CITY OF OREGON CITY
CITY COMMISSION WORK SESSION
AGENDA

Virtual Meeting
Tuesday, January 12, 2021 at 6:00 PM

VIRTUAL MEETING INFORMATION:

This meeting will be held online via Zoom; please contact recorderteam@orcity.org for the meeting link.

The public is strongly encouraged to relay concerns and comments to the Commission in one of three ways:

- *Email at any time up to 12 p.m. the day of the meeting to recorderteam@orcity.org.*
- *Phone call (Monday – Friday, 8 am – 5 pm) to 503-496-1505, all messages will be relayed and/or citizens can sign-up to be called during the meeting to provide over-the-phone testimony.*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*

CONVENE WORK SESSION AND ROLL CALL

FUTURE AGENDA ITEMS

The Commission's adopted goals and available staff resources shall be considered when recommending future agenda items. The Commission may add an item to a future agenda with consensus of the Commission.

1. List of Future Work Session Agenda Items

DISCUSSION ITEMS

2. Proposed Annexation Code Amendments

3. Water Rate Updates and Voter Approval

4. Review of the City Commission Rules of Procedure and Commission Policies

CITY MANAGER'S REPORT

COMMISSION COMMITTEE REPORTS

A. Beavercreek Employment Area Blue Ribbon Committee - *Commissioner Frank O'Donnell*

B. Brownfield Grant Committee - *Commissioner Frank O'Donnell*

C. Citizen Involvement Committee Liaison - *Commissioner Denyse McGriff*

D. Clackamas County Coordinating Committee (C4) - *Commissioner Rachel Lyles Smith*

E. Clackamas County I-205 Tolling Diversion Committee - Appointed: *Commissioner Rachel Lyles Smith* Alternate: *Commissioner Frank O'Donnell*

F. Clackamas Heritage Partners - *Commissioner Rocky Smith, Jr.*

G. Clackamas Water Environment Services Policy Committee - Appointed: *Commissioner Rocky Smith, Jr.* Alternate: *Commissioner Denyse McGriff*

H. Downtown Oregon City Association Board - *Commissioner Denyse McGriff*

I. Metro Policy Advisory Committee (MPAC) - Appointed: *Commissioner Rachel Lyles Smith* Alternate: *Commissioner Denyse McGriff*

J. OC 2040 Project Advisory Team - Appointed: *Commissioners Denyse McGriff and Rocky Smith, Jr.*

K. Oregon Governor's Willamette Falls Locks Commission - *Vacant until State Appoints Commissioner Rachel Lyles Smith*

L. Oregon City Tourism Stakeholder's Group - Appointed: *Commissioners Denyse McGriff and Rocky Smith, Jr.*

M. Oregon City/West Linn Pedestrian and Bicycle Bridge Concept Plan Project Advisory Committee - Appointed: *Commissioner Denyse McGriff*

N. South Fork Water Board (SFWB) - *Commissioners Rachel Lyles Smith, Frank O'Donnell, and Rocky Smith, Jr.*

O. Willamette Falls and Landings Heritage Area - *Commissioner Denyse McGriff*

P. Willamette Falls Legacy Project Liaisons - *Commissioners Frank O'Donnell and Rachel Lyles Smith*

ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker table, and state your name and city of residence into the microphone. Each speaker is given three (3) minutes to speak. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the City Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Web site.

Video Streaming & Broadcasts: The meeting is streamed live on Internet on the Oregon City's website at www.orcity.org and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/12/2021

From: City Manager Tony Konkol

SUBJECT:

List of Future Work Session Agenda Items

BACKGROUND:

January 20, 2021

IT Strategic Plan presentation

February 3, 2021

Stormwater SDC and Rate Study

February 9, 2021

Clackamas Water Environment Services Annual Report

Parklets Discussion

Public Works Code Amendments (CIP and Land Use)

March 9, 2021

Building Code Changes

Geologic Hazard Code Changes

Pre-Application Request for Recording Follow-up

Additional Upcoming Items (These items are in no particular order)

Abandoned Buildings

Beavercreek Road Concept Plan (Thimble Creek) Funding Discussion

Canemah Area - Encroachments in the Right-of-Way Policy Discussion

Clackamas County Water Environmental Services (WES) Rate Differential

Clackamette Park Boat Ramp

Climate Action Plan Presentation (City of Milwaukie)

Code Enforcement Complaint Process

Construction Excise Tax

Cross Street and Utility Pole Banners

Ethics Training - Biennial

Land Use 101 - Annual Training

Metro Food Waste Program Requirements - Annual Review

Parks Special Event Fees and Application Process

Parking Rate Increase for Permitted Parking in Downtown Oregon City (Green, Purple, Orange, etc. Zones)

Police Annual Report

South Fork Water Board - Mountain Line Easements Vacation

Transportation Demand Management (TDM) Plan Implementation Update

Water System Risk and Resiliency Review

Willamette Falls Legacy Project Operations and Maintenance Discussion

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 1/12/2021

From: Community Development Director Laura Terway

SUBJECT:

Proposed Annexation Code Amendments

STAFF RECOMMENDATION:

Provide direction on the proposed amendments.

EXECUTIVE SUMMARY:

At the December 8, 2020 City Commission Work Session, the City Commission directed staff to identify draft changes to the annexation factors in Chapter 14.04 of the Oregon City Municipal Code to add clarity and a more detailed analysis of utilities and services at time of annexation. Staff returned on the December 16th meeting with proposed redlines and received additional direction from the Commission. The proposed code amendments have been revised to implement the feedback of the Commission.

BACKGROUND:

The Oregon City Municipal Code (OCMC) 14.04.040 sets out a series of “factors” that must be “considered” in order to approve an annexation request. These factors include:

1. Adequacy of access to the site;
2. Conformity of the proposal with the city's comprehensive plan;
3. Adequacy and availability of public facilities and services to service potential development;
4. Compliance with applicable sections of ORS 222, and Metro Code Section 3.09;
5. Natural hazards identified by the city, such as wetlands, floodplains and steep slopes;
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;
7. Lack of any significant adverse effects on the economic, social and physical environment of the community by the overall impact of the annexation;

8. Whether significant site grading or tree removal (greater than fifty percent of the "forest canopy"), excluding farm or forest practices as defined under ORS 30.930, has occurred on the property since the date when the annexation application was filed with the city.

Adopted in 1999, these standards provide the City with a great deal of discretion, but can be problematic, not only because they offer “factors” for consideration rather than criteria, but also because they are quite vague. For example, the Commission has a great deal of latitude to determine the extent to which utilities must be adequate or available in order to satisfy this factor.

At the December 8, 2020 City Commission Work Session, the City Commission expressed a desire to clarify the factors and add a more detailed analysis of the impact on infrastructure and utilities, including adequacy of timing and funding.

Staff returned on the December 16th meeting with proposed redlines and received additional direction from the Commission. The following direction was provided to guide staff in further amending the code:

- More specificity within the annexation factors to identify the level of planning and infrastructure analysis required to determine that future development can be adequately served. Add more language regarding the funding sources for mitigation, such as public improvements.
- Lower the size of annexation identified for master planning (OCMC Chapter 17.65) to five acres.
- Add a factor identifying all historically designated and potentially eligible historic structures be identified.
- Research other city codes such as the City of Sandy for additional criteria.
- Explore the “Concentric Circles” idea.

The memorandum and associated amendments to OCMC chapter 14.04 implement the requests of the City Commission.

OPTIONS:

1. Provide guidance on the proposed amendments.
2. Do not provide guidance on the proposed amendments.

BUDGET IMPACT:

Amount: N/A

FY(s):

Funding Source(s):

OREGON CITY

Community Development – Planning

698 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

Oregon City Municipal Code

Chapter 14.04 – City Boundary Changes and Extension of Services

14.04.010 - Purpose.

It is the purpose and general intent of the ordinance codified in this chapter to delineate the appropriate procedures to be followed to annex territory to the City and to undertake other major and minor boundary changes. It is recognized that annexations to the corporate limits are major land use actions affecting all aspects of city government, and that other boundary changes and extensions of services shall also be regulated.

A. With respect to annexations, the procedures and standards established in this chapter are required for review of proposed annexations in order to:
   1. Provide adequate public information and sufficient time for public review before an annexation election, where applicable;
   2. Maximize citizen involvement in the annexation review process;
   3. Establish a system for measuring the physical, environmental, fiscal and related social effects of proposed annexations; and
   4. Ensure adequate time for staff review.

B. With respect to major and minor boundary changes or extensions of services other than annexations, it is the purpose and general intent of this chapter to provide a method by which such changes or extensions may be reviewed in a rational way and in accordance with applicable comprehensive plans.

14.04.020 - State and regional regulations regarding annexations, other boundary changes and extensions of services.

The regulations and requirements of ORS Ch. 222, and Metro Code Section 3.09, are concurrent obligations for annexation and are not affected by the provisions of this chapter.

14.04.030 - Definitions.

Unless the context requires otherwise, the following definitions and their derivations shall be used in this chapter:

"City" means the City of Oregon City, Oregon.

"Commission" or " City Commission" means the City Commission of Oregon City, Oregon.

"District" means an entity described in ORS 198.010, 198.710(1) to (4) or 199.420.

"Major boundary change" means the formation, merger, consolidation or dissolution of a city or district.

"Minor boundary change" means an annexation or withdrawal of territory to or from a city or district or from a city-county to a district. "Minor boundary change" also means an extra-territorial extension of water or sewer service by a city or district.

"Planning Commission" means the Oregon City Planning Commission.

"Withdrawal" means the detachment, disconnection, or exclusion of territory from the City or service district.

14.04.040 - Procedures for major boundary changes and for minor boundary changes other than annexations.

A. With respect to major boundary changes and for minor boundary changes other than for annexations, the procedures that shall be followed shall be those provided by the laws of the State of Oregon.

B. The City Commission may provide for the withdrawal of territory from a district described in ORS 222.111, when land is annexed into the City. Any such withdrawal shall be specifically set forth in the final order of the City Commission approving the annexation.

14.04.050 - Annexation procedures.

A. Application Filing Deadlines. If applicable, a~~A~~nnexation elections shall be scheduled for March, May, September and November of each year. Each application shall first be approved by the City Commission, which shall provide a valid ballot title 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. Prior to submitting an annexation application, the applicant shall confer in the manner provided by OCMC 17.50.050 with City staff.

C. Neighborhood Contact. Prior to filing an annexation application, the applicant shall meet with the City-recognized neighborhood association or associations within which the property proposed to be annexed is located. Unwillingness or unreasonable unavailability of a neighborhood association to meet shall not be deemed a negative factor in the evaluation of the annexation application.

D. Signatures on Consent Form and Application. The applicant shall sign the consent form and the application for annexation. If the applicant is not the owner of the property proposed for annexation, the owner shall sign the consent form and application in writing before the Community Development Director may accept the same for review.

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 Community Development Director. 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 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; and

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.

7. ~~A n~~Narrative statement explaining the conditions surrounding the proposal and addressing each of the annexation factors contained in ~~the ordinance codified in this chapter~~ section 14.04.060, as relevant such as:~~, 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;

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

   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;

   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; and

   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.

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.

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

14.04.060 - Annexation factors.

A. When reviewing a proposed annexation, the commission shall consider the following factors, as relevant and approve an annexation only when it finds that on balance these factors are satisfied:

   1. Adequacy of access to the site;

   2. ~~Conformity~~ Consistency of the proposal with the City's adopted Comprehensive Plan, including but not limited to goals and policies for urbanization, housing, cultural, historic and natural resources, infrastructure, and provision of public infrastructure and community services;

   3. Adequacy and availability of the following public facilities and services to serve~~ice~~ potential development at time of development;

a. Transportation. The urbanization of the site is accounted for in the Transportation System Plan. The application demonstrates that the annexation is consistent with the Transportation Planning Rule (TPR) or explain why a TPR analysis is not required;
b. Sewer. The urbanization of the site is accounted for in the Sewer Master Plan;
c. Water. The urbanization of the site is accounted for in the Water Master Plan;
d. Stormwater. The urbanization of the site is accounted for in the Stormwater Master Plan;
e. Police, Fire, and Emergency Services. Police, fire, and emergency services can adequately serve the site;
f. Parks. The urbanization of the site is accounted for in the Parks and Recreation Master Plan; and
g. Schools. The urbanization of the site is analyzed for school capacity in a Concept Plan or in a school forecast approved by Oregon City School District.

4. Demonstration of how the impacts of future development to City public facilities and services will be mitigated. Mitigation may include on-site or off-site infrastructure or improvements to existing infrastructure to City standards and specifications, payment of system development charges, etc. Funding for the mitigation must be identified. An applicant may enter into a development agreement with the City that governs the extent and timing of infrastructure improvements.
5. Annexations over ~~10~~ 5 acres shall obtain Master Plan approval at a public hearing before the Planning Commission prior to or concurrent with a Land Division or Site Plan and Design Review application. The Master Plan will identify the details of development including the overall impact of development on the city infrastructure and mitigating improvements.
6. The annexation is in the best interest of the City. Generally, the Commission may consider the annexation is in the best interest of the city if it meets one or more of the following criteria:
   a. It provides a needed solution for existing problems, resulting from insufficient sanitation, water service, or other urban service-related problems; or
   b. It provides land for development to meet urban needs in an orderly and logical growth pattern; or
   c. It provides needed routes for utility and transportation networks.

~~7~~4. Compliance with applicable sections of ORS 222, and Metro Code Section 3.09 including a demonstration that the proposed annexation is timely, orderly, and efficient;

~~8~~5. All ~~N~~natural hazards identified by the City, such as wetlands, floodplains and steep slopes, including those mapped an unmapped by the City are identified;

9. All historically designated and potentially eligible historic structures are identified;

10Any significant adverse effects on specially designated open space, scenic, historic or natural resource areas by urbanization of the subject property at time of annexation are identified;

11~~7~~. Lack of any significant adverse effects on the economic, social and physical environment of the community by the overall impact of the annexation.

12~~8~~.Whether significant site grading or tree removal (greater than fifty percent of the "forest canopy"), excluding farm or forest practices as defined under ORS 30.930, has occurred on the property since the date when the annexation application was filed with the City.

14.04.070 - Action by the Planning Commission.

The Planning Commission shall conduct a public hearing in the manner provided by OCMC 17.50.170(B) to evaluate the proposed annexation and make a recommendation to the City Commission

regarding how the proposal has or has not complied with the factors set forth in OCMC 14.04.060 of this chapter. The Planning Commission shall provide findings in support of its recommendation.

14.04.080 - Action by City Commission.

A. Upon receipt of the Planning Commission's recommendation, the City Commission shall hold a public hearing in the manner provided by OCMC 17.50.170(C). The City Commission shall endeavor to review all proposals prior to the City application deadline for submitting ballot measures to the voters, if applicable. The City Commission shall only set for an election annexations consistent with a positive balance of the factors set forth in OCMC 14.04.060. The City Commission shall make findings in support of its decision to schedule an annexation for an election.

B. The City Commission may adopt a development agreement with the owners of property that is proposed for annexation to the City.

14.04.090 - Legal advertisement of pending election.

After City Commission review and approval, the Community Development Director shall cause a legal advertisement describing the proposed annexation and pending election to be published in at least one newspaper of general circulation in the City in the manner provided by state election law. The advertisement shall be placed at least fourteen days prior to the election. The size of the advertisement shall be determined by the City Manager. The advertisement shall contain: a description of the location of the property, size of the property, its current zoning and any proposal for zone changes upon annexation, a general description of the potential land uses allowed, any required comprehensive plan text or map amendment or zoning ordinance text or map amendment, and where the City Commission's evaluation of the proposed annexation may be found. Any statement regarding development of the property proposed for annexation that is dependent upon future action by the City shall be accompanied by a disclaimer to the effect that such development would not be affected by the annexation vote.

14.04.100 - Election procedures.

A. Pursuant to ORS 222.130(1), the ballot title for a proposal for annexation shall contain a general description of the boundaries of each territory proposed to be annexed. The description shall use streets and other generally recognized features. Notwithstanding ORS 250.035, the statement of chief purpose shall not exceed one hundred fifty words. The City Attorney shall prepare the ballot title wording.

B. Pursuant to ORS 222.130(2), the notice of an annexation shall be given as provided in ORS 254.095 and 254.205, except that in addition the notice shall contain a map indicating the boundaries of each territory proposed to be annexed.

C. Pursuant to ORS 222.111(7), two or more proposals for annexation of territory may be voted upon simultaneously; however, each proposal shall be stated separately on the ballot and voted on separately.

14.04.110 - Setting of boundaries and proclamation of annexation.

Upon approval by the voters of the proposed annexation, the City Commission, by ordinance, shall set the boundaries of the area to be annexed by a legal description, adopt findings, and proclaim the results of the election.

14.04.120 - Exceptions.

The City Commission may authorize an exception to any of the requirements of this chapter. An exception shall require a statement of findings that indicates the basis for the exception. Exceptions may

be granted for identified health hazards and for those matters which the City Commission determines that the public interest would not be served by undertaking the entire annexation process. All annexations, however, shall be referred to the voters of the City except those exempted by state law. An exception referring to an annexation application that meets the approval criteria to an election cannot be granted except as provided for in the Oregon Revised Statutes.

OREGON CITY

Community Development – Planning

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Oregon City Municipal Code

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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; and

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.

7. Narrative statement explaining the conditions surrounding the proposal and addressing each of the annexation factors contained in section 14.04.060, as relevant such as:

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;

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

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;

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; and

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.

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.

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

14.04.060 - Annexation factors.

A. When reviewing a proposed annexation, the commission shall consider the following factors, as relevant and approve an annexation only when it finds that on balance these factors are satisfied:

1. Adequacy of access to the site;
2. Consistency of the proposal with the City's adopted Comprehensive Plan, including but not limited to goals and policies for urbanization, housing, cultural, historic and natural resources, infrastructure, and provision of public infrastructure and community services;
3. Adequacy and availability of the following public facilities and services to serve potential development at time of development;

a. Transportation. The urbanization of the site is accounted for in the Transportation System Plan. The application demonstrates that the annexation is consistent with the Transportation Planning Rule (TPR) or explain why a TPR analysis is not required;

b. Sewer. The urbanization of the site is accounted for in the Sewer Master Plan;
c. Water. The urbanization of the site is accounted for in the Water Master Plan;
d. Stormwater. The urbanization of the site is accounted for in the Stormwater Master Plan;
e. Police, Fire, and Emergency Services. Police, fire, and emergency services can adequately serve the site;
f. Parks. The urbanization of the site is accounted for in the Parks and Recreation Master Plan; and
g. Schools. The urbanization of the site is analyzed for school capacity in a Concept Plan or in a school forecast approved by Oregon City School District.

4. Demonstration of how the impacts of future development to City public facilities and services will be mitigated. Mitigation may include on-site or off-site infrastructure or improvements to existing infrastructure to City standards and specifications, payment of system development charges, etc. Funding for the mitigation must be identified. An applicant may enter into a development agreement with the City that governs the extent and timing of infrastructure improvements.
5. Annexations over 5 acres shall obtain Master Plan approval at a public hearing before the Planning Commission prior to or concurrent with a Land Division or Site Plan and Design Review application. The Master Plan will identify the details of development including the overall impact of development on the city infrastructure and mitigating improvements.
6. The annexation is in the best interest of the City. Generally, the Commission may consider the annexation is in the best interest of the city if it meets one or more of the following criteria:
    a. It provides a needed solution for existing problems, resulting from insufficient sanitation, water service, or other urban service-related problems; or
    b. It provides land for development to meet urban needs in an orderly and logical growth pattern; or
    c. It provides needed routes for utility and transportation networks.
7. Compliance with applicable sections of ORS 222, and Metro Code Section 3.09 including a demonstration that the proposed annexation is timely, orderly, and efficient;
8. All natural hazards identified by the City, such as wetlands, floodplains and steep slopes, including those mapped an unmapped by the City are identified;
9. All historically designated and potentially eligible historic structures are identified;
10. 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 are identified;
11. Lack of any significant adverse effects on the economic, social and physical environment of the community by the overall impact of the annexation.
12. Whether significant site grading or tree removal (greater than fifty percent of the "forest canopy"), excluding farm or forest practices as defined under ORS 30.930, has occurred on the property since the date when the annexation application was filed with the City.

14.04.070 - Action by the Planning Commission.

The Planning Commission shall conduct a public hearing in the manner provided by OCMC 17.50.170(B) to evaluate the proposed annexation and make a recommendation to the City Commission regarding how the proposal has or has not complied with the factors set forth in OCMC 14.04.060 of this chapter. The Planning Commission shall provide findings in support of its recommendation.

14.04.080 - Action by City Commission.

A. Upon receipt of the Planning Commission's recommendation, the City Commission shall hold a public hearing in the manner provided by OCMC 17.50.170(C). The City Commission shall endeavor to review all proposals prior to the City application deadline for submitting ballot measures to the voters, if applicable. The City Commission shall only set for an election annexations consistent with a positive balance of the factors set forth in OCMC 14.04.060. The City Commission shall make findings in support of its decision to schedule an annexation for an election.
B. The City Commission may adopt a development agreement with the owners of property that is proposed for annexation to the City.

14.04.090 - Legal advertisement of pending election.

After City Commission review and approval, the Community Development Director shall cause a legal advertisement describing the proposed annexation and pending election to be published in at least one newspaper of general circulation in the City in the manner provided by state election law. The advertisement shall be placed at least fourteen days prior to the election. The size of the advertisement shall be determined by the City Manager. The advertisement shall contain: a description of the location of the property, size of the property, its current zoning and any proposal for zone changes upon annexation, a general description of the potential land uses allowed, any required comprehensive plan text or map amendment or zoning ordinance text or map amendment, and where the City Commission's evaluation of the proposed annexation may be found. Any statement regarding development of the property proposed for annexation that is dependent upon future action by the City shall be accompanied by a disclaimer to the effect that such development would not be affected by the annexation vote.

14.04.100 - Election procedures.

A. Pursuant to ORS 222.130(1), the ballot title for a proposal for annexation shall contain a general description of the boundaries of each territory proposed to be annexed. The description shall use streets and other generally recognized features. Notwithstanding ORS 250.035, the statement of chief purpose shall not exceed one hundred fifty words. The City Attorney shall prepare the ballot title wording.
B. Pursuant to ORS 222.130(2), the notice of an annexation shall be given as provided in ORS 254.095 and 254.205, except that in addition the notice shall contain a map indicating the boundaries of each territory proposed to be annexed.
C. Pursuant to ORS 222.111(7), two or more proposals for annexation of territory may be voted upon simultaneously; however, each proposal shall be stated separately on the ballot and voted on separately.

14.04.110 - Setting of boundaries and proclamation of annexation.

Upon approval by the voters of the proposed annexation, the City Commission, by ordinance, shall set the boundaries of the area to be annexed by a legal description, adopt findings, and proclaim the results of the election.

14.04.120 - Exceptions.

The City Commission may authorize an exception to any of the requirements of this chapter. An exception shall require a statement of findings that indicates the basis for the exception. Exceptions may be granted for identified health hazards and for those matters which the City Commission determines that the public interest would not be served by undertaking the entire annexation process. All annexations, however, shall be referred to the voters of the City except those exempted by state law. An exception

referring to an annexation application that meets the approval criteria to an election cannot be granted except as provided for in the Oregon Revised Statutes.

Summary of Proposed Draft Amendments to Oregon City Municipal Code Chapter 14.04 – City Boundary Changes and Extension of Services
For City Commission – 1.5.21 Draft
This is a summary. Please notify staff of any errors or omissions.

