



STAFF REPORT WITH FINDINGS AND RECOMMENDATION

February 5, 2018

FILE NOS.: AN-17-0004 / ZC-17-0005

APPLICATION TYPE: Type IV - Annexation with Zone Change

HEARING DATE: *Planning Commission*
Monday, February 12th, 2018 - 7:00 p.m., Oregon City City Hall
625 Center Street, Oregon City, OR 97045

APPLICANT: Mark Handris, Hidden Falls Development LLC
1980 Willamette Falls Dr., Ste. 200, West Linn, OR 97068

OWNER(s):

Address:	Tax Lot:	Acres	Owner
No Address	2-2E-27B -01000	9.69	Erickson
15110 S HOLCOMB BLVD	2-2E-27B -02000	1.45	Erickson
No Address	2-2E-28D -00100	14.11	Hidden Falls Development LLC
No Address	2-2E-28D -00190	10.75	Hidden Falls Development LLC
No Address	2-2E-28D -00302	0.16	Hidden Falls Development LLC
16582 S LIVESAY RD	2-2E-28D -00400	10.43	Hidden Falls Development LLC
14631 S LIVESAY RD	2-2E-28D -00500	10.73	Hidden Falls Development LLC
16472 S LIVESAY RD	2-2E-28D -03700	6.86	Hidden Falls Development LLC
16530 S LIVESAY RD	2-2E-28D -00200	5.17	Kirk and Michelle Tolstrup
16644 S LIVESAY RD	2-2E-28D -00300	3.1	George Thomas
No Address	2-2E-28D -00301	1.43	George Thomas
No Address	2-2E-28D -00303	1.77	George Thomas
14631 S LIVESAY RD	2-2E-28D -00502	9.42	Robert Tershel
No Address	2-2E-28D -03701	6.48	Redland Road LLC

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

REQUEST: Annexation and Zone Change of 14 tax lots located on the south side of Holcomb Blvd and north of S. Livesay Rd and totaling approximately 92 acres into Oregon City. (See attached map.) The subject territory is within the Oregon City Urban Growth Boundary, and has Comprehensive Plan designations of LR – Low Density Residential, MR – Medium Density Residential and MUC -Mixed Use Corridor. Applicant has requested a Zone Change from County FU-10 to City R-10 Single Family Dwelling District, R-5 Single Family Dwelling District, and NC Neighborhood Commercial District.

LOCATION: See above under “Owners” and attached vicinity map. The annexation territory extends from the south side of Holcomb Blvd to S. Livesay Rd, abutting the UGB to the east.

STAFF REVIEWERS: Pete Walter, AICP, Planner
Christina Robertson-Gardiner, AICP, Senior Planner

COMP. PLAN DESIGNATIONS: LR – Low Density Residential (~9.5 ac)
MR – Medium Density Residential (~77.3 ac)
MUC – Mixed Use Corridor (~4.5 ac)

PROPOSED ZONING: R-10 – Single Family Residential
R-5 - Dwelling District
NC – Neighborhood Commercial

CURRENT ZONING: Clackamas County FU-10 (~57 ac)
Clackamas County RRF-5 (~35 ac)

RECOMMENDATION: Approval with conditions

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
Existing Conditions	4
discussion of zone change criteria	7
Concurrent Zoning Map Amendment from FU-10 to R-5, R-10 & NC.....	7
II. APPLICABLE REGULATIONS AND APPROVAL CRITERIA.....	8
II a. ANNEXATION CRITERIA	9
COMPLIANCE WITH Metro Code 3.09 – LOCAL GOVERNMENT BOUNDARY CHANGES	9
3.09.030 Notice Requirements.....	9
3.09.040 Requirements for Petitions	10
Consistency with Metro Code 3.09.045(D)(1) for Expedited Decisions	10
Consideration under Metro Code 3.09.045(D)(2) for Expedited Decisions	16
Compliance with Oregon City Municipal Code	18
OCMC Chapter 14.04.....	18
AVAILABLE PUBLIC FACILITIES AND SERVICES	19
OCMC 14.04.050(E)(7)(a) - (g) NARRATIVE STATEMENTS	19
Compliance with OCMC 14.04.060 – Annexation Factors	35
Compliance with OCMC 14.04.060 – Annexation Factors – Continued	56
Compliance with OCMC 14.04.060 – Annexation Factors – Continued	57
Compliance with applicable provisions of ORS 222	59
II b. ZONE CHANGE CRITERIA.....	60
2. Transportation Planning Rule ("TPR") Compliance (OAR 660-012-0060)	64
III. STAFF RECOMMENDATION	68
IV. PROPOSED FINDINGS and REASONS FOR DECISION	69

I. INTRODUCTION

GENERAL INFORMATION

This application requests approval to annex approximately 92 acres of land within the Urban Growth Boundary “UGB” to the City of Oregon City. This application also requests that City apply zoning to the annexed area in conformance with the land use designations in the adopted and acknowledged Oregon City Comprehensive Plan. The zoning would change from Clackamas County Future Urbanizable-10 (FU-10) and RRF5 (Rural Farm and Forest 5-Acre) to City of Oregon City R-10 Single-Family Dwelling District, R-5 Dwelling District, and NC – Neighborhood Commercial District pursuant to OCMC 17.68.025A.

The proposed zoning designations, if approved, represent an initial step in implementing the vision for the “North Village” of the adopted Park Place Concept Plan, adopted by the City in 2008. The concept plan is discussed in detail below.

EXISTING CONDITIONS

The annexation territory is located on the south side of Holcomb Blvd west of its intersection with Jada Way. South Livesay Road forms the southerly border of the annexation area. Journey Drive, Shartner Drive, and Cattle Drive are all stubbed into the subject area from existing residential neighborhoods to the north.

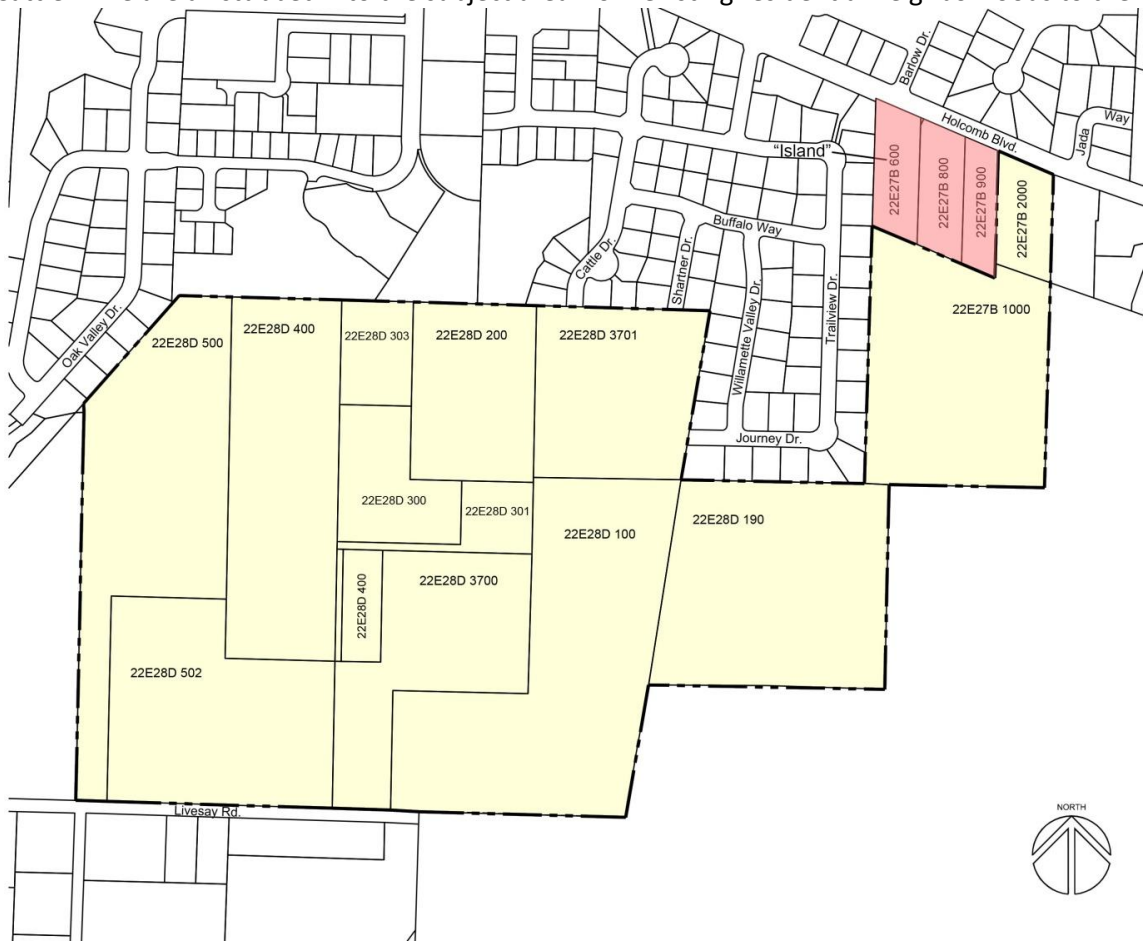


Figure #1: Subject Site Shown in Yellow

The properties included within this annexation proposal (highlighted in yellow above) contain a total of 7 single-family homes developed at rural densities on acreage tracts with various scattered outbuildings. The properties are located in the North Village Neighborhood area identified in the Park Place Concept Plan. As

discussed in the applicant's report, the future development of the subject property will provide for a mixture of residential, park, natural open space areas, and neighborhood commercial development consistent with the Park Place Concept Plan, provided the recommendations of this report are implemented.

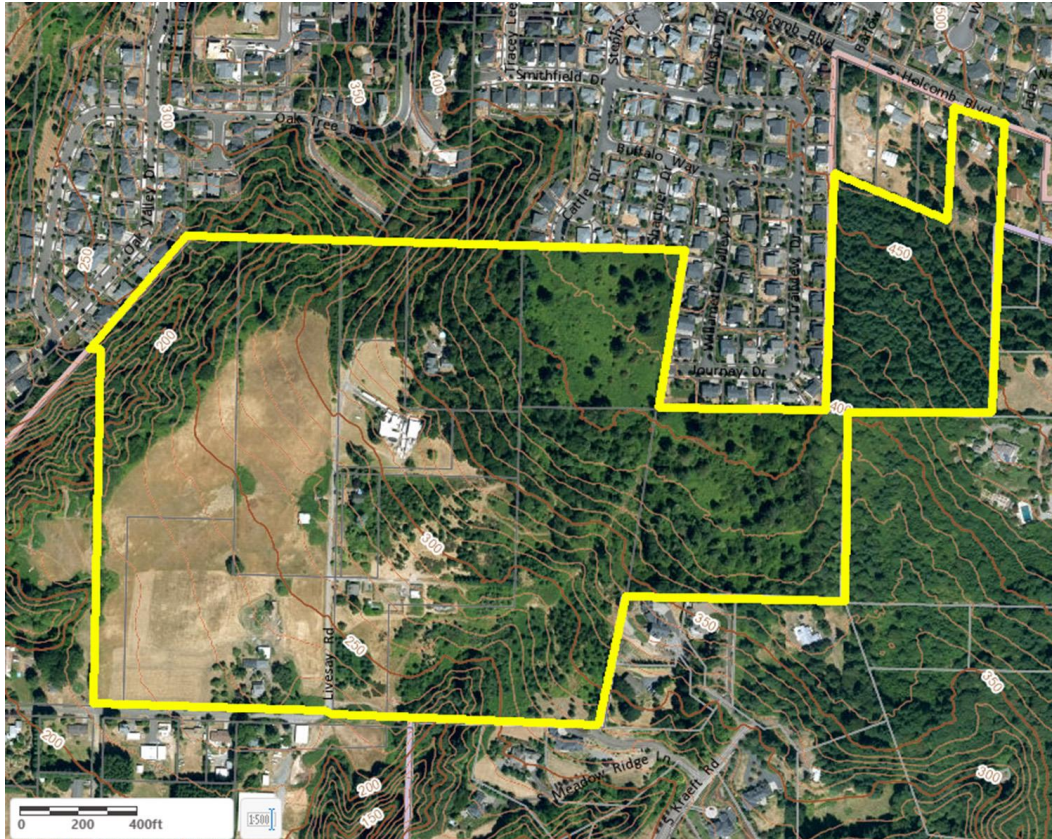


Figure 2: Aerial Photograph

The annexation will also provide a needed step in developing the northern segment of Holly Lane as a collector street extension that will eventually connect from S. Holcomb Blvd. to Redland Rd in accordance with the 2013 Oregon City Transportation System Plan (TSP).

Slopes are varied, with most areas having between zero and 25 percent grade. Slopes adjacent to the drainageway that forms the northwest border of the annexation area exceed 35% grade in certain areas. The property slopes generally to the southwest, downhill from Holcomb Blvd. The drainage of Livesay Creek runs along a northwestern portion of the annexation area for approximately 1000 feet.

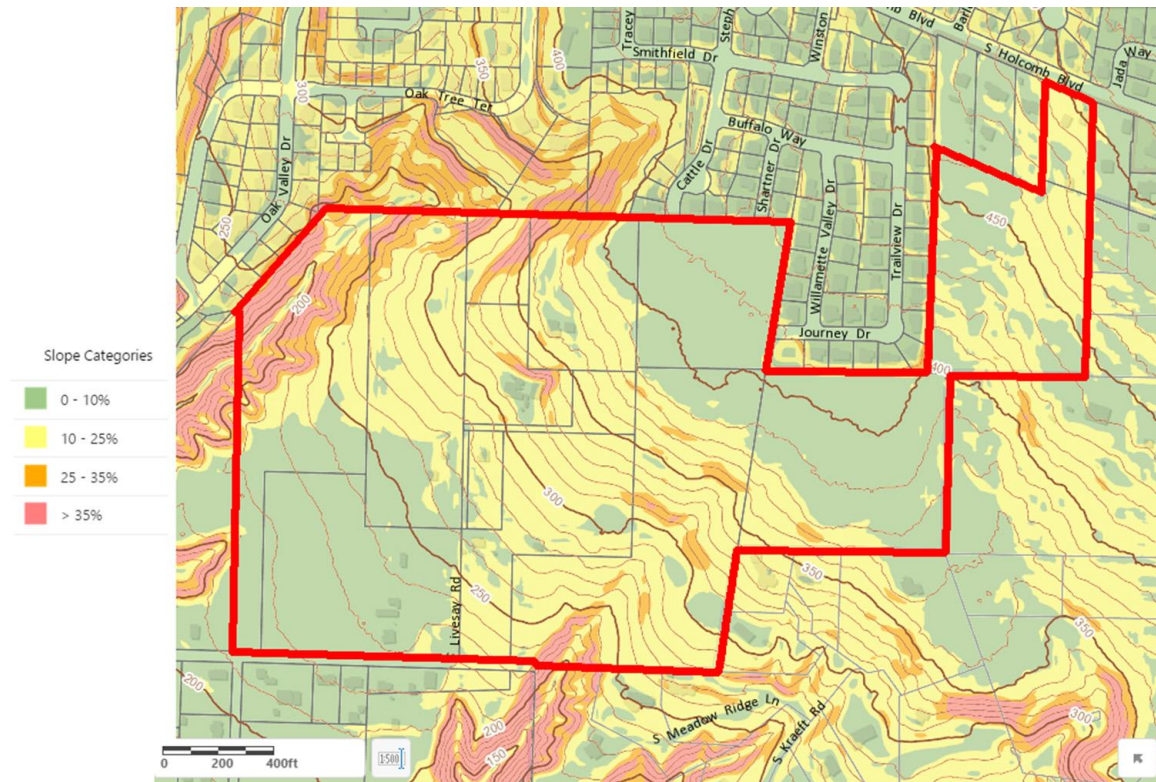


Figure 3: Site Topography

The majority of the property is otherwise undeveloped, but portions have been in use for pasture and hay fields. Tax Lot 2-2E-27B -01000 consists of 9.69 acres which is heavily forested.

The annexation petition is signed by all of the owners of all of the land in the territory. The petition thus meets the requirement for initiation set forth in ORS 222.125.

The following table provides current taxlot information for the properties.

APN	Address	Taxpayer	Acres	Assessed Value
2-2E-27B -01000		MICHAEL ERICKSON	9.69	\$ 3,709.00
2-2E-27B -02000	15110 S HOLCOMB BLVD	ERICKSON MICHAEL K TRUSTEE	1.45	\$ 176,352.00
2-2E-28D -00100		HIDDEN FALLS DEVELOPMENT LLC	14.11	\$ 262,203.00
2-2E-28D -00190		HIDDEN FALLS DEVELOPMENT LLC	10.75	\$ 106,951.00
2-2E-28D -00200	16530 S LIVESAY RD	KIRK D & MICHELLE D TOLSTRUP	5.17	\$ 404,057.00
2-2E-28D -00300	16644 S LIVESAY RD	GEORGE E THOMAS	3.1	\$ 292,428.00
2-2E-28D -00301		GEORGE E THOMAS	1.43	\$ 24,447.00
2-2E-28D -00302		HIDDEN FALLS DEVELOPMENT LLC	0.16	\$ 7,181.00
2-2E-28D -00303		GEORGE E THOMAS	1.77	\$ 29,879.00
2-2E-28D -00400	16582 S LIVESAY RD	HIDDEN FALLS DEVELOPMENT LLC	10.43	\$ 347,178.00
2-2E-28D -00500	14631 S LIVESAY RD	HIDDEN FALLS DEVELOPMENT LLC	10.73	\$ 229,571.00
2-2E-28D -00502	14631 S LIVESAY RD	ROBERT TERSHEL	9.42	\$ 374,667.00
2-2E-28D -03700	16472 S LIVESAY RD	HIDDEN FALLS DEVELOPMENT LLC	6.86	\$ 268,674.00
2-2E-28D -03701		REDLAND ROAD LLC	6.48	\$ 133,972.00
Totals			91.55	\$ 2,661,269.00

*From Clackamas Co. Assessor's Office (2017)

ISLANDS

As discussed in greater detail below, Oregon City Comprehensive Plan Policy 14.4.3 requires that the City “evaluate” and “avoid creating unincorporated islands within the City.” There are three tax lots (3.7 acres), abutting Holcomb Road, at the northern edge of the proposed annexation area that are not included as part of this annexation proposal. See the pink properties in Figure 1. The applicant indicates that they tried unsuccessfully to include these properties in their annexation.

