:

1. *A minimum of a thirty-foot wide-open visual corridor shall be maintained and shall follow the actual route of the Oregon Trail, if known. If the actual route is unknown, the open visual corridor shall connect within the open visual corridor on adjacent property.*
2. *No new building or sign construction shall be permitted within required open visual corridors. Landscaping, parking, streets, driveways are permitted within required open visual corridors.*

The Barlow Road corridor easement is either recorded on the final plat of any land division and/or as a deed restriction that runs with the land for any new lot affected by the easement. This requirement has been applied for several recently approved subdivisions, including Barlow Place (TP 13-05 / HR 13-05), and Sunnybrook II (ZC 14-01 / TP 14-01), and Abernethy Landing (TP 16-01).

No additional historic or cultural resources have been identified at this that are not regulated under existing city codes.

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

Finding: The proposal is consistent with this requirement. Because there will be no development on this site until such time as the criteria of Title 12 can be met and a future development application is submitted for approval, there will be no immediate impact upon the economic, social and physical environment of the community by the overall impact of the annexation. At such time as the site is developed, it will be in a manner consistent with the planned Low Density Residential designation for the property. This land use is consistent with the surrounding land use pattern. Required public utilities and services are available or will be made available concurrently with the development of the site. The site has no significant development constraints and is not designated for protection as open space. As such, the future development of the property will not have any significant impact upon the economic, social and physical environment of the community.

Staff 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 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 increases in service responsibilities to the area that result from the annexation will be insignificant.

The proposed annexation area has not been subdivided or partitioned and such land division must occur before development at any density other than FU-10 can be approved. Further, conditions of approval prohibit any R-10 authorized development until it will satisfy the applicable performance standards. As a result, any impacts on the community resulting from land division or development permits will be a direct consequence of , subdivision and development permit approval sometime in the future and are not the result of this annexation. Before any urban development can occur, the applicant must show compliance with the applicable transportation performance standards, and the territory must also be annexed to the Tri-City Service District.

COMPLIANCE WITH APPLICABLE PROVISIONS OF ORS 222

Finding: The proposal is consistent with this requirement. ORS 222 requires the proposed annexation property be contiguous with the city and provides several options for annexing land into a city. As noted in 14.04.050(E)(1), this annexation relies on ORS 222.125, annexation by consent of all land owners and a majority of electors. The requirements of ORS 222, then, are met.

TRANSPORTATION PLANNING RULE (OAR 660-012-0060)

Finding: Please see findings below under Zone Change Criteria.

The city requires a transportation discussion to determine whether or not the proposed annexation complies with the Transportation Planning Rule (TPR). The primary “test” of the TPR is to determine if an amendment to a functional plan, acknowledged comprehensive plan, or a land use regulation will significantly affect an existing or planned transportation facility.

The applicant has revised the original application, which did not request rezoning, to include a rezoning request, and subsequently the applicant must address the relevant portions of the TPR.

II B. ZONE CHANGE CRITERIA

1. CONCURRENT ZONING MAP AMENDMENT FROM (FU-10) TO (R-10).

The applicant revised the original application to include a zone change from FU-10 to R-10, and has provided narrative responses indicating that this zone change is automatic pursuant to the code.

The Site has an acknowledged Oregon City Comprehensive Plan map designation of Low Density Residential, (see Appendix A, "Oregon City's Comprehensive Plan Land Use Map" in the Oregon City Comprehensive Plan). Oregon City Municipal Code ("OCMC") 17.68.025.A. provides that "notwithstanding any other section of this code", a concurrent zoning map application under OCMC Chapter 17.50 is required. Further, this section requires that the zoning map designation correlate to the corresponding Comprehensive Plan map designation for the site as shown in OCMC 17.68.025.A. The applicant asserts that this section is mandatory; it provides that "the property *shall* be rezoned upon annexation to the corresponding zoning designation as follows..." (emphasis added). In other words, there is no discretion to be applied to the zoning map amendment and not only is a concurrent zoning map amendment required, the outcome is automatic based on the acknowledged section of the Oregon City Municipal Code.

Please note that neither the process of annexation or zoning is not considered "Development" under the City's zoning code definition.²

The applicant further asserts that compliance with OCMC Chapter 17.50 requires a zoning map amendment application but does not require compliance with the discretionary zoning map amendment application in OCMC 17.68.020. See also 17.68.025B.

For this reason, the applicant did not respond to the criteria for a zone change which are typically applied when a development seeks a discretionary zone change decision, which are provided below:

17.68.020 - Criteria.

The criteria for a zone change are set forth as follows:

A. The proposal shall be consistent with the goals and policies of the comprehensive plan.

B. That public facilities and services (water, sewer, storm drainage, transportation, schools, police and fire protection) are presently capable of supporting the uses allowed by the zone, or can be made available prior to issuing a certificate of occupancy. Service shall be sufficient to support the range of uses and development allowed by the zone.

C. The land uses authorized by the proposal are consistent with the existing or planned function, capacity and level of service of the transportation system serving the proposed zoning district.