Page Number / Section	Summary	Explanation
Page 1 - OCMC 14.04.010.A	Added "where applicable"	The statement refers to annexations and adding "where applicable" acknowledges not all annexations go to a vote.
Page 2 – OCMC 14.04.050.A	Added "If applicable"	The statement refers to annexations and adding "where applicable" acknowledges not all annexations go to a vote.
Page 3- OCMC 14.04.050.E.7	Rewording and added a direct reference to the annexation factors.	Reworded for clarity
Page 3 - OCMC 14.04.060.A	Added "and approve an annexation only when it finds that on balance these factors are satisfied"	Clarified that the annexation factors require a positive balance. As factors and not criteria, the Commission has an opportunity to weigh each factor
Page 3 - OCMC 14.04.060.A.2	Added references to topics of goals and policies which are applicable in the Comprehensive Plan.	Adds more clarity about the types of goals and policies which are analyzed in this factor.
Page 3 - OCMC 14.04.060.A.3	Clarified that adequacy and availability of public facilities applies to future availability at time of development. Listed the public facilities to be analyzed: transportation, sewer, water, stormwater, police, fire, emergency services, parks, and schools. Identified threshold for analysis.	Clarifies the time of impact as well as the specific services which should be analyzed. The services identified have been consistently analyzed in annexation reports. The extent to which each service or facility must be analyzed was added for clarity.
Page 4 – OCMC 14.04.060.A.4	Demonstration of how the impacts of future development to City public facilities and services will be mitigated, including funding sources.	Required applicant to clearly demonstrate anticipated impacts of development and associated funding sources.
Page 4 - OCMC 14.04.060.A.5	Added new factor "Annexations over 5 acres shall obtain Master Plan approval prior to or concurrent with a Land Division or Site Plan and Design Review application".	Adds a new factor that large annexation applications (over 5 acres) secure a Master Plan approval prior to development. This will allow for a robust evaluation of the impacts and timing of infrastructure needs through a public hearing procedure at the time when there is more certainty of the development proposed for construction.

		Development includes a series of steps as land is planned, annexed, construction occurs. A summary of the general steps is attached. Infrastructure is analyzed throughout the process to ensure that the city services can be provided in a timely and efficient manner as development occurs. Due to market conditions, property transactions, cost associated with furthering plans, and others, applicants may have an idea that they would like a particular use in the future, but may not know exactly the intensity or design of the use at time of annexation. Annexation itself does not result in any substantial physical change on the ground, but rather transfers the land to different taxing and service districts. Annexations thus focus on whether the City has updated infrastructure master plans, and potentially capital improvement plans that contemplate the service demands. Annexations may also include a request to change the zoning to an urban scale density which would not authorize construction onsite, but would eventually allow higher-density development which would put significantly more demand on city infrastructure. Thus, the analysis of impacts on the infrastructure at each stage of development will become gradually more detailed as it becomes clear what is being proposed for construction. The Oregon City Municipal Code sets forth regulations for a Master Plan (synonymous with a Planned Unit Development) in chapter 17.65. The purpose of the Master Plan is to foster the growth of major institutions, phased residential, commercial or mixed-use development, and other large-scale development, while identifying and mitigating the impacts of such growth on surrounding properties and public infrastructure. The master plan or planned unit development process is intended to facilitate an efficient and flexible review process for major developments, support innovative and creative land development, and to provide long-term assurance to plan for and execute developments in a phased manner. In addition, Master Plans allow infrastructure adequacy and timing to be analyzed holistically at a public hearing before the Planning Commission with citizen participation. Master Plans are currently an option for applicants to choose, but are not required for large annexations which will likely be constructed in a phased manner over time. If applicants for annexations volunteer to have a Master Plan prior to a land division or site plan and design review application, a condition of

		approval would be placed on the annexation. If applicants do not, the Commission could weigh that against the application when considering the factor.
Page 4 – OCMC 14.04.060.A.6	Added factor identifying if the annexation is in the best interest of the City if it meets one of three needs: a. A needed solution for existing problems, resulting from insufficient sanitation, water service, or other urban service-related problems; or b. Land for development to meet urban needs in an orderly and logical growth pattern; or c. Needed routes for utility and transportation networks.	Responds to prioritization, timeless, and order of annexation. Prioritize annexations by requiring the applicant to demonstrate a need for the annexation.
Page 4 – OCMC 14.04.060.A.7	Added "including a demonstration that the proposed annexation is timely, orderly, and efficient"	Explain that the applicable sections of ORS 222 and Metro Code Section 3.09 include the analysis that the annexation is timely, orderly, and efficient.
Page 4 – OCMC 14.04.060.A.8	Added "are identified"	Clarified that natural hazards should be identified in the annexation application.
Page 4 – OCMC 14.04.060.A.9	Added factor to identify historically designated and potentially eligible historic structures in the annexation application.	Allow the property owner and public to be aware of potential local historic designation.
Page 4 – OCMC 14.04.060.A.10	Added "are identified"	Clarified that significant adverse effects on specially designated open space, scenic, historic or natural resource areas by urbanization should be identified in the annexation application.
Page 5 – OCMC 14.04.080	Added "A" and "B" sections. Added "if applicable behind voter approval. Added language acknowledging potential for development agreement.	Re organized for clarity and added language that the City Commission could enter into a development agreement with an applicant.

This is a summary. Please notify staff of any errors or omissions. Please refer to complete code amendment chapters for all changes.

OREGON CITY

Community Development – Planning

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To: City Commission
From: Laura Terway, AICP, Community Development Director
Pete Walter, AICP, Senior Planner
Date: 12/31/2020
RE: Annexation Process / Infrastructure Work Session

Dear City Commissioners,

At the December 16th Work Session, the City Commission discussed the city's annexation factors and provided direction to staff to conduct further research to inform amendments to Oregon City Municipal Code Chapter 14.04. This memorandum summarizes the questions and concerns identified by the City Commission and provides additional background information.

Commission Direction at the December 16th Work Session:

In response to a previous discussion with the City Commission, draft amendments to the annexation factors in OCMC 14.04.060 were presented which:

- Generally, added more specificity as to what public facilities and services should be analyzed at time of annexation;
- Clarified the public facilities and services analysis that is currently required in the annexation application to determine whether an annexation proposal is orderly, timely, and efficient; and
- Added an additional factor that annexations over 10 acres obtained a Master Plan approval prior to development.

The Commission reviewed the draft amendments and emphasized a need to add more "meat on the bones" when analyzing the impact of development at the time of annexation. The City Commission expressed the following concerns with the current annexation processes and factors:

- Adequate infrastructure (in particular, transportation infrastructure) is not in place at the time of development.
- There is a disconnect between the expectations in the community and the criteria that the city follows to build out infrastructure, and there is significant uncertainty about how to pay for infrastructure.
- There are inequalities in infrastructure, such as a lack of sidewalks in existing parts of the city, and new development cannot pay to correct all these deficiencies.
- Development is only required to pay for its direct impacts and its proportional share of off-site improvements, which may happen incrementally.

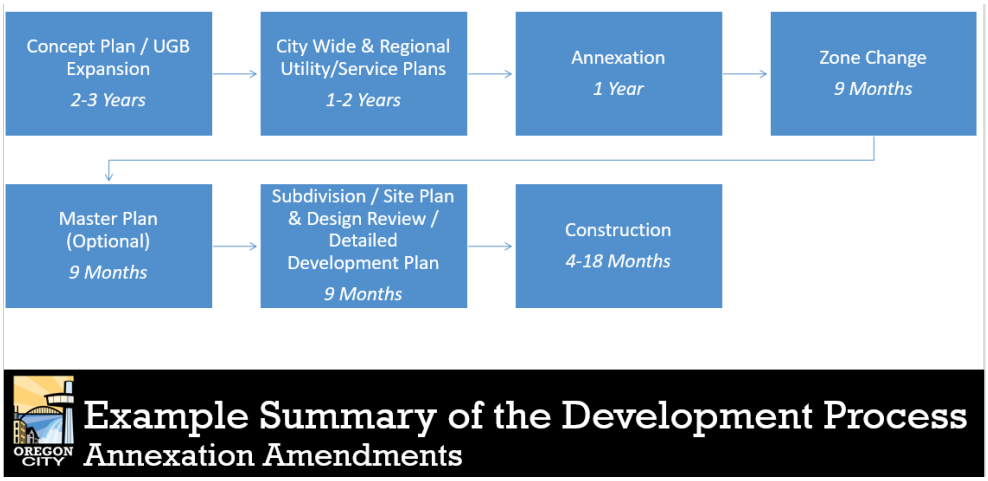
- County and other non-Oregon City vehicular traffic uses the capacity of the city's transportation system but does not pay for it.
- The city should not wait until infrastructure is failing to "fix" it.
- Cultural/historic resources on annexation properties in the county need to be more clearly identified in the process.

The following direction was provided to guide staff in further amending the code:

- More specificity within the annexation factors to identify the level of planning and infrastructure analysis required to determine that future development can be adequately served. Add more language regarding the funding sources for mitigation, such as public improvements.
- Lower the size of annexation identified for master planning (OCMC Chapter 17.65) to five acres.
- Add a factor identifying all historically designated and potentially eligible historic structures be identified.
- Research other city codes such as the City of Sandy for additional criteria.
- Explore the "Concentric Circles" idea.

Summary of the Annexation and Development Process

Annexation is one of several steps in the development process. At time of annexation, land has generally been planned within a concept plan or an urban growth boundary expansion area and the impacts of development have been incorporated into city-wide and regional utility and service plans (such as the Transportation System Plan, Sewer Master Plan, etc). The annexation process changes the taxing and service districts of a property, but does not allow development by itself. Concurrent with or subsequent to annexation, applicants apply for a zone change to a City zoning designation. An application for land use approval generally follows the zone change, authorizing a land division or construction of commercial/mixed use/multi-family units through the site plan and design review application. The timeframe to complete the development process varies significantly as applications are combined.



Staff prepares annexation recommendations considering all the planning that has been conducted to date in the form of a staff report with recommended findings and conclusions for each of the applicable approval criteria, including the impact on annexation to city services and infrastructure, and discusses infrastructure and service districts that may be affected. These comprehensive reports address all the factors in OCMC 14.04.060, and provide a recommended legal basis for the Commission's decision to approve or deny an annexation.

At time of annexation, applicants may have an idea of the type of development they wish to pursue, but typically have not completed enough engineering, design and fiscal analysis to proceed with a land use application for development. For example, an applicant may have identified a range of dwelling units or square footage of commercial development but not know the exact location for the development. They also may still be in the process of negotiating property transactions with landowners.

As development goes thorough the review process the impacts of development and adequacy of infrastructure are analyzed multiple times with increasing certainty and scrutiny at each stage. While the level of analysis done for concept plans[1] is adequate to meet Metro requirements and apply a City Comprehensive Plan designation to the areas within the UGB, it is quite a "high level". A reasonable "worst case scenario" or a reasonable highest intensity land use is assumed generally during the early stages of development. The assumptions of relatively intensive development during at the beginning of the development process tend to indicate more intense development, which is more burdensome to infrastructure and services. When a site-specific development plan is proposed (such as a residential land division), the actual demand of the development is analyzed based on the details of what is proposed, such as traffic counts based on the actual housing type proposed and the specific layout. Thus, the greatest level of scrutiny is applied when there are the least unknowns and variables. Analyzing impacts at each stage of development allows some comfort in knowing that development can be adequately served when needed.

Oregon City's development process allows applicants to combine multiple land use reviews at the same time, such as annexation, zone change, and a land division. The Municipal Code encourages applications to be reviewed together for greater simplicity and it allows for a comprehensive review of the total proposal. Two examples of concurrent applications are the Lindsay Anne Estates subdivision at the southern edge of the city off Leland Road (Approved in 2017, zoned R-6, 28 lots, 6.3 acres), and the Clearwater Crossing subdivision off Maplelane Road on the east side of the city (Approved 2019, zoned R-3.5, 7 lots, 1 acre). In these relatively small acreage situations, the

[1] In this context, "concept plans" refers to the official planning process that Metro requires cities to complete for areas that are brought into the UGB pursuant to Title 11 of Metro Urban Growth Functional Management Plan. The plans must be adopted prior to any annexation of new UGB expansion areas. Oregon City has adopted three such plans: Park Place Concept Plan (2008), Beavercreek Road aka Thimble Creek Concept Plan (2008, re-adopted 2015), and South End Concept Plan (2013).

extension of public infrastructure was less extensive and was able to logically tie into adjacent city street, water and sewer stubs.

Larger annexations proposed on the outskirts of the city (such as within the Park Place Concept Plan and Thimble Creek Concept Plan areas) demand much greater analysis, and the cost of infrastructure is enormous compared to smaller annexations closer in to existing infrastructure. Serving these areas requires extensive civil engineering to assure that things like sewer trunk mains, large scale stormwater treatment facilities, pump stations, and new road connections are made in accordance with adopted concept plans and public facilities plans like the city Transportation System Plan. The 2017 annexation of 92 acres in Park Place represents the greater uncertainty associated with the larger annexations at the outskirts of the city, regardless of the concept planning that has been completed. In this case, a detailed Zone Change infrastructure analysis was conducted and a condition of approval for a Master Plans to be completed concurrent with or prior to any site-specific development application was included.

How can the city reduce the uncertainty associated with annexations and infrastructure costs and timing?

Annexation decisions in Oregon City have historically been both highly discretionary and subject to approval by the voters. Some cities have very little criteria regarding the annexation itself while others, like Oregon City, has much more. Cities may also require additional processes (such as master planning) and may request development agreements as a condition of annexation, so that the impacts of development can be further analyzed and mitigated.

Wilsonville Example

Wilsonville (incorporated in 1969) uses the annexation process as a "carrot" to get the development that it wants. The city tries to only annex projects that are compatible with the concept plan for the area. The process includes not only concept planning, but also that a site-specific plan be submitted concurrently or prior to annexation. Wilsonville also routinely requires an official annexation agreement or development agreement, which they use to clarify what infrastructure costs are borne by the developer and what costs would be deferred and borne by the city (for example a large city park that has yet to be budgeted for) as well as conditions to the site plan approval. Wilsonville uses urban renewal districts to assist with development agreements.

The "Concentric Circle" Idea

The commission is interested in the idea of "concentric circles" as it would provide a basis for prioritized annexation based on proximity to the city. This would discourage annexation of land that is far from the city and city infrastructure. One of the annexation factors in OCMC 14.04.070 is compliance with the adopted Comprehensive Plan, which includes policies for urbanization such as contiguity, avoidance of cherry stem annexations, and efficiency findings (See section 14 of the Comprehensive Plan – *Urbanization*). Within the past few decades, the City has not seen proposals

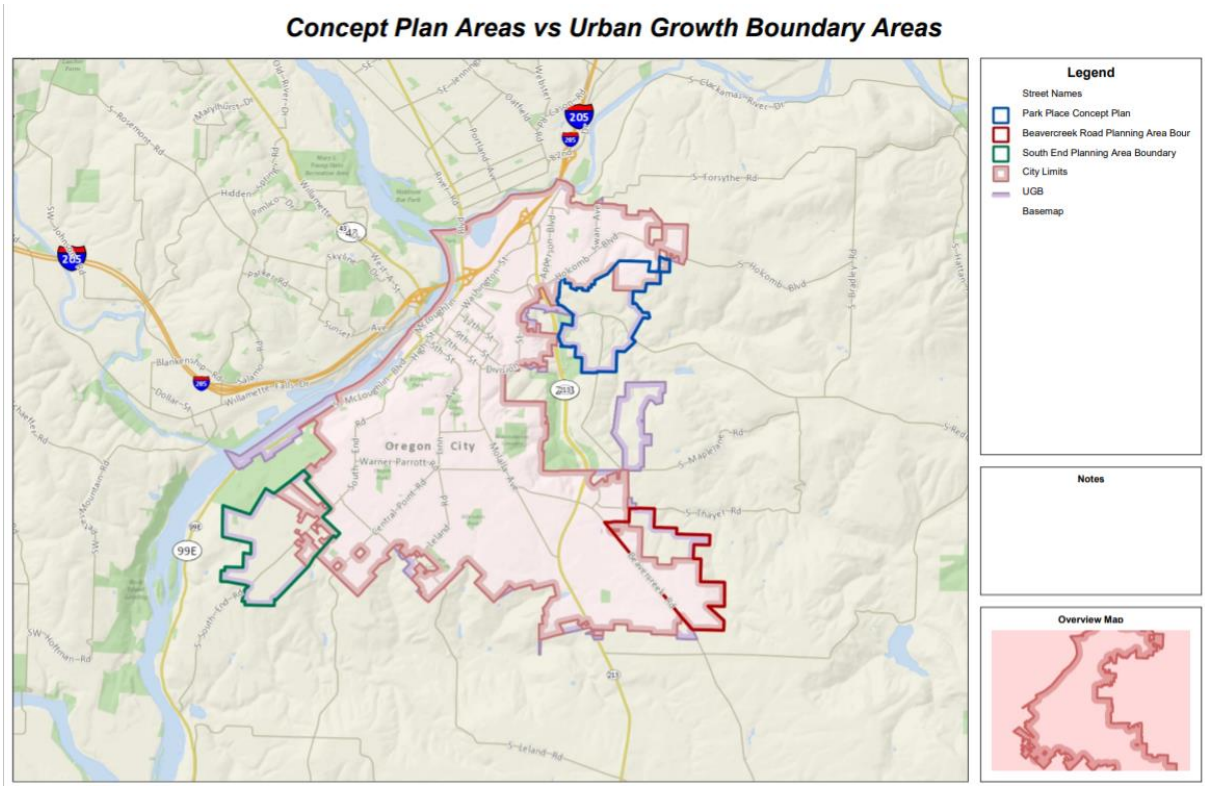
for annexations significantly far from the city, likely because of these policies and the overall infrastructure extension costs. The city has not adopted a geographically based annexation plan which prioritizes specific annexation areas. Staff has researched numerous cities and has been unable to identify one that currently uses this practice.

City of Sandy

The City of Sandy's annexation code includes essentially similar criteria as Oregon City with respect to requiring the provision of public facilities and services in an orderly, efficient and timely manner. However, the Sandy code includes clearer detail about how the applicant is required to demonstrate adequate funding and mitigate for impacts. The Sandy code exempts from an exhaustive annexation analysis small annexations less than one acre, island annexations, and annexations for which there is an executed development agreement that specifically allows for delayed (or phased) provision of infrastructure improvements. Furthermore, the Sandy code expressly states that annexed properties are subject to inclusion within applicable advance financing districts and urban renewal districts.

Concept Plans

Concept planning (see the description in footnote 1 on page 3) offers an initial city-controlled, high-level review of infrastructure and service adequacy. As demonstrated below, a vast majority of land which is eligible for annexation, within the urban growth boundary (UGB), is within one of the three Concept Plan areas. The following map indicates Oregon City's adopted Concept Plan areas.



Each of Oregon City's three adopted concept plans includes sections on financing and potential revenue sources that could be employed for large scale infrastructure development, but none of the plans recommends a particular approach. All these tools are described in more details in the plans themselves. Some of these financing tools, such as tax-increment financing, may require voter approval.

How is Development, System Development Charges and Construction of Infrastructure Related?

New infrastructure, such as utility lines and road improvements, is constructed either by an applicant to serve (or mitigate for) their development or it is constructed by the City as a part of a capital improvement project. Infrastructure which is not needed to serve a development is paid for through a combination of city funds, grants, and System Development Charges (SDCs).

SDCs are essentially impact fees that are assessed based on the impact that development has on public infrastructure. We have five SDCs within the City that are assessed: Transportation, Sanitary Sewer, Water, Stormwater, and Parks. Note that Sanitary Sewer SDCs also consist of a treatment plant SDC that the City collects on behalf of Water Environment Services and the Water SDCs consist of a treatment plant SDC that the City collected on behalf of South Fork Water Board. SDCs may only fund projects, or portions of projects, related to increased capacity. For example, if the City was replacing a narrow sidewalk with a wider one, only the wider portion of the sidewalk would be able to be funded by SDCs. Another example would be if the City was improving a roadway which included a new lane. The SDCs could only fund the new lane, not the repair of the existing road. Sometimes there is a gap in the ability for the City to pay for the non-SDC eligible portion of a project.

Master Plans that detail out the needs in the City and include projects which are needed to accommodate existing demands on the City and future growth. These include the Transportation System Plan (TSP), Water Master Plan, Sanitary Sewer Master Plan, Stormwater Master Plan, and Parks Master Plan. Each of these documents may have ancillary documents such as the Trails Master Plan or a corridor plan. The plans determine what infrastructure is needed to serve the city if all the vacant land and re-developable land within the Urban Growth Boundary is developed over a given time period, which is generally 20 years. The TSP includes a variety of improvements such as existing and future intersections which may fail, locations where sidewalks are missing, bike lanes are needed, or transit improvements wanted. Utility Master Plans project the size of the water and sewer system also based on a 20 year planning horizon to determine if additional utility lines, larger utility lines, new water storage tanks or other improvements are warranted. A similar analysis is completed for the Parks systems.

After Master Plans are created, a rate and SDC analysis is completed to determine what utility rates should be implemented to handle operation/maintenance and what SDC rates need to be charged

to pay for the infrastructure that is anticipated over the planning horizon. The rates and SDCs are then adopted and then assessed. If the rates and SDCs adopted are less than what is needed for the entire system, we then create a 'funded' list of projects within our Master Plans and an 'aspirational' list. The funded list is anticipated to be able to be completed within the 20 year planning horizon and the aspirational list is only used if special funding occurs such as a grant or a private-public partnership and is typically prioritized after the funded improvements are completed. As development is approved, it will generally install improvements to streets, sidewalks, utility lines, etc. at their own expense to meet the criteria in the code and pay SDCs which will fund Master Plan projects offsite. Sometimes development is so large that it will also make improvements or pay for a share of specific improvements in which is it causing off-site.

The Master Plans identify projects and then SDCs are collected with other funding sources until such time the proper amount of SDCs collected is sufficient and the timing of the infrastructure improvement is appropriate. Most often the amount of SDCs collected rarely is sufficient for the infrastructure that is needed. This occurs because the rates adopted are often lower than what is needed to encourage more affordable development.

Larger Conversation

The Commission may wish to have a larger conversation on both the current way in which we analyze traffic impacts of development as well as who bears the cost for street improvements and what the appropriate timing of those improvements may be. The upcoming Commission Retreat or future work session is a recommended place for those discussions to occur.

Additional Code Amendments Proposed

The proposed amendments to OCMC 14.04 have been modified to acknowledge the City Commission's concerns and provide more specificity within the annexation factors to implement the direction provided by the Commission. The amendments balance the concerns of the community for timely and orderly development with an efficient review process, the need for housing/jobs/community amenities, and clearer annexation factors. The proposed amendments add more "meat on the bones" by:

- Identifying precisely which public services and infrastructure must be analyzed;
- Assuring that the impact of future development within the annexation is identified and has already been accounted for in the City's master plans;
- Requiring the applicant of identify the funding sources for future infrastructure improvements;
- Emphasize the desire for timely and efficient annexations;
- Prioritize annexations by requiring the applicant to demonstrate a need for annexation;
- Provide assurance of infrastructure timing and funding with a Master Plan for land over five acres;
- Identifies historically designated and potentially eligible historic structures; and

- Highlights the option for the Commission to utilize development agreements.

The City Commission is encouraged to identify changes as needed. If the draft is insufficient, staff will return with additional amendments, at a future work session. If the amendments are acceptable to the Commission, staff will meet with the Citizen Involvement Committee, Development Stakeholders Group, and prepare a Legislative application for the code amendments.

OREGON CITY

Community Development – Planning

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Ph (503) 722-3789 | Fax (503) 722-3880

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 - Dweling 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.

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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.