If approved, these three tax lots will be surrounded on all four sides by land included within the city creating an unincorporated island. Policy 14.4.3 provides that “in some instances”, the City may “require that parcels adjacent to the proposed annexation” be included as part of the annexation request. Therefore, the Planning Commission, and ultimately the City Commission, must decide if the circumstances warrant forcing the three properties to become part of this annexation request. The city’s options for finding compliance with Policy 14.4.3 are discussed in greater detail below.

However, should the city require annexation of these three lots, voter approval would be required, since there would no longer be 100% owner consent for the annexation.

PARK PLACE CONCEPT PLAN

The proposed annexation is within the Park Place Concept Plan area, adjacent to Oregon City’s Park Place neighborhood on the northeastern edge of the City. The total land area within the Concept Plan is approximately 480 acres, of which 180 acres are located immediately adjacent to Oregon City limits in the vicinity of Livesay Road. These 180 acres were brought into the UGB in the 1980s, but were not annexed into the City of Oregon City. The remaining 300 acres were brought into the UGB in 2002.

The whole area within the UGB was comprised of 138 individual property owners as of 2008, consisting mainly of single-family homes on large parcels. To date, the largest amount of acreage in the concept plan area under single ownership is approximately 48 acres. Thirty-eight acres are in public ownership, the majority of which comprise Ogden Middle School (Oregon City School District). Nearly half of the parcels in the study area are one acre or less.

The Park Place Concept Plan “PPCP” (Adopted March 12, 2008) will integrate a multi-modal transportation system with a mixed-use development pattern to achieve a highly efficient and sustainable design. The PPCP identifies a network of internal and external pedestrian, bicycle, transit and street connections that serve the study area and connect it to the surrounding community and the broader region. The Concept Plan was developed through an extensive interactive public process, guided by a Project Advisory Committee comprised of neighbors, stakeholders, business owners and City residents. An extensive public hearing process before the Oregon City Planning Commission and City Commission occurred prior to final adoption of the Park Place Concept Plan.

DISCUSSION OF ZONE CHANGE CRITERIA

Concurrent Zoning Map Amendment from FU-10 to R-5, R-10 & NC.

The Site has acknowledged Oregon City Comprehensive Plan Map designations of Medium Density Residential (MR), Low Density Residential (LDR) and Mixed Use-Corridor (MUC). 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

AN-17-0004 / ZC-17-0005

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

In this instance, the zoning districts to be applied per the table in OCMC 17.68.025.A are R-5 for the MR area, R-10 for the LDR area, and Neighborhood Commercial (NC) for the MUC area.

The Planning Commission must determine that the Application satisfies the approval criteria in OCMC 17.68.025.A. and B. in order for the zone change to be approved.

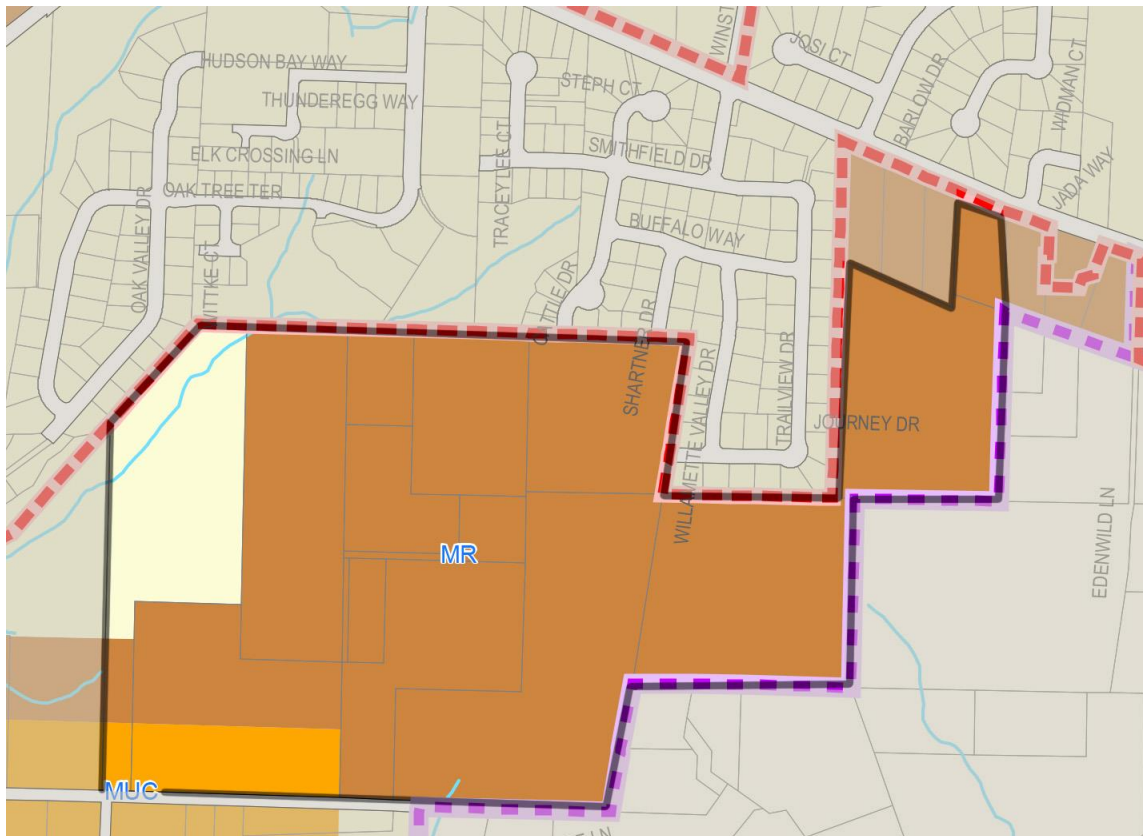


Figure 4: Comprehensive Plan Designations

Additional analysis is provided within this report.

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.

Annexations in Oregon City are governed at local (city), regional (Metro), and State levels. 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. In the case of annexation areas, the Applicant’s proposal is that staff apply the R-10, R-5 and NC zones to the applicable properties 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.A-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 for the first evidentiary hearing on February 12th, 2018 are met pursuant to OCMC 17.50 and in accordance with Metro Code 3.09.030. The application was deemed complete on December 5th, 2017.

Legally Required

Newspaper: published on January 11, 2018, within 45 days of the public hearing.

300’ mailed notice: January 5th, 2018, more than 20 days prior to the public hearing.

Property Posted with Signs: January 22nd, 2018, 21 days prior to the public hearing.

Affected Agencies (including Metro): Mailed Notice on January 5th, 2018 and Emailed on January 12th, 2018, more than 20 days prior to the public hearing.

Additional Courtesy Notices

Email Transmittal: to Neighborhood Association Chairs, three abutting County Planning Organizations, and affected departments and agencies, January 12th, 2018, more than 20 days prior to the public hearing.

Project Webpage <https://www.orcity.org/planning/project/17-0004-zc-17-0005> created: January 12th, 2018.

Public Comments

The following written public comments were received 10 days prior to the public hearing pursuant to the public notice (by 5:00 pm, Friday, 2nd of February, 2018).

AN-17-0004 / ZC-17-0005

Christine Kosinski submitted comments (Exhibit 3) identifying concerns regarding development on unstable slopes, poor soil conditions, landslides, sinkholes, and difficulty in obtaining landslide insurance. The comments assert that Oregon City does not regulate slopes less than 25% and includes geologic hazards reports which discuss the slope of the site. A variety of exhibits are provided discussing examples of landslides. Other jurisdiction's regulations are discussed and the comments indicate that the proposal does not comply with Goal 7. In addition, concerns about the traffic impact of the annexation and identified a past project of the developer.

Oregon City Police Chief Jim Band submitted comments (Exhibit 3) indicating that they do not anticipate any problems being able to patrol and serve the annexation area and that response times will be within industry standards.

The comments are incorporated into the analysis of this report. Comments received after this deadline will be forwarded to the Planning Commission at the next public hearing.

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 3.09.045(D)(1) for Expedited Decisions

D. To approve a boundary change through an expedited process, the city shall:

- 1. Find that the change is consistent with expressly applicable provisions in*
- a. Any applicable urban service agreement adopted pursuant to ORS 195.065;*

Finding: The proposal is consistent with this requirement. 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. The HOPP agreement generally states that CRW will service homes above the 450 foot elevation within the specified HOPP boundary. Only the upper northeast corner of the annexation area, near Holcomb Boulevard would be within the area to be served by CRW, as shown on the map below and provided in the application.

The proposed boundary change does not conflict and is consistent with the HOPP Agreement.

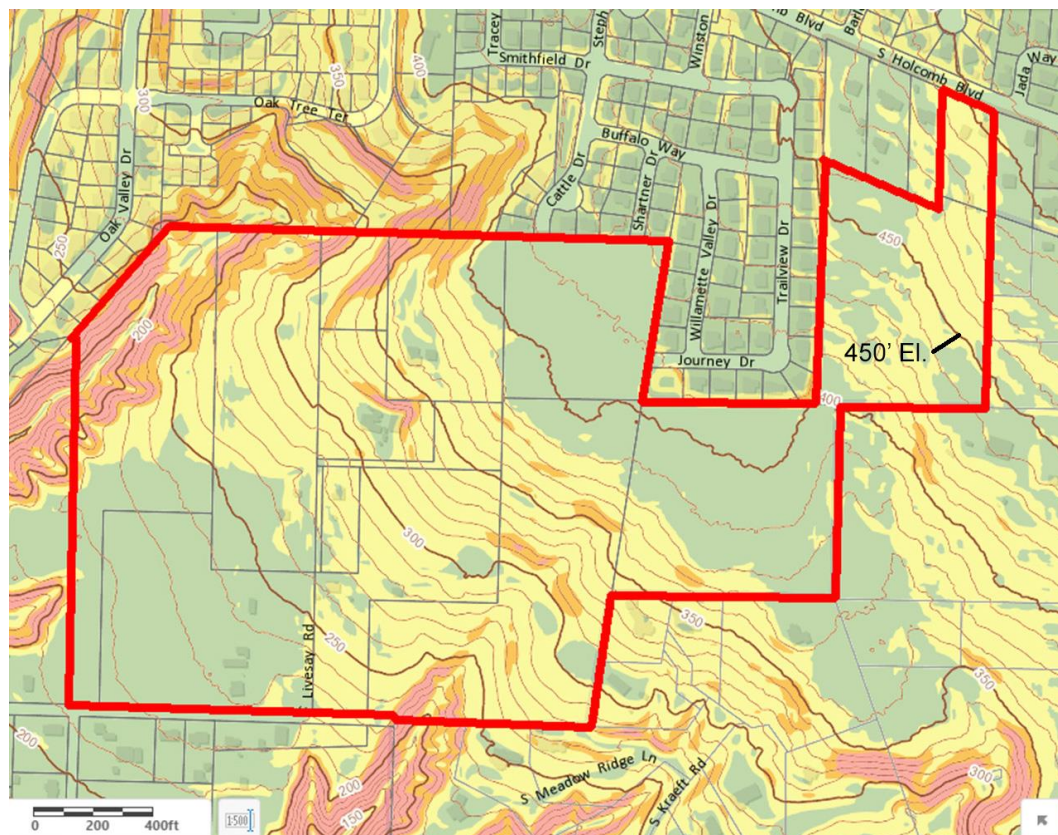


Figure 5: Contour Map

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 the portions of the property, which is a part of their respective Comprehensive Plans.

Urban Growth Management Agreement (UGMA, 1990)

The City and the County have an Urban Growth Management Agreement (UGMA), which is a part of their respective 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.*

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 of Holcomb Boulevard adjacent to the subject site have been included in the annexation area legal description. Holcomb Boulevard is a Minor Arterial Road and will be subject to applicable street improvements for a minor arterial road when a development application is submitted to the city. These improvements will be subject to joint review by the City and County if complete jurisdictional transfer to the City of Oregon City has not occurred prior to a development application.

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

Finding: 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.

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 the applicable adopted public facility plans. Per statewide planning goal 11 the city's public facility plan describes the water, sewer and transportation facilities which are to support the land uses designated in the appropriate acknowledged comprehensive plan within the urban growth boundary. The public facilities listed below are described in the findings regarding the applicant's Statements of Availability of Public Services under OCMC 14.04.050(E)(7)(a) - (g) NARRATIVE STATEMENTS.

- Water Distribution System Master Plan (WMP (2012)
- Sanitary Sewer Master Plan (2014)
- Transportation System Plan (2013)

Additional applicable Public Facility Plans and service providers include the following:

Metro Regional Transportation Plan (RTP).

Finding: The proposal is consistent with this requirement. The City’s Transportation System Plan complies with the Metro Regional Transportation Plan. The 2013 Oregon City Transportation System Plan (TSP) update and the adopted amendments to the Oregon City Municipal Code (OCMC or “code”) that implemented the City’s TSP complies with the requirements set out in the Metro Regional Transportation Functional Plan (RTFP). As established in the RTFP, demonstrating compliance with the RTFP constitutes compliance with the Regional Transportation Plan (RTP).

South Fork Water Board (SFWB) – Water Master Plan (2016)

Finding: The proposal is consistent with this requirement. SFWB is the water provider for the cities of Oregon City and West Linn and their intake plant is located in Oregon City. SFWB recently updated their master plan to include an updated Capital Improvement Plan updated System Development Charges (SDCs), which are passed through to developers within the city limit as part of the City’s SDC schedule. The emphasis of the master plan update is on providing priority upgrades related to system capacity and seismic deficiencies. SFWB’s master plan, SDCs analysis and associated capital improvement plan span a 20-year planning period starting in 2016 and ending in 2036.

e. Any applicable comprehensive plan;

Finding: The proposal is consistent with this requirement.

Oregon City Comprehensive Plan

The Oregon City Comprehensive Plan and zoning code will guide future development in the proposed annexation area. Oregon City’s Comprehensive Plan Land Use Map within the acknowledged Oregon City Comprehensive Plan designates the subject property Low Density Residential, Medium Density Residential, and Mixed Use Commercial. These designations also implement the land uses envisioned in the Park Place Concept Plan for the annexation area. The proposed zoning amendment would not change the map designation and the R-10, R-5 and NC zoning are implementing zones for those designations.

Specific Findings for consistency with the Goals and Policies of the Oregon City Comprehensive Plan are provided in this report.

Clackamas County Comprehensive Plan

The Clackamas County Comprehensive Plan implements the Oregon City Comprehensive Plan for lands within the Urban Growth Boundary. The plan designation for the proposed annexation 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: The proposal is consistent with the Park Place Concept Plan.

With the exception of 1.45 acres that fronts on Holcomb Blvd. (Tax Lot 22E27B 02000), all of the subject property lies within the boundaries of the Park Place Concept Plan. The proposed annexation and concurrent zone change are a first step towards implementing this plan.

The total land area within the Concept Plan is approximately 480 acres, of which 180 acres are located immediately adjacent to Oregon City limits in the vicinity of Livesay Road. These 180 acres were brought into the UGB in the 1980s, but were not annexed into the City of Oregon City. The remaining 300 acres were brought into the UGB in 2002. The whole area within the UGB was comprised of 138 individual property owners as of 2008, consisting mainly of single-family homes on large parcels. To date, the largest amount of acreage in the concept plan area under single ownership is approximately 48 acres. Thirty-eight acres are in public ownership, the majority of which comprise Ogden Middle School (Oregon City School District). Nearly half of the parcels in the study area are one acre or less. The 6.5 acres proposed to be annexed into the city are located within the area included within the UGB in the 1980s. This annexation area includes land identified as the "north village" in the Park Place Concept Plan.

The Park Place Concept Plan "PPCP" (Adopted March 12, 2008) will integrate a multi-modal transportation system with a mixed-use development pattern to achieve a highly efficient and sustainable design. The

AN-17-0004 / ZC-17-0005

PPCP identifies a network of internal and external pedestrian, bicycle, transit and street connections that serve the study area and connect it to the surrounding community and the broader region. The Concept Plan was developed through an extensive interactive public process, guided by a Project Advisory Committee comprised of neighbors, stakeholders, business owners and City residents. An extensive public hearing process before the Oregon City Planning Commission and City Commission occurred prior to final adoption of the Park Place Concept Plan.

The Park Place Concept Plan's Figure 3-2 "North Village Neighborhood", bears a note stating, "This map is for concept planning purposes only. The specific locations of natural resource boundaries, open space, parks, land uses, roads, trail, infrastructure and related improvements may change and is subject to on-site verification and design at the time of development." The Park Place Concept Plan is an ancillary document to the City's Comprehensive Plan. However, designations depicted on the Oregon City Comprehensive Plan Map, as adopted by Ordinance No. 08-1014, are authoritative for purposes of the requested zone change in conjunction with annexation of this property. It is understood that a future zone change/comprehensive plan map amendment application will be necessary at the time of preparation of the future master plan in order to implement the general conceptual design called for by the North Village Plan.

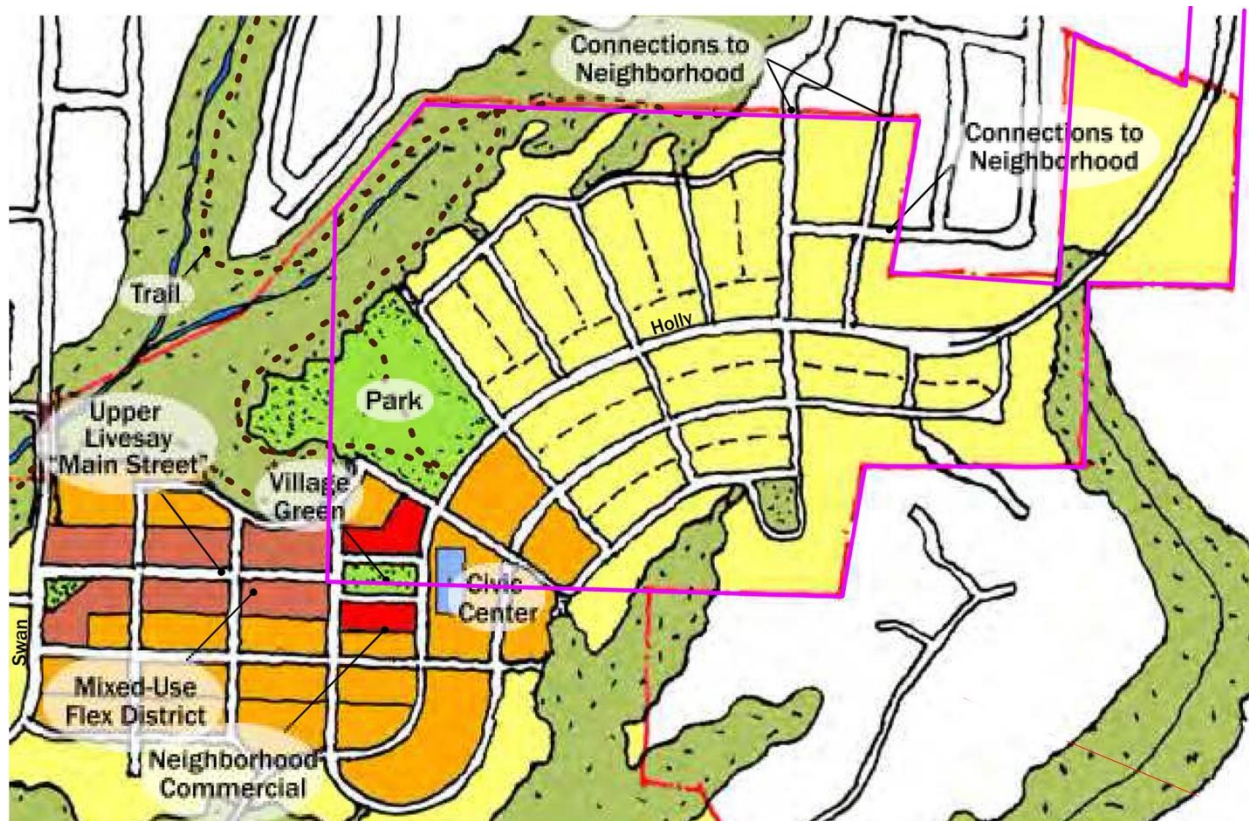


Figure 6: North Village Neighborhood (Annexation Area Outlined in Magenta)

The plan for the North Village area includes commercial development along a new main street along Upper Livesay Road. This area is shown in red on the map above and impacts a small area of the subject property. The orange color depicts Medium/High-Density Residential (R-3.5, minimum 9 units/acre) which would likely be developed with a mix of townhouse and duplex units. The yellow area is planned for Low/Medium-Density Residential (proposed R-5, minimum 6 units/acre) that would be a mix of single-family detached and single-family attached dwellings. A community park is also called for in the Plan. A collector road called the Holly Lane north extension would provide a roadway corridor tying Holcomb Blvd. AN-17-0004 / ZC-17-0005

through to Redland Road, which would be a significant improvement for the Park Place neighborhood that presently is restricted to the Holcomb Blvd. corridor for access.

The key components of the Park Place Concept Plan are listed on page 1 of that document:

- Two primary north-south connections between Holcomb Boulevard and Redland Road (Swan Avenue and Holly Lane)
- Two distinct mixed-use neighborhoods (North Village and South Village) that accommodate 1,459 new dwelling units
- Neighborhood-oriented commercial nodes that integrate commercial land uses, residential land uses, and public open space
- An area for a new civic institution, like a library or community center
- An 8-10 acre community park and a 3-5 acre neighborhood park
- A mix of housing types and ranges of affordability
- An extensive system of off-street and on-street trails and pedestrian/bicycle connections
- Innovative, green on-site stormwater treatment methods
- Protected sensitive areas, including drainages and steep slopes
- Streets and buildings oriented for solar access
- The use of green edges to define neighborhoods and buffer developments
- Integration of parks and open spaces into existing and future neighborhoods

The subject property includes part of the Holly Lane north extension, but is not involved in the Swan Avenue connection. The area of the annexation site along Livesay Road includes neighborhood commercial development, some of the civic institution uses and a major portion of the planned community park. As shown on the North Village Neighborhood plan, there are areas of sensitive land associated with drainageways that will need to be protected as open space. The plan will also include trails that will tie open spaces to residential and commercial components.

The present application involves only the annexation and application of the zoning that is consistent with the adopted Comprehensive Plan Map. *It is not relevant to discuss the goals and policies of the Park Place Community Plan in detail at this early stage.* The future submittal of a phased Master Plan, further zone change and site specific development applications will be reviewed for compliance with all relevant goals and objectives of the Park Place Concept Plan at such time as those applications are submitted.

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

The applicable approval criteria under the Metro Code are:

A. Whether the proposed boundary change will promote the timely, orderly and economic provision of public facilities and services.

Comment: all required public facilities and services will be available at the time of development. No development will occur until such time as the Alternative Mobility standards are adopted and compliance with the Transportation Planning Rule OAR 12-660 can be met. Upon approval of a future development plan, the developer will provide for the installation of needed 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

AN-17-0004 / ZC-17-0005

development plan, the developer will provide for the installation of needed public facilities and services. The City has initiated an engineering study that will add more detailed analysis to the adopted Water Master Plan within the Park Place Concept Plan area. This study will guide preliminary design elements to serve the proposed annexation area and refine the CIP. The study is expected to be completed by Fall of 2018.

b. Whether the proposed boundary change will affect the quality and quantity of urban services

Finding: The proposal is consistent with this requirement, as conditioned. 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 at the time of development. The City has initiated an engineering study that will add more detailed analysis to the adopted Water Master Plan within the Park Place Concept Plan area. This study will guide preliminary design elements to serve the proposed annexation area and refine the CIP. The study is expected to be completed by Fall of 2018.

The annexation of this property will have no immediate impact upon the quality or quantity of urban services since development of the property will be prohibited until such time as the Alternative Mobility standards are adopted and compliance with Article 12 can be met. At such time as the site is developed in the future, it will be in a manner consistent with the North Village Concept Plan and 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.

The future development application will provide for a master plan consistent with the design concept of the North Village Plan. The applicant acknowledges that the future master plan for the annexation area will need to provide for the dedication of a community park and other public facilities consistent with the Park Place Concept Plan. Staff recommends that this annexation area be subject to a Master Plan pursuant to OCMC 17.65 prior to any development of the property at densities greater than that permitted under current County zoning. Master Planning of the annexation area pursuant to OCMC 17.65 would allow for the specific phasing of development over time as well as greater control and predictability regarding the timing of and cost of public improvements, including water, stormwater, sewer, transportation, parks, trails and open space. A master plan also allows development more flexibility to vary from prescriptive standards if approved pursuant to OCMC 17.65. Any master plan, along with a future comprehensive plan amendment and zone change for the subject property cannot proceed until such time as the regional transportation issues are resolved.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.

- I. 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
- II. 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

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. All services in this area will be provided by the City of Oregon City with the exception of water service to areas served by Clackamas River Water under the existing HOPP Agreement, so there will be no 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.

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;

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

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 these requirements as conditioned. There is no proposal to develop the subject property at the present time. Development cannot occur because it is not possible to meet the criteria of Chapter 12.04 of the OCMC until such time as Alternative Mobility Standards are adopted by the City of Oregon City. However, services are available to allow for the future development of this site at such time as the transportation issues are resolved. A condition of approval will be applied to the zone change to prohibit development beyond what is allowed under existing County zoning until such time as it is possible to meet the Alternative Mobility Standards.

Prior to annexation, the property owners or assigns will record a covenant, to be approved by the City Attorney, which limits development of the site until such time that a zone change to a City zoning designation has been approved. The covenant shall acknowledge that development is reviewed for compliance with the Oregon City Municipal Code and Clackamas County Zoning and Development Ordinance. Further, until a zone change is approved the site use shall not change or intensify, or receive approval of a land division or development of the site including, but not limited to: new structures or additions to existing structures or site grading that triggers erosion control permits or overlay district review. In addition the property shall be subject to the City's overlay districts, fence regulations in OCMC 17.54.100 as well as the City's nuisance, business licensing and animal regulations.

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

Water

The applicant states that, *"The annexation area is currently partially served by the Clackamas River Water District (CRW). The City and CRW have an urban service agreement (Holcomb-Outlook-Park Place or HOPP agreement) for portions of the annexation area. The HOPP agreement generally states that CRW will service homes above the 450 foot elevation within the specified HOPP boundary. Only the upper northeast corner of the annexation area, near Holcomb Blvd. would be within the area to be served by CRW, as shown on the map below:*

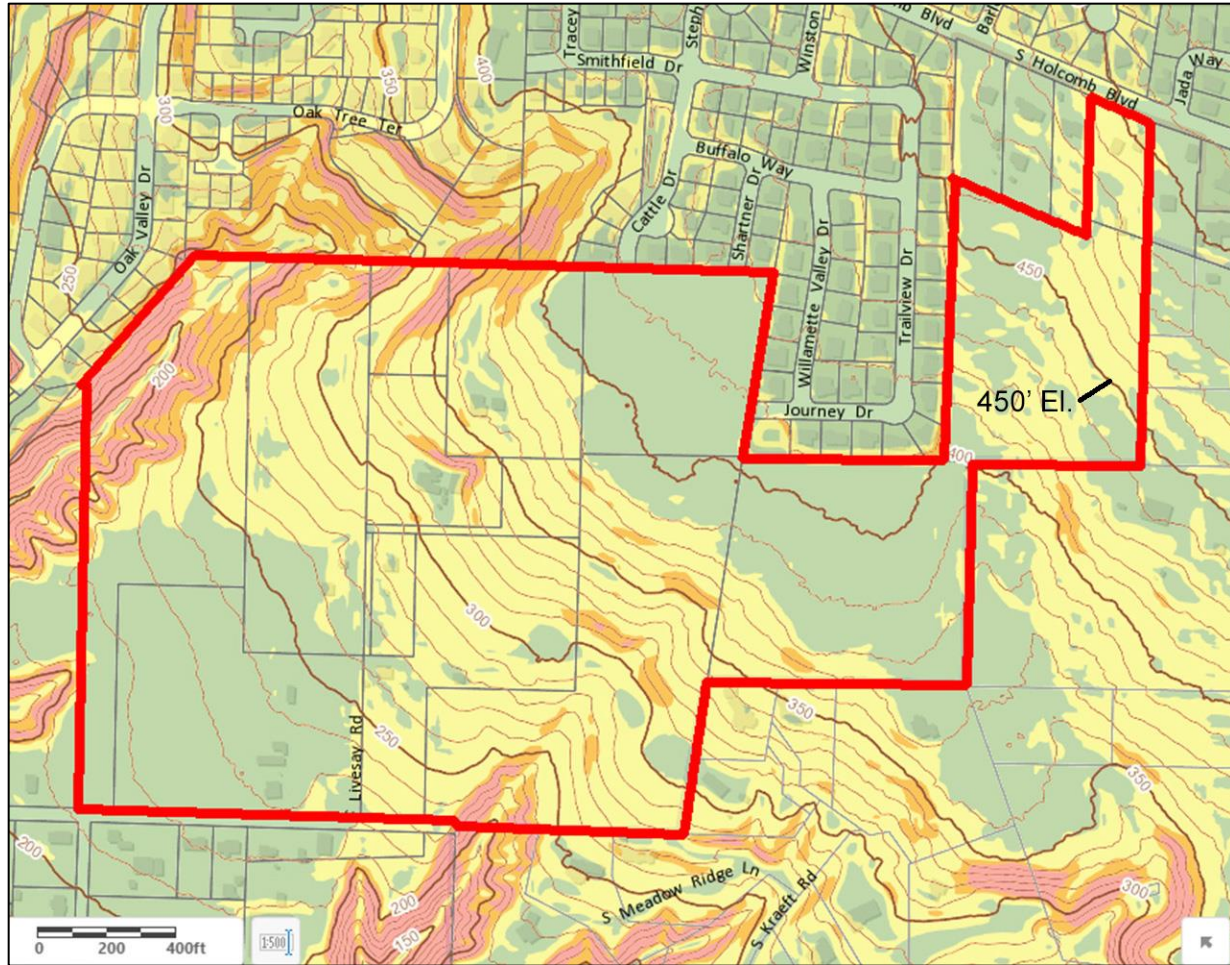


Figure 7: Contour Map

At the most recent pre-application conference (PA-16-40), information was presented by Clackamas River Water District indicating that they have an issue in meeting the required fire flow standard of 1,000 gallons per minute. That issue is expected to be resolved with system upgrades that include replacing approximately 4,000 lineal feet of substandard water main within S Bradley Road with a 12-inch pipe. This improvement would be provided in conjunction with the construction of the Abernethy Landing subdivision (TP 16-0001). Contact with Adam M. Bjornstedt, P.E., Principal Engineer for CRW, on November 6, 2017, indicate that the plans for that project are on schedule. CRW has an existing 12" water line in Holcomb Blvd. that is capable of providing for service to the portion of the subject property that is within the HOPP area. Mr. Bjornstedt indicated that CRW has adequate storage capacity.

The majority of the site will be served with by the City of Oregon City. There is an existing 16-inch City of Oregon City water main in Holcomb Blvd. along the subject property's frontage on that street. A 4-inch water line is located in Livesay Road at the lower end of the subject property. There will be a requirement to construct a 12 inch water main in the future collector street from Holcomb Blvd. to Livesay Road, together with a pressure reducing station and the cost of removing an existing water pump station on Livesay Road. At the present time the additional costs for these improvements are not included in the City's capital improvement program. The applicant will be seeking to have the CIP amended prior to development to include these regional costs.

We estimate that at full build-out the future development of the annexation properties will yield between 400 and 450 residential dwelling units. The City and Clackamas River Water District have adequate water storage capacity to service the proposed annexation area. The details of water service for the subject property will be worked out at the time of future development, but there is an adequate water supply available in the area to service this site.

For the immediate future, until future development occurs, the existing homes within the annexation area will continue to make use of private wells and Clackamas River Water service.”

Pursuant to the City’s request for additional analysis on public water infrastructure needed to serve the proposed annexation area, the applicant submitted an infrastructure analysis worksheet. In summary, the applicant anticipates water system infrastructure improvements to adequately serve the annexation area to include 4000 LF of 12-inch water main; 1 pressure-reducing valve (PRV), and decommissioning of 1 pump station.

Staff has reviewed the submittal and prepared a memorandum in response to the applicant’s analysis worksheet. In summary, Staff anticipates water system infrastructure improvements to adequately serve the annexation area to include 10,700 LF of 8- to 12-inch water main; 1 pressure-reducing valve (PRV), decommissioning of 1 pump station, and replacement of 4 services to existing properties on Livesay Road. Extension of local waterlines within the future street system, typical to all developments, was not included in these figures. The applicant also anticipates the City amending our Capital Improvement Plan (CIP) to include the infrastructure required to serve this development and receive SDC credits. The City does not anticipate SDC credit being available as a funding source for the required water infrastructure. This needs to be considered when the developer evaluates the financial feasibility of future development within the annexation area.

Sanitary Sewer

The applicant states that:

“The existing homes within the annexation area are served with private septic systems and these facilities will remain in place until such time as the area is developed in the future. The Oregon City Sanitary Sewer Master Plan calls for service to this area to be provided in accordance with the figure below:

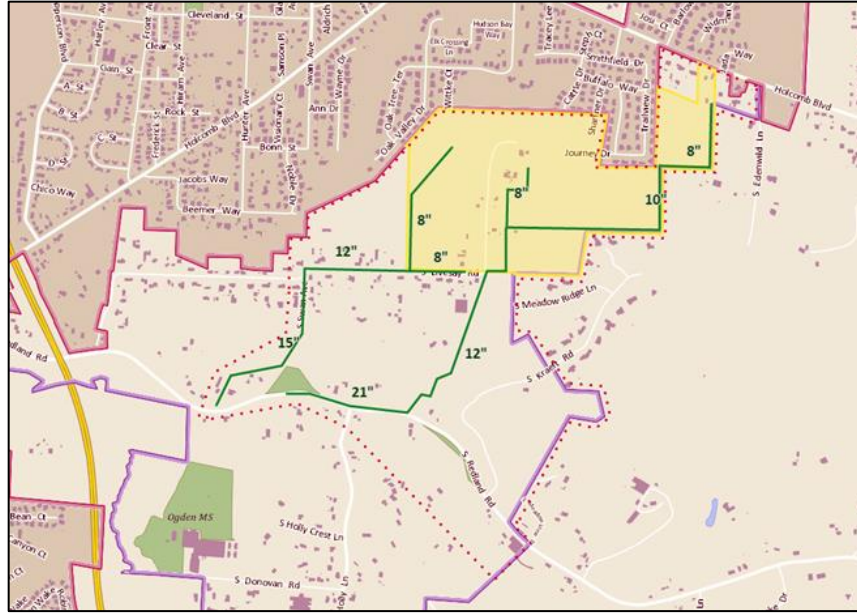


Figure 8: Sewer Master Plan

As a practical matter, the sewer master plan was prepared absent knowledge of the order in which the North Village area would be developed. It is practicable to service all of the proposed annexation area either from the Livesay Road sewer main or from the easterly sewer main. It would not be necessary to construct both of the off-site sewer lines in order to service the annexation area. Since the Livesay Road sewer is largely to be located within existing public road right-of-way, that would be the most likely route to be used in the future development of this area. The cost of this off-site sewer would be borne by the future developer, likely with a pay-back provision for a proportionate contribution for use by others as downhill properties are developed in the future.

The cost of the off-site sewer will be impacted significantly whether the project is done by the City or as a private construction project. We have completed City work sheets on estimated costs based upon information from the City's water and sewer master plans. We estimate that private construction would save at least 25 to 30 percent over public construction costs."

Pursuant to the City's request for additional analysis on public sanitary sewer infrastructure needed to serve the proposed annexation area, the applicant submitted an infrastructure analysis worksheet. In summary, the applicant anticipates Sanitary Sewer system infrastructure improvements to adequately serve the annexation area to include 7000 LF of 8- to 21-inch sanitary main and 30,000 sf of offsite public easement.

Staff has reviewed the submittal and prepared a memorandum in response to the applicant's analysis worksheet. In summary, staff anticipates Sanitary Sewer system infrastructure improvements to adequately serve the annexation area to include 9300 LF of 8- to 21-inch sanitary main and 20,000 sf of offsite public easement. Extension of local sanitary sewer lines within the future street system, typical to all developments, was not included in these figures.

The City's Sanitary Sewer Master Plan of 2014 shows two sanitary trunklines flowing southwesterly to Redland Road to accommodate flows from the proposed annexation area. The applicant's preliminary analysis indicates the property can be served by eliminating the easterly system and utilizing only the

westerly system. The City Engineer has conceptually approved this modification to the Sanitary Sewer master plan. The applicant will be required to prepare a project master plan prior to commencement of any further development in the annexation area. With this master plan, the applicant will be required to provide a thorough engineering analysis of the proposed modifications. The analysis shall include upsizing of downstream pipe segments as needed to accommodate elimination of the easterly trunkline. The analysis will also need to demonstrate that all properties can be adequately served by the westerly trunkline as a result of elimination of the easterly trunkline.

The applicant has indicated a Reimbursement District may be established as a potential source of funding for the required sanitary sewer infrastructure. The City does not anticipate SDC credit being available as a funding source for the required sanitary sewer infrastructure.

Stormwater Drainage

The applicant states that

“An existing storm sewer system drains across a portion of the subject property serving the Trail Ridge subdivision to the north of this site. Based upon natural topography, storm water run-off generated from future development will generally flow in a southerly direction from Holcomb Blvd. and will need to be conveyed to natural drainage channels as shown on the map below.

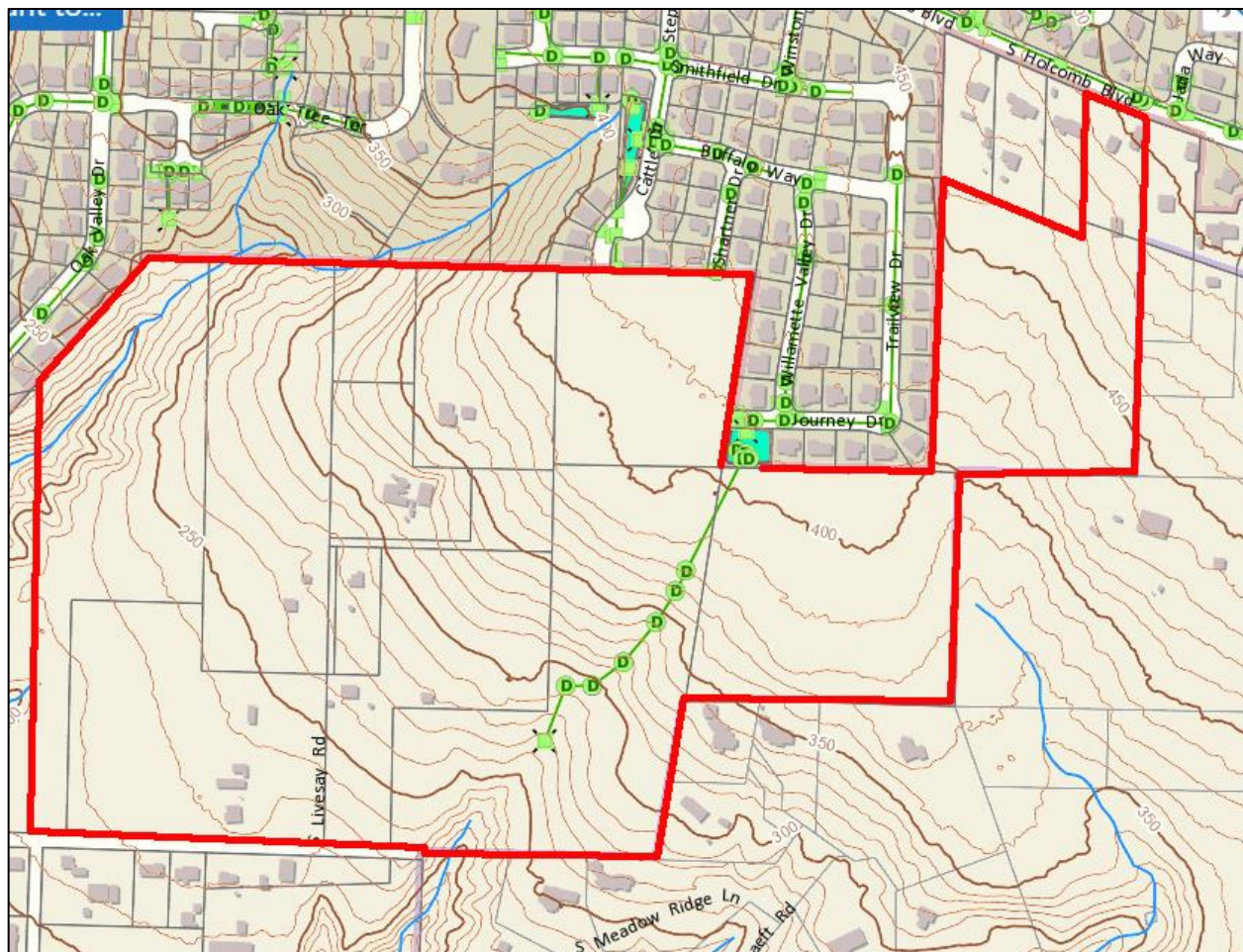


Figure 9: Storm Drainage

The future development of the site will require the construction of a storm sewer system that will collect runoff from the development. Storm water treatment and detention facilities will be required in accordance with City standards prior to release of storm water to the natural drainageways. The detention facilities will maintain the rate of runoff at predevelopment rates per City standards."

Staff concurs that provision of stormwater management facilities and conveyance systems will be contained within the annexation area. It is anticipated that the facilities can be provided in the manner typical of all land development, without unusual or additional requirements.

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. Additional transportation findings are provided within this report.

Parks

The applicant provided the following narrative regarding parks and trails.

There is a need for additional parks in the Park Place neighborhood. The closest developed City park to the subject property is Park Place Park, a mile to a mile and half to the northwest of the site at the intersection of Hiram Avenue and Cleveland Street. The Park Place Concept Plan calls for a new community park to be developed between Redland Road and Holcomb Blvd., partially within the proposed annexation area. The map below shows the proposed annexation area overlaid on Figure 32 from the Park Place Concept Plan, which shows the North Village area of the plan. The proposed park site is situated on the western border of the annexation area and continues to the west.

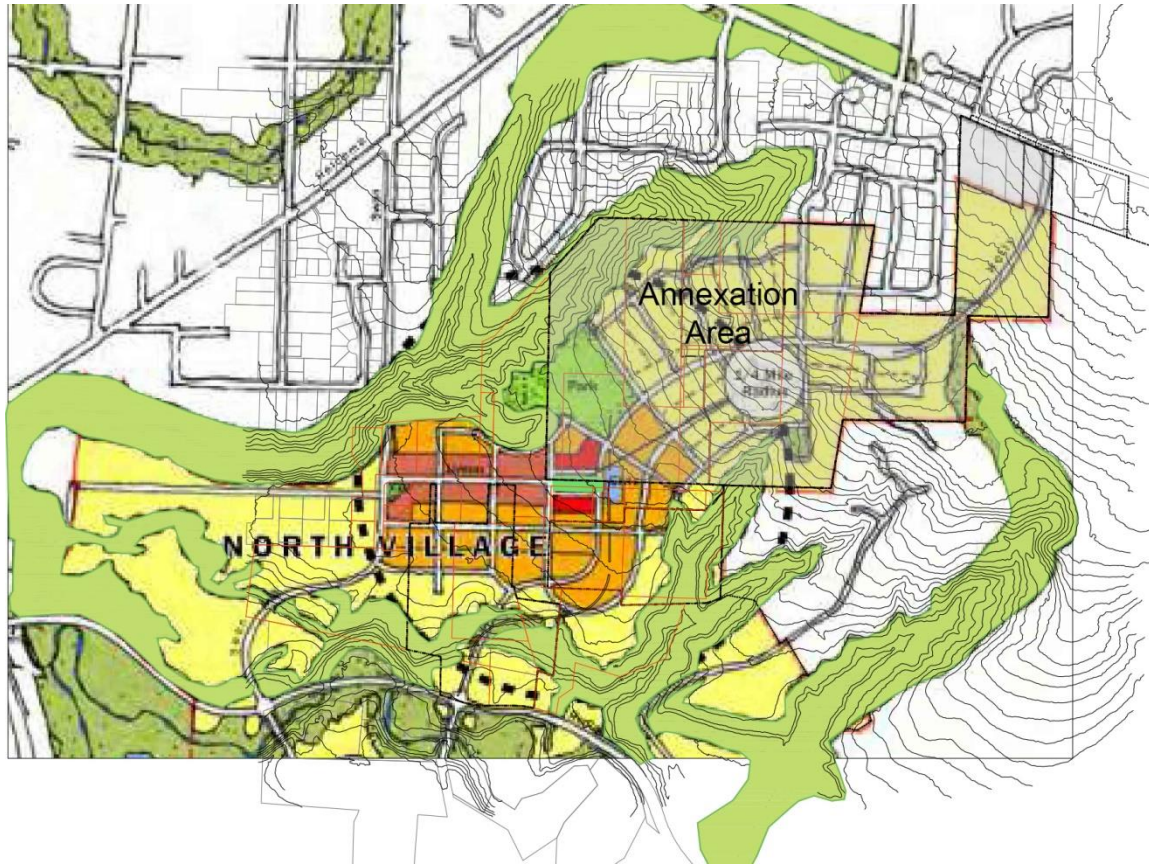


Figure 10: Park Place North Village Plan

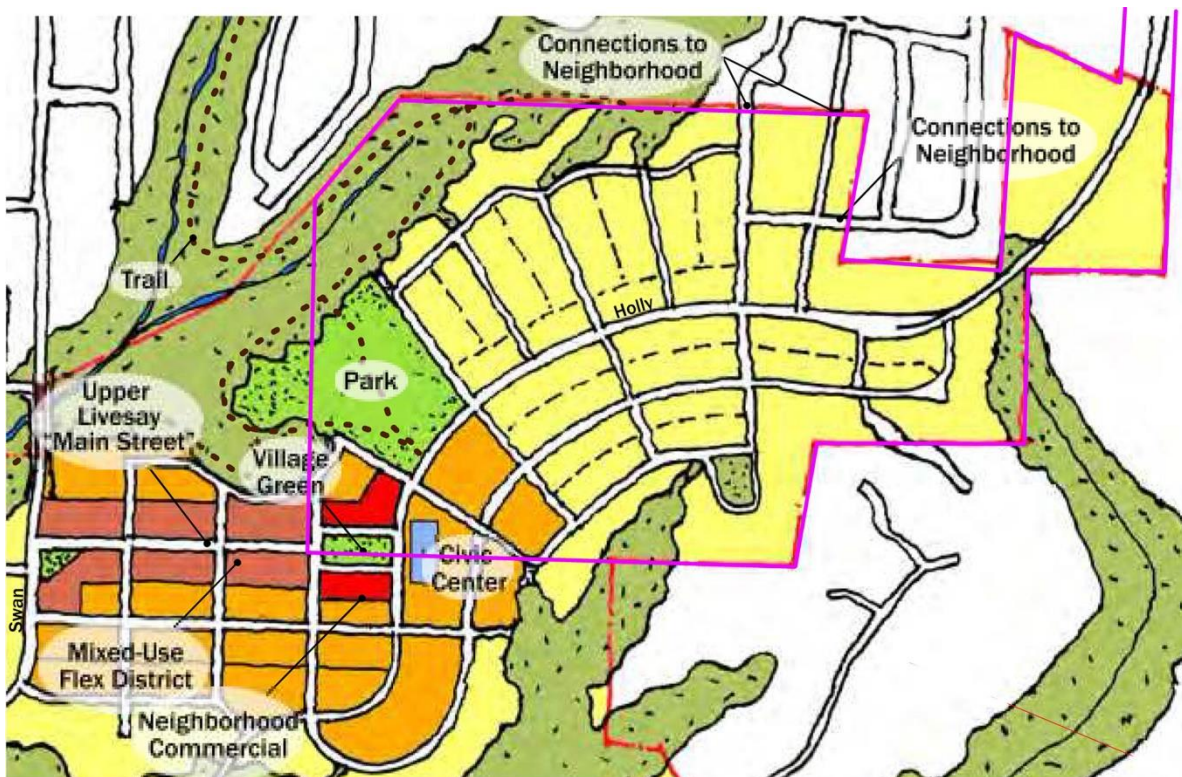


Figure 11: Park Place North Village Detail

The Park Place Concept Plan says the following about the community park in the North Village:
“The parks are intended to provide basic recreational opportunities for residents and may include amenities such as play equipment, athletic fields, picnic tables or shelters, walking trails, and other features. The neighborhood park in the North Village is approximately eight to ten acres and within walking distance of the Livesay Main Street.”
(Final Concept Plan, Page 31)

Comments in the City’s letter of May 12, 2017 from Community Services Director Phil Lewis state that “we would ideally have a 12-15 acre community park in that location which would allow appropriate sizing for sports fields and parking.”

There is a need for a larger park in order to provide for soccer and other athletic fields. This comment, while indicative of the Director’s assessment of City park needs, is not consistent with the park size called for by the adopted Park Place Community Plan. Further, topographic constraints associated with a drainageway to the northwest of the proposed park location, as well as the constraint of the proposed alignment of Holly Lane right-of-way, would limit the ability to provide a park of that size at this location with level enough areas for more athletic fields.

The applicant acknowledges that the future master plan for the annexation area will need to provide for the dedication of a community park consistent with the Park Place Concept Plan. The future comprehensive plan amendment and zone change will provide for the designation of the park site with the corresponding Park designation. It is the applicant’s expectation that the City will make any necessary amendments to its Parks and Recreation Master Plan to make the dedication of the community park eligible for systems development charges credits. This will allow for lots in the master plan area to receive SDC credits in exchange for providing compensation to the owners of properties containing proposed park dedication areas.

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.

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 Beaver Creek 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

¹ Communication with Oregon City Finance Department staff.
AN-17-0004 / ZC-17-0005

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 North Village Concept Plan also calls for a system of trails and paths to be included in the master plan for this area, as shown on the map below:

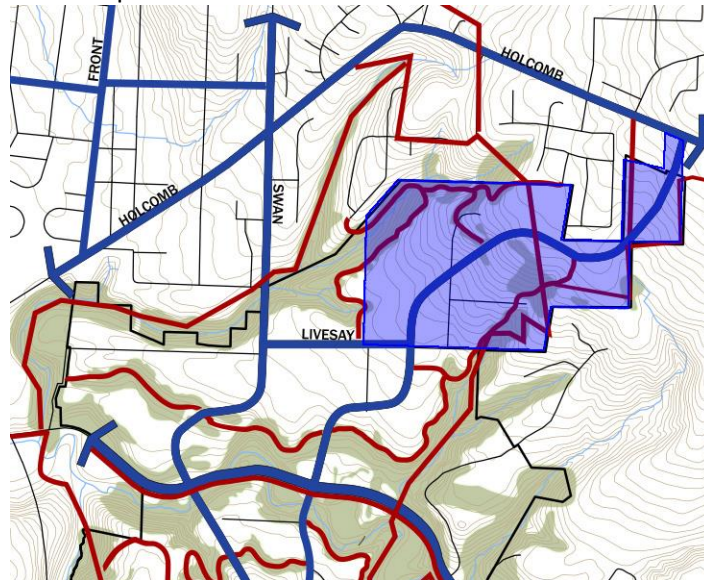


Figure 12: North Village Trails and Paths

It is understood by the applicants that the future master plan for the annexation area will need to incorporate park area and trails consistent with the Park Place Concept Plan. The most likely scenario for the funding of the dedications would be through Systems Development Credits (SDCs). The Plan states the following regarding funding mechanisms.

“Once the Park Place Concept Plan is adopted, Oregon City and the regional agencies that fund or own elements of the services will have to amend their master plans and systems development charges.”

(Final Concept Plan, Page 6)

The two parks identified in the Concept Plan have to be integrated into Oregon City’s parks master plan and at that time decide how to fund the proposed parks. It may be funded entirely from system development charges or as an integral part of the master plan’s financing strategies.

(Final Concept Plan, Page 6)

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.”

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. It is understood by the applicants that the future master plan (General Development Plan pursuant to OCMC 17.65) for the annexation area will need to incorporate park area and trails consistent with the Park Place Concept Plan. The most likely scenario for the funding of the dedications would be through Systems Development Credits (SDCs). The Park Place Concept Plan states the following regarding funding mechanisms.

“Once the Park Place Concept Plan is adopted, Oregon City and the regional agencies that fund or own elements of the services will have to amend their master plans and systems development charges.”

(Final Concept Plan, Page 6)

The two parks identified in the Concept Plan have to be integrated into Oregon City’s parks master plan and at that time decide how to fund the proposed parks. It may be funded entirely from system development charges or as an integral part of the master plan’s financing strategies.

(Final Concept Plan, Page 6)

Based on the above facts and recommended conditions, it is feasible and likely that adequate parks and 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.

The subject property is served by Oregon City Public Schools. The schools serving this site are Redland Elementary School, Ogden Middle School, and Oregon City High School. Although there will be no immediate development of this site that would impact the school system, discussions with School District staff indicate that there are no immediate capacity problems with these schools.

A letter dated March 13, 2017 from Mr. Wes Rogers, Director of Operations for Oregon City Public Schools, regarding school capacity associated with the Serres property annexation (File AN-16-0004, ZC 16-0001) makes the following comments regarding the subject annexation of approximately 92 acres:

“As to the larger 92 acre Park Place/Holcomb annexation mentioned by Mr. Givens but is not a direct part of this file, the District has always known that as the Park Place Concept Plan was significantly developed, additional elementary and middle school capacity would have to be constructed. Currently the elementary school of attendance for this area would be Redland Elementary.

Forecasted enrollment growth is not new to the District and the Oregon City School Board and administration have been studying facility needs for the past several years. Although well maintained, District facilities do not support current educational practice and all District facilities

are in need of serious renovation or replacement and in some cases minor expansion. Preliminary plans to ask for a school construction bond have not been finalized but the current draft scenario shows that the District (with voter support) would have additional middle school capacity within 5 years and additional elementary school capacity within 5-10 years. In the meantime the District has several other tools to help with over capacities by installing semi-permanent buildings and/or redrawing attendance boundaries.”

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.

The applicant states that the anticipated time frame to begin construction within the annexation area, dependent upon resolution of the alternative mobility standards issue, would be in approximately two to three years. Full build-out is expected to be in the range of five to ten years. This schedule is consistent with the School District's stated timeline to provide additional school capacity.

Police, Emergency and Fire Protection:

Finding: The proposal is consistent with this requirement. 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 Oregon City Police Department has submitted a letter indicating that they have the resources to service this annexation area.

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. The closest station is located at 300 Longview Way, within the Clackamas County View Manor housing development off of Holcomb Blvd. 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.

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. The applicant indicated that the required improvements will be made concurrently with the future development of this property. 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.

The future development application will provide for a master plan consistent with the design concept of the North Village Plan pursuant to OCMC 17.65. The applicant acknowledges that the future master plan for the annexation area will need to provide for the dedication of a community park and other public facilities consistent with the Park Place Concept Plan. Staff recommends that this annexation area be subject to a Master Plan prior to any development of the property at densities greater than that permitted under current County zoning. Master Planning of the annexation area pursuant to OCMC 17.65 would allow for the specific phasing of development over time as well as greater control and predictability regarding the timing of and cost of public improvements, including water, stormwater, sewer, transportation, parks, trails and open space. A master plan also allows development more flexibility to vary from prescriptive standards if approved pursuant to OCMC 17.65. Any master plan, along with a future comprehensive plan amendment and zone change for the subject property cannot proceed until such time as the regional transportation issues are resolved.

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 default zones for this plan designation are R-10, R-5 and NC. The applicant has requested the default zoning of R-10, R-5 and NC 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.

The applicant indicates that the majority of the subject property is within the boundaries of the Park Place Concept Plan, specifically, the North Village Plan, and the eventual development of this site will be subject to the land uses and densities set forth in that document. The future development application will provide for a master plan pursuant to OCMC 17.65 consistent with the design concept of the North Village Plan. The future development application will likely need to include proposals to rezone the property to resolve certain discrepancies between the land use areas in the North Village Plan and the existing designations Oregon City Comprehensive Plan Map. One property, Tax Lot 2000 on Map 22E27B and which fronts on Holcomb Blvd., is located outside of the North Village Plan, is designated MR by the Comprehensive Plan and will be zoned R-5. That property will be developed in conjunction with the rest of the properties included in this annexation and zone change. The future development of this property will provide a mixture of approximately 400 to 450 single-family detached and attached housing units, as well as neighborhood commercial, park and community uses as shown on the North Village Plan. It will also aid in providing a needed collector road connection from the Holcomb Blvd. area down to Redland Road. It is anticipated that the development will occur in several phases over an approximate 10 year development plan, which will be further defined through a General Development Plan pursuant to OCMC 17.65.

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 and rezoning of this property because there will be no development until several additional steps are taken, which include the adoption of Alternative Mobility Standards in compliance with the Transportation Planning Rule, approval of a Master Plan, including a phased General Development Plan by the Planning Commission, and the submittal of development

applications through either the subdivision process or the detailed development plan process for the neighborhood commercial zoned areas. Future development of the property will result in typical 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 North Village concept for the Park Place Concept Plan will develop and provide greater commercial amenities and housing choices. New streets and street improvements will be designed to maximize safety and convenience for all users, including pedestrians and cyclists. Natural resources will be protected and managed for optimum ecological health to help protect watersheds.

Overall, the annexation site will be developed in accordance with the vision identified in the Park Place Concept Plan and 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, subject to conditions. No change to the comprehensive plan text or map designations are proposed at this time. The applicant requests that the default zone change from Clackamas County zoning to Oregon City R-10, R-5 and NC per the provisions of OCMC 17.68.025.A. This zone change is in conformance with the acknowledged Low and Medium Density Residential and Mixed Use land use designations for the property pursuant to the adopted Park Place Concept Plan. Please refer to the discussion of the zone change proposal and conditions of approval in this report.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beavercreek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are to be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beavercreek are adopted.
 - I. 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
 - II. 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

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 fee 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 and accompanying reports were submitted as part of the complete application. 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. Additional accesses are available from the local streets stubbed to the property: Journey

Drive, Shartner Drive, and Cattle Drive as well as Livesay Road. Future development of the property will provide for the construction of a north extension of Holly Lane from Holcomb Blvd. to Livesay Road. Future development of properties to the south will eventually extend this street to Redland Road, pursuant to the adopted Transportation System Plan.

The specific design of the local street system for the subject site has not been determined at this time, but is subject to additional review by the city at the time a development is proposed. It is expected that the overall design of the local street system will be further refined when a Master Plan, including phased General Development Plan for the subject site is proposed, with subsequent phases of subdivisions providing even greater refinement. These include, but are not limited to, addressing the timing of parkland acquisitions and development, proposed phasing of major roads to ensure a timely connection to Holly Lane and an analysis of utility phasing that can foster redevelopment of the entire concept plan area.

Therefore, prior to issuing any development approval other than as identified in condition of approval #2, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements.

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.

Goal 1: Citizen Involvement

Goal 1.1 – Citizen Involvement Program

Policy 1.1.1 *Utilize neighborhood associations as the vehicle for neighborhood-based input to meet the requirements of the Land Conservation and Development Commission (LCDC) Statewide Planning Goal 1, Citizen Involvement. The Citizen Involvement Committee (CIC) shall serve as the officially recognized citizen committee needed to meet LCDC Statewide Planning Goal 1.*

Finding: The proposal is consistent with this Goal and Policy. The applicant attended neighborhood meetings with the Park Place Neighborhood Association to present the proposed annexation and zone change applications. The City's procedures for review of the application provided notice to Park Place Neighborhood Association and allow opportunity for public comment on the application.

Goal 1.4 – Community Involvement

Policy 1.4.1 *Notify citizens about community involvement opportunities when they occur.*

Finding: The proposal is consistent with this Goal and Policy. The City's procedures for review of the proposed annexation and zone change provide for notice to owners of affected properties and will provide opportunities for citizen input regarding the applications.

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.

Policy 2.1.3 *Encourage sub-area master planning for larger developments or parcels, including re-development, where it may be feasible to develop more mixed uses, or campus-style industrial parks, with shared parking and landscaping areas. Allow developments to vary from prescriptive standards if planned and approved under this provision.*

Finding: The proposal is consistent with this Goal and Policy. The proposed annexation property is part of the Urban Growth Boundary and is located within the Park Place Concept Plan, which provides sub-area master planning for this area. The future development of this property will provide mixed uses, including various types of residential development, parks, open spaces, commercial and institutional uses consistent with the North Village concept plan.

Goal 2.4 Neighborhood Livability

Provide a sense of place and identity for residents and visitors by protecting and maintaining neighborhoods as the basic unit of community life in Oregon City while implementing the goals and policies of the other sections of the Comprehensive Plan.

Policy 2.4.1 *Develop local neighborhood plans to strengthen and protect residential neighborhoods and historic areas from infill development; such as development along linear commercial corridors.*

Finding: The proposal is consistent with this Goal and Policy. The Park Place Concept Plan provides for a unified neighborhood plan that will serve as a guide to development of a desirable and diverse community in this area of the city.

Policy 2.4.2 *Strive to establish facilities and land uses in every neighborhood that help give vibrancy, a sense of place, and a feeling of uniqueness; such as activity centers and points of interest.*

Finding: The proposal is consistent with this policy. The Park Place Concept Plan includes parks, natural open space areas, trails, neighborhood commercial and institutional uses that will provide vibrancy and a sense of place in the future development of this property.

Policy 2.4.3 *Promote connectivity between neighborhoods and neighborhood commercial centers through a variety of transportation modes.*

Finding: The proposal is consistent with this policy. The Park Place Concept Plan encourages connectivity and diverse modes of transportation. The plan calls for the construction of Holly Lane to provide a much needed connection between Holcomb Blvd. and Redland Road. The plan also encourages an internal circulation system within the future neighborhood that will ensure connectivity and minimize out of direction travel. A trail system is planned that will provide greater opportunity for bicycle and pedestrian modes of transportation.

Policy 2.4.4 *Where environmental constraints reduce the amount of buildable land, and/or where adjacent land differs in uses or density, implement Comprehensive Plan and zoning designations that encourage compatible transitional uses.*

Finding: The proposal is consistent with this policy. The subject property includes environmentally sensitive areas associated with drainageways. The Park Place Concept Plan and City ordinances provide for these water resource areas to be preserved as natural open spaces.

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.

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 within the subject property at this time. The site is closest to Holcomb Elementary School and Ogden Middle School and would eventually be connected to these schools through additional road, trail, 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.

Goal 2.5 Retail and Neighborhood Commercial

Policy 2.5.1 *Encourage the redevelopment of linear commercial corridors in ways that encourage expansion of existing businesses and infill development, and at the same time reduces conflicting traffic movements, improves the aesthetic character of these commercial areas, and encourages trips by transit, bicycling and walking.*

Finding: Not applicable. The subject property does not contain any linear commercial corridors. The Park Place Concept Plan calls for limited neighborhood commercial development, but there is no existing commercial development within the area.

Policy 2.5.2 *Allow and encourage the development of small retail centers in residential neighborhoods that provide goods and services for local residents and workers. Generally, these centers should be located at the intersections of two or more streets that are classified as neighborhood collectors or higher.*

Finding: The proposal is consistent with this policy. The North Village Concept Plan calls for a small area of neighborhood commercial zoning in the southwest corner of the annexation area. This area is identified in the Park Place Concept Plan as a part of “Livesay Main Street”. The Plan states the following regarding anticipated uses within this area of neighborhood commercial development:

Small-scale commercial businesses, like a coffee shop, bookstore, dry cleaners, or café, are proposed to anchor the intersection of Holly Lane Extension and Livesay Main Street and surround the Village Green.

Policy 2.5.3 *Review design standards and the sign code to ensure compatibility with existing neighborhoods.*

Finding: The proposal is consistent with this Policy. Design standards for single family development in the Park Place Concept Plan area are implemented by OCMC 17.21 and commercial/multi-family design standards are identified in OCMC 17.62 and 17.62. The future development of this area will be reviewed for compliance with these standards prior to construction.

Policy 2.5.4 *Encourage the development of successful commercial areas organized as centers surrounded by higher density housing and office uses, rather than as commercial strips adjacent to low-density housing.*

Finding: The proposal is consistent with this policy. The commercial development in this area is intended to be small in scale and service-oriented. It is seen by the Park Place Concept Plan as helping to provide a neighborhood identity rather than providing for the full range of commercial needs that are available elsewhere in Oregon City, as discussed in the following quote from page 18 of the Concept Plan:

“Commercial development in the planning area is not seen as necessary for the success of the area, which is expected to be developed largely as residential. The commercial needs of the planning area can be met outside of the concept planning area by existing and planned developments. However, commercial development can serve to organize the Park Place Concept Plan by providing a “center” to the community. In addition, commercial development can meet some of the needs of the community, providing a marketable amenity for residential development while reducing trips out of the neighborhood.”

Policy 2.5.5 *Encourage commercial and industrial development that enhances livability of neighborhoods through the design of attractive LEEDTM-certified buildings and environmentally responsible landscaping that uses native vegetation wherever possible, and by ensuring that development is screened and buffered from adjoining residential neighborhoods and access is provided by a variety of transportation modes.*

Finding: The proposal is consistent with this policy. These provisions are implemented by design standards within the OCMC that will be reviewed prior to site development.

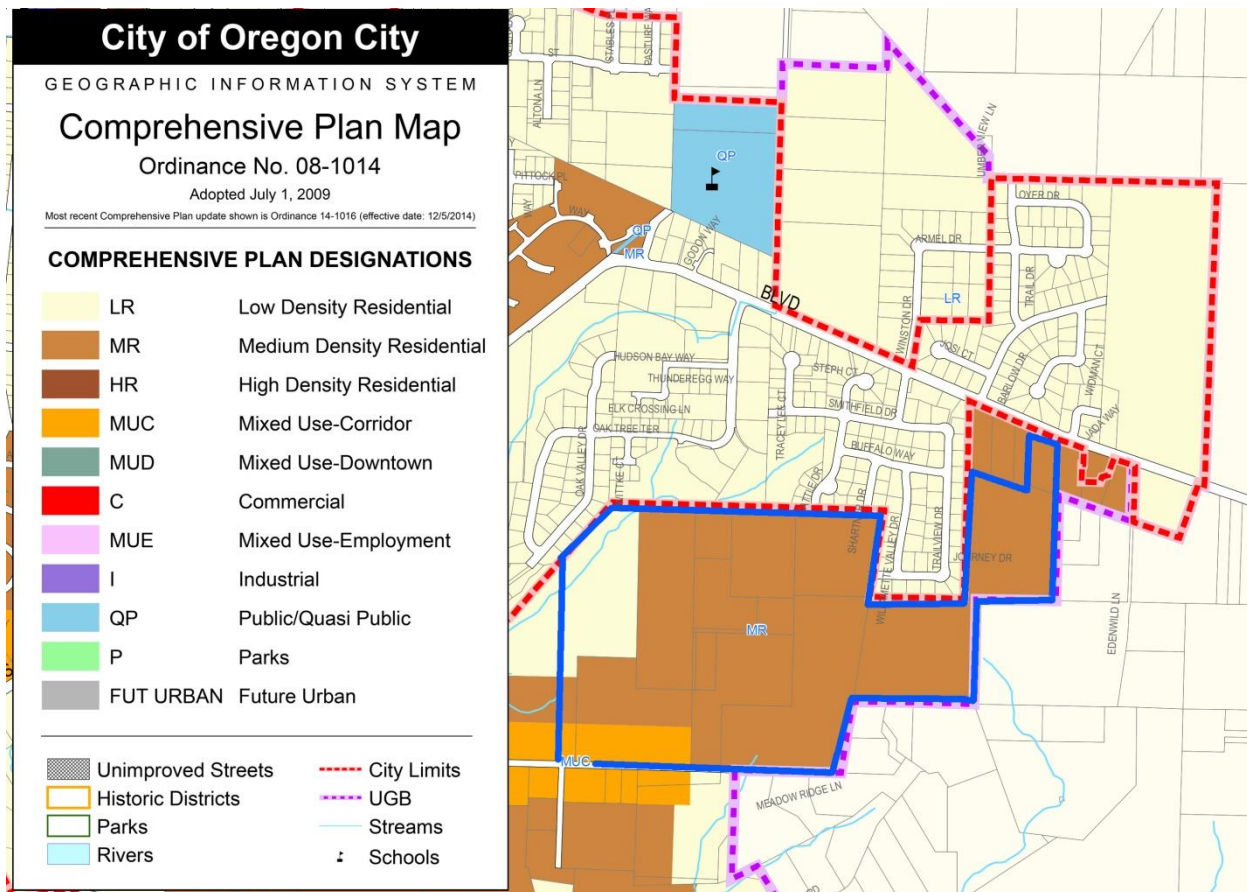
Goal 2.7 Oregon City Comprehensive Plan Land-Use Map

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.

Policy 2.7.2 Use the following 11 land-use classifications on the Oregon City Comprehensive Plan Land-Use Map to determine the zoning classifications that may be applied to parcels:

- Low Density Residential (LR)
- Medium Density Residential (MR)
- High Density Residential (HR)
- Commercial (C)
- Mixed Use Corridor (MUC)
- Mixed Use Employment (MUE)
- Mixed Use Downtown (MUD)
- Industrial (I)
- Public and Quasi-Public (QP)
- Parks (P)
- Future Urban Holding (FUH)

Finding: The proposal is consistent with this policy. 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. The cropped section from the Oregon City Comprehensive Plan Land Use Map below shows the designations applicable to the subject area (outlined in blue):



The majority of the area is designated Medium Density Residential, which is implemented by the R-5 zone. There is a small area of Low Density Residential designation in the northwest corner of the annexation area. The R-10 through R-6 zones implement this designation, but R-10 is proposed. There is also a portion of the site that is designated Mixed Use-Corridor. The proposed zoning is consistent with the adopted comprehensive land use plan.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources

Goal 5.1 – Open Space

Policy 5.1.1 Conserve open space along creeks, urban drainage ways, steep hillsides, and throughout Newell Creek Canyon.

Finding: the proposal is consistent with this policy. There is one major drainageway in the northwest corner of the proposed annexation area and the top of a drainageway in the southeast corner. Consistent with this policy, at the time of development these areas will be retained as open space in accordance with the stormwater master plan, OCMC Chapter 17.44 and OCMC Chapter 17.49 which require a restrictive easement or separate tract of land limiting or prohibiting development for the protection of unstable slopes or natural resources.

Policy 5.1.2 Manage open space areas for their value in linking citizens and visitors with the natural environment, providing solace, exercise, scenic views and outdoor education. Built features in open space sites should harmonize with natural surroundings.

Finding: the proposal is consistent with this policy. Future open space areas will be provided at the time of development to assist in meeting this policy.

Goal 5.2 Scenic Views and Scenic Sites

Policy 5.2.1 Identify and protect significant views of local and distant features such as Mt. Hood, the Cascade Mountains, the Clackamas River Valley, the Willamette River, Willamette Falls, the Tualatin Mountains, Newell Creek Canyon, and the skyline of the city of Portland, as viewed from within the city.

Finding: the proposal is consistent with this policy. The site is located on a hillside with some nice vistas. These will be considered in the development of the future master plan for this area.

Policy 5.2.2 Maximize the visual compatibility and minimize the visual distraction of new structures or development within important viewsheds by establishing standards for landscaping, placement, height, mass, color, and window reflectivity.

Finding: the proposal is consistent with this policy. Not applicable to this annexation and zone change application and not directly applicable to the future development of this site. This policy is a guide to city action in developing standards to protect visual compatibility.

Goal 5.3 Historic Resources

Policy 5.3.3 Promote the designation of qualifying properties outside Historic and Conservation Districts as historic.

Finding: the proposal is consistent with this policy. The applicants are not aware of any historic resources within the annexation area and none are identified in the Park Place Concept Plan or Oregon City Comprehensive Plan. The Oregon State Historic Preservation Office and various tribes will be

contacted during the development of the future master plan in order to determine if there are any significant archeological sites within the annexation area.

Policy 5.3.8 Preserve and accentuate historic resources as part of an urban environment that is being reshaped by new development projects.

Finding: the proposal is consistent with this policy. The applicants are not aware of any historic resources within the annexation area.

Goal 5.4 Natural Resources

Policy 5.4.1 *Conserve and restore ecological structure, processes and functions within the city to closely approximate natural ecosystem structure, processes, and functions.*

Finding: the proposal is consistent with this policy. During the development of the future master plan for the annexation area, care will be taken to identify any sensitive ecological areas within the site boundaries.

Policy 5.4.5 *Ensure that riparian corridors along streams and rivers are conserved and restored to provide maximum ecological value to aquatic and terrestrial species. This could include an aggressive tree and vegetation planting program to stabilize slopes, reduce erosion, and mitigate against invasive species and stream impacts where appropriate.*

Finding: the proposal is consistent with this policy. The riparian corridors along the natural drainageways within the annexation boundary will be protected as open space. All development on property within the natural Resource Overlay District will be reviewed upon submittal of a development application for protection of the vegetated corridor/riparian areas through covenants or tracts which restrict or prohibit development and require associated mitigation.

Policy 5.4.9 *Protect and enhance riparian corridors along streams in Oregon City to increase shade, reduce streambank erosion and intrusion of sediments, and provide habitat for a variety of plants, animals, and fish.*

Finding: the proposal is consistent with this policy. All development on property within the natural Resource Overlay District will be reviewed upon submittal of a development application for protection of the vegetated corridor/riparian areas through covenants or tracts which restrict or prohibit development and require associated mitigation.

Policy 5.4.12 *Use a watershed-scale assessment when reviewing and planning for the potential effects from development, whether private or public, on water quality and quantity entering streams.*

Finding: the proposal is consistent with this policy. Consistent with this policy and City standards regarding storm water treatment and detention, during development of the future master plan the project engineer will look at the regional watershed in determining appropriate methods of handling storm drainage.

Policy 5.4.13 *Adopt and/or establish standards for all new development that promote the use of pervious surfaces and prevent negative ecological effects of urban stormwater runoff on streams, creeks and rivers.*

Finding: the proposal is consistent with this policy. This policy is fully implemented by the City's adopted storm water management standards. The project engineer will comply with these standards during preparation of the future master plan for this area.

Policy 5.4.16 *Protect surfacewater quality by:*

- *providing a vegetated corridor to separate protected water features from development*
- *maintaining or reducing stream temperatures with vegetative shading*
- *minimizing erosion and nutrient and pollutant loading into water*
- *providing infiltration and natural water purification by percolation through soil and vegetation*

Finding: the proposal is consistent with this policy. A vegetated corridor will be preserved in the future master plan along drainageways in the annexation area to accomplish the objectives of this policy. In addition, upon the submittal of a development application, the stormwater manual will analyze the impacts of development and specify standards for stormwater.

Policy 5.4.18 *Encourage use of native and hardy plants such as trees, shrubs and groundcovers to maintain ecological function and reduce maintenance costs and chemical use.*

Finding: the proposal is consistent with this policy. Not applicable to this application for annexation and zoning. Landscape plans for future commercial and/or multi-family development will be reviewed in accordance with adopted City standards that implement this policy.

Goal 6: Quality of Air, Water, and Land Resources

Goal 6.1 Air Quality

Policy 6.1.1 *Promote land-use patterns that reduce the need for distance travel by single occupancy vehicles and increase opportunities for walking, biking and/or transit to destinations such as places of employment, shopping and education.*

Finding: the proposal is consistent with this policy. The future master plan will be designed with a system of interconnected streets and pathways that will satisfy this policy.

Goal 6.2 Water Quality

Policy 6.2.1 *Prevent erosion and restrict the discharge of sediments into surface- and groundwater by requiring erosion prevention measures and sediment control practices.*

Finding: the proposal is consistent with this policy. Consistent with this policy and adopted City storm water standards, the future master plan for this project will include plans for erosion and sediment control to mitigate for site grading and other development activities.

Policy 6.2.2 *Where feasible, use open, naturally vegetated drainage ways to reduce stormwater and improve water quality.*

Finding: the proposal is consistent with this policy. The natural drainageways and a vegetated corridor abutting them will be protected as open space in the future master plan for this area.

Goal 6.3 Nightlighting

Policy 6.3.2 *Encourage new developments to provide even and energy-efficient lighting that ensures safety and discourages vandalism. Encourage existing developments to retrofit when feasible.*

Finding: the proposal is consistent with this policy. The future development of this site will employ street lighting consistent with City and PGE standards that satisfy this policy.

Goal 6.4 Noise

Policy 6.4.1 *Provide for noise abatement features such as sound-walls, soil berms, vegetation, and setbacks, to buffer neighborhoods from vehicular noise and industrial uses.*

Finding: the proposal is consistent with this policy. There are no significant noise sources that impact this annexation site.

Goal 7: Natural Hazards

Policy 7.1.1 *Limit loss of life and damage to property from natural hazards by regulating or prohibiting development in areas of known or potential hazards.*

Finding: the proposal is consistent with this policy. Chapter 17.44 of the Oregon City Municipal Code protects unstable slopes including areas of slope 25% or greater and all known landslide areas. City GIS mapping of natural hazards shows a couple of small areas of mapped landslide hazards and other areas with steep slopes. These areas are associated with the drainageways on portions of the property near Livesay Canyon. The majority of this area will be preserved as open spaces (in the form of restrictive easements or tracts) in the future master plan. Where development will occur on or in proximity to geologic hazard areas, appropriate geotechnical studies will be performed to determine site stability during the development review process. Geologic Hazards were reviewed during the Concept Plan process to identify the buildable lands availability onsite. This analysis will be further refined as development is proposed and conditions of approval will be placed upon development proposals to ensure compliance with OCMC 17.44 Geologic Hazards Overlay.

Policy 7.1.8 *Provide standards in City Codes for planning, reviewing, and approving development in areas of potential landslides that will prevent or minimize potential landslides while allowing appropriate development.*

Finding: the proposal is consistent with this policy. This policy is implemented in Chapter 17.44 – Geologic Hazards. Chapter 17.44 of the Oregon City Municipal Code protects unstable slopes including areas of slope 25% or greater and all known landslide areas. City GIS mapping of natural hazards shows a couple of small areas of mapped landslide hazards and other areas with steep slopes. At the time development is proposed, the applicant is generally required to conduct a geotechnical study which is reviewed by a City consultant for protection of lands through preservation and restrictions of development (in the form of restrictive easements or tracts).

Policy 7.1.9 *Locate, design, and construct structures in conformance with current building codes and standards for seismic-resistant design.*

Finding: the proposal is consistent with this policy. Not applicable to this application for annexation and zone change. All future structures to be built on this site will obtain required building permits that include provisions to address this policy.

Policy 7.1.11 *Prioritize roadways needed for public service, medical, and emergency vehicles during emergencies.*

Finding: the proposal is consistent with this policy. The future connection of Holly Lane through to Redland Road will provide a much-needed route connecting the Holcomb Blvd. area to medical, emergency and public services. At the present time access is limited to Holcomb Blvd. and, to a lesser degree, Forsythe Road. The future development of this site will aid in meeting this policy.

Goal 8: Parks and Recreation

Policy 8.1.1 *Provide an active neighborhood park-type facility and community park-type facility within a reasonable distance from residences, as defined by the Oregon City Park and Recreation Master Plan, to residents of Oregon City*

Finding: the proposal is consistent with this policy. There are presently no parks within convenient walking distance of the annexation area. The future development of this site will provide for a community park, consistent with this policy and the Park Place Concept Plan.

Policy 8.1.5 *Identify and construct a network of off-street trails throughout the city for walking and jogging.*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan calls for a system of off-street trails through the proposed annexation area. The future master plan for this site will address this requirement.

Policy 8.1.6 *Provide land for specialized facilities such as sports fields and indoor recreational facilities.*

Finding: the proposal is consistent with this policy. It is anticipated that the community park that will be developed on a portion of the annexation area will provide for sports fields.

Policy 8.1.9 *Emphasize retaining natural conditions and the natural environment in proposed passive recreation areas.*

Finding: the proposal is consistent with this policy. The future master plan will provide open spaces associated with the drainageway areas within the annexation area and these will be preserved in their natural condition.

Policy 8.1.12 *Identify and protect land for parks and recreation within the Urban Growth Boundary.*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan calls for a community park that is mostly within the proposed annexation area. The future master plan for this site will address this requirement.

Prior to issuing any development approval other than as identified in condition of approval #2, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements. These include, but are not limited to, addressing the timing of parkland acquisitions and development, proposed phasing of major roads to ensure a timely connection to Holly Lane and an analysis of utility phasing that can foster redevelopment of the entire concept plan area.

Policy 8.1.14 *Require or encourage developers to dedicate park sites as part of the subdivision review process. When possible, require or encourage developers to build parks to City standards and give them to the City to operate and maintain.*

Finding: the proposal is consistent with this policy. The future master plan will provide for the dedication of a community park consistent with this policy and other City standards.

Goal 10: Housing

Policy 10.1.1 *Maintain the existing residential housing stock in established older neighborhoods by maintaining existing Comprehensive Plan and zoning designations where appropriate.*

Finding: the proposal is consistent with this policy. Not applicable. The subject property is not located within an established older neighborhood. There are a few homes on large acreage tracts and most of these will be removed to allow for redevelopment. However the proposal would implement existing Comprehensive Plan designations.

Policy 10.1.3 *Designate residential land for a balanced variety of densities and types of housing, such as single-family attached and detached, and a range of multi-family densities and types, including mixed-use development.*

Finding: the proposal is consistent with this policy. The North Village Plan within the Park Place Concept Plan calls for a mixture of housing types and densities, as well as neighborhood commercial and institutional uses within the annexation area. The future master plan will implement these land uses.

Policy 10.1.4 *Aim to reduce the isolation of income groups within communities by encouraging diversity in housing types within neighborhoods consistent with the Clackamas County Consolidated Plan, while ensuring that needed affordable housing is provided.*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan calls for a variety of types of housing that will help in addressing this policy. The Comprehensive Plan designation supports this diversity with a variety of zoning designations.

Policy 10.1.7 *Use a combination of incentives and development standards to promote and encourage well-designed single-family subdivisions and multi-family developments that result in neighborhood livability and stability.*

Finding: the proposal is consistent with this policy. The City has adopted design standards in Chapter 17.21 that implement this policy. The future development will conform to these standards.

Policy 10.2.2 *Allow increases in residential density (density bonuses) for housing development that would be affordable to Oregon City residents earning less than 50 percent of the median income for Oregon City.*

Finding: the proposal is consistent with this policy. The Comprehensive Plan designation supports this diversity with a variety of zoning designations.

Goal 11: Public Facilities

Policy 11.1.1 *Ensure adequate public funding for the following public facilities and services, if feasible: Transportation infrastructure • Wastewater collection • Stormwater management • Police protection • Fire protection • Parks and recreation • Water distribution • Planning, zoning and subdivision regulation • Library services • Aquatic Center • Carnegie Center • Pioneer Community Center • City Hall • Buena Vista House • Ermatinger House*

Finding: the proposal is consistent with this policy. Not applicable to this application for annexation and zone change. Future development will pay for system development charges and taxes.

Policy 11.1.2 *Provide public facilities and services consistent with the goals, policies and implementing measures of the Comprehensive Plan, if feasible.*

Finding: the proposal is consistent with this policy. As discussed above in this application, public facilities and services are available or will be provided concurrently with future development of this site to allow development consistent with this policy.

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

Finding: the proposal is consistent with this policy. The proposed future development of this site will occur only after annexation to the City of Oregon City. Although sanitary sewer from Redland Road will have to pass through unincorporated areas, no service connections will be provided to areas outside of the city limits in conjunction with the development of this site.

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

Finding: the proposal is consistent with this policy. Public services will be provided in accordance with adopted plans and standards that conform to this policy.

Policy 11.1.6 *Enhance efficient use of existing public facilities and services by encouraging development at maximum levels permitted in the Comprehensive Plan, implementing minimum residential densities, and adopting an Accessory Dwelling Unit Ordinance to infill vacant land.*

Finding: the proposal is consistent with this policy. The future development of this site will be at densities planned in the Park Place Concept Plan. This development will be dense enough to make efficient use of existing and planned public facilities and services.

Policy 11.2.4 *Seek economical means to reduce inflow and infiltration of surface- and groundwater into the wastewater collection system. As appropriate, plant riparian vegetation to slow stormwater, and to reduce erosion and stream sedimentation.*

Finding: the proposal is consistent with this policy. The sanitary sewer system that will serve the future development of this site will be installed in accordance with City standards and will be pressure tested to ensure that surface and ground waters do not enter the system. Storm water will be collected via a storm sewer system that will drain to storm water treatment and detention facilities that will be designed to City standards that include measures to slow stormwater to reduce erosion and stream sedimentation.

Policy 11.3.3 *Maintain adequate reservoir capacity to provide all equalization, operational, emergency, and fire flow storage required for the City's distribution system.*

Finding: the proposal is consistent with this policy. Information provided at the pre-application conference indicates that the City and Clackamas River Water District have adequate water storage capacity to service the proposed annexation area.

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

Finding: the proposal is consistent with this policy. The future master plan will provide for a stormwater management system that conforms to City standards.

Policy 11.4.2 *Adopt "green streets" standards to reduce the amount of impervious surface and increase the use of bioswales for stormwater retention where practicable.*

Finding: the proposal is consistent with this policy. The City has adopted standards for Low Impact Development streets that implement this policy. Where appropriate grades exist, the future master plan can employ these standards to provide for stormwater management consistent with this policy.

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

Finding: the proposal is consistent with this policy. The existing drainageway areas within the annexation area will be maintained as natural open spaces in the future master plan, in accordance with this policy.

Policy 11.4.5 *Design stormwater facilities to discharge surface water at pre-development rates and enhance stormwater quality in accordance with criteria in City of Oregon City Public Works Stormwater and Grading Design Standards.*

Finding: the proposal is consistent with this policy. This policy is implemented by the City's stormwater standards. The future master plan will be designed to conform to these standards.

Goal 12: Transportation

Policy 12.1.1 *Maintain and enhance citywide transportation functionality by emphasizing multi-modal travel options for all types of land uses.*

Finding: the proposal is consistent with this policy, as conditioned. The future development of this site will provide for a connected system of roadways and pathways that will provide for multi-modal forms of travel.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are to be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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

Policy 12.1.2 *Continue to develop corridor plans for the major arterials in Oregon City, and provide for appropriate land uses in and adjacent to those corridors to optimize the land use-transportation connection.*

Finding: the proposal is consistent with this policy. The future master plan will provide for the extension of Holly Lane, consistent with the Park Place Concept Plan and this policy.

Policy 12.1.3 Support mixed uses with higher residential densities in transportation corridors and include a consideration of financial and regulatory incentives to upgrade existing buildings and transportation systems.

Finding: the proposal is consistent with this policy. Not applicable. The subject property is not located in a transportation corridor.

Policy 12.1.4 Provide walkable neighborhoods. They are desirable places to live, work, learn and play, and therefore a key component of smart growth.

Finding: the proposal is consistent with this policy. The future master plan will include a network of sidewalks and pathways that will provide for a walkable neighborhood with access to residential, commercial, parks and natural open space areas.

Policy 12.3.1 Provide an interconnected and accessible street system that minimizes vehicle-miles-traveled and inappropriate neighborhood cut-through traffic.

Finding: the proposal is consistent with this policy. The future master plan will be designed with a network of interconnected streets. Primary access through the neighborhood will be via Holly Lane, which will discourage neighborhood cut-through traffic.

Policy 12.3.2 Provide an interconnected and accessible pedestrian system that links residential areas with major pedestrian generators such as employment centers, public facilities, and recreational areas.