D. Statewide planning goals shall be addressed if the comprehensive plan does not contain specific policies or provisions which control the amendment.

² OCMC 17.04.300 - *Development*. "Development" means a building or grading operation, making a material change in the use or appearance of a structure or land, dividing land into two or more parcels, partitioning or subdividing of land as provided in ORS 92.010 to 92.285 or the creation or termination of an access right.

The applicant requests that the Planning Commission find that the application satisfies the approval criteria in OCMC 17.68.025.A. and B. and the zoning map amendment be approved.

Staff agrees that OCMC 17.68.025.A requires a concurrent zone change when the lands subject to annexation are designated by an acknowledged City Comprehensive Plan. Use of the term “shall” suggests that re-zoning is mandatory and cannot be subject to the highly discretionary criteria contained within OCMC 17.68.020. Such an approach makes sense because R-10 development was fully contemplated and planned for in the City’s Comprehensive Plan and utility master plans. This makes the act of re-zoning largely ministerial. Although staff believes that these criteria are not applicable, as a practical matter, staff notes that they mirror the annexation factors and as a result, would be satisfied, with the exception of the transportation impacts which are dealt with through a condition of approval.

17.06.030 - Zoning of annexed areas.

All lands within the urban growth boundary of Oregon City have been classified according to the appropriate city land use designation as noted on the comprehensive plan map (per the city/county urban growth management area agreement). The planning department shall complete a review of the final zoning classification within sixty days after annexation. The zoning classification shall reflect the city land use classification as illustrated in Table 17.06.

Table 17.06.030

CITY LAND USE CLASSIFICATIONS	
<i>Residential Plan Classification</i>	<i>City Zone</i>
<i>Low-Density Residential</i>	<i>R-10, R-8, R-6</i>
<i>Medium-Density Residential</i>	<i>R-3.5, R-5</i>
<i>High-Density Residential</i>	<i>R-2</i>
<i>Commercial Plan Classification</i>	<i>City Zone</i>
<i>General Commercial</i>	<i>C</i>
<i>Mixed-Use Downtown</i>	<i>MUD, WFDD</i>
<i>Mixed-Use Corridor</i>	<i>MUC I, MUC 2, NC, HC</i>
<i>Mixed-Use Employment</i>	<i>MUE</i>
<i>Industrial Plan Classification</i>	<i>City Zone</i>
<i>Industrial</i>	<i>CI, GI</i>

In those cases where only a single city zoning designation corresponds to the comprehensive plan designation and thus the rezoning decision does not require the exercise of legal or policy judgment on the part of the community development director, Chapter 17.68 shall control. The decision in these cases shall be a ministerial decision of the community development director made without notice or any opportunity for a hearing.

A. A public hearing shall be held by both the planning commission and city commission in accordance with the procedures outlined in Chapter 17.68 (except for the provisions of Section 17.68.025) for those instances in which more than one zoning designation carries out a city plan classification.

Finding: The proposal is consistent with this requirement.

The applicant asserts that compliance with OCMC Chapter 17.50 requires a zoning map amendment application but does not require compliance with the discretionary zoning map amendment application in OCMC 17.68.020. Since the applicant has requested the lowest density zone applicable to the LR – Low Density Residential land use category, R-10, the rezoning decision does not require the exercise of legal or policy judgment on the part of the community development director, and Chapter 17.68 controls.

Plan Designation

Low Density Residential

Medium Density Residential

High Density Residential

Zone

R-10 Single Family Dwelling

R-5 Single Family Dwelling

R-2 Multi-Family Dwelling

Based on the additional analysis provided by the applicant as documented in this report regarding impacts to the public transportation system, sewer, water and stormwater, and police and emergency services, staff supports the default zone change to R-10 with the findings and conditions attached to the staff report. Note that with the condition of approval proposed by the applicant, no development beyond that permitted under the County's FU-10 zoning may occur until compliance with specific transportation system requirements met, as discussed below.

2. TRANSPORTATION PLANNING RULE ("TPR") COMPLIANCE.

OAR 660-012-0060(1) and (2) requires land use regulation amendments, including amendments to zoning maps, to determine if the amendment will have a "significant affect" on transportation facilities and, if so, mitigation is required.

The required transportation improvements identified by the City's 2013 Transportation System Plan to serve the area were discussed earlier in this report. Additionally the applicant submitted a Transportation Impact Analysis (TIA) on February 15, 2017 to support the requested Zone Change to R-10. The TIA was prepared by Mike Ard, P.E. of Lancaster Engineering, and reviewed by the City's Transportation Consultant, John Replinger, P.E. The TIA was prepared in consultation with the City and ODOT engineering staff and analyzed three intersections that would be impacted by the eventual development of the annexation property with 121 homes under R-10 zoning.

Because the proposed annexation also involves rezoning of the property to R-10, a TPR analysis is also included. The analysis is predicated on the development of the land at a density that would allow 121 additional single-family dwellings. The applicant's engineer states that the proposal does not change the functional classification of any existing or planned transportation facility and does not alter the standards for implementing the functional classification system. As discussed in #6, above, the development of the Serres Farm property is predicted to degrade the performance of the transportation system such that it would not meet applicable performance standards. Two specific intersections were identified: Highway 213/Redland Road and Redland Road/Holcomb Boulevard/Abernethy Road. Further analysis and actions will be required before development can undertaken.