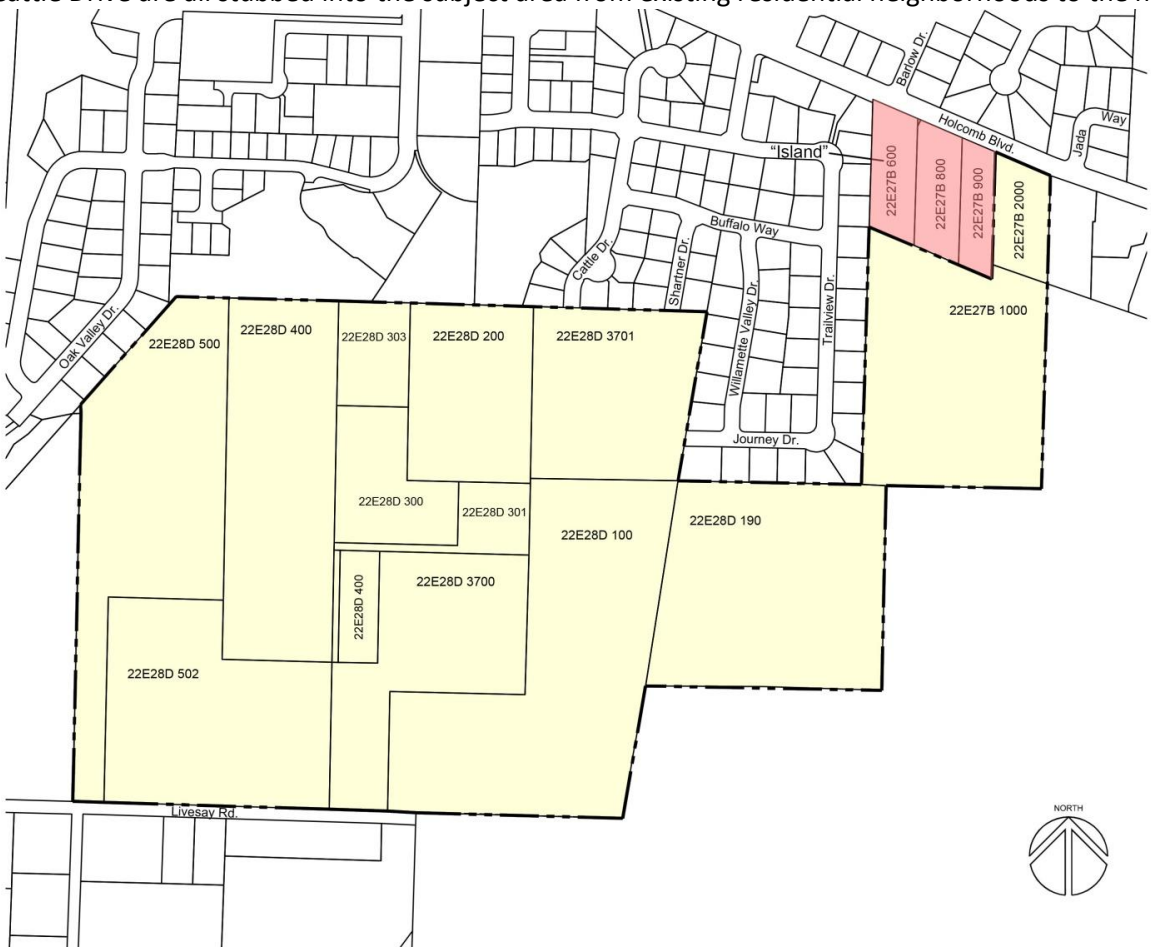


Figure #1: Subject Site Shown in Yellow

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 tractswith 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.

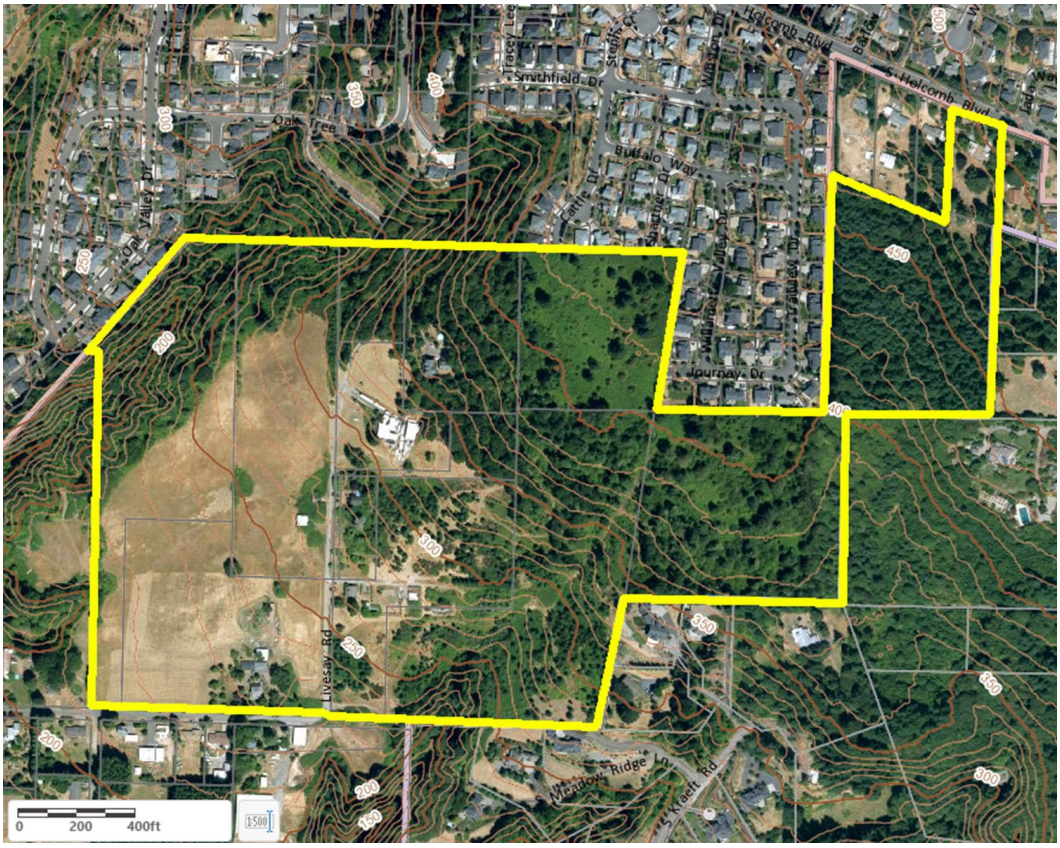


Figure 2: Aerial Photograph

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.

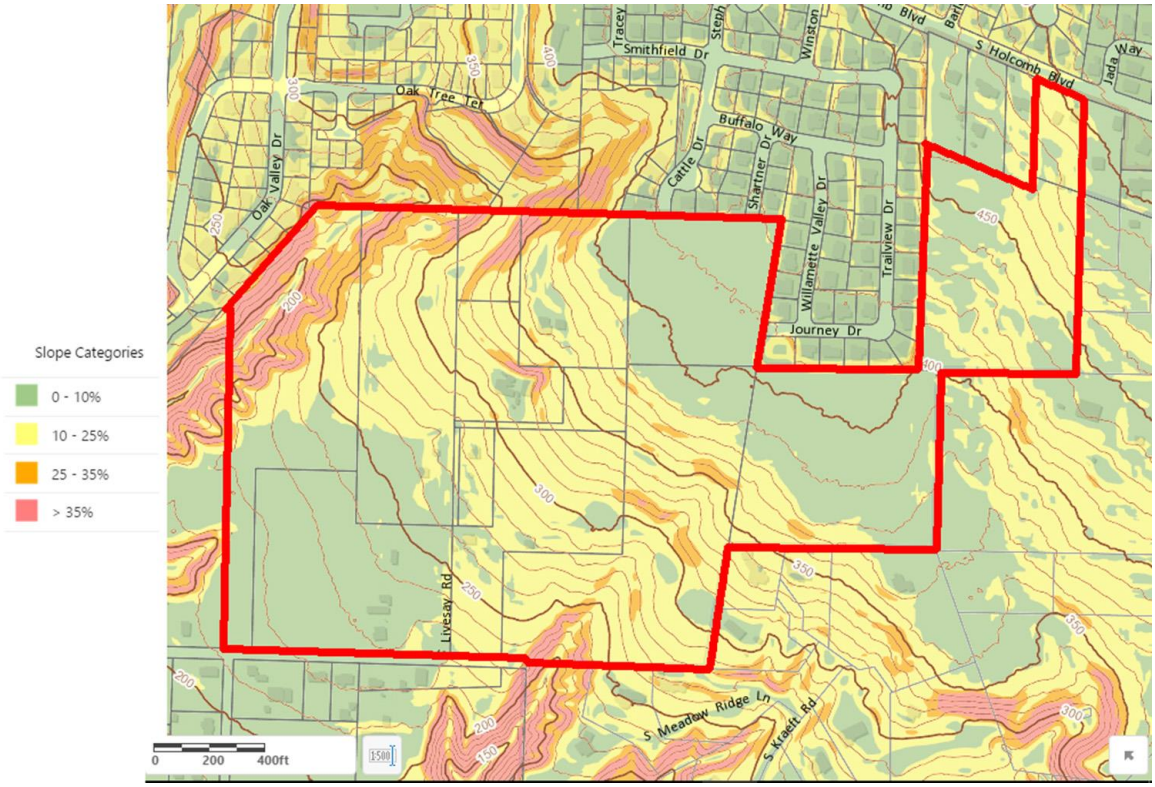


Figure 3: Site Topography

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 unincorpated 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 adajacent 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 Polity 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

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.

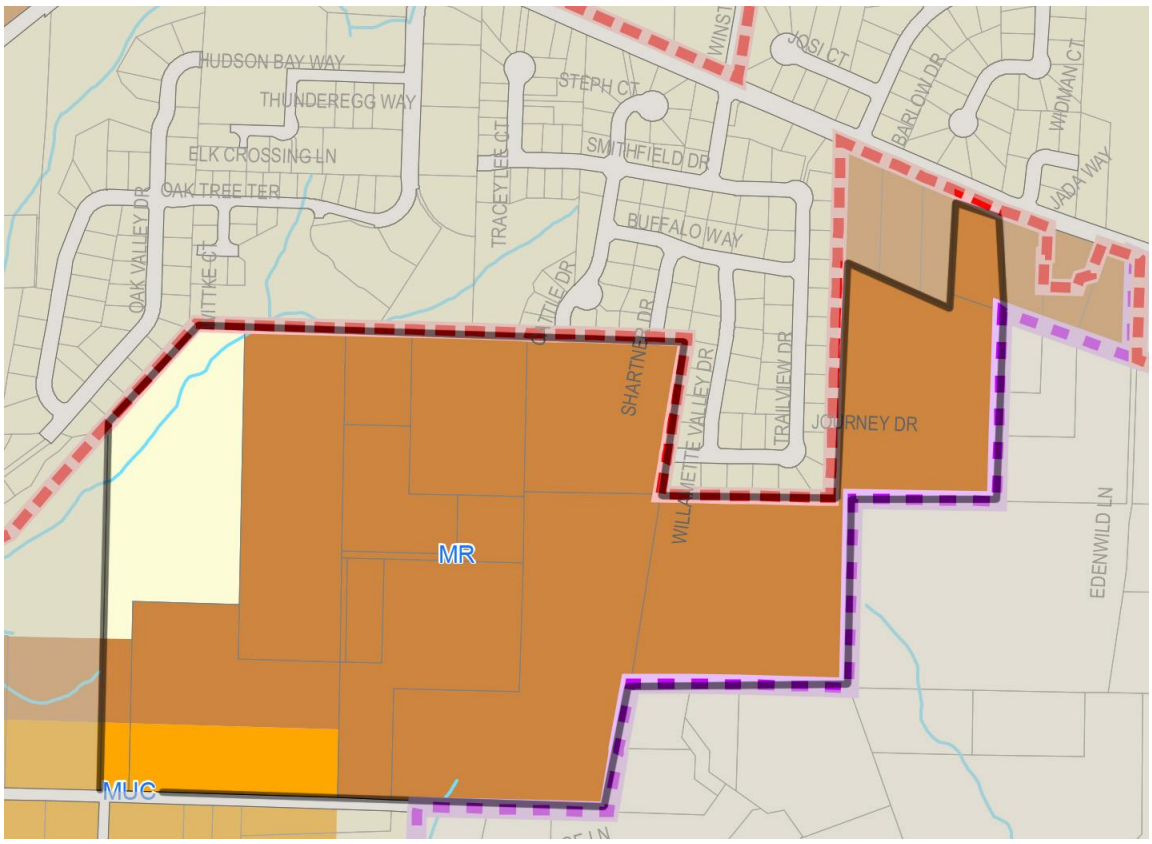


Figure 4: Comprehensive Plan Designations

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).

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 exhibts 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 witin industry standards.

The comments are incorporated into the analysis of this report. Comments received after this deadline will be forwarded to the Planning Commision 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.

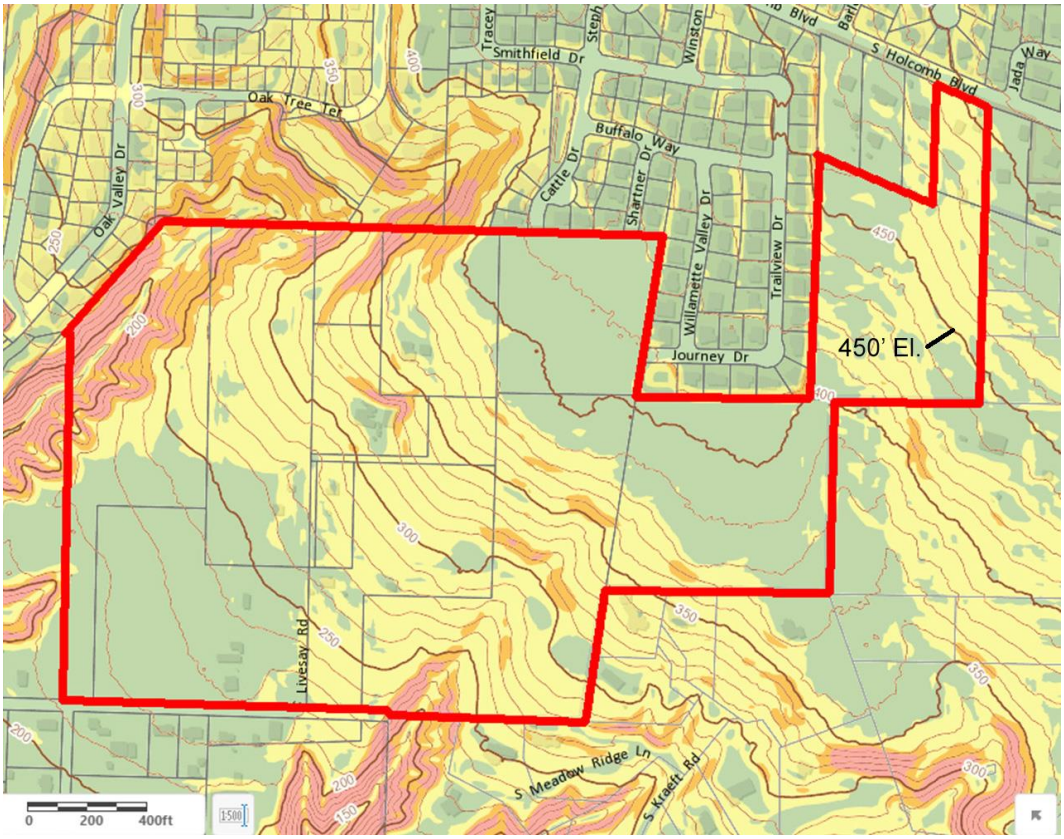


Figure 5: Contour Map

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 jurisidictional 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

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.

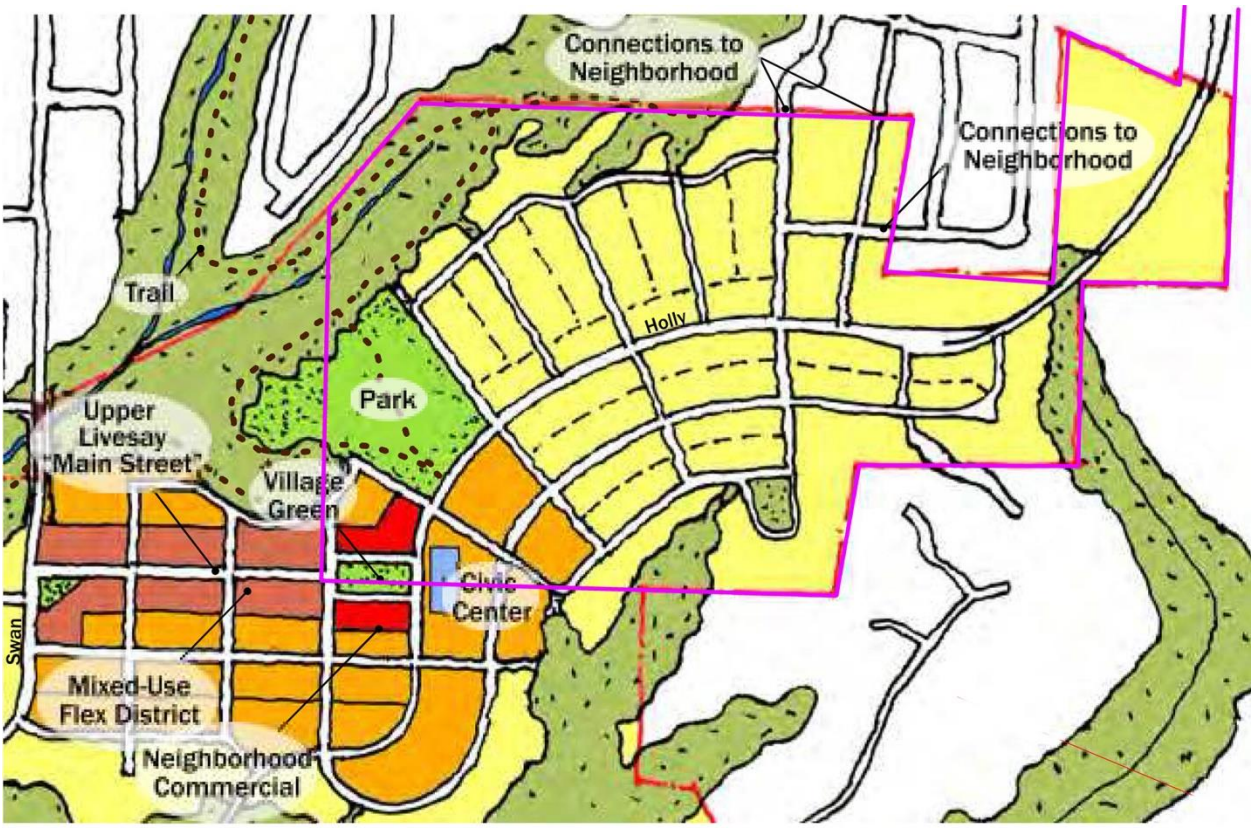


Figure 6: North Village Neighborhood (Annexation Area Outlined in Magenta)

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.

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

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 imporvements, 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 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 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

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:*

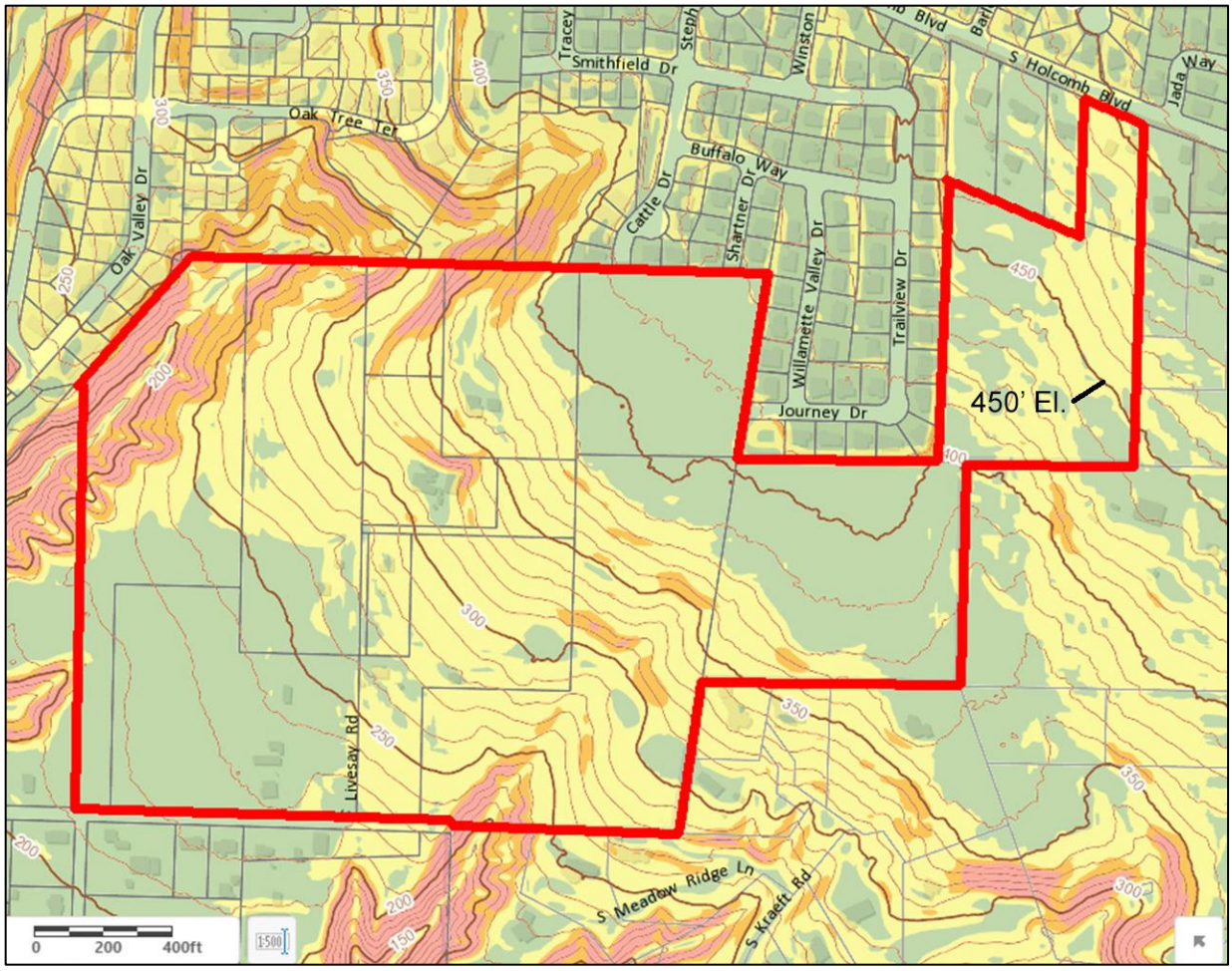


Figure 7: Contour Map

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:*

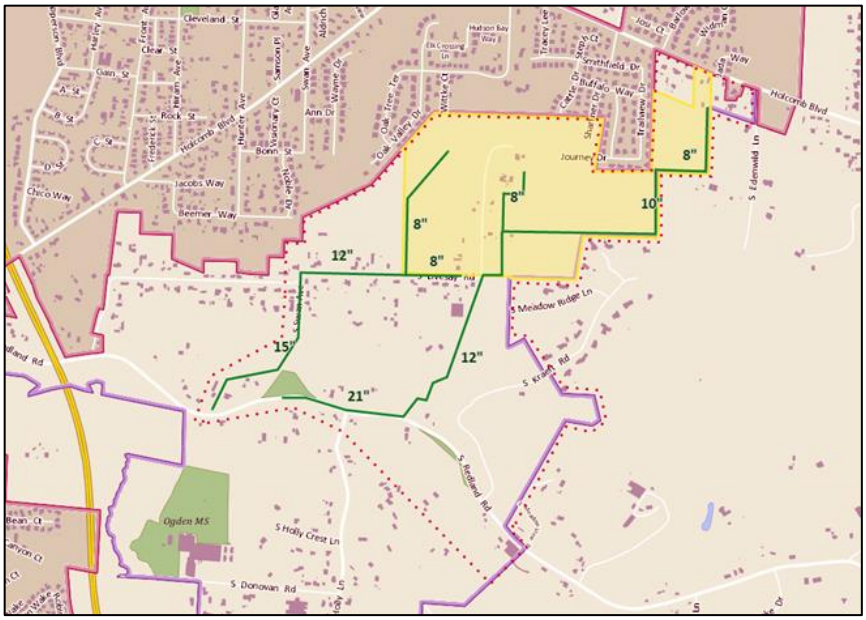


Figure 8: Sewer Master Plan

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 constructon 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.*

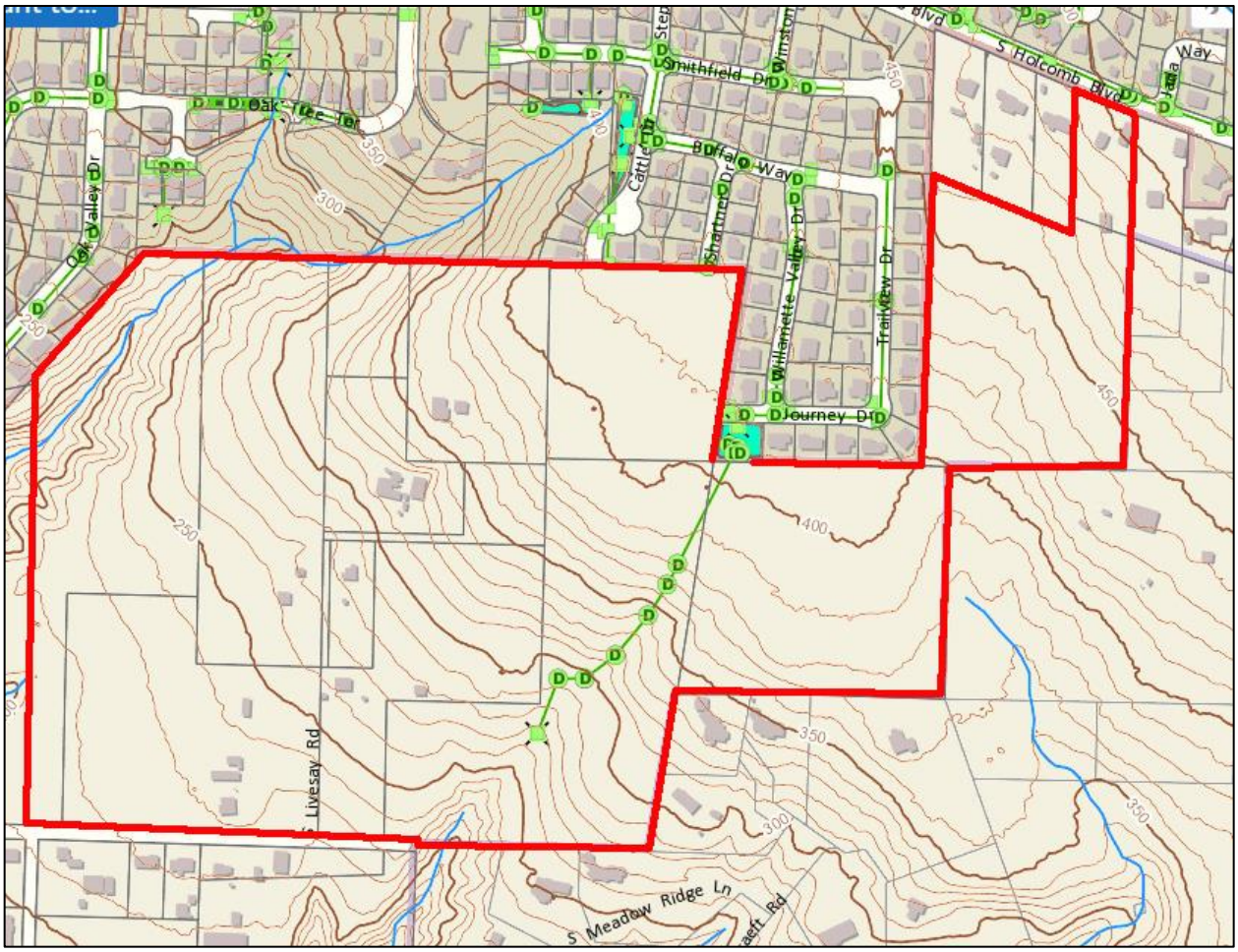


Figure 9: Storm Drainage

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 anticipate 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. Additioanl 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.

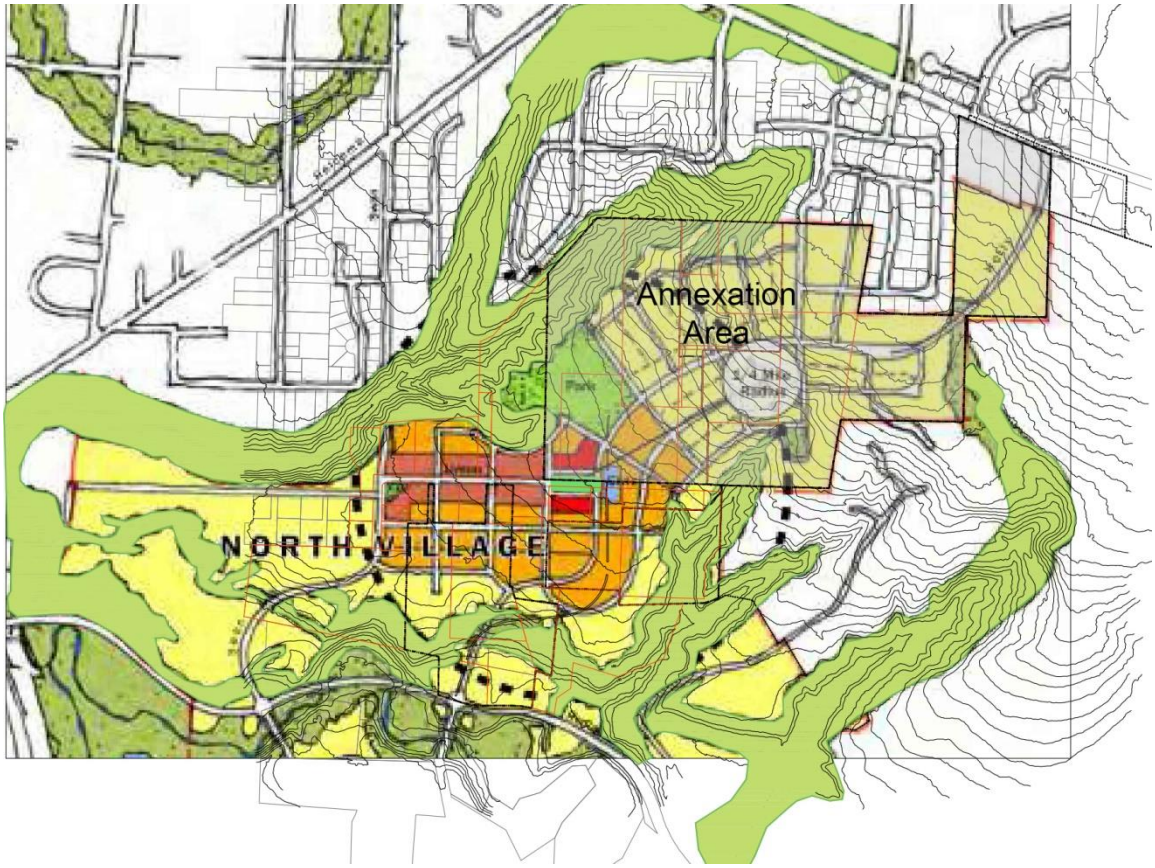


Figure 10: Park Place North Village Plan

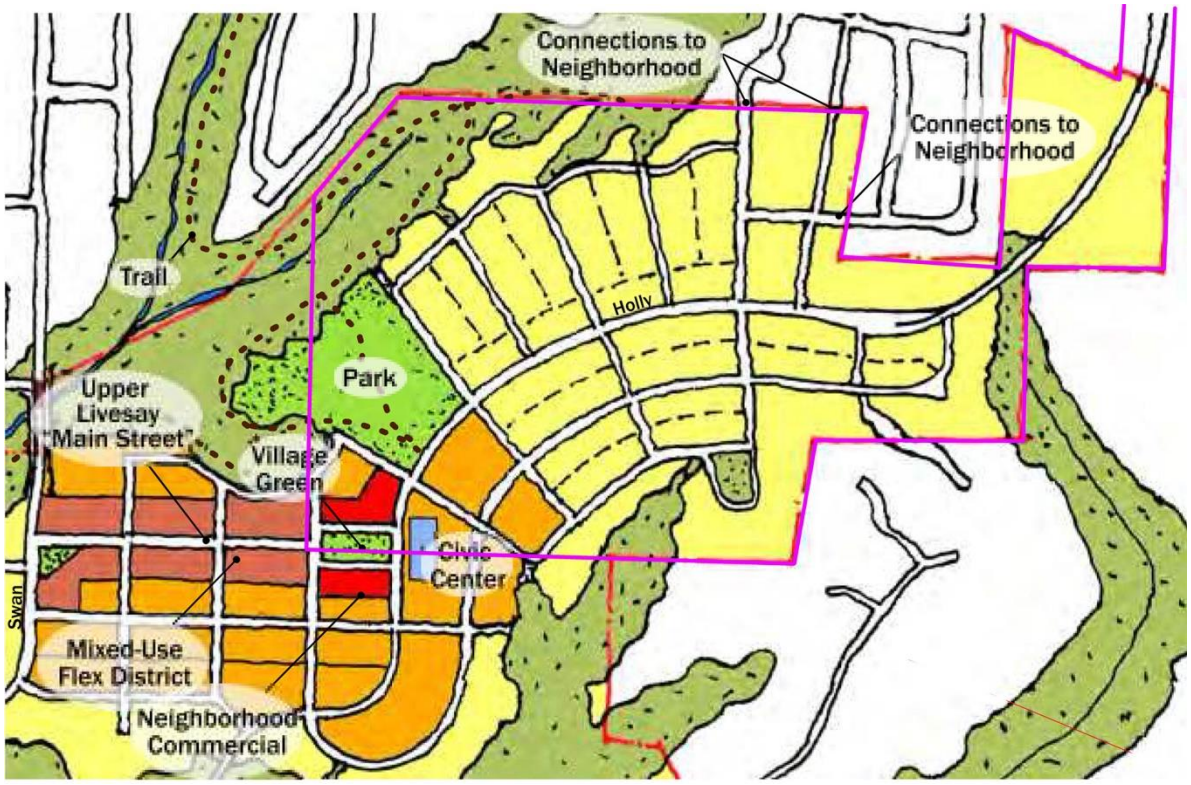


Figure 11: Park Place North Village Detail

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 additional 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 2017[1]. The actual Parks SDC increases for the last four years are as follows:

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

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

This approach is consistent with the City's policy of charging SDS's, along with development exactions and dedications permitted by code, for adequacy of public facilities when the exact location and impact of

[1] Communication with Oregon City Finance Department staff.

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:

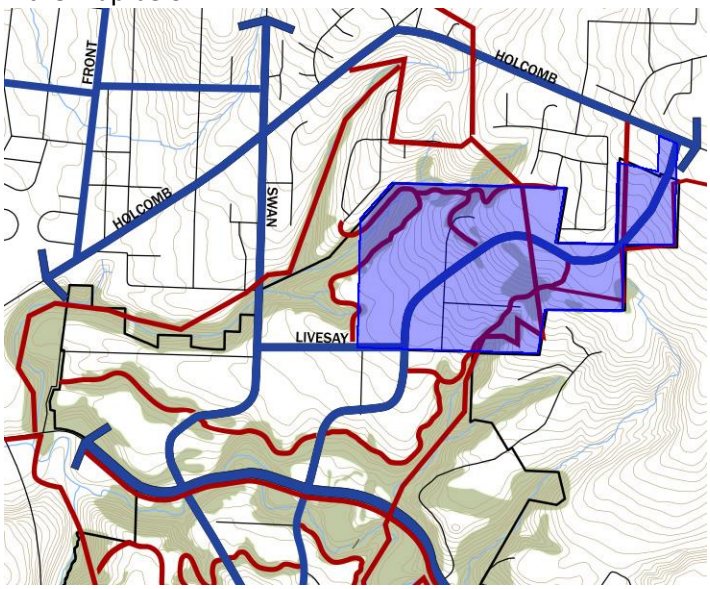


Figure 12: North Village Trails and Paths

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 imporvements, 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 Trnasportation 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 subdivion 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 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 Sytem 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 overal 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.*
Fnding: 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.*
Fnding: 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.*

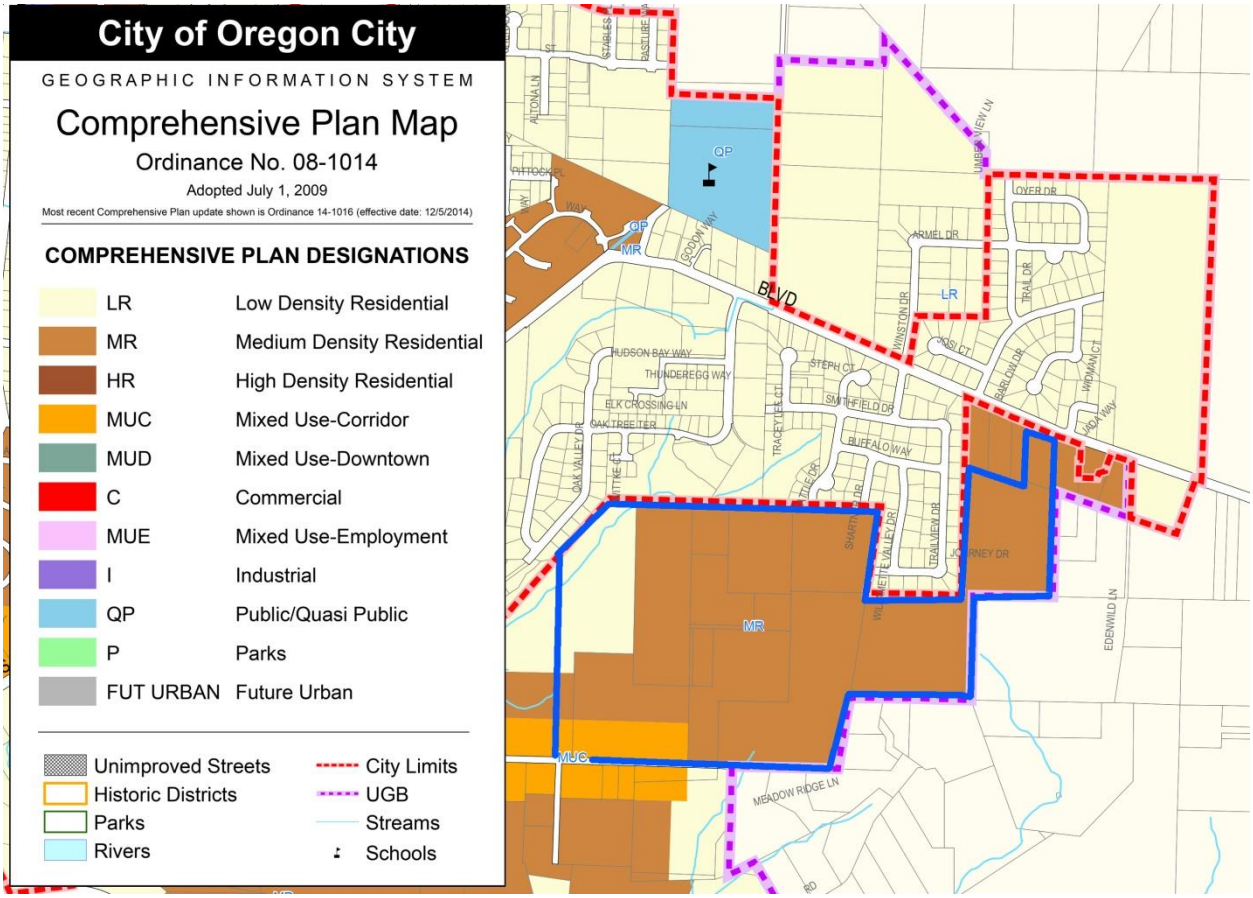
Finding: The proposal is consistent with this policy. These provisions are implemented by design standards within the OCMC that will be reviewed prior to site development.

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 restricve 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 mitigaiton.

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 mitigaiton.

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 geotechinical 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 be 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 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 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

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 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 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

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 imporvements, 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 "unincorpoated 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.

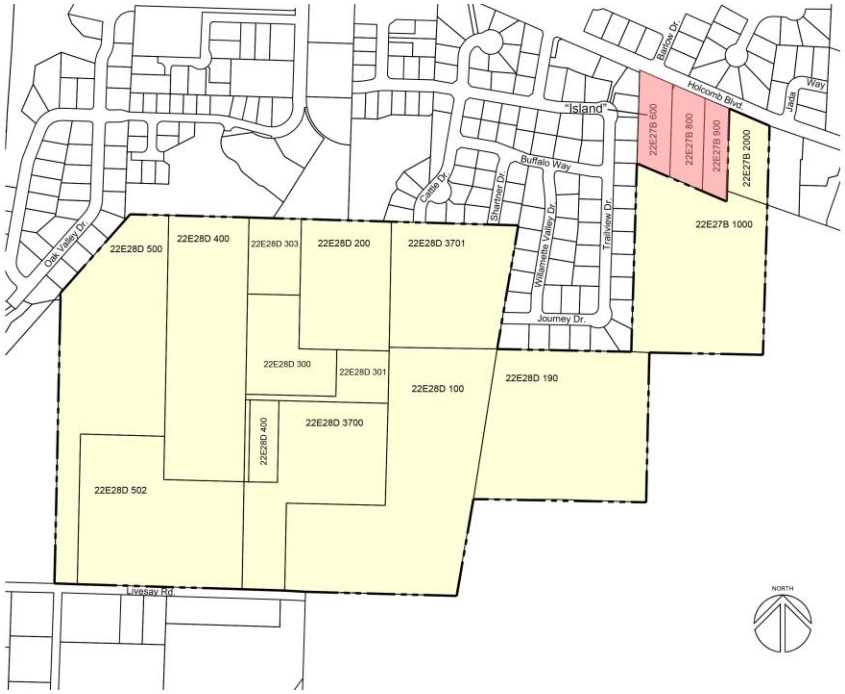


Figure 14: Annexation Area (Yellow) and Island (Pink)

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

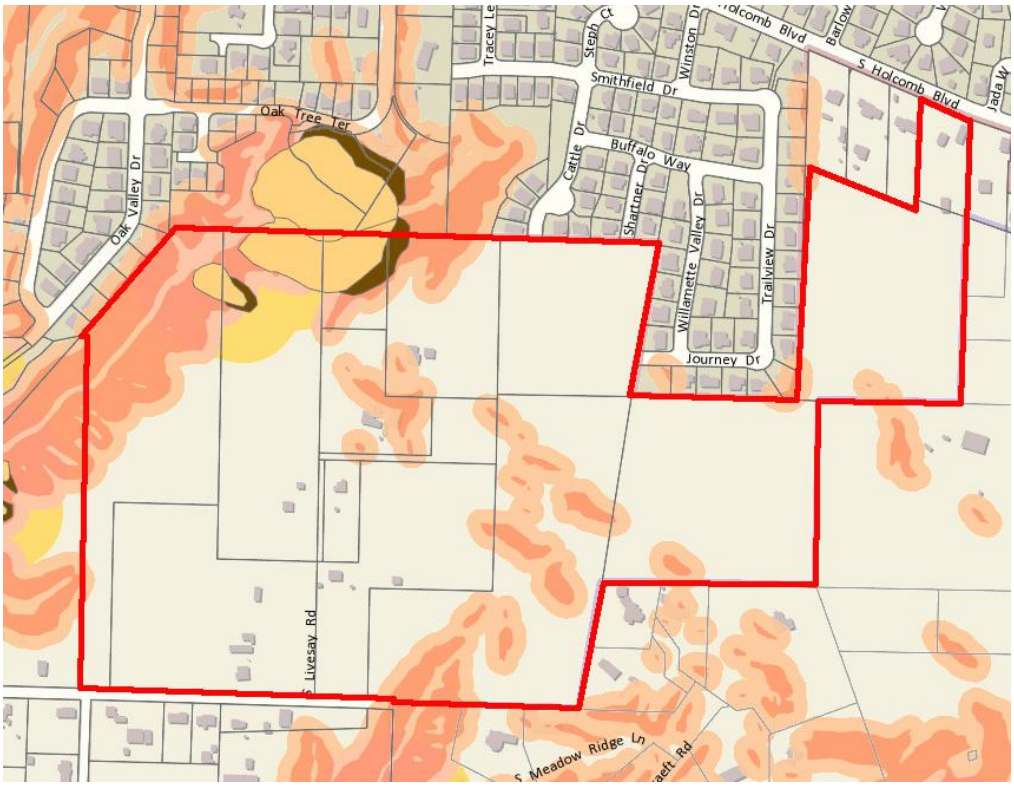
5. Natural hazards identified by the city, such as wetlands, floodplains and steep slopes;

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 are 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 noe 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 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 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

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 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 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

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*

CITY LAND USE CLASSIFICATIONS	
Commercial Plan Classification	*City Zone*
General Commercial	*C*
Mixed-Use Downtown	*MUD, WFDD*
Mixed-Use Corridor	*MUC I, MUC 2, NC, HC*
Mixed-Use Employment	*MUE*
Industrial Plan Classification	*City Zone*
Industrial	*CI, GI*

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	***Zone***
Low-Density Residential	*R-10 - Single Family Dwelling*
Medium-Density Residential	*R-5 - Single Family Dwelling*
Mixed-Use Commercial	*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 re-zoning 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 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 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

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 exsiting 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 appl: 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 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 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

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

OREGON CITY

Community Development – Planning

221 Molalla Ave. Suite 200 | Oregon City OR 97045
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April 6, 2018

To:	Chair Denyse McGriff and Planning Commission
From:	Pete Walter, AICP, Planner
Re:	AN-17-0006 / ZC-17-0005: Park Place 92-Acre Annexation and Rezoning – Supplemental Findings to Staff Report of February 12, 2018

Good Evening Commissioners:

Following the initial public hearing for AN-17-06 / ZC-17-01 on February 12, 2018, staff has prepared this summary memorandum responding to various issues raised.

Please Note: *Staff is recommending a continuance of the public hearing to the date certain of April 23, 2018 to allow the Applicant additional time to prepare transportation analysis for the intersection of Redland Road and Anchor Way. This was omitted from the recently submitted Transportation Analysis Addendum.*

Park Place Concept Plan

The Park Place Concept Plan was approved by the City Commission in April, 2007 and acknowledged by the Department of Land Conservation and Development in 2008. See attached Ordinance 07-1007. It was required in order to comply with Metro Title 11 concept planning requirements and provides a foundation for urbanization of the Park Place area brought in the City's Urban Growth Boundary (UGB) in 2002. The Park Place Concept Plan addresses annexation, urban services, residential density and design, housing, commercial and employment uses, transportation, natural resources, public facilities and services, schools, roads, and developable and unbuildable lands. The plan is based on furthering a series of core values developed by the Project Advisory Committee, and supported by the Planning Commission and City Commission, to address these issues. The Park Place Concept Plan was developed through an extensive interactive public process and was guided by a Project Advisory Committee comprised of neighbors, stakeholders, business owners and City residents starting in February 2006, to draft a framework for sustainable development of the Park Place area.

Since its adoption the urbanization objectives contained within the Park Place Concept Plan have been implemented in all subsequent public facilities plan updates for sewer, water, stormwater and transportation. Density levels and the resulting public improvement demand, necessary to support that development, including the widening of Holly Lane, were established by the Park Place Concept Plan. The annexation / zone change request pending review takes the next step in implementing these objectives. Much of the testimony was directed at concerns that were settled upon adoption of the Concept Plan and cannot be revisited as part of this review.

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Master Plan Prior to Development

Staff wishes to reiterate the importance of a Master Plan process for the successful implementation of the Park Place Concept Plan. As conditioned, approval of this annexation and zoning proposal requires 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 and 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. Implementation of these plans, through Master Plan review, will ensure that the City can provide urban levels of services to these newly developed areas while continuing to serve existing residents and businesses.

The purpose of a Master Plan is discussed in OCMC 17.65.010:

> *It is the intent of this chapter to foster the growth of major institutions and other large-scale development, while identifying and mitigating the impacts of such growth on surrounding properties and public infrastructure. The city recognizes the valuable services and employment opportunities that these developments bring to Oregon City residents. The master plan process is intended to facilitate an efficient and flexible review process for major developments and to provide them with the assurance they need over the long term so that they can plan for and execute their developments in a phased manner. To facilitate this, the master plan process is structured to allow an applicant to address the larger development issues, such as adequacy of infrastructure and transportation capacity, and reserve capacity of the infrastructure and transportation system before expenditure of final design costs.*

TIS Addendum – Lancaster Engineering

Note: *Staff is recommending a continuance of the public hearing to the date certain of April 23, 2018 to allow the Applicant additional time to prepare transportation analysis for the intersection of Redland Road and Anchor Way. This was omitted from the recently submitted Transportation Analysis Addendum.*

The applicant's Transportation Engineer, Lancaster Engineering, has prepared a memorandum addendum entitled "Transportation Impact Study Addendum #1", to the original Park Place Annexation Transportation Impact Study (TIS), dated August 2nd, 2017. Oregon Department of Transportation requested that trip generation assumptions within the TIS be revised. Accordingly, this addendum re-assesses site trip generation and includes capacity analyses for year 2035 build-out conditions reflecting this change in projected trips generated.

A draft version of this memorandum was distributed to ODOT and City of Oregon City staff in mid-March. The final version of the memo incorporates revisions made by public agency review of the draft report. This includes:

1. Explanation of the assumed number of homes on the site,
2. Additional discussion of pass-by trips and the use of internal trip reduction,
3. Explanation of ODOT's recent interpretation regarding the application of intersection performance standards,
4. A proposal to establish a trip cap for the subject site.

Addendum #1 provides new information related to a "worst case" development scenario that is calculated to produce significantly more traffic than that calculated in the original TIS. Addendum #1 presents updated operational analyses for the 16 study area intersections based on the higher trip generation assumed in Addendum #1. Addendum #1 provides some additional discussion of Clackamas County's operational standards. Addendum #1 provides a calculation of the operational performance of the intersection of Highway 213 and Redland Road assuming it is expanded as specified in Metro's adopted Regional Transportation Plan (RTP). Finally, Addendum #1 proposes a trip cap on the development proposed for this annexation.

The City's Transportation Consultant, Replinger and Associates, has prepared a complete revised review of the TIS and the addendum and will present his findings at the public hearing on April 9. Based on the addendum, Mr. Replinger recommends slightly modified conditions of approval be applied to any subsequent application for a future Master Plan development application.

Staff recommends that the Planning Commission accept these modified recommendations as Conditions of Approval for See attached.

Oregon Department of Transportation (ODOT) Comments

ODOT staff reviewed the application and submitted comments which are attached. Based on their review of the traffic impact study and the planned investments and improvements to improve performance of the transportation system, ODOT is satisfied that the staff report demonstrates compliance with the Transportation Planning Rule. The requirement for a Master Plan affords ODOT and the city a future opportunity to ensure that the infrastructure consistent with the TSP is implemented to meet the criteria for adequate transportation facilities. Additionally ODOT mentions the necessity of the Holly Lane extension, which is clearly identified in the City's TSP as well as other planning documents.

Clackamas County Transportation Comments

Clackamas County transportation staff provided comments on April 3 and April 6 (Attached).

Tree Removal Prior to Annexation

The issue of tree removal prior to annexation was raised during the last hearing as an issue of serious concern. Land within Urban Growth Boundaries that is designated for urban use must be urbanized in order to adequately protect farm and forest land outside of the UGB, since that is the basis behind Oregon's Land Use Planning system.

Currently the City has no adopted policy that restrict or requires mitigation for tree removal on properties that are located outside of the City boundaries but within the Urban Growth Boundary. Individual land owners that are not yet annexed currently have to comply with applicable Clackamas County tree cutting regulations depending on their particular situation. Clackamas County also has regulations protecting the water quality of streams and sloped areas. Lastly, the Forest Practices Act applies to areas of harvestable timber, and may pre-empt local regulations in such cases, though by definition there are few such areas within the Urban Growth Boundary.

Once lands are annexed to Oregon City, the City has various regulations that restrict or require permitting and mitigation for impacts to trees and identified sensitive areas such as wetlands, streams, habitat areas and steep slopes and landslide areas. These include OCMC 17.41 Tree Protection, which applies to development applications, and the Natural Resources Overlay District and Geologic Hazard Overlay District, OCMC 17.49 and 17.44, respectively.

For urbanizable land, there is an iterative process of natural resource evaluation that occurs in successively more detailed phases. This first occurs with the Metro process of UGB expansion study areas wherein Metro evaluates the suitability of land for inclusion within the Urban Growth Boundary pursuant to state law.

Once within the UGB, Metro law protecting Water Quality and Habitat (Titles 3 and 13) applies to both Cities and Counties. This is based on known and accepted inventories and strikes a balance between the need to provide an adequate land supply for urbanization and housing while identifying and preserving sensitive sites, features and areas that should be off limits for development. This is a critical component of the Park Place Concept Plan.

Following Annexation and zoning, the process of Master Planning pursuant to OCMC 17.65 provides yet more opportunity to refine the concept plan and identify and protect the natural features, open space, trails, parks and natural resource areas, and the mechanism by which those features become part of the community amenities in the future. This would necessarily include conditions of approval that clearly identify what the developer is and is not responsible for with respect to protected areas.

Finally, the process of actual development, through land division (subdivision and partitions) and site development approval is reached. For residential subdivisions, the City requires planting of trees on new residential lots, based on the lot size. For non-residential sites, the City's Site Plan and Design Review includes minimum landscaping standards that require trees be planted. Ultimately, the cost of new trees and mitigation for removed trees is passed on to the new homeowners and residents in the sale price for a new home.

Traffic Safety and Speeding Issues

Several citizens shared their concerns about speeding and traffic safety, particularly on Holcomb Boulevard. These issues are important; however, this is an enforcement issue for an existing problem and there is no evidence that identified existing safety concerns will be exacerbated by the subject annexation and zone change request. The applicant has retained a licensed and experienced traffic engineer to analyze crash data, safety issues and speed zones with their required Traffic Impact Study, and will contribute to any share of identified safety improvements in the City's Transportation System Plan for areas that their development may exacerbate, such as for installation of a four-way stop, turn lanes, and traffic signals. The findings in the Traffic Impact Study are then reviewed by three independent licensed traffic engineers who work for the City, the County and for Oregon Department of Transportation. Upon submittal of a Master Plan, the City and residents will have further opportunity to understand the transportation impact of development within the annexation area. Current speeding concerns and safety issues may be addressed to the Clackamas County Traffic Safety Commission or the Oregon City Traffic Safety Committee, or the Oregon City Police Department or Clackamas County Sheriff's Department, as applicable.

Geologic Hazards and Dr. Scott Burns – PSU Geology Professor

The Planning Commission heard testimony about the potential for landslides within the concept plan area and Holly Lane, as well a request that Dr. Scott Burns of Portland State University be invited to speak to the Planning Commission. Dr. Scott Burns is Professor Emeritus of Geology and has studied the geologic hazards of Oregon City for 28 years. Dr. Burns has accepted an invitation to present to both the Planning Commission and the Natural Resources Committee at a joint worksession which is tentatively scheduled for June 11th, 2018.

The City's Geologic Hazard Overlay District code OCMC 17.44 requires applicants to review a variety of official Portland State University (PSU) and Oregon Department of Geology and Mineral Industries (DOGAMI) research documents for landslide hazards in the Oregon City area. Dr. Burns is author or co-author for several of these documents, which are required references for the Geological Assessment and Geotechnical Report required as part of a development application submittal within the overlay district. See 17.44.050 - Development—Application requirements and review procedures and approvals. Applications which do not include these references are considered incomplete and cannot move forward for review by the City's Geologic Engineering consultant.

Cultural and Historic Resources (Goal 5)

Senior Planner Christina Robertson-Gardiner conducted a query of the SHPO historic sites database http://heritagedata.prd.state.or.us/historic/ , and the City's access database for eligible historic resources in or near the annexation area. Eligible resources found in the query are included as an attachment.

There are no resources identified as potentially eligible on the National Register in this Annexation proposal. Three houses were identified as over 50 years old in the annexation area but not eligible for listing on the National register individually, or as part of a district.

- 15110 S Holcomb Blvd
- 16472 Livesay Road
- 16582 Livesay Road

The area of potential effect (APE) looked at properties within 300 feet of the annexed properties. Eligible resources near the annexation include:

- 14493 S Livesay Rd (1948)
- 14508 S Livesay- Rd Kraeft House (1903), a Clackamas County Landmark.
- 15138 s Holcomb Blvd (1940)
- 15172 S Holcomb Blvd- (1935)

A map of these sites is attached and provided below.

Figure 1. SHPO Map of Historic Sites near Annexation Area

The proposed annexation and development will not have an adverse effect on the significance of the Kraeft House as it remains a Clackamas County Landmark. It is located adjacent to Livesay Road with a collection of non-historic farm outbuilding that could be removed and redeveloped allowing the resource to be retained near the street in any future annexation request. The same analysis is consistent with the 1948 and 14993 Livesay Road house.

Livesay Road is a highly constrained rural road made of a combination of non-eligible 1960s ranch homes, and some eligible 1920s typical and 1940s minimal traditional farmhouses, aside from to two resources identified above, the remainder eligible structures are located west of the town center area on Livesay. This area of Livesay has not been identified for street improvements and was specifically identified to be a street designed for local access in the Park Place Concept Plan to preserve a sense of place for this community.

Two modest 1930s and 1940s minimal traditional/early ranches are located near the proposed connector road on Holcomb Blvd.

No adverse impact is identified for these resources as part of the annexation and development as the housing location and orientation to Holcomb Blvd will not change.

Infrastructure Timing

The Planning Commission heard testimony regarding the adequacy of parks and other infrastructure, asking why improvements cannot be in place prior to development. This individual was concerned that the City has not "banked land" for parks within the annexation area. The City has not acquired land within the annexation area at this time for park purposes due to lack of funds. It is for this reason that the staff is recommending, and the applicant has agreed to as a Condition of Approval of the annexation and zone change, a master plan prior to any development so that (prior to issuance of building permits), the City will have the necessary levels of park land available to serve this new development. The applicant is required in the Master Plan process to identify how the City will secure park land for future development.

Additionally, developers **are** required to pay for their fair share of off-site improvements necessary to serve their development and build infrastructure directly related to their development impacts prior to issuance of building permits. The City requires that the burden of new public infrastructure improvement of public infrastructure fall on the developer.

Since developers are only required to provide their proportional share of such improvements, and since public money for large scale capital improvements is constrained, there will inevitably be a lag time between when the development occurs and when the full build-out of an area makes the full share of the improvements possible. Furthermore, developers are legally entitled under state law to use the payment of System Development Charges as a means to meet this requirement, rather than actually construct the improvement at the time of development.

Conclusion and Recommendation

This memorandum, along with the attached exhibits listed below, supplements the original February 12, 2018 staff report and recommended findings, and addresses all issues raised and submitted into the record as of the date of agenda publishing on April 2nd, 2018.

Staff believes that all of the applicable criteria for approval of AN 17-04 / ZC 17-06 are met through the Conditions of Approval, as modified to include the recommendations regarding transportation mitigation prepared by Replinger and Associates.

Exhibits

1. Ordinance 07-1007, Park Place Concept Plan.
2. Department of Land Conservation (DLCD) Acknowledgement of Adoption File 002-07.

3. Goal 5 - Historic Inventory of Sites adjacent to and within the Annexation Area.
    a. SHPO Sites Map
    b. Eligible Adjacent
        i. 14493 S Livesay Rd (1948)
        ii. 14508 S Livesay- Rd Kraeft House (1903), a Clackamas County Landmark.
        iii. 15138 s Holcomb Blvd (1940)
        iv. 15172 S Holcomb Blvd- (1935)
    c. Within the annexation area but not eligible for listing on the National register individually, or as part of a district.
        i. 15110 S Holcomb Blvd
        ii. 16472 Livesay Road
        iii. 16582 Livesay Road
4. Technical Memorandum; *Park Place Annexation - Transportation Impact Study Addendum #1,* Todd Mobley, PE and Daniel Stumpf, EI, Lancaster Engineering, March 27, 2018.
5. *Review of Traffic Impact Study – Park Place Annexation and Rezoning – AN17-04 & ZC17-05,* Replinger and Associates, March 29, 2018.
6. Comments from Marah Danielson, Senior Planner, ODOT Region 1, April 2, 2018

OREGON CITY

Community Development – Planning

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

History of Oregon City Annexations Since SB 1573

Senate Bill 1573 requires the City to annex the territory without submitting the proposal to the electors of the city if certain criteria are met. No annexation has been referred to the voters since SB 1573. A summary of annexations decisions in chronological order since SB 1573 is provided below.

1. AN 16-0001 (ORD 16-1009) 0.5 acres
   City Commission Date for 2nd Reading: September 21, 2016
   19358 S. Columbine Ct
   Annexation and zone change of one property of approximately 0.5 acres into the City of Oregon City. The site is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of LR – Low Density Residential. The property is zoned Clackamas County FU-10. The applicant also requested to rezone the property to R-10.

2. Emergency Annexation AN 16-0002 (ORD 17-1008) 0.92 acres
   City Commission Date for 2nd Reading: July 19, 2017
   19763 S. Parrish Rd
   Emergency annexation of one 0.92 acre property due to a certified failing septic system. The property will retain its existing FU-10 zoning.

3. AN 16-0003 (ORD 17-1003 & 17-1004) 51.41 and 63.82 acres for a total of 115 acres
   City Commission Date for 2nd Reading: April 5, 2017
   20124, 20118, & 20130 S Beavercreek Rd
   Annexation of Oregon City Golf Course (115 acres) and approximately 2000 square feet of Abutting Beavercreek Road Right-of-Way into Oregon City. The 117 acre site is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of FU- Future Urban. The property is within the area of the Beavercreek Road Concept Plan. No zone change was proposed at the time and no changes in use are proposed or will be authorized by this application. The annexation was bifurcated into two separate Ordinances.

4. AN 16-0004 / ZC 16-0001 (ORD 17-1005 & 17-1006) 35.65 acres
   City Commission Date for 2nd Reading: May 3, 2017
   North of Holcomb Blvd and west of Winston Drive
   Annexation and Zone Change of six properties north of Holcomb Blvd and west of Winston Drive totaling 35.65 acres into Oregon City. The subject territory is within the Oregon City Urban Growth Boundary, and has a Comprehensive Plan designation of LR – Low Density Residential. Applicant also requested a Zone Change to R-10 Single Family Residential.

5. Emergency Annexation AN 17-0001 (ORD 17-1009) 0.95 acres

City Commission Date for 2nd Reading: October 3, 2017
18851 S. Rose Road
Emergency annexation of one 0.95 acre property due to a certified failing septic system. The property will retain its existing FU-10 zoning.

6. AN 17-03 / TP 17-03 / ZC 17-02 (ORD 18-1002) 6.33 acres
   City Commission Date for 2nd Reading: January 3, 2018
   19701 S Leland Road
   Annexation of a 6.33 acre property into the city limits of Oregon City. The site is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of Low Density Residential. The applicant also requested a Zone Change from Clackamas County Future Urban 10-Acre (FU-10) Zone to "R-6" Single-Family Dwelling District and a Subdivision of 28 lots, w/ one Stormwater Facility Tract.

7. AN 17-0004 / ZC 17-0005 (ORD 18-1007) 92 acres
   City Commission Date for 2nd Reading: July 5, 2018
   South of Holcomb Blvd and north of S. Livesay Rd
   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. 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 also 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.

8. AN 17-05 / TP 17-09 / ZC 17-06 (ORD 18-1006) 2.98 acres
   City Commission Date for 2nd Reading: June 6, 2018
   Leland Road
   Annexation of a 2.98 acre property into the city limits of Oregon City. The site is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of Low Density Residential. The applicant additionally requested approval for a Zone Change from Clackamas County Future Urban 10-Acre (FU-10) Zone to "R-6" Single-Family Dwelling District and a Subdivision of 12 lots, w/ one Stormwater Facility Tract.

9. Emergency Annexation AN-18-0001 (ORD 18-1011) 0.96 acres
   City Commission Date for 2nd Reading: August 15, 2018
   S. South End Rd
   Emergency annexation of one approximately 0.96 acre property due to a failing septic system. The property retained its existing FU-10 zoning.

10. GLUA 18-00020 / AN 18-0002 / ZC 18-00001 / MP 18-00004 (ORD 18-1031) 0.76 acres
    City Commission Date for 2nd Reading: Dec 19, 2018
    14530 S Maplelane Rd
    Annexation of a 0.76 acre property into the city limits of Oregon City. The site is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of Low Density Residential. The applicant also requested approval for a Zone Change from Clackamas County Future Urban 10-Acre (FU-10) Zone to "R-6" Single-Family Dwelling District and a Minor Partition of thee (3) lots.

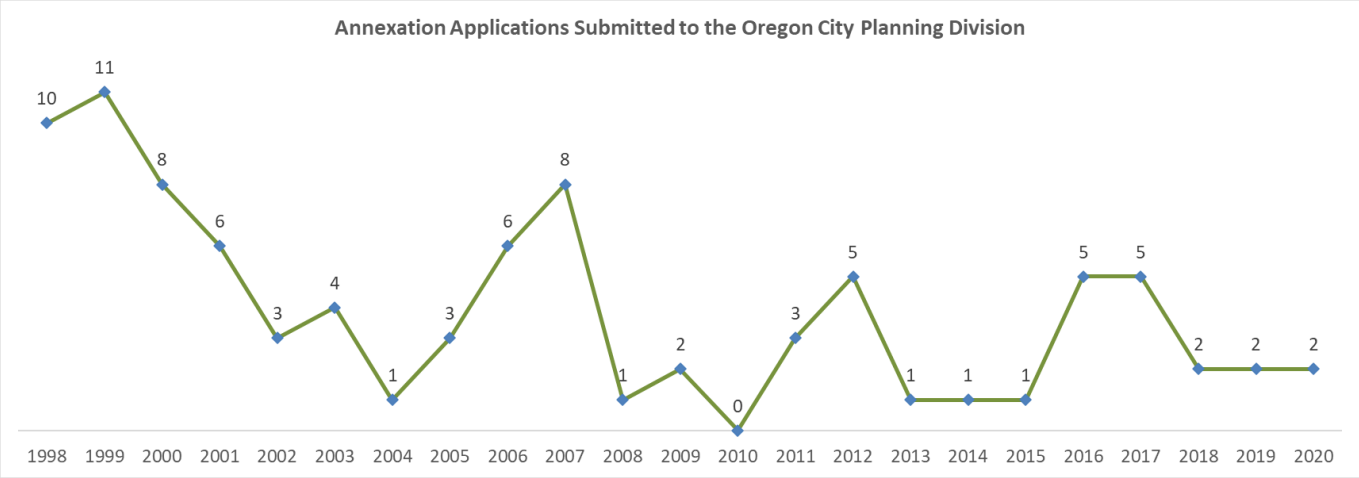
11. GLUA-19-00012: AN-19-00001 (Ord 19-1019) 0.299 acres
    City Commission Date for 2nd Reading: Dec 18, 2019
    19420 s Pease Rd Oregon City or 97045
    Emergency Sewer Annexation of a 0.299 acre property into the city limits of Oregon City. The applicant desires to provide the property with city services due to the failing septic system on the property. Annexation is required as a condition of connecting to the city sewer system. This proposal does not include a request for development approval, rezoning or change in use. The decision on annexation to the City does not authorize or prevent any specific use of land. Current county zoning and planning designations will remain on the property until the Applicant takes action to rezone the property.

12. GLUA-19-00021: AN-19-00002 / SUB-19-00001 / ZC-19-00002 / VAR-19-00005 & PR-135-2019 (Ord 19-1018) 1 acre
    City Commission Date for 2nd Reading: December 4, 2019
    14576 S Maplelane Rd, Oregon City, Oregon 97045
    Annexation of one 1-acre parcel and abutting right-of-way, zone change from County FU-10 to City R-3.5 zone district, subdivision for seven (7) lots. Property is located on the south side of S. Maplelane Rd, approximately 0.5 miles north of S. Beavercreek Rd and 0.3 miles east of OR Hwy 213 into Oregon City, totaling approximately 1.25 acres. The subject territory is within the Oregon City Urban Growth Boundary and has a Comprehensive Plan designation of MR – Medium Density Residential.

13. Emergency Annexation GLUA-20-00017: AN-20-00001 0.9 acre
    Not yet before the City Commission
    19242 Beavercreek Road, Oregon City OR 97045

14. Emergency Annexation GLUA 20-00030: AN 20-00002 0.46 acre
    Not yet before the City Commission
    11330 S Forest Ridge Rd Oregon City, OR 97045

Note not all emergency sewer annexation applications have been completed and thus have not been before the Commission.



CHAPTER 17.78 - ANNEXATION

17.78.00 INTENT

The procedures and standards established in this chapter are required for review of proposed annexations in order to:

A. Maximize citizen involvement in the annexation review process by holding a public hearing;

B. Ensure that public facilities are or will be available to serve land annexed to the City;

C. Establish a system for measuring the physical, environmental, fiscal and related social effects of proposed annexations; and,

D. Where possible and practical, avoid the creation of irregular boundaries or annexations that create "island," "cherry stem" or "shoestring" annexations.

17.78.10 PROCEDURAL CONSIDERATIONS

A. The corporate limits of the City shall include all territory encompassed by its boundaries as they now exist or are modified as provided herein unless mandated by State Law.

B. The City may annex an unincorporated area that is surrounded by the City boundary.

C. The City may annex land for public facilities. Public facilities include but are not limited to schools, senior centers, roads, police and fire stations, parks or open space, and public water, sewer and storm drainage facilities.

17.78.15 TYPES OF ANNEXATION

A. Type A: Annexation in conformance with conceptual zoning designation

B. Type B: Annexation + zone change, including Parks and Open Space (POS) and/or Flood and Slope Hazard (FSH) Overlay District

C. Type C: Annexation + plan map change + zone change

17.78.20 CONDITIONS FOR ANNEXATION

The following conditions must be met prior to beginning an annexation request:

A. The requirement of Oregon Revised Statutes, Chapters 199 and 222 for initiation of the annexation process are met;

B. The site must be within the City of Sandy Urban Growth Boundary (UGB);

C. The site must be contiguous to the city or separated from it only by a public right-of-way or a stream, bay, lake or other body of water; and

D. The site has not violated Section 17.78.25.

17.78.25 TREE RETENTION

The intent of this section is to treat property with annexation potential (in the UGB) as if it had been subject, prior to annexation, to the tree retention provisions of the City's Urban Forestry Ordinance (Chapter 17.102) and Flood and Slope Hazard (FSH) Overlay District (Chapter 17.60), to discourage property owners from removing trees prior to annexation as a way of avoiding Urban Forestry Ordinance provisions, and to prevent unnecessary tree removal for future subdivision layout. In accordance with ORS 527.722, the State Forester shall provide the City with a copy of the notice or written plan when a forest operation is proposed within the UGB. The City shall review and comment on an individual forest operation and inform the landowner or operator of all other regulations that apply but that do not pertain to activities regulated under the Oregon Forest Practices Act.

A. Properties shall not be considered for annexation for a minimum of ten (10) years if any of the following apply:

1. Where any trees six (6) inches or greater diameter at breast height (DBH) have been removed within 25 feet of the high water level along a perennial stream in the ten (10) years prior to the annexation application.

2. Where more than two (2) trees (six (6) inches or greater DBH) per 500 linear feet have been removed in the area between 25 feet and 80 feet of the high water level of Tickle Creek in the ten (10) years prior to the annexation application.

3. Where more than two (2) trees (six (6) inches or greater DBH) per 500 linear feet have been removed in the area between 25 feet and 50 feet of the high water level along other perennial streams in the ten (10) years prior to the annexation application.

4. Where any trees six (6) inches or greater DBH have been removed on 25 percent or greater slopes in the ten (10) years prior to the annexation application.

5. Where more than ten (10) trees (11 inches or greater DBH) per gross acre have been removed in the ten (10) years prior to the annexation application, except as provided below:

    a. Sites under one (1) acre in area shall not remove more than five (5) trees in the ten (10) years prior to the annexation application.

    b. Sites where removal of ten (10) or fewer trees will result in the site not meeting the minimum tree retention requirements of Chapter 17.102, Urban Forestry.

    c. For properties in or adjacent to the Bornstedt Village Overlay (BVO), tree removal must not result in fewer than six (6) healthy 11 inch DBH or greater trees

per acre. For properties in or adjacent to the BVO and within 300 feet of the FSH Overlay District, tree removal must not result in fewer than nine (9) healthy 11 inch DBH or greater trees per acre.

Rounding: Site area shall be rounded to the nearest half acre and allowed tree removal shall be calculated accordingly. For example, a 1.5 acre site will not be allowed to remove more than fifteen (15) trees in the ten (10) years prior to the annexation application. A calculation of 1.2 acres is rounded down to one (1) acre and a calculation of 1.8 is rounded up to two (2) acres.

Cumulative Calculation: Total gross acreage includes riparian areas and other sensitive habitat. Trees removed under Sections 17.78.25(A) 2. and 3. shall count towards tree removal under Section 17.78.25(A) 5.

B. Exceptions. The City Council may grant exceptions to this section where:

1. The property owner can demonstrate that Douglas Fir, Western Red Cedar, or other appropriate native trees were planted at a ratio of at least two trees for every one tree removed no less than ten (10) years prior to the submission of the annexation application, and at least 50 percent of these trees have remained healthy; or

2. The Council finds that tree removal was necessary due to hazards, or right-of-way or utility facilities or access; or

3. The trees were removed because they were dead, dying, or diseased and their condition as such resulted from an accident or non-human cause, as determined by a certified arborist or other qualified professional; or

4. The trees removed were nuisance trees; or

5. The trees were removed as part of a stream restoration and enhancement program approved by the Oregon Department of Fish and Wildlife as improving riparian function; or

6. The trees removed were orchard trees, Christmas trees, or commercial nursery trees grown for commercial purposes; or

7. The application of this section will create an island of unincorporated area.

17.78.30 ZONING OF ANNEXED AREAS

A. All lands within the urban growth boundary of Sandy have been classified according to the appropriate city land use designation as noted on the comprehensive plan map (as per the city/county urban growth management area agreement). The zoning classification shall reflect the city land use classification as illustrated in Table 17.26.20.

17.78.40 EXISTING USE, ACTIVITY OR STRUCTURE

A. As of the effective date of annexation, no use or activity shall be considered non-conforming if the use or activity: (1) violates or conflicts with county zoning regulations and (2) is not classified as non-conforming under county zoning regulations. Any such use or activity shall constitute a violation of this ordinance.

B. Any use, activity or structure that is existing at the effective date of annexation, under a Clackamas County use permit with a time limit imposed, shall not be a non-conforming use, but may continue for the extent of the time limit. Such use permits may not be extended without City approval.

C. Any lot or parcel of land duly recorded in the Clackamas County Recorder's Office prior to the effective date of this Ordinance and having an area, width, depth, or street frontage less than that required in the Zoning District regulations in which such lot or parcel is situated, shall be deemed to be a lot and may be used as a building site, provided that all other regulations for the Zoning District shall apply.

17.78.50 ANNEXATION CRITERIA

Requests for annexation shall not have an adverse impact on the citizens of Sandy, either financially or in relation to the livability of the city or any neighborhoods within the annexation area.

A. Except as provided in subsection B of this section, an application to annex property into the city shall meet the following criteria:

1. The application demonstrates how the property will be served by adequate public facilities and services, including sanitary sewer, domestic water, transportation, internet and parks. Public facilities and services must be provided in a manner consistent with the City's adopted public facility plans, comprehensive plan, transportation system plan, parks and trails master plan, and any applicable area plan or master plan. The application must demonstrate how the public facilities and services will be provided to the property in an orderly, efficient, and timely manner.

2. The application demonstrates how impacts to existing City public facilities and services (sewer, water, stormwater, and transportation) from development of the property will be mitigated, if necessary. Mitigation may include construction of on-site or off-site improvements or improvements to existing infrastructure to City standards and specifications. The application must demonstrate adequate funding for the mitigation. If the financing requires City funds, the funding must be approved by the City Council prior to annexation. The City may rely on the standards and criteria of SMC Chapter 17.84 (Improvements Required with Development) and other relevant standards and criteria in the comprehensive plan or development code to analyze an applicant's proposed mitigation of impacts. In order to ensure adequate public facilities and services will exist to serve property annexed to the City, an applicant may be required to enter into an agreement with the City that governs the extent and timing of infrastructure improvements.

3. The application demonstrates that the annexation and proposed zoning is consistent with the Transportation Planning Rule (TPR) or explains that the TPR analysis is not required.

4. The annexation is in the best interest of the City. Generally, the annexation is in the best interest of the city if it meets one or more of the following criteria:

    a. A needed solution for existing problems, resulting from insufficient sanitation, water service, or other urban service related problems; or

    b. Land for development to meet urban needs and that meets a logical growth pattern of the city and encourages orderly growth; or

    c. Needed routes for utility and transportation networks.

B. The standards described in paragraphs A.1 and A.2 above do not apply to:

1. An application to annex property that is smaller than one acre.

2. An "island" annexation under ORS 222.750.

3. An annexation for which the City has executed an annexation agreement and the agreement allows for A.1 and A.2 to be delayed until development is proposed.

17.78.60 APPLICATION SUBMISSION REQUIREMENTS

Requests for annexation shall be made on forms provided by the city for such purposes and shall be accompanied by all of the following:

A. Written consent form to the annexation signed by the owners of all land to be annexed.

B. A legal description certified by a registered surveyor or engineer.

C. The application fee established by the city.

D. A list of property owners within one thousand (1,000) feet of the subject property and two sets of mailing labels.

E. Vicinity map showing the area to be annexed including adjacent city territory.

F. Site Plan drawn to scale (not greater than one inch = fifty feet), indicating:
1. The location of existing structures (if any);
2. The location of streets, sewer, water, electric and other utilities, on or adjacent to the property to be annexed;
3. Approximate or surveyed location of areas subject to regulation under Chapter 17.60, Flood and Slope Hazard (FSH) Overlay District, including, but not limited to, wetland boundaries, streams, top of bank, buffers, areas of 25 percent or greater slope, restricted development areas, and the FSH analysis area. If the applicant wants to avoid an

additional zone map modification request at time of development, then these areas will need to be surveyed at the time of annexation application submittal.

G. Narrative Statement explaining the proposal and addressing:
   1. Availability, capacity and status of existing water, sewer, drainage, transportation, fire, and park facilities;
   2. Additional facilities, if any, required to meet the increased demand and any proposed phasing of such facilities in accordance with projected demand;
   3. Ability to adhere to adopted City plans including, but not limited to, the Transportation System Plan, Parks and Trails Master Plan, Comprehensive Plan, and Specific Area Plans; this analysis may be deferred if the applicant enters into an annexation agreement as provided in Section 17.78.50(B); and,
   4. Method and source of financing required to provide additional facilities, if any.

H. Transportation Planning Rule findings, if applicable.

17.78.70 REVIEW PROCEDURE

Type A, B & C

1. Pre-application conference;
2. Submission of completed application;
3. Review by Planning Commission with recommendation to City Council;
4. Review by City Council;
5. Approval or denial by City Council.

17.78.80 EXCEPTIONS

Exceptions may be granted for identified health hazards and for those matters which the City Council determines that the public interest would not be served by undertaking the entire annexation process. The City Council may authorize an exception to any of the requirements of this chapter. An exception shall require a statement of findings that indicates the basis for the exception.

17.78.90 ANNEXATION CONDITIONS

A. All properties annexed are subject to inclusion within applicable advance financing districts and urban renewal districts.

B. These conditions apply to all annexed properties regardless of transfers of the ownership of such properties.

ANNEXATIONS AND URBAN GROWTH BOUNDARY AMENDMENTS

Section 4.700. Procedures Relating To The Processing Of Requests For Annexation And Urban Growth Boundary Amendments.

(.01) The City of Wilsonville is located within the Portland Metropolitan Area, and is therefore subject to regional government requirements affecting changes to the city limits and changes to the Urban Growth Boundary (UGB) around Wilsonville. The City has the authority to annex properties as prescribed in State law, but the City's role in determining the UGB is primarily advisory to Metro, as provided in Oregon Revised Statutes. The following procedures will be used to aid the City Council in formulating recommendations to those regional entities. [Amended by Ordinance No. 538, 2/21/02.]

A. Proponents of such changes shall provide the Planning Director with all necessary maps and written information to allow for review by city decision-makers. The Planning Director, after consultation with the City Attorney, will determine whether each given request is quasi-judicial or legislative in nature and will make the necessary arrangements for review based upon that determination.

B. Written information submitted with each request shall include an analysis of the relationship between the proposal and the City's Comprehensive Plan, applicable statutes, as well as the Statewide Planning Goals and any officially adopted regional plan that may be applicable.

C. The Planning Director shall review the information submitted by the proponents and will prepare a written report for the review of the City Council and the Planning Commission or Development Review Board. If the Director determines that the information submitted by the proponents does not adequately support the request, this shall be stated in the Director's staff report.

D. If the Development Review Board, Planning Commission, or City Council determine that the information submitted by the proponents does not adequately support the request, the City Council may oppose the request to the regional entity having the final decision making authority.

(.02) Each quasi-judicial request shall be reviewed by the Development Review Board, which shall make a recommendation to the City Council after concluding a public hearing on the proposal, except in the following circumstance:

A. When an annexation in the Coffee Creek Industrial Design Overlay District is requested concurrent with a quasi-judicial Comprehensive Plan Map amendment and/or zone map amendment as specified in Section 4.197 (.02) A. and Section 4.198 (.02), the annexation shall be reviewed by the City Council without prior review or recommendation by the Development Review Board.

a. The ordinance adopting such annexation request shall state the annexation expires 120 days from Council adoption unless a Stage II Final Plan receives final local approval for the area subject to the annexation. In the event of a

LUBA appeal of the final local approval, the 120-day expiration period will be tolled pending completion of the appeal process.

b. Notwithstanding the process described above an applicant may elect to have the annexation reviewed by the Development Review Board for a recommendation to City Council concurrently with other land use applications for the subject property.

c. If the Planning Director anticipates that individuals other than the applicant can be expected to question the requested annexation's compliance with the applicable criteria the Planning Director may require the annexation be first reviewed by the Development Review Board to make a recommendation to City Council.

(.03) Each legislative request shall be reviewed by the Planning Commission, which shall make a recommendation to the City Council after concluding a public hearing on the proposal.

(.04) As applicable, the City Council shall consider the information in the record of the Development Review Board or Planning Commission and shall, after concluding a public hearing on the request, determine the appropriate course of action. That course of action may be:

A. In the case of a proposed amendment to the Regional Urban Growth Boundary: forward its recommendation in the form of a Resolution to the Metro Council.

B. In the case of a proposed annexation to the City, select from the following as allowed by State law (ORS 222):

1. Take no action;
2. Declare the subject property, or some portion thereof, to be annexed;
3. Set the matter for election of the voters residing within the affected territory; or
4. Set the matter for election of City voters.

(.05) The City Council may adopt a development agreement with the owners of property that is proposed for annexation to the City, and such agreement may include an agreement to annex at a future date. A development agreement with an agreement to annex shall be subject to the same procedural requirement as other annexations in terms of staff report preparation, public review, and public hearings.

[Section 4.700 Amended by Ord. #812, 2/22/18]

ORDINANCE NO. 832

AN ORDINANCE OF THE CITY OF WILSONVILLE ANNEXING APPROXIMATELY 24 ACRES OF PROPERTY LOCATED ON THE WEST SIDE OF STAFFORD ROAD JUST NORTH OF BOECKMAN ROAD INTO THE CITY LIMITS OF THE CITY OF WILSONVILLE, OREGON; THE LAND IS MORE PARTICULARLY DESCRIBED AS TAX LOTS 1800, 1902, 1903, 2000 AND 2200 AND A PORTION OF STAFFORD ROAD RIGHT-OF-WAY, SECTION 12D, TOWNSHIP 3 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, CLACKAMAS COUNTY, OREGON. KATHLEEN E. LUDWIG, CLIFTON MOLATORE, BRENDA L. MELUM, LYNETTE E. EATON, THEODORE W. EATON, ROBERT KESSLER, BONNIE KESSLER, AND DIANE HILLIER, PETITIONERS.

WHEREAS, a petition submitted to the City requests annexation of certain real property legally described and depicted in Attachment 1; and

WHEREAS, Kathleen E. Ludwig, an authorized signer for West Linn-Wilsonville School District, Lynette E. Eaton and Theodore W. Eaton, authorized signers for Joint Revocable Trust of Theodore and Lynette Eaton, Clifton Molatore, an authorized signer for 27687 Stafford Road LLC, and Brenda Melum, an authorized signer for Community of Hope ELCA, together representing 100 percent of the property ownership within the annexation area signed the petition; and

WHEREAS, Lynette E. Eaton, Theodore W. Eaton, Bonnie Kessler, Robert Kessler, and Diane Hillier, together representing a majority of the electors within the annexation area signed the petition; and

WHEREAS, ORS 227.125 authorizes the annexation of territory based on consent of all owners of land and a majority of electors within the territory and enables the City Council to dispense with submitting the question of the proposed annexation to the electors of the City for their approval or rejection; and

WHEREAS, the land to be annexed is within the Urban Growth Boundary and has been master planned as part of the Frog Pond West Neighborhood; and

WHEREAS, the land to be annexed is contiguous to the City and can be served by City services; and

WHEREAS, Panel A of the Development Review Board considered the annexation and after a duly advertised public hearing held on February 11, 2019 unanimously recommended City Council approve the annexation; and

WHEREAS, on March 4, 2019, the City Council held a public hearing as required by Metro Code 3.09.050; and

WHEREAS, reports were prepared and considered as required by law; and because the annexation is not contested by any party, the City Council chooses not to submit the matter to the voters and does hereby favor the annexation of the subject tract of land based on findings, conclusions, and the Development Review Board's recommendation to City Council.

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. The tract of land, described and depicted in Attachment 1, is declared annexed to the City of Wilsonville.
2. The findings and conclusions incorporated in Attachment 3 are adopted. The City Recorder shall immediately file a certified copy of this ordinance with Metro and other agencies required by Metro Code Chapter 3.09.050(g) and ORS 222.005. The annexation shall become effective upon filing of the annexation records with the Secretary of State as provided by ORS 222.180.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 4th day of March, 2019, and scheduled for a second reading at a regular meeting of the Council on the 18th day of March, 2019, commencing at the hour of 7:00 P.M. at the Wilsonville City Hall.

Kimberly Veliz, City Recorder

ENACTED by the City Council on the 18th day of March, 2019 by the following votes:

Yes: 5 No: 0

Kimberly Veliz, City Recorder

DATED and signed by the Mayor this 18th day of March, 2019.

TIM KNAPP, Mayor

SUMMARY OF VOTES:

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor West	Yes

Attachments:

1. Attachment 1 – Legal Description and Sketch Depicting Land/Territory to be Annexed
2. Attachment 2 – Petition for Annexation
3. Attachment 3 – Annexation Findings
4. Attachment 4 – Development Review Board Panel A Resolution No. 360 Recommending Approval of Annexation

EXHIBIT A

LEGAL DESCRIPTION

STAFFORD MEADOWS PHASE 2 AND 3 ANNEXATION AREA

October 5, 2018 (Otak #18806)

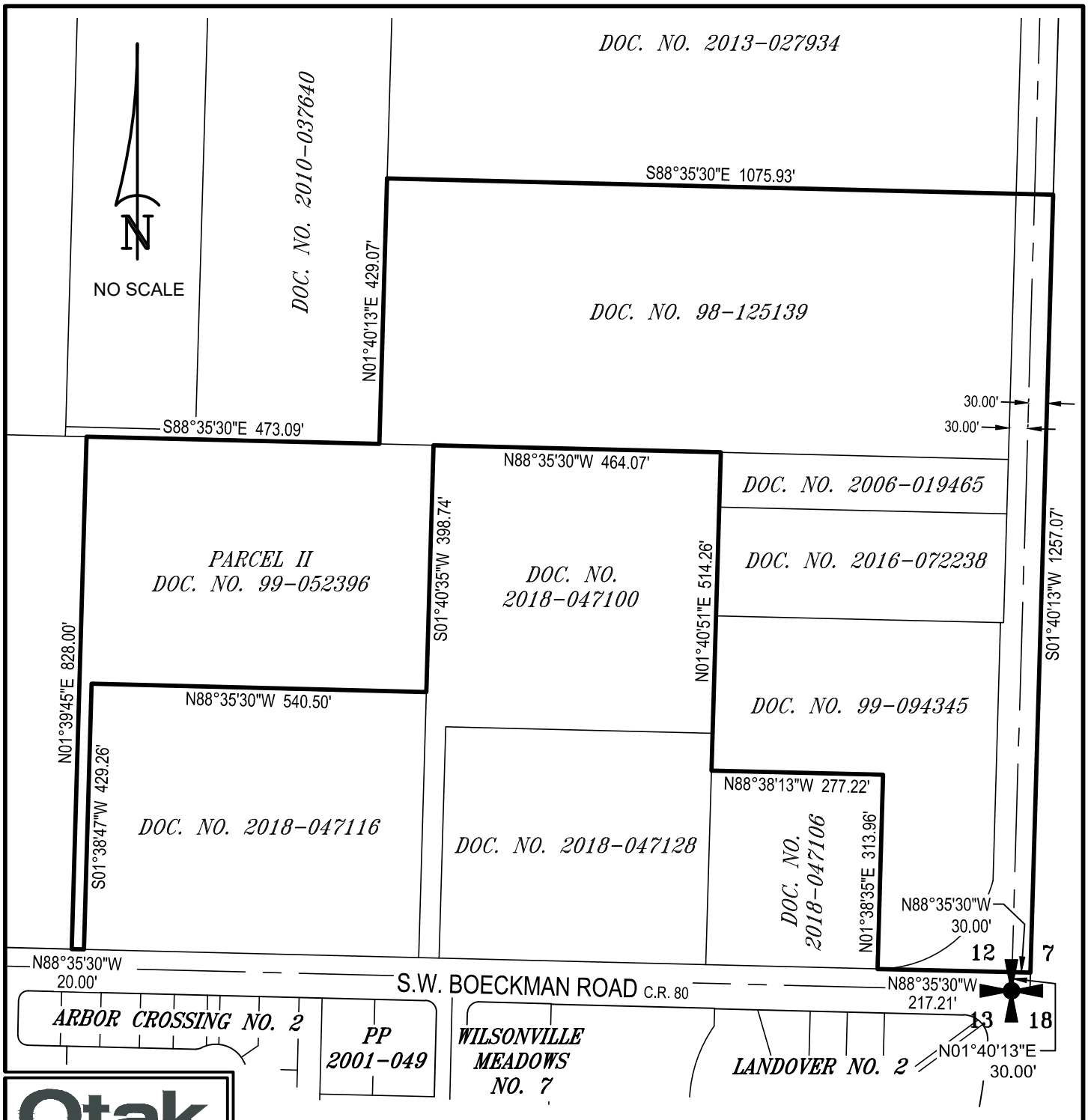
Those properties described in the following deeds recorded as Document Numbers 98-125139, 99-094345, 2006-019465, 2016-072238, and that property described as Parcel II in Document Number 99-052396, all of Clackamas County Records, along with that portion of S.W. Stafford Road adjoining said properties, in the southeast one-quarter of Section 12, Township 3 South, Range 1 West, and in the southwest one-quarter of Section 7, Township 3 South, Range 1 East, Willamette Meridian, Clackamas County, Oregon, the exterior boundary of said properties being described as follows:

BEGINNING at a point on the east line of the southeast one-quarter of said Section 12, said POINT OF BEGINNING being on the centerline of said S.W. Stafford Road, North 01°40'13" East a distance of 30.00 feet from the southeast corner of said Section 12;
thence North 88°35'30" West a distance of 217.21 feet;
thence along the lines of said Document Number 99-094345 property and the southerly extension thereof through the following two courses:
North 01°38'35" East a distance of 313.96 feet;
and North 88°38'13" West a distance of 277.22 feet;
thence along the west lines of said Document Number 99-094345, 2016-072238, and 2006-019465 properties, North 01°40'51" East a distance of 514.26 feet to a point on the south line of said Document Number 98-125139 property;
thence along said south line, North 88°35'30" West a distance of 464.07 feet to the northeast corner of said Parcel II;
thence along the lines of said Parcel II through the following three courses:
South 01°40'35" West a distance of 398.74 feet;
North 88°35'30" West a distance of 540.50 feet;
and South 01°38'47" West a distance of 429.26 feet to a point on the north right of way line of S.W. Boeckman Road 30.00 feet from, when measured at right angles to, the centerline thereof;

thence along said north right of way line, North 88°35'30" West a distance of 20.00 feet to the west line of said Parcel II;
thence along the lines of said Parcel II through the following two courses: North 01°39'45" East a distance of 828.00 feet;
and South 88°35'30" East a distance of 473.09 feet to the southwest corner of said Document Number 98-125139 property;
thence along the west line of said Document Number 98-125139 property, North 01°40'13" East a distance of 429.07 feet;
Thence along the north line of said Document Number 98-125139 property and the easterly extension thereof, South 88°35'30" East a distance of 1075.93 feet to a point on the east right of way line of said S.W. Stafford Road;
thence along said east right of way line, South 01°40'13" West a distance of 1257.07 feet;
thence North 88°35'30" West a distance of 30.00 feet to the POINT OF BEGINNING.

Contains 23.90 acres, more or less.

Bearings based on the Oregon State Plane Coordinate System, NAD83, North Zone.



Otak
808 SW 3rd Ave., Ste. 300
Portland, Oregon 97204
Phone: (503) 287-6825
www.otak.com
project: 17868

EXHIBIT A

SHEET 3 OF 3

STAFFORD MEADOWS PHASE 2 & 3 ANNEXATION
IN THE SOUTHEAST ONE-QUARTER OF SECTION 12
TOWNSHIP 3 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN
CLACKAMAS COUNTY, OREGON

OCTOBER 5, 2018

CERTIFICATION OF PROPERTY OWNERSHIP OF 100% OF LAND AREA

I hereby certify that the attached petition contains the names of the owners[1] (as shown on the last available complete assessment roll) of 100% of the land area of the territory proposed for annexation as described in the attached petition.

NAME Kevin Clarke

TITLE Cartographer II

DEPARTMENT Assessment & Taxation

COUNTY OF Clackamas

DATE 10/8/18

[1] Owner means the legal owner of record or, where there is a recorded land contract which is in force, the purchaser thereunder. If a parcel of land has multiple owners, each consenting owner shall be counted as a percentage of their ownership interest in the land. That same percentage shall be applied to the parcel's land mass and assessed value for purposes of the consent petition. If a corporation owns land in territory proposed to be annexed, the corporation shall be considered the individual owner of that land.

CERTIFICATION OF REGISTERED VOTERS

I hereby certify that the attached petition contains the names of at least 50% of the electors registered in the territory proposed for annexation as described in the attached petition.

NAME Jennifer Wessels

TITLE Deputy clerk

DEPARTMENT Elections

COUNTY OF Clackamas

DATE 10-10-18

COUNTY OF CLACKAMAS STATE OF OREGON

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
[signature]	[illegible]		X		27687 SW Stafford Rd Wilsonville, OR 97070	1902					10-9-18
[signature]	DIANE HILLIER		X								10-9-18

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
Kathleen G. Ludwig	Kathleen E. Ludwig	X			7035 SW Boeckman Rd Wilsonville, OR 97070	2200					9-11-18

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
Kathleen J. Ludwig	Kathleen E. Ludwig	X			27657 SW Stafford Rd Wilsonville, OR 97070	1800					9-11-18

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
	27687 Stafford Rd LLC	X			27687 SW Stafford Rd Wilsonville, OR 97070	1902					9-21-18
	Roger Kessler		X								9-23-18

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

Ordinance No. 832 Attachment 2

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
Brenda L. Melum	Brenda L. Melum	X	X		27817 SW Stafford Rd Wilsonville, OR 97070	2000					9/11/2018

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

Brenda L. Melum
President,
Community of Hope

PETITION SIGNERS

NOTE: This petition may be signed by qualified persons even though they may not know their property description or precinct number.

SIGNATURE	PRINTED NAME	I AM A: *			PROPERTY ADDRESS	PROPERTY DESCRIPTION				PRECINCT #	DATE
		PO	RV	OV		LOT #	¼ SEC	T	R		
Lynette E Eaton	Lynette E. Eaton			✓	27767 SW Stafford Rd Wilsonville, OR 97070	1903					9/12/18
Ted W Eaton	THEODORE W EATON			✓							9/12/18

* PO =Property Owner
RV =Registered Voter
OV =Owner And Registered Voter

WILSONVILLE
OREGON

Ordinance No. 832 Attachment 3
Annexation Findings

Frog Pond Meadows 74-Lot Single-Family Subdivision

City Council
Quasi-Judicial Public Hearing

Hearing Date:	March 4, 2019
Date of Report:	February 15, 2019
Application No.:	DB18-0060 Annexation

Request/Summary: City Council approval of quasi-judicial annexation of approximately 24 acres concurrently with proposed development as a single-family subdivision consistent with the Frog Pond West Master Plan.

Location: West side of Stafford Road, north of Boeckman Road. The property is specifically known as Tax Lots 1800, 1902, 1903, 2000, and 2200, and a portion of Stafford Road right-of-way, Section 12D, Township 3 South, Range 1 West, Willamette Meridian, Clackamas County, Oregon

Owners/Electors/ Petitioners:	Kathleen E. Ludwig, Clifton Molatore, Brenda L. Melum, Lynette E. Eaton, Theodore W. Eaton, Robert Kessler, Bonnie Kessler, and Diane Hillier
Applicant:	Dan Grimberg, West Hills Development
Applicant's Rep.:	Li Alligood, AICP, OTAK, Inc.

Comprehensive Plan Designation: Residential Neighborhood, Public

Zone Map Classification (Current): RRFF 5 (Rural Residential Farm Forest 5-Acre)

Zone Map Classification (Proposed Concurrent with Annexation): RN (Residential Neighborhood), PF (Public Facility)

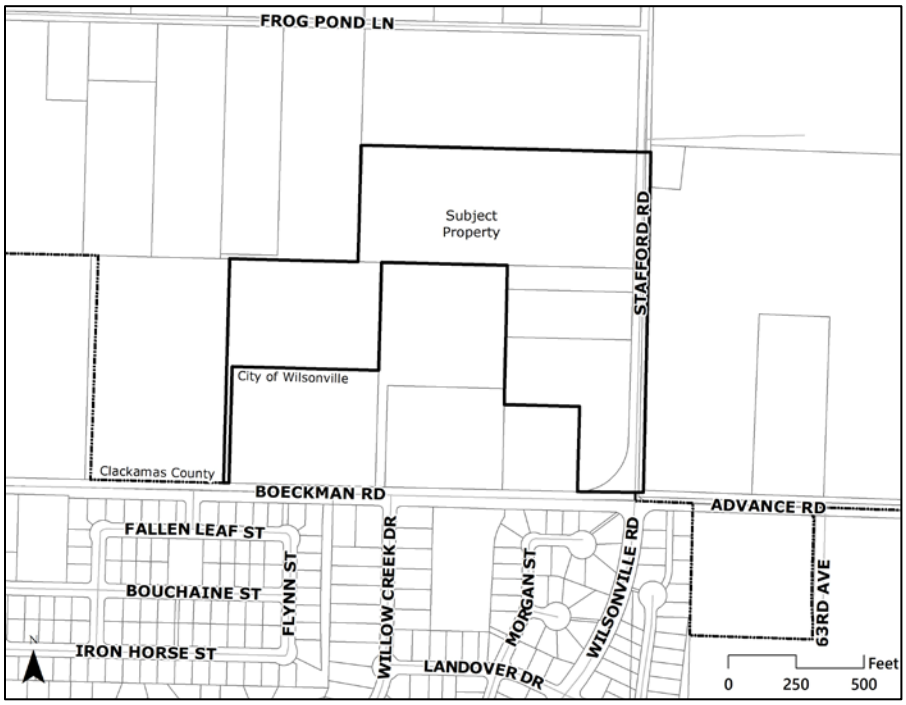
Staff Reviewer: Kimberly Rybold, AICP, Associate Planner

Staff/DRB Recommendation: **Approve** the requested annexation.

Applicable Review Criteria:

Development Code:	
Section 4.700	Annexation
Comprehensive Plan and Sub-elements:	
Citizen Involvement	
Urban Growth Management	
Public Facilities and Services	
Land Use and Development	
Plan Map	
Area of Special Concern L	
Transportation Systems Plan	
Frog Pond West Master Plan	
Regional and State Law and Planning Documents	
Metro Code Chapter 3.09	Local Government Boundary Changes
ORS 222.111	Authority and Procedures for Annexation
ORS 222.125	Annexation by Consent of All Land Owners and Majority of Electors
ORS 222.170	Annexation by Consent Before Public Hearing or Order for Election
Statewide Planning Goals	

Vicinity Map



Background/Summary:

The subject area has long been rural/semi-rural adjacent to the growing City of Wilsonville. Metro added the 181-acre area now known as Frog Pond West to the Urban Growth Boundary (UGB) in 2002 to accommodate future residential growth. To guide development of the area and the urban reserve areas to the east and southeast, the City of Wilsonville adopted the Frog Pond Area Plan in November 2015. The Frog Pond Area Plan envisions that "The Frog Pond Area in 2035 is an integral part of the Wilsonville community, with attractive and connected neighborhoods. The community's hallmarks are the variety of quality homes; open spaces for gathering; nearby services, shops and restaurants; excellent schools; and vibrant parks and trails. The Frog Pond Area is a convenient bike, walk, drive, or bus trip to all parts of Wilsonville."

As a follow up to the area plan and in anticipation of forthcoming development, in July 2017 the City of Wilsonville adopted the Frog Pond West Master Plan for the area within the UGB.

The proposed 15-acre subdivision is the third development proposal, following the 44-lot Stafford Meadows subdivision to the south and the 78-lot Morgan Farm subdivision to the west. The subdivision will connect to Stafford Meadows, blending together as one cohesive neighborhood.

This application also includes the Community of Hope Church and property owned by the West Linn-Wilsonville School District. The existing church will remain, with the westernmost 0.69 acres partitioned and included within the Frog Pond Meadows subdivision. In return, the applicant will transfer Tract M of the previously approved Stafford Meadows subdivision to the church. The application also proposes partitioning the easternmost 1.5 acres of the West Linn-Wilsonville School District property on Boeckman Road to be included within Frog Pond Meadows, with the remaining portion planned for a future park. Combined with adjacent Stafford Road right-of-way, the applicant proposes the annexation of approximately 23.9 acres into the City of Wilsonville.

All property owners and a majority of electors in the annexation area have consented in writing to the annexation.

Conclusion and Conditions of Approval:

Staff has reviewed the Applicant's analysis of compliance with the applicable criteria. The Staff report adopts the applicant's responses as Findings of Fact except as noted in the Findings. Based on the Findings of Fact and information included in this Staff Report, and information received from a duly advertised public hearing, Staff recommends the City Council annex the subject property with the following condition:

Request: DB18-0060 Annexation

PDA 1.	The developer shall be subject to a Development and Annexation Agreement with the City of Wilsonville as required by the Frog Pond West Master Plan. The developer shall enter in the Development and Annexation Agreement prior to issuance of any public works permits by the City within the annexation area.

Findings:

NOTE: Pursuant to Section 4.014 the burden of proving that the necessary findings of fact can be made for approval of any land use or development application rests with the applicant in the case.

Request: DB18-0015 Annexation

As described in the Findings below, the request meets the applicable criteria or will by Conditions of Approval.

Comprehensive Plan-Annexation and Boundary Changes

Consistent with Future Planned Public Services
Implementation Measure 2.2.1.a.

A1. The Frog Pond West Master Plan establishes the future planned public services and funding plan for the subject property. The development of public services and funding will be consistent with the Frog Pond West Master Plan thus allowing the annexation to proceed. West Hills and the City will enter into an annexation agreement detailing provision and development of public services as required by Condition of Approval PDA 1.

Demonstrated Need for Immediate Urban Growth
Implementation Measure 2.2.1.a.

A2. Metro brought the subject area into the Urban Growth Boundary in 2002 to meet demonstrated regional housing needs. With adoption for the Frog Pond West Master Plan the subject area is now primed for development to help meet regional housing needs.

Adherence to State and Metro Annexation Laws and Standards
Implementation Measures 2.2.1.e., 2.2.1.e. 3., 2.2.1.e. 4.

A3. This review applies all applicable Metro and Stage rules, regulations, and statutes as seen in findings below.

Orderly, Economic Provision of Public Facilities and Services
Implementation Measure 2.2.1.e. 1.

A4. The Frog Pond Area Plan includes implementation measures to ensure the orderly and economic provision of public facilities and services for the Frog Pond Area, including Frog Pond West. The applicant proposed site development with concurrent applications for Stage I and Stage II Planned Unit Development and Land Division, which proposes the extension of public facilities and services to the Frog Pond Meadows site. These proposed services are generally consistent with the Frog Pond Area Plan and Frog Pond West Master Plan, and the City's Finance Plan and Capital Improvements Plan.

Availability of Sufficient Land for Uses to Insure Choices over 3-5 Years
Implementation Measure 2.2.1.e. 2.

A5. The inclusion of the Frog Pond area within the UGB and the adoption of the Frog Pond Area Plan demonstrate the need for residential development in the Frog Pond Area. Annexation of the subject site will allow development of the uses envisioned by the adopted Frog Pond West Master Plan.

Wilsonville Development Code-Annexation

Authority to Review Quasi-Judicial Annexation Requests
Subsections 4.030 (.01) A. 11, 4.031 (.01) K, 4.033 (.01) F., and 4.700 (.02)

A6. The review of the quasi-judicial annexation request by DRB and City Council is consistent with the authority established in the Development Code.

Procedure for Review, Etc.
Subsections 4.700 (.01). and (.04)

A7. The submission materials from the applicant include an annexation petition signed by the necessary parties, a legal description and map of the land to be annexed, a narrative describing conformance with applicable criteria, and the City Council, upon recommendation from the Development Review Board, will declare the subject property annexed.

Adoption of Development Agreement with Annexation
Subsection 4.700 (.05)

A8. Subject to requirements in this subsection and the Frog Pond West Master Plan Condition of Approval PDA 1 requires the necessary parties enter into an annexation development agreement with the City covering the annexed land.

Metro Code

Local Government Boundary Changes
Chapter 3.09

A9. The request is within the UGB, meets the definition of a minor boundary change, satisfies the requirements for boundary change petitions, is consistent with the Comprehensive Plan, and Frog Pond West Master Plan.

Oregon Revised Statutes (ORS)

Authority and Procedure for Annexation
ORS 222.111

A10. The request meets the applicable requirements in state statute including the facts that subject property is within the UGB, is contiguous to the City, the request has been initiated

by the property owners of the land being annexed, and all property owners and a majority of electors within the annexed area consent in writing to the annexation.

Procedure Without Election by City Electors
ORS 222.120

A11. The City charter does not require elections for annexation, the City is following a public hearing process defined in the Development Code, and request meets the applicable requirements in state statute including the facts that all property owners and a majority of electors within the annexed area consent in writing to the annexation. Annexation of the subject property thus does not require an election.

Annexation by Consent Before Public Hearing
ORS 222.170

A12. All property owners and a majority of electors within the annexed area have provided their consent in writing. The City is following a public hearing process as prescribed in the City's Development Code concurrent with a Zone Map Amendment request and other quasi-judicial land use applications.

Oregon Statewide Planning Goals

Statewide Planning Goals
Goals 1, 2, 5, 6, 8, 9, 10, 11, 12, 13

A13. The area proposed for annexation will be developed consistent with the City's Comprehensive Plan and the Frog Pond West Master Plan, both which have been found to meet the statewide planning goals.

DEVELOPMENT REVIEW BOARD
RESOLUTION NO. 360

A RESOLUTION ADOPTING FINDINGS RECOMMENDING APPROVAL TO CITY COUNCIL OF AN ANNEXATION AND ZONE MAP AMENDMENT FROM RURAL RESIDENTIAL FARM FOREST 5-ACRE (RRFF-5) TO RESIDENTIAL NEIGHBORHOOD (RN) AND PUBLIC FACILITY (PF) FOR APPROXIMATELY 23.9 ACRES OF PROPERTY LOCATED ON THE WEST SIDE OF STAFFORD ROAD JUST NORTH OF BOECKMAN ROAD, AND ADOPTING FINDINGS AND CONDITIONS APPROVING A STAGE I PRELIMINARY PLAN, STAGE II FINAL PLAN, SITE DESIGN REVIEW OF PARKS AND OPEN SPACE, TENTATIVE SUBDIVISION PLAT, TENTATIVE PARTITION PLAT (CHURCH PROPERTY), TENTATIVE PARTITION PLAT (SCHOOL PROPERTY), TYPE C TREE PLAN, WAIVER TO MINIMUM LOT SIZE, WAIVER TO MINIMUM FRONT SETBACK, AND ABBREVIATED SRIR REVIEW FOR A 74-LOT SINGLE-FAMILY SUBDIVISION. THE SUBJECT SITE IS LOCATED ON TAX LOTS 1800, 1902, 1903, 2000 AND 2200 AND A PORTION OF STAFFORD ROAD RIGHT-OF-WAY OF SECTION 12D, TOWNSHIP 3 SOUTH, RANGE 1 WEST, WILLAMETTE MERIDIAN, CLACKAMAS COUNTY, OREGON. LI ALLIGOOD, AICP, OTAK – REPRESENTATIVE FOR WEST HILLS LAND DEVELOPMENT LLC - APPLICANT.

WHEREAS, an application, together with planning exhibits for the above-captioned development, has been submitted in accordance with the procedures set forth in Section 4.008 of the Wilsonville Code, and

WHEREAS, the Planning Staff has prepared staff report on the above-captioned subject dated February 4, 2019, and

WHEREAS, said planning exhibits and staff report were duly considered by the Development Review Board Panel A at a scheduled meeting conducted on February 11, 2019, at which time exhibits, together with findings and public testimony were entered into the public record, and

WHEREAS, the Development Review Board considered the subject and the recommendations contained in the staff report, and

WHEREAS, interested parties, if any, have had an opportunity to be heard on the subject.

NOW, THEREFORE, BE IT RESOLVED that the Development Review Board of the City of Wilsonville does hereby adopt the staff report dated February 4, 2019, attached hereto as Exhibit A1, with findings and recommendations contained therein, and authorizes the Planning Director to issue permits consistent with said recommendations, subject to City Council approval of the Annexation and Zone Map Amendment Requests (DB18-0060 and DB18-0061) for:

DB18-0062 through DB18-0068, DB19-0002, DB19-0003, SI18-0006; Stage I Master Plan, Stage II Final Plan, Site Design Review of Parks and Open Space, Tentative Subdivision Plat, Type C Tree Removal Plan, Waiver to Minimum Lot Size, Waiver to Minimum Front Setback, and Abbreviated SRIR Review for an 74 lot single-family subdivision and associated improvements.

ADOPTED by the Development Review Board of the City of Wilsonville at a regular meeting thereof this 11th day of February, 2019 and filed with the Planning Administrative Assistant on February 12, 2019 This resolution is final on the 15th calendar day after the postmarked date of the written notice of decision per *WC Sec 4.022(.09)* unless appealed per *WC Sec 4.022(.02)* or called up for review by the council in accordance with *WC Sec 4.022(.03)*.

Fred Ruby – Acting Chair, Panel A
Wilsonville Development Review Board

Attest:

Shelley White, Planning Administrative Assistant

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/12/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Water Rate Updates and Voter Approval

STAFF RECOMMENDATION:

Recommend proceeding with voter approval of a 4 percent debt-supported revenue requirement scenario or a 5 percent backloaded revenue requirement scenario and direct staff on a 2021 ballot measure schedule to support water capital improvement plan, reflecting City Commission's direction.

EXECUTIVE SUMMARY:

Water rates and water system development charges (SDCs) support the City's capital improvement plan (CIP). The City is in the process of amending the 2012 Water Distribution System Master Plan to include the updated 2019 CIP. With the adoption of the Amendment to the 2012 Water Master Plan, the City must update water rates and water system development charges (SDCs) to support that plan. Water rates pay for system improvements needed for the existing system, while SDCs are one-time charges and pay for system improvements needed to support development/growth.

A Water Rate and SDC Study was completed by FCS in 2019 with results presented to City Commission in October 2019 and again in July 2020. The subject report identifies the need to exceed the 3% limit set by the City Charter for a rate increase; therefore, voter approval is needed. Water SDC modifications are not limited by City Charter and are paid for by developers, as development occurs. Water SDCs are in the process of being modified.

In addition, the City Commission confirmed its support of funding the needed capital improvements, recognizing that voter approval would be required to either support the needed rate increase over the 3% limit set by the City Charter and/or consider seeking voter approval for a debt-funded option that would reduce the needed rate increase to the customers. The two options being considered are as follows:

Rate Increase	Rate Revenue Scenario	Charter Limit Requiring Voter Approval
5% Annual	Backloaded Revenue Requirement	Chapter XII Misc, Section 58
4% Annual*	Debt-Supported Revenue Requirement	Chapter XII Misc, Section 57 & 58

**4% annual increase for 5 years (through 2025/26), and not exceeding 3% limit thereafter*

Timing of the ballot measure has also been a concern. The 2021 election dates include May 18, September 21, and November 2. All elections in 2021 are considered special elections, so the only limiting factor is the practicality that the City Commission feels is appropriate to be successful in support for a Ballot initiative.

The purpose of this staff report and work session presentation is to speak to the two rate scenarios and get guidance on preferences as it relates to the ballot measure timing.

BACKGROUND:

In May 1996, voters concerned with the adopted rates approved two City Charter amendments that restricted the City from bonding (Section 57) and limited water rate increases to 3% annually without voter approval. In addition, it included a provision that would force water rates to return to the 1994 rates. The vote was approved; however, a legal injunction resulted in a 20-year delay in the implementation of the rate rollback.

In 2012, the Water Distribution System Master Plan was completed, including a new capital improvement plan. FCS Group was hired to complete a study of water rates and SDCs to support the new Master Plan. The FCS report showed a need for rate increases larger than allowed by the City Charter. This presented a large barrier, not only due to the voter approval requirement, but also due to the water rate rollback. SDC updates were not pursued at that time due to the effort required to address rate challenges.

In November 2012, City staff presented their recommendation of no water rate rollback and an 8% annual water rate cap to the City Commission. This recommendation was to solve impacts of the 1996 City Charter Amendment outcome and to shore up the revenue stability needed to sustain the existing water system. Further discussion and rate scenarios ensued, but the ultimate City Commission decision was to separate the rate stability concerns (maintain the 3% limit) but focus on solving the looming water rate rollback. On May 21, 2013, Oregon City voters approved ballot measure 3-423, avoiding the water rate rollback. Again, SDC increases were not pursued at this time due to the focus on water rates.

Since 2013, the City Commission has remained focused on the need for revenue stability necessary to sustain the existing water system as reflected in the City Commission's past and present goals and priorities. The City Commission has also sustained water rate increases by 3% annually. SDC rate increases have been based on the Engineering News Record Construction Cost Index, which varies greatly from year to year. Over the past 6 years, the annual increase for SDC rates averages about 3%.

Unfortunately, the delay in updating charges and fees combined with the charter provisions have resulted in the City underfunding its water infrastructure. While the City has done an amazing job operating and maintaining the system sufficiently to provide quality, reliable water to our customers, the fatigued and aging infrastructure and rapidly growing community are increasing our risk of not meeting the community needs. The City Commission has recognized this challenge under Goal 5 Maintain Fiscal Health and Long-Term Stability, with a priority of Deferred Water Infrastructure in their 2019-2021 Goals and Priorities. This Goal included a priority given to deferred water infrastructure and a milestone of communicating the need for long-term water rates, needed infrastructure replacement, and possible ballot measure.

In response to the City Commission's Goal, staff worked to update the water system model to reflect updated demand projections, system operation, current growth rates, and updated system conditions and standards. This resulted in an updated Capital Improvement Plan (CIP), referred to as the "2019 CIP Update." The result is an improved CIP that identifies projects to improve efficiency, system capacity, and condition of the water distribution system. The 2019 CIP Update was presented to the City Commission in February 2019, and again in May 2020, and is currently being incorporated into the Water Master Plan, as an Amendment, through the land-use process. Final adoption is being considered at the January 20, 2021 City Commission meeting. This update reflects planned City service with water from South Fork Water Board to the Urban Growth Boundary. This includes the Beavercreek Road (Thimble Creek) area, South End and Park Place Concept Plan areas, and uses updated modeling and water demand projections.

With mounting certainty of the 2018/19 revisions to the water CIP, the City contracted with FCS Group in March 2019 to complete the Water Rate and SDC Study to evaluate the new financial needs. The Water Rate and SDC Study was completed by FCS in 2019 with results presented to City Commission in October 2019 and again in July 2020. The subject report identifies the need to exceed the 3% limit set by the City Charter for a rate increase, therefore, voter approval is needed. Water SDC modifications are not limited by City Charter and are paid for by developers, as development occurs.

At the July 15, 2020, City Commission Work Session, the City Commission confirmed its interest in moving forward with the water SDC update separate from water rates. Increasing water SDC rates now, rather than later, ensures that development pays their share of costs associated with infrastructure needed to serve the citywide buildout as development occurs. Water SDCs are in the process of being modified with the public

notice issued November 30, 2020, the Methodology Report made available December 30, 2020, and the public hearing scheduled for March 3, 2021.

In addition, the City Commission confirmed its interest in fully funding the CIP, thereby requiring the need for voter approval. After review of the three scenarios presented, the City Commission expressed an interest in not pursuing the "Flat Revenue Requirement" that would call for a 22% rate increase in 2020/21. The two remaining scenarios being considered both require voter approval:

Rate Increase	Rate Revenue Scenario	Charter Limit Requiring Voter Approval
5% Annual	Backloaded Revenue Requirement	Chapter XII Misc, Section 58
4% Annual*	Debt Supported Revenue Requirement	Chapter XII Misc, Section 57 & 58

**4% annual increase for 5 years and not exceeding 3% limit thereafter*

Consistent with the July 15 direction, the Rate Study has now been separated and updated to reflect current rate comparisons with other jurisdictions. The report has been included with this staff report for reference.

Communication and outreach to the community have been done on the Water Master Plan Amendment, including system needs and improvements, financing, and needed rate and fee updates. This has been accomplished through Trail News articles, E-Newsletters, public notices, public hearing, and Community Involvement Committee meetings. Outreach is intended to continue until which time Ballot language is approved to be submitted to the County Elections Office for publication.

Timing of the ballot measure has also been a concern. The following are the timelines for the City Commission to adopt a resolution for a ballot measure for the 2021 elections:

Election Date	Filing Date to County	City Commission Meeting to approve Ballot Measure
May 18	March 18	February 3
September 21	July 22	April 21
November 2	September 2	August 4

All elections in 2021 are considered special elections, so the only limiting factor is the practicality that the City Commission feels is appropriate to be successful in support for a Ballot initiative.

The following are options for the City Commission to consider for ballot measure scope and timing:

BALLOT MEASURE SCOPE OPTIONS:

1. Direct staff to proceed with ballot measure requesting approval of 5% annual rate increases through 2038.

2. Direct staff to proceed with ballot measure requesting 4% annual rate increase for 5 years and approval to secure debt financing.

3. Direct staff to provide a different rate scenario for City Commission consideration.

BALLOT MEASURE TIMING OPTIONS:

1. Direct staff to proceed with ballot measure for May 18, 2021 election

2. Direct staff to proceed with ballot measure for September 21, 2021 election

3. Direct staff to proceed with ballot measure for November 2, 2021 election

City of Oregon City

WATER RATE UPDATE

DRAFT REPORT
January 2021

Washington
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FCS GROUP
Solutions-Oriented Consulting

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Section I. INTRODUCTION

This section describes the policy context and project scope upon which this report is based.

I.A. THE ENGAGEMENT

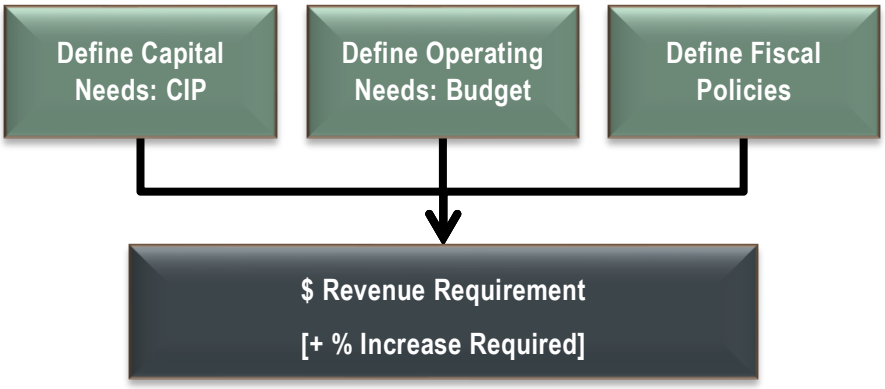
In 2019, FCS GROUP was engaged by the City of Oregon City (City) to conduct a rate study update for the water utility. The purpose of the study was to provide a rate forecast and financial plan targeting financial stability and revenue sufficiency over a twenty-year planning period. We conducted the study using the following general approach:

- **Policy Framework**. In this step, we worked with City staff to identify and agree on the approach to be used and the components to be included in the analysis.
- **Technical Analysis**. In this step, we identified the total amount of rate revenue needed in each year to cover the utility's capital investment needs, operating costs, debt service, and policy-driven commitments.
- **Commission Presentation**. In this step, we presented the results of the rate study at a City Commission Work Session on October 8, 2019.
- **Report Preparation**. In this step, we documented the calculations and recommendations in this report.

I.B. WATER RATE METHODOLOGY

Table 1 summarizes the general methodology used in this analysis, which is consistent with industry-standard ratemaking principles.

Table 1. Rate Study Methodology



Section II. RATE POLICY FRAMEWORK

II.A. FISCAL POLICIES

The water financial plan is based on a framework of fiscal policies that promote the financial integrity and stability of the utility as a standalone enterprise. The ensuing discussion provides a brief summary of the key policies incorporated in this analysis.

II.A.1. Reserves

Like any business, a municipal utility requires certain minimum levels of cash reserves to operate. These reserves address the variability and timing of revenues and expenses as well as occasional disturbances in activities. Given the City's responsibility to provide essential services to its customers at a certain standard, protection against financial disruption is even more important than it would be for private-sector or non-essential counterparts. In addition, a defined reserve structure serves to maintain appropriate segregation of funds and promote the use of resources for their intended purposes. This analysis assumes the following structure of funds for the utility:

- **Operating Reserve.** This reserve provides an unrestricted fund balance to accommodate short-term revenue and expense cycles, addressing unanticipated expenses or revenue shortfalls. This study establishes a target minimum balance of 60 days (16%) of operating expenses.

- **Capital Contingency Reserve.** Maintaining an appropriate segregation of operating and capital resources, this reserve includes funds explicitly designated for capital purposes such as grants received, debt proceeds, and capital funding generated through rates. No minimum target is designated for this fund.

- **System Development Charge Reserves.** Revenue collected from reimbursement and improvement fees are held in their own respective reserves. These funds are used to pay for capital projects, with the improvement fee balance used only for projects that expand the capacity of the system.

- **Restricted Bond Reserve**. Revenue bond covenants typically require a restricted reserve as a security measure for the bondholders. The covenants specify the minimum balance, which is generally based on annual debt service or a percentage of the amount issued. The City does not currently have any outstanding debt for the water utility.

II.A.2. Oregon City Charter Limitations

Section 58 of the Oregon City Charter was adopted in 1996, limiting future water rate increases to no more than three percent annually. Furthermore, Oregon City cannot issue debt for its utilities without the approval of the City's voters. This study considers these limitations, but also develops scenarios

that would temporarily (or permanently) lift the Charter restriction in order to meet the City's financial obligations.

II.A.3. Financial Performance Standards

This analysis evaluates the sufficiency of the utility's revenues to meet its financial obligations, including operation and maintenance (O&M) expenses, rate-funded capital needs, and any other policy-based requirements. It determines the amount of revenue needed in a given year to meet that year's expected financial obligations, in the context of two revenue sufficiency tests:

- **Cash Flow Sufficiency Test.** The cash flow test determines whether annual revenues are sufficient to cover the known cash requirements for each year of the planning period. These cash requirements typically include O&M expenses, debt service payments, rate-funded capital outlays, and any additions to reserve balances.

- **Coverage Test.** The coverage test evaluates the utility's ability to meet applicable bond coverage requirements, as specified by bond covenants or internal debt policies. The coverage test evaluates revenues and expenses somewhat differently than under the cash test. For the coverage test, obligations include operating expenses, revenue bond debt service, and the incremental debt service coverage policy. In addition to rate revenues included in the cash test, the coverage test allows for the inclusion of non-operating interest earnings from all utility reserves and might also allow for annual system development charge revenues depending on bond covenants. This test generally does not allow for the use of fund balances in meeting annual coverage obligations.

In determining the annual revenue requirement, the test with the greatest deficiency generally drives the rate increase in any given year. It is worth noting that the City can temporarily waive the requirements of the cash flow test as part of a conscious decision to phase in rate increases, as long as its reserve balances are sufficient to absorb the resulting cash flow deficit. The coverage test, however, must always be met as failure to do so may result in a downgrading of the City's bond rating. Because the utility does not currently have any outstanding debt, cash-flow needs define the revenue requirement.

Section III. Revenue Requirement

III.A. Background & General Methodology

The revenue requirement is the amount of revenue that a utility's rates must generate in order to meet its various financial obligations. This analysis serves as a means of evaluating the utility's fiscal health and adequacy of current rate levels, also setting the revenue basis for near-term and long-term rate planning. The rate revenue requirement is defined as the net difference between total revenue needs and the revenue generated through non-rate sources – hence, the revenue requirement analysis involves defining and forecasting both needs and resources.

III.B. Operating Forecast

The operating forecast focuses on annual expenses incurred to operate, maintain, and manage the water utility, as well as the revenues collected under the City's existing rates. The forecast used in this study is largely based on the FYs 2018-19 through 2020-21 Budgets, with adjustments provided by City staff to incorporate known or estimated future revenues and expenditures for some specific line items. The key assumptions and inputs used to develop the operating forecast are described in further detail below.

III.B.1. Operating Revenue

- **Customer Growth.** This analysis uses the Water Distribution System Master Plan estimate of 1.5% per year as the basis for future growth projections.
- **Rate Revenue.** The forecast of rate revenue is derived by applying the growth rate and any previously adopted rate increases to the City's actual FY 2017-18 revenue.
- **SDC Revenue.** SDC revenues in this forecast are based on the City's existing SDCs and projected customer growth.
- **Non-Rate Revenue.** The forecast of other operating revenues is generally based on the FY 2020-21 Budget, with no escalation assumed on all revenues except for New Taps (account growth) in this forecast to mirror the City's budget projections.
- **Investment Income.** The forecast of investment income applies recent Oregon Local Government Investment Pool (LGIP) investment yields of 2.2% to the utility's projected fund balances.
- **South Fork Water Board Pass-Through.** This revenue represents the City's collection of the South Fork Water Board treatment charge. This revenue is offset by a matching expense for the pass-through of the revenue.

III.B.2. Operating Expenses

The forecast of operating expenses is generally based on the FY 2020-21 Budget, with adjustments for future cost escalation:

- **Labor.** Assumed to grow by 2.0% per year based on projections from the City's budget.
- **Benefits.** Assumed to grow by 5.0% per year based on projections from the City's budget.
- **Labor Additions.** Based on staff input, there will be two Full-Time Equivalent (FTE) employees added in FY 2021-22, with one more FTE added every fifth year thereafter. Salary and benefit costs for each FTE addition are based on the existing average costs per FTE from the FY 2018-19 budget.
- **Transfers Out.** Based on staff input, transfers out will gradually decrease until they end after FY 2022-23.
- **Franchise Fee.** Computed based on projected rate revenues and the prevailing franchise fee of 6.0%.
- **Other Costs.** Assumed to grow by 2.2% per year based on the Reserve Bank of Philadelphia's Survey of Professional Forecasters.
- **Debt Service.** Any revenue bond debt issuance included in the following scenarios is assumed to be repaid over a twenty-year period at a 5.0% interest rate with 1.0% issuance costs.

III.C. CAPITAL FORECAST

The capital forecast involves projecting annual capital project expenditures and developing a strategy to fund those expenditures. The City's capital plan provided project costs in FY 2018-19 dollars but did not specify the exact year of construction for each project. The City expects to spend $82.9 million on capital projects from FYs 2018-19 through 2037-38. This includes $14.1 and $14.0 million for the Park Place and Beavercreek development areas, $9.8 million and $15.6 million for reservoir and pipe repair & rehabilitation, and $8.8 million for Henrici transmission improvements.

These projects were cross-checked against the projects shown in the FYs 2018-19 through 2020-21 Budgets, with the budgeted projects removed from the long-term capital plan to avoid double counting. The remaining capital costs were spread out over the rest of the twenty-year forecast period and escalated to the year of construction at 3.0% per year. The annual rate increase ceiling of 3.0% placed upon the City by the 1996 Charter Amendment limits the capital that can be completed in the forecast period.

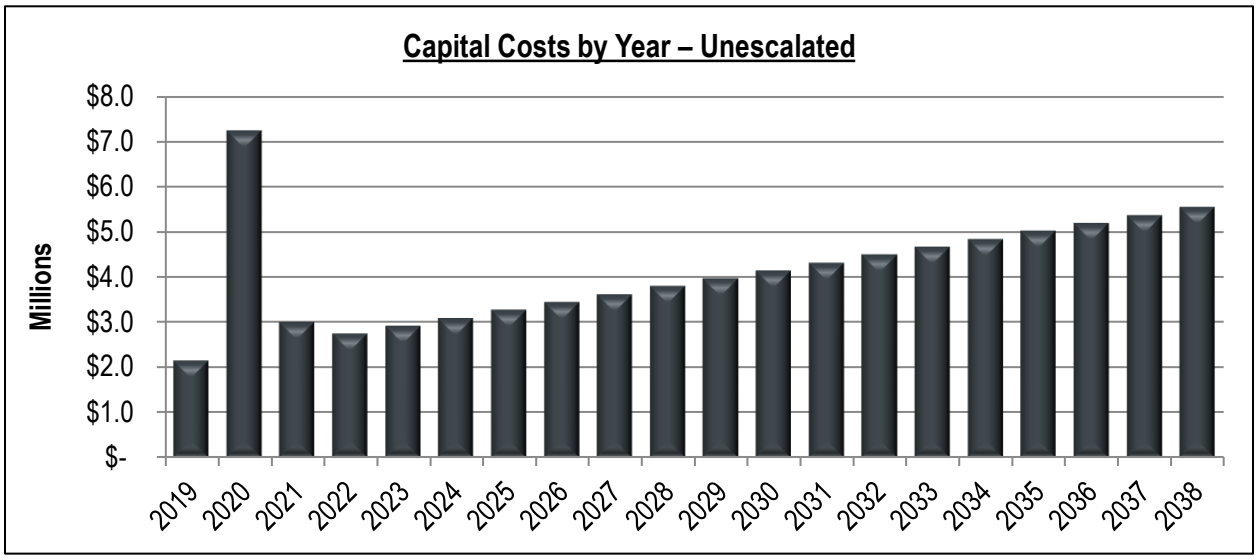
In order to complete the full capital plan, the long-term costs are "smoothed". Two approaches to this smoothing of the capital plan are considered – the first scenario backloads the project costs to allow for more gradual rate increases, while the second scenario spreads the unescalated costs evenly over the seventeen years from FY 2021-22 through 2037-38. Even with the "flat" capital plan, 3.0%

increases would only generate enough cash to fund $69.3 million of the $82.9 million capital program.

III.C.1. Backloaded Capital Funding Plan

Table 2 summarizes the twenty-year "backloaded" capital plan.

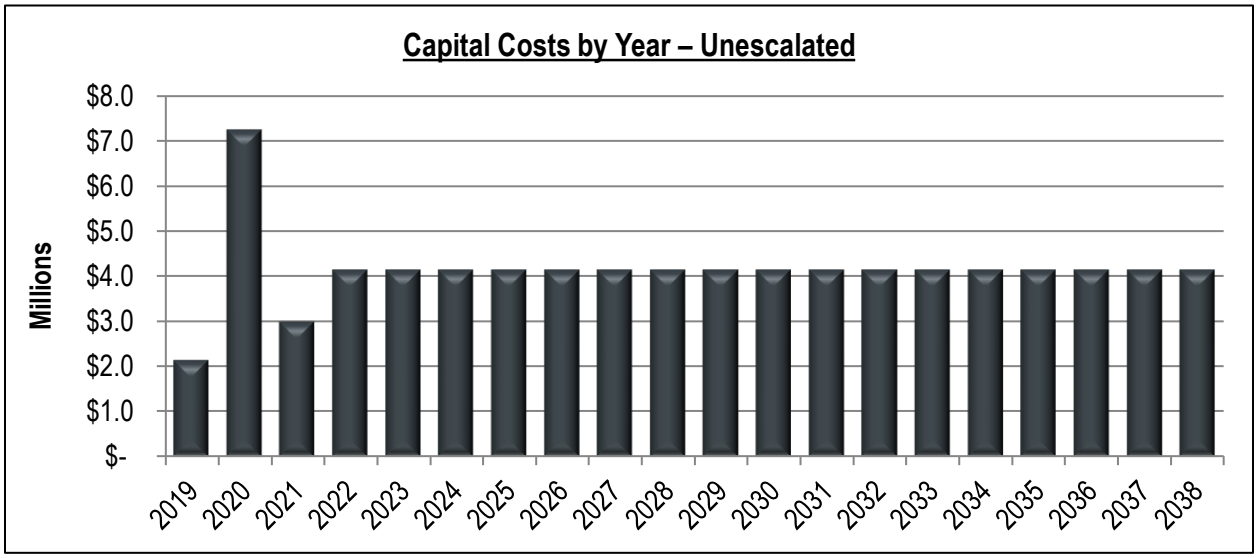
Table 2. Backloaded Capital Plan



III.C.2. Flat Capital Funding Plan

Table 3 summarizes the twenty-year "flat" capital plan.

Table 3. Flat Capital Plan



III.C.3. Debt Supported Capital Funding Plan

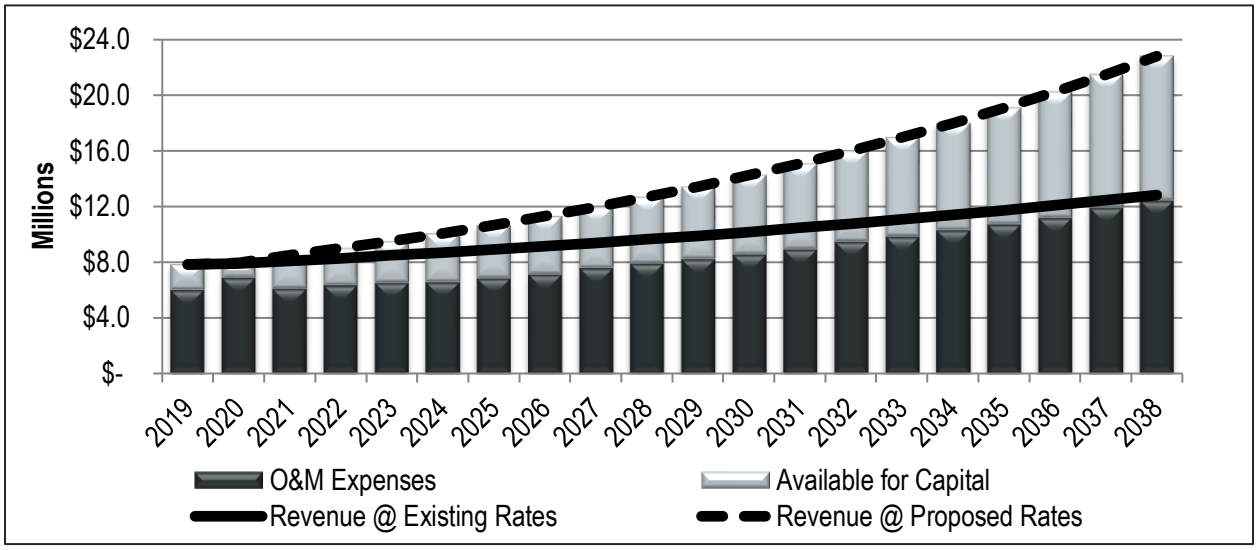
In addition to the two cash-funded scenarios discussed previously, a debt-funded approach was considered. A flat capital funding plan with biannual revenue bond issuances totaling $38.0 million would give the City additional flexibility with their rate increases but would require a public vote authorizing the debt issuance.

III.D. EVALUATION OF REVENUE SUFFICIENCY

III.D.1. Backloaded Revenue Requirement

Table 4 summarizes the water utility's revenue requirement with the "backloaded" capital plan.

Table 4. Backloaded Revenue Requirement



To meet the water utility's capital needs without the aid of debt financing, net cash flow in excess of the utility's operating expenses must be made available for capital. **Table 4** indicates that revenues at current rates are insufficient to fully cover the costs of the backloaded capital plan. Under the ideal conditions of the backloaded capital plan, the City would likely be able to get by with 4.5% increases. However, the proposed financial plan contemplates annual water rate increases of 5.0% to provide flexibility for the timing of capital implementation. This rate scenario was presented at a City Commission Work Session on October 8, 2019.

III.D.2. Flat Revenue Requirement

Table 5 summarizes the water utility's revenue requirement with the "flat" capital plan.

Table 5. Flat Revenue Requirement

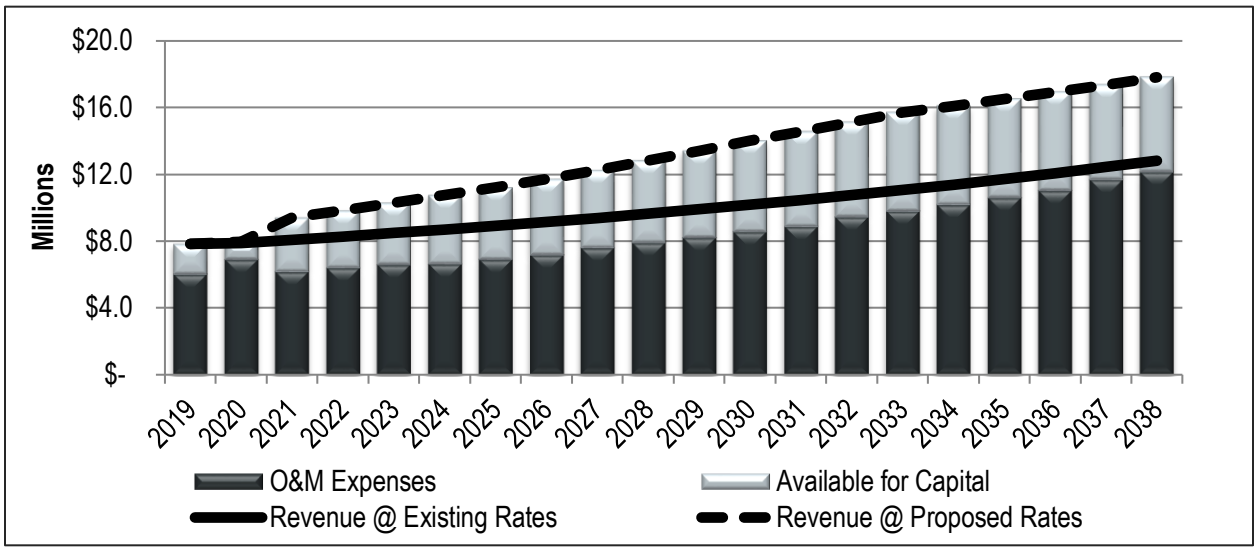


Table 5 indicates that revenues at current rates are insufficient to fully cover the costs of the flat capital plan. Because the flat plan requires increased capital spending in the early years of the forecast compared to the backloaded plan, a frontloaded rate plan is recommended. The proposed financial plan contemplates increases of 3.0% in FY 2019-20 and 22.0% in FY 2020-21, with 3.0% increases from FYs 2021-22 through 2029-30 and 2.0% from FYs 2030-31 through 2032-33. No further increases would be required to complete the capital plan.

III.D.3. Debt Supported Revenue Requirement

Table 6 summarizes the water utility's revenue requirement with the "flat" capital plan, supported by biannual revenue bond issuances totaling $38.0 million from FYs 2021-22 through 2037-38.

Table 6. Debt Supported Revenue Requirement