Finding: the proposal is consistent with this policy. There are no employment centers in the vicinity of the subject property, but the future master plan will provide for pedestrian connectivity to both parks and open space recreational areas.

Policy 12.3.3 Provide a well-defined and accessible bicycle network that links residential areas, major bicycle generators, employment centers, recreational areas, and the arterial and collector roadway network.

Finding: the proposal is consistent with this policy. The future master plan will include a bicycle lane on Holly Lane, bicycle/pedestrian trails, as well as a network of bicycle-friendly local streets.

Policy 12.3.4 Ensure the adequacy of pedestrian and bicycle connections to local, county, and regional trails.

Finding: the proposal is consistent with this policy. The future master plan will provide for connections to planned trails depicted in the Park Place Concept Plan.

Policy 12.3.5 Promote and encourage a public transit system that ensures efficient accessibility, mobility, and interconnectivity between travel modes for all residents of Oregon City.

Finding: the proposal is consistent with this policy. There is presently no bus service in the vicinity of the subject property. The completion of the Holly Lane north extension may provide for a logical bus route in this area in the future.

Policy 12.3.6 Establish a truck route network that ensures efficient access and mobility to commercial and industrial areas while minimizing adverse residential impacts.

Finding: Not applicable. There are no commercial or industrial areas in the vicinity of the subject property.

Policy 12.6.1 Provide a transportation system that serves existing and projected travel demand.

Finding: the proposal is consistent with this policy. Please refer to the Lancaster Engineering traffic study included with this application.

Policy 12.6.2 *Identify transportation system improvements that mitigate existing and projected areas of congestion.*

Finding: the proposal is consistent with this policy, as conditioned . The future completion of the Holly Lane north extension will provide for another access route from the Holcomb area that will be consistent with this policy.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are to be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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

Policy 12.6.3 *Ensure the adequacy of travel mode options and travel routes (parallel systems) in areas of congestion.*

Finding: the proposal is consistent with this policy. The future completion of the Holly Lane north extension will provide for another access route from the Holcomb area that will be consistent with this policy.

Policy 12.6.4 *Identify and prioritize improved connectivity throughout the city street system.*

Finding: the proposal is consistent with this policy. The future master plan will be designed to provide connectivity consistent with this policy.

Goal 13 – Energy

Policy 13.1.2 *Encourage siting and construction of new development to take advantage of solar energy, minimize energy usage, and maximize opportunities for public transit.*

Finding: the proposal is consistent with this policy. The subject property is located on a south-facing hill that will afford opportunities in the design of the future master plan for taking advantage of solar energy. A network of connected neighborhood streets will also be consistent with this policy.

Policy 13.2.1 *Promote mixed-use development, increased densities near activity centers, and home-based occupations (where appropriate).*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan proposes a mixed-use development pattern for the north village area that will include commercial, recreational and institutional uses, as well as a variety of residential types. The densities proposed in the Park Place Concept Plan are higher than other areas of the City, which is consistent with this policy.

Policy 13.2.2 *Create commercial nodes in neighborhoods that are underserved to reduce vehicle miles traveled.*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan includes the provision of a small amount of neighborhood commercial development near Livesay Road, which is consistent with this policy.

Policy 13.2.3 *Plan for complementary mixed uses when considering annexation of new, under- or undeveloped areas so that new urban residential areas have closer access to jobs and services.*

Finding: the proposal is consistent with this policy. The Park Place Concept Plan includes some neighborhood commercial development that will provide for some commercial services in the neighborhood, consistent with 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. Details regarding planned capital improvements to provide public services to the annexation site were provided earlier in this report.

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 proposed zoning is consistent with the adopted and acknowledged Oregon City Comprehensive Plan Map. A condition of approval will temporarily prohibit urban-density development due to on-going traffic policy considerations. At such time as the Alternative Mobility standards are adopted and the requirements of Article 12 can be met, development will take place at densities consistent with the Park Place Concept Plan and the City's Comprehensive Plan. The proposed development will be reviewed for compliance with maximum and minimum density standards at the time of application for subdivision approval.

The subject property is designated Low Density Residential, Medium Density Residential and Mixed Use Corridor by the Oregon City Comprehensive Plan. The proposed default zoning districts R-10, R-5 and NC implements the designations applicable to this property. 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.

Prior to issuing any development approval other than as identified in condition of approval #2, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements. These include, but are not limited to, addressing the timing of parkland acquisitions and development, proposed phasing of major roads to ensure a timely connection to Holly Lane and an analysis of utility phasing that can foster redevelopment of the entire concept plan area.

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 annexation includes a zone change, and the applicant 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, as conditioned. This policy contains a requirement that the city include a fiscal impact assessment as part of the preparation of concept plans. This annexation area is part of a concept plan which included a fiscal assessment of the cost of public facilities to serve this area, and subsequent public facilities plans and System Development Charge updates have been implemented based on those assessments. The proposed annexation will have no immediate fiscal impacts upon the cost of providing public services because no development will be allowed until such time as transportation planning issues are resolved. The City's Public Facilities Plan and Transportation System Plan anticipate the future development of the subject property at densities consistent with the Comprehensive Plan and provide an analysis of the costs of providing adequate levels of services in this area of the city. The future development of this property will contribute to these costs by providing on-site infrastructure, as well as potential off-site sanitary sewer improvements, at the cost of the developer. Each home will be assessed appropriate System Development Charges to cover the proportionate impact of the future development of this site.

Furthermore, the future development application will provide for a master plan consistent with the design concept of the North Village Plan. The applicant acknowledges that the future master plan for the annexation area will need to provide for the dedication of a community park and other public facilities consistent with the Park Place Concept Plan. Staff recommends that this annexation area be subject to a Master Plan pursuant to OCMC 17.65 prior to any development of the property at densities greater than that permitted under current County zoning. Master Planning of the annexation area pursuant to OCMC 17.65 would allow for the specific phasing of development over time as well as greater control and predictability regarding the timing of and cost of public improvements, including water, stormwater, sewer, transportation, parks, trails and open space. A master plan also allows development more flexibility to vary from prescriptive standards if approved pursuant to OCMC 17.65. Any master plan, along with a future comprehensive plan amendment and zone change for the subject property cannot proceed until such time as the regional transportation issues are resolved.

Prior to issuing any development approval other than as identified in condition of approval #2, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements. These include, but are not limited to, addressing the timing of parkland acquisitions and development, proposed phasing of major roads to ensure a timely connection to Holly Lane and an analysis of utility phasing that can foster redevelopment of the entire concept plan area.

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. As pointed out above, this proposal would create an "unincorporated island" within the City. Therefore, it is up to the Planning Commission, and ultimately the City Commission to interpret this requirement. Staff has identified three options:

- 1) Find that this policy discourages rather than prohibits the creation of islands as a result of annexation. Use of the term "some instances" in this plan policy gives the city some discretion indicating that the policy is cautionary rather than mandatory, and implies that there are cases in which the evaluation of a potential island may result in a decision to create an island. Staff has analyzed the utility and transportation demands needed to realize the Park Place Concept Plan objectives and concludes that allowing this island to remain in the County will not compromise urbanization of the concept plan areas. Therefore, allowing this island to remain will not compromise any identified planning objective.
- 2) Find that this policy prohibits the creation of an island and amend the application, forcing the three adjacent properties to annex as part of this request. This approach would require a forced annexation and trigger voter approval of the annexation. The city does not have an established precedent for forcing non-consenting property owners to annex.
- 3) Find that forcing annexation from non-consenting property owners should not be initiated by the city and therefore, conclude that this plan policy is not met and deny the application.

This is a question of interpretation for the Planning Commission and ultimately the City Commission to determine. Staff recommends an interpretation that prohibits islands where it can be found that they compromise the efficiency and cost-effectiveness of extending public improvements.

The annexation of these three tax lots at this time is not needed in order to implement the Park Place Concept Plan. In fact, the Park Place Concept Plan boundary does not encompass the three properties that would be “islanded”, although they share the same Comprehensive Plan Designation of MR Medium Density Residential consistent with the properties adjacent and within the Park Place Concept Plan.

The annexation area is contiguous to the existing city limits along its northern boundary. The proposed annexation will create a small unincorporated island within the city. The island area is shown in pink on the map below. The owners of three parcels along Holcomb Blvd., Tax Lots 22E27B 600, 800 & 900, were contacted, but preferred not to join the annexation proposal at this time.

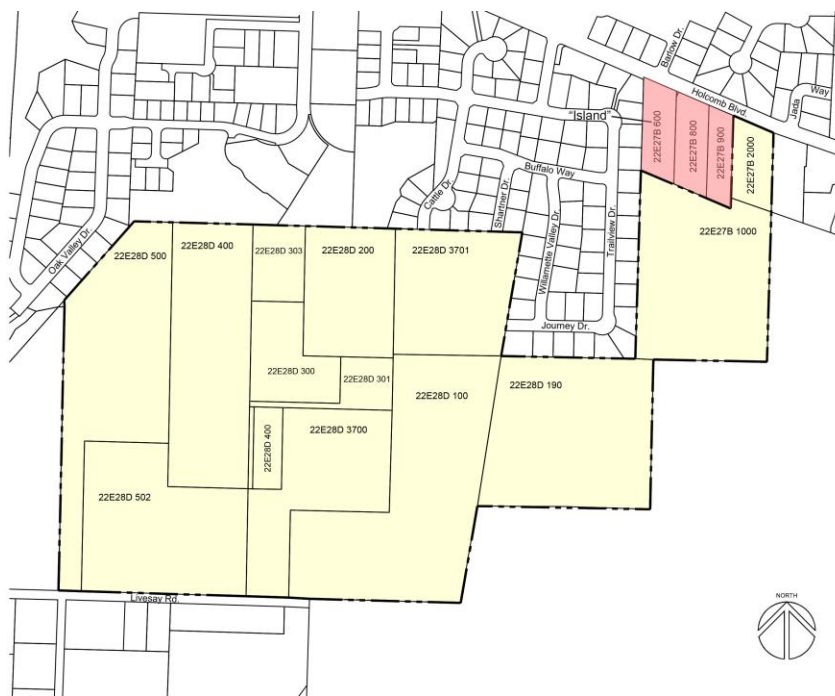


Figure 14: Annexation Area (Yellow) and Island (Pink)

The language of this policy calls for an evaluation of whether the creation of an island, by itself or in conjunction with the other listed factors, would be sufficiently problematic that the annexation proposal must be altered to include the area of the potential island. The island itself is not problematic for the City in any significant way. It is small in size at 3.7 acres, and involves only three properties. All of these properties are developed with single-family homes. The island would only be separated from other unincorporated land by approximately 180 feet along Holcomb Blvd. No further development of these properties, pursuant to city zoning, would be allowed until such time as they are annexed to the City in the future. Rising land values and the provision of urban services available to these properties sometime in the future are likely to bring an incentive for future development that will result in the voluntary annexation of these properties.

The creation of this island will have no impact upon the efficient provision of public services. Storm sewer and sanitary sewer drain to the south, away from the island area, and will be provided with the development of the annexation area. Holcomb Blvd. along the frontage of these properties is entirely within the city limits and access to water service is available in that right-of-way. While there will be a need for additional right-of-way to be dedicated from the islanded properties in order for Holcomb Blvd. to be developed to full City arterial standards. Such dedication and improvement of the road will likely not occur until such time as the owners of these properties choose to annex and develop their land. On the other hand, should the City desire to make these improvements on its own, the creation of an island at this time would have no impact on the City's ability to do so. It has the ability to annex islanded properties on its own motion and to acquire needed right-of-way either by purchase or by condemnation.

The inclusion of the island area in the annexation proposal is not needed to implement a concept plan or sub-area master plan that has been approved by the Planning and City Commissions. The three properties that would be islanded in this proposal are not a part of the Park Place Concept Plan or any other sub-area master plan. In the future, at such time as the island neighbors wish to annex to the City, the future developer of the subject properties will be provide to pay applicable System Development Charges, City taxes, and any additional facility connections.

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.

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. ORS Ch. 222 was amended in 2016 with the adoption of Senate Bill 1573 with respect to voter approval. Those requirements are addressed later in this report. 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

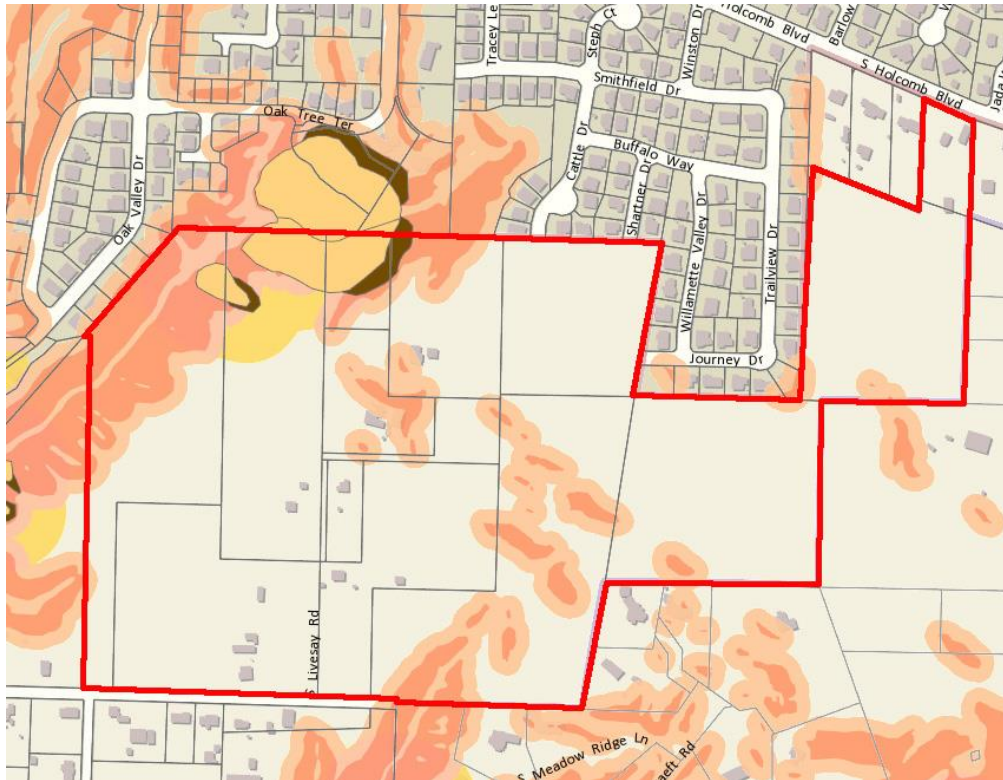
5. Natural hazards identified by the city, such as wetlands, floodplains and steep slopes;

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 and rezoning application, this annexation will have no impact on identified natural hazards to any greater degree than development that is currently permitted.

Oregon City's NROD standards are in substantial compliance with Metro Title 3 and Title 13 and Statewide Goal 5. Oregon City's adopted Geologic Hazard Overlay District OCMC 17.44 complies with Statewide Goal 7 – Natural Hazards. The Geologic Hazard Overlay District code requirements were significantly amended during and following the adoption process for the Park Place Concept Plan and several changes were made to the previous code to include, among other pertinent requirements:

- Peer third-party review of an applicant's geotechnical and geologic reports, and construction plans by an expert geologic engineer working for the City;
- Requirements that the geologic engineer of record for the applicant review and sign-off on final construction plans to ensure that initial recommendations are following during construction;
- Addition of a 200' foot review buffer from known landslide areas;
- Requirement for literature review of current scholarly reports and DOGAMI mapping information related to slide prone areas within the City limits relevant to the subject area.

The subject property does have areas of potential natural hazards associated with steep slopes, primarily along ravines associated with drainageways and areas of steeper hillside grades. The map below from the City's GIS system shows these areas.



When the property is developed in the future, the natural drainageways will remain undeveloped as open space. A geotechnical report will be prepared at the time of future development application to assess the safety of other potential hazard areas and the recommendations of that report will be followed in designing the future development plan.

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 17.44 and 17.49 code require that further on-site analysis be conducted to determine the current extent of any protected resources or hazards 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.

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

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. The adopted City of Oregon City Comprehensive Plan designation is Low Density Residential. The implementing default zones for this plan designation are R-10, R-5 and NC. The applicant has requested the default zoning of R-10, R-5 and

NC 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.

The applicant indicates that the majority of the subject property is within the boundaries of the Park Place Concept Plan, specifically, the North Village Plan, and the eventual development of this site will be subject to the land uses and densities set forth in that document. The future development application will provide for a master plan pursuant to OCMC 17.65 consistent with the design concept of the North Village Plan. The future development application will likely need to include proposals to rezone the property to resolve certain discrepancies between the land use areas in the North Village Plan and the existing designations Oregon City Comprehensive Plan Map. One property, Tax Lot 2000 on Map 22E27B and which fronts on Holcomb Blvd., is located outside of the North Village Plan, is designated MR by the Comprehensive Plan and will be zoned R-5. That property will be developed in conjunction with the rest of the properties included in this annexation and zone change. The future development of this property will provide a mixture of approximately 400 to 450 single-family detached and attached housing units, as well as neighborhood commercial, park and community uses as shown on the North Village Plan. It will also aid in providing a needed collector road connection from the Holcomb Blvd. area down to Redland Road. It is anticipated that the development will occur in several phases over an approximate 10 year development plan, which will be further defined through a General Development Plan pursuant to OCMC 17.65. As such, the future development of the property will not have any significant impact upon the economic, social and physical environment of the community.

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.

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 has modified ORS 222 and now requires that the City annex the territory without submitting the proposal to the electors pursuant to the following provisions.

SECTION 1. Section 2 of this 2016 Act is added to and made a part of ORS 222.111 to 222.180.

SECTION 2. (1) This section applies to a city whose laws require a petition proposing annexation of territory to be submitted to the electors of the city.

(2) Notwithstanding a contrary provision of the city charter or a city ordinance, upon receipt of a petition proposing annexation of territory submitted by all owners of land in the territory, the legislative body of the city shall annex the territory without submitting the proposal to the electors of the city if:

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

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

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

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

Finding: The Oregon City Municipal Code and City Charter requires annexations to be referred to the voters for final approval through an election. However, in this instance, the proposed annexation meets the requirements of the new State law in that it includes a petition that is signed by all owners of land in the territory, the area is within the adopted urban growth boundary, is within an area subject to the adopted and acknowledged Oregon City Comprehensive Plan, and the property is contiguous to the existing city limits. As demonstrated in this narrative, this proposal conforms to all other requirements of the city's ordinances, so long as the city does not decide to force the island properties to be included with this request. Thus, the proposal meets items (a) through (d).

(3) The territory to be annexed under this section includes any additional territory described in ORS 222.111 (1) that must be annexed in order to locate infrastructure and right of way access for services necessary for development of the territory described in subsection (2) of this section at a density equal to the average residential density within the annexing city.

Finding: No such additional territory is required in order to locate infrastructure and right-of-way access for services necessary for development of the annexing territory.

(4) When the legislative body of the city determines that the criteria described in subsection (2) of this section apply to territory proposed for annexation, the legislative body may declare that the territory described in subsections (2) and (3) of this section is annexed to the city by an ordinance that contains a description of the territory annexed.

Finding: The required ordinance will be adopted by the City Commission upon approval of this annexation proposal.

II B. ZONE CHANGE CRITERIA

CONCURRENT ZONING MAP AMENDMENT FROM FU-10 TO R-5, R-10 & NC.

Finding: The Site has acknowledged Oregon City Comprehensive Plan Map designations of Medium Density Residential (MR), Low Density Residential (LDR) and Mixed Use-Corridor (MUC). 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 criteria in OCMC 17.68.020.

In this instance, the zoning districts to be applied per the table in OCMC 17.68.025.A are R-5 for the MR area, R-10 for the LDR area, and Neighborhood Commercial (NC) for the MUC area.

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 note that neither the process of annexation or zoning is not considered “Development” under the City’s zoning code definition.²

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are to be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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

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.

Finding: The criteria are addressed within this report. 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.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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

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	
Residential Plan Classification	City Zone
Low-Density Residential	R-10, R-8, R-6
Medium-Density Residential	R-3.5, R-5
High-Density Residential	R-2

<i>CITY LAND USE CLASSIFICATIONS</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, as conditioned.

The applicant states 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

Mixed-Use Commercial

Zone

R-10 - Single Family Dwelling

R-5 - Single Family Dwelling

NC - Neighborhood Commercial

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.

No change to the comprehensive plan text or map designation is proposed for this site. The zone change application that has been filed with the annexation proposal is a mandatory and non-discretionary rezoning required pursuant to OCMC 17.68.025.A. This zone change is required concurrently with the annexation in order to replace Clackamas County RRFF-5 zoning and apply the appropriate City zones that implement the City's Comprehensive Plan Map designations for the site. In this instance, Neighborhood Commercial is proposed for the MUC area and R-10 would be applied to the LDR

designation. It is understood that a future application will be required at the time that a master plan for the development of the property is proposed in order to amend the Comprehensive Plan and zoning for the site comply with the Park Place Concept Plan's conceptual plan for the North Village area. The master plan and the future comprehensive plan amendment and zone change for the subject property cannot proceed until such time as the regional transportation issues are resolved.

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, acknowledged and the Applicant demonstrates compliance with these requirements:

- a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are to be adopted and acknowledged.
- b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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

2. TRANSPORTATION PLANNING RULE ("TPR") COMPLIANCE (OAR 660-012-0060)

OAR 660-012-0060(1) and (2) require 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, can it be mitigated. However, OAR 660-012-0060(9) provides that a zoning map amendment does not need to include this analysis, and the City can make a finding of no "significant affect", if:

- a. A zoning map amendment is consistent with the existing comprehensive plan designation and does not change the map designation;
- b. The City has an acknowledged Transportation System Plan ("TSP"); and
- c. The area of the zoning map amendment was not exempted from the TPR at the time of the UGB amendment. OAR 660-012-0060(9)(a)-(c).

Finding: The proposal is consistent with the Transportation Planning Rule.

The subject property complies with these criteria as follows:

- a. Oregon City's Comprehensive Plan Land Use Map within the acknowledged Oregon City Comprehensive Plan designates the subject property Low Density Residential, Medium

Density Residential, and Mixed Use Commercial. The proposed zoning amendment would not change the map designation and the R-10, R-5 and NC zoning are implementing zones for those designations.

- b. An updated Transportation System Plan (TSP) and associated amendments to the Oregon City Municipal Code (OCMC) was approved by the City Commission and became effective August 16, 2013. The TSP was acknowledged by DLCD on August 9, 2013 (DLCD File Number 001-13).
- c. The subject property has been in the City's UGB since the time of the adoption of the Comprehensive Plan and was not exempted from the Transportation Planning Rule.

The City can find that all three (3) of these requirements are met. Therefore, the City can find that the zoning map amendment does not "significantly affect" a transportation facility.

Finally, OCMC Title 12 does not apply to the concurrent annexation and zoning map amendments as they do not constitute "development" as that term is defined in the OCMC and ORS 227.160(2). The City will apply OCMC Title 12 when "development" is proposed for this site. A condition of approval will be applied to the zone change application to ensure that development does not occur until such time as the requirements of Title 12 can be met.

Alternatively, the applicant would expect to propose that the City adopt a condition of approval based on OAR 660-012-0060(2)(e).

Prior to annexation, the property owners or assigns will record a covenant, to be approved by the City Attorney, which limits development of the site until such time that a zone change to a City zoning designation has been approved. The covenant shall acknowledge that development is reviewed for compliance with the Oregon City Municipal Code and Clackamas County Zoning and Development Ordinance. Further, until a zone change is approved the site use shall not change or intensify, or receive approval of a land division or development of the site including, but not limited to: no new structures or additions to existing structures or site grading that triggers erosion control permits or overlay district review. In addition the property shall be subject to the City's overlay districts, fence regulations in OCMC 17.54.100 as well as the City's nuisance, business licensing and animal regulations.

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.

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.

In this instance, the proposed zone change would be expected to degrade the performance of several study area intersections that are otherwise not projected to meet the relevant performance standards of Oregon City and ODOT.

Having determined that the proposed annexation and zone change may result in a significant effect on operation of several study area intersections, the TPR also includes the following language:

(9) Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.

- (a) The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;*
- (b) The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and*
- (c) The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.*

In this instance, the proposed zoning is consistent with the Comprehensive Plan map designation, Oregon City has an acknowledged TSP that accounted for future development under the proposed zoning, and the area was not exempted from the rule at the time of the urban growth boundary amendment. Accordingly, the city may find that the proposed annexation and zone change is consistent with the city's adopted plans and does not significantly effect an existing or planned transportation facility.

Alternatively, if it is determined that mitigation may be required for the proposed annexation and zone change, the requirements of the TPR are as follows:

(2) If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility measured at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in (a) through (e) below, unless the amendment meets the balancing test in subsection (2)(e) of this section or qualifies for partial mitigation in section (11) of this rule. A local government using subsection (2)(e), section (3), section (10) or section (11) to approve an amendment recognizes that additional motor vehicle traffic congestion may result and that other facility providers would not be expected to provide additional capacity for motor vehicles in response to this congestion.

- (a) Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.*
- (b) Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of this division; such amendments shall include a funding plan or mechanism consistent with section (4) or include an amendment to the transportation*

finance plan so that the facility, improvement, or service will be provided by the end of the planning period.

(c) Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.

(d) Providing other measures as a condition of development or through a development agreement or similar funding method, including, but not limited to, transportation system management measures or minor transportation improvements. Local governments shall, as part of the amendment, specify when measures or improvements provided pursuant to this subsection will be provided.

(e) Providing improvements that would benefit modes other than the significantly affected mode, improvements to facilities other than the significantly affected facility, or improvements at other locations, if:

(A) The provider of the significantly affected facility provides a written statement that the system-wide benefits are sufficient to balance the significant effect, even though the improvements would not result in consistency for all performance standards;

(B) The providers of facilities being improved at other locations provide written statements of approval; and

(C) The local jurisdictions where facilities are being improved provide written statements of approval.

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) to support the requested Zone Change to R-10, R-5 and NC. The TIA was prepared by Daniel Stumpf, EI and 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 various intersections that would be impacted by the eventual development of the annexation property.

Because the proposed annexation also involves rezoning of the property, a TPR analysis is also included. The analysis is predicated on the development of the land at a density that would allow 522 additional dwellings and up to 49,000 square feet of commercial retail land use.

The applicant's engineer states that the proposed zone change will not necessitate changes to the functional classification of existing or planned transportation facilities.

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

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 533 single-family dwellings and 4.5 acres of neighborhood commercial establishments. The 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.

....the annexation and development of the subject property is predicted to degrade the performance at key intersections such that these intersections would not meet applicable

performance standards. The applicant's participation in the funding of projects identified in the TSP or from other analyses area proposed to mitigate for these impacts.

The Oregon Department of Transportation has raised concerns that the amount and type of development analyzed for the neighborhood commercial area does not represent the reasonable worst case development scenario. Further analysis of a more intense development scenario for the 4.5 acres of neighborhood commercial land will be necessary to fully assess compliance with the Transportation Planning Rule.

A new analysis of a more intense development scenario will be needed to adjust the applicant's share for funding of projects. A more intense development scenario can be expected to slightly increase the applicant's share of projects needed to serve the development.

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 following intersections:

- *I-205/99E Northbound Ramp Terminal*
- *I-205/99E Southbound Ramp Terminal*
- *Highway 213/Redland Road*
- *Highway 99E/14th Street*
- *14th Street/Washington Street*
- *Beavercreek/Highway 213*

Two intersections critical to the development of the subject property will need to be created or significantly modified to serve their role in the city's transportation network: Holcomb Boulevard/Holly Lane and Redland Road/Holly Lane.

In addition, poor operating performance is predicted at the intersection of Redland Road/Holcomb Boulevard/Abernethy Road. The engineer's analysis indicates that the addition of an eastbound right-turn lane would significantly improve the performance of the intersection.

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.

II. 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-16-0007 / ZC-16-0005 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:
 - i. 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
 - ii. 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.
15. The City Commission concur with the applicant's proposal that a future master plan (General Development Plan pursuant to OCMC 17.65) for the annexation area shall be submitted and that the General Development Plan and all subsequent phases will need to incorporate open space,

park areas, trails, sewer, water, stormwater and transportation improvements consistent with the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans. Prior to any development of the subject site above and beyond that permitted under the existing Clackamas County zoning designations for subject properties, the applicant shall apply for a General Development Plan pursuant to OCMC 17.65. All subsequent subdivision of land or site plan and design review applications shall be in conformance with the submitted Master Plan, although the normal provisions for Amendments to Master Plans apply.

16. The Commission agrees with the applicant's proposal that a future master plan approval, General and Detailed Development Plan pursuant to OCMC 17.65, including the entire 91-acre annexation area shall be obtained submitted prior to any development approval authorized by this zone change. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements.
17. The City Commission acknowledges that further refinement and studies of the annexation area are needed prior to development and that a Master Plan application will provide further refinements regarding the costs of public facilities to serve the development of the site.
18. Prior to issuing any development approval authorized by this zone change, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. All land division and site plan and design review applications shall be in conformance with the approved Master Plan, although the normal provisions for Amendments to Master Plans apply.
19. At such time as a detailed development plan is prepared or in connection with development of a master plan, the applicant will need to submit additional materials to address specific requirements outlined in the city's *Guidelines for Transportation Impact Analyses*. These include, but are not limited to requirements associated with intersection spacing and sight distance. The applicant will also need to address trip generation associated with the specific uses proposed in such developments, especially as it relates to the 4.5-acre community commercial property, which for this TIS was evaluated using the generic "shopping center" category.
20. At the time that a General Development Plan or Detailed Development Plan for the subject property is approved the following conditions shall apply: Note that the applicant's final share may be modified as necessary when a Master Plan is approved to reflect any modifications of the development's trip generation based on a refined proposal or when there is a change in project costs resulting from revisions to project costs associated with an update to the City's Transportation System Plan or Capital Improvement program:
 - a. The developer shall participate in the funding of improvements for the I-205/OR-99E ramp terminal projects (TSP Projects D75 and D76) in proportion to the development's traffic volumes as a percentage of total year 2035 intersection volumes from the TSP. The project cost for D75 is \$3,000,000. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 0.76 percent of the 2035 volume and the development's share of the project is

\$22,800. The project cost of D76 is \$3,000,000. The development accounts for 0.70 percent of the 2035 volume and the development's share is \$21,000.

- b. The developer shall participate in the funding of improvements for the Main Street/14th Street improvements (TSP Projects D7 and D8) in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume at the intersection calculated in the TSP. The higher cost option in the TSP is listed at \$670,000. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 2.98 percent of the 2035 volume and the development's share of the project is \$19,966.
- c. The developer shall participate in the funding of improvements for the Abernethy/Holcomb/Redland intersection in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume. No project is currently identified in the TSP. The project concept is to provide an additional lane on the eastbound approach; it may involve restriping or widening and signal modifications. No project cost is available at this time. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 13.34 percent of the 2035 volume.
- d. The developer shall participate in the funding of improvements for the intersection of OR213/Redland Road (TSP Project D79) in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume at the intersection calculated in the TSP. The TSP project cost is listed at \$10,060,000. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 3.58 percent of the 2035 volume and the development's share of the project is \$360,148.
- e. The developer shall participate in the funding of improvements for the Holly Lane/Holcomb Boulevard intersection (TSP Project D43) in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume. Project D43 is a roundabout with an estimated project cost in the TSP of \$505,000. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 22.67 percent of the 2035 volume and the development's share of the project is \$114,484.
- f. The developer shall participate in the funding of improvements for the Holly Lane/Redland Road intersection (TSP Project D36) in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume. Project D36 is a roundabout with an estimated project cost in the TSP of \$515,000. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 21.33 percent of the 2035 volume and the development's share of the project is \$109,850.
- g. The developer shall participate in the funding of improvements for the Highway 213/Beavercreek Road intersection in proportion to the development's traffic volume as a percentage of the predicted 2035 traffic volume. A project to add a right-turn lane on westbound Beavercreek Road and a merge lane on northbound Highway 213 was

identified in the July 2017 Highway 213 Corridor Alternative Mobility Study. The project's cost was estimated at \$1.5 million. Inclusion of this project in the TSP is anticipated by an amendment planned during 2018. Based on this methodology and the preliminary PM peak hour trip generation from the proposed development, the development accounts for 0.30 percent of the 2035 volume and the development's share of the project is \$4,500.

The applicant's preliminary proportionate share for project listed above as conditions of approval are based on the assumption that the 4.5 acre commercial development is developed as a shopping center. A more intense development is likely to increase the applicant's share of projects as calculated above.

V. RECOMMENDED CONDITIONS OF APPROVAL

1. The application of the proposing Oregon City zoning designation shall not occur until the following are effective and acknowledged:
 - a. A refinement plan for Highway 213 at Beaver Creek Road (Alternative Mobility Targets), including elements such as financially constrained projects and alternative mobility standards, and amendments to OCMC Chapter 12.04 implementing the new Refinement Plan, are adopted and acknowledged.
 - b. Amendments to OCMC 12.04 which allow development affecting the intersection of Highway 213/Beaver Creek are adopted.
 - I. 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
 - II. 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
2. Prior to annexation, the property owners or assigns will record a covenant, to be approved by the City Attorney, which limits development of the site until such time that a zone change to a City zoning designation has been approved. The covenant shall acknowledge that development is reviewed for compliance with the Oregon City Municipal Code and Clackamas County Zoning and Development Ordinance. Further, until a zone change is approved the site use shall not change or intensify, or receive approval of a land division or development of the site including, but not limited to: no new structures or additions to existing structures or site grading that triggers erosion control permits or overlay district review. In addition the property shall be subject to the City's overlay districts, fence regulations in OCMC 17.54.100 as well as the City's nuisance, business licensing and animal regulations.
3. Prior to issuing any development approval other than as identified in condition of approval #2, the applicant shall obtain General and Detailed Development Plan approval, including the entire 91-acre property, pursuant to OCMC 17.65. The General Development Plan and all phases of development authorized by it, must implement the Park Place Concept Plan and Oregon City's adopted Public Facilities Plans with regard to the provision of open space, park and trails, sewer, water, stormwater and transportation improvements. These include, but are not limited to, addressing the timing of parkland acquisitions and development, proposed phasing of major roads to ensure a timely connection to Holly Lane and an analysis of utility phasing that can foster redevelopment of the entire concept plan area.

4. At such time as a Master Plan is reviewed, the applicant shall submit additional materials to address specific requirements outlined in the city's Guidelines for Transportation Impact Analyses and calculate the proportionate share of transportation impacts of the proposed development 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. More intense development than identified in this report is likely to increase the applicant's share of projects as calculated above. The applicant's final share may be modified as necessary when a Master Plan is approved to reflect any a modification of the development's trip generation or a change in project costs resulting from revisions to project costs associated with an updates to the City's Transportation System Plan or Capital Improvement program.
5. 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. Prior to approval of this application, the applicant shall provide staff with meeting agends or sign-in sheets for these to meetings.

EXHIBITS

1. Vicinity Map
2. Applicant's Submittal
3. Comments Received
 - a. March 13, 2017 letter from Mr. Wes Rogers, Director of Operations for Oregon City Public Schools
 - b. Oregon City Police Department comments
 - c. Christine Kosinski
4. Replinger and Associates Comments
5. Staff Memorandum in response to the applicant's analysis worksheet
6. Tri City Service District (TCSD) Annexation Packet