Mr. Replinger's conclusion regarding the TIA and TPR analysis follows:

I find that the TIS provides an adequate basis upon which to assess the impacts of the proposed annexation and rezoning. I agree that the proposal does not cause the need for change in the functional classification of any existing or planned facility. I concur with the engineer's analysis concluding that key intersections will fail to meet adopted performance standards at the intersections of Highway 213/Redland Road and Redland Road/Holcomb Boulevard/Abernethy Road.

Since development is not proposed at this time, I remind the applicant that at such time as a development is proposed, a transportation analysis will need to be prepared that addresses the requirements outlined in the city's Guidelines for Transportation Impact Analyses.

With regard to the proposed annexation and zone change, I recommend that as a condition of approval the following be included:

No development, except that permitted under the County's Future Urban FU-10 zoning designation, in effect as of the date of this application's submittal, shall be allowed until the following occurs and the Applicant demonstrates compliance with these requirements:

a. Highway 213 at Redland Road intersection (an Oregon Highway intersection) is forecasted to fall below adopted performance standards prior to year 2035. As a result, a new Refinement Plan, including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, shall be adopted and acknowledged.

b. Redland Road at Holcomb Boulevard/Abernethy Road (a non-Oregon Highway intersection) is forecasted to fall below adopted performance standards prior to year 2035. As a result, the City must do one of the following:

(1) Adopt amendments to the City's Transportation System Plan and OCMC Chapter 12.04 to include projects that satisfy the then-applicable performance standards and these standards must be acknowledged; or

(2) Condition the approval of a land division application that satisfies then-applicable OCMC Chapter 12.04 by including proportional mitigation of the application's impacts on that intersection, or such other mitigation measure(s) as may be approved which assure(s) that the intersection will either meet, or perform no worse than, the then-applicable performance standards.

Planning staff concurs with Mr. Replinger and recommends that the annexation and zoning decision, if approved, include the conditions included with the findings attached to this report.

III. STAFF RECOMMENDATION

Based on the study and the Proposed Findings and Reasons for Decision for this annexation, the staff recommends that the Planning Commission:

Make a recommendation on Proposal No. AN-16-0004 / ZC-16-0001 to the City Commission regarding how the proposal has or has not complied with the factors set forth in Section 14.04.060. Staff has prepared draft Findings and stands ready to adjust them as needed.

If the Planning Commission sends forward a positive recommendation, then the staff further recommends that the Planning Commission forward the following proposed findings and reasons for decision for adoption by the City Commission.

IV. PROPOSED FINDINGS AND REASONS FOR DECISION

Based on the Findings provided above, 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 states that conversion of future urban lands to immediate urban lands "Provide for an orderly and efficient transition to urban land use" and "encourage development in areas where adequate public services and facilities can be provided in an orderly and economic way." The applicant 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 some of the area from existing improvements in Holcomb Boulevard.
5. Water service is available in large water mains in Holcomb Boulevard; the existing homes will continue to be serviced by Clackamas River Water (CRW) pursuant to the existing HOPP Intergovernmental Agreement.

6. With regard to storm drainage, the City has the service available in the form of regulations to protect and control stormwater management. The specifics of applying these will be a part of the development review process.
7. 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.
8. 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.
9. The Oregon City Code Chapters 14 and 17 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.
10. The City Commission concurs with Tri-City Service District's annexation of the subject property in the enacting City ordinance.
11. 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.
12. The Commission determines that the property should not be withdrawn from the Clackamas Fire District #1 as allowed by statute.
13. The Commission determines that the property should be not be withdrawn from the Clackamas River Water District at this time and remain in the District pursuant to the existing HOPP IGA with CRW.
14. In accordance with City, County and State transportation requirements, no development, except that permitted under the County's Future Urban FU-10 zoning designation, in effect as of the date of this application's submittal, shall be allowed until the following occurs and the Applicant demonstrates compliance with these requirements:
 - a. Highway 213 at Redland Road intersection (an Oregon Highway intersection) is forecasted to fall below adopted performance standards prior to year 2035. As a result, a new Refinement Plan, including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, shall be adopted and acknowledged.
 - b. Redland Road at Holcomb Boulevard/Abernethy Road (a non-Oregon Highway intersection) is forecasted to fall below adopted performance standards prior to year 2035. As a result, the City must do one of the following:

- (1) Adopt amendments to the City's Transportation System Plan and OCMC Chapter 12.04 to include projects that satisfy the then-applicable performance standards and these standards must be acknowledged; or
- (2) Condition the approval of a land division application that satisfies then-applicable OCMC Chapter 12.04 by including proportional mitigation of the application's impacts on that intersection, or such other mitigation measure(s) as may be approved which assure(s) that the intersection will either meet, or perform no worse than, the then-applicable performance standards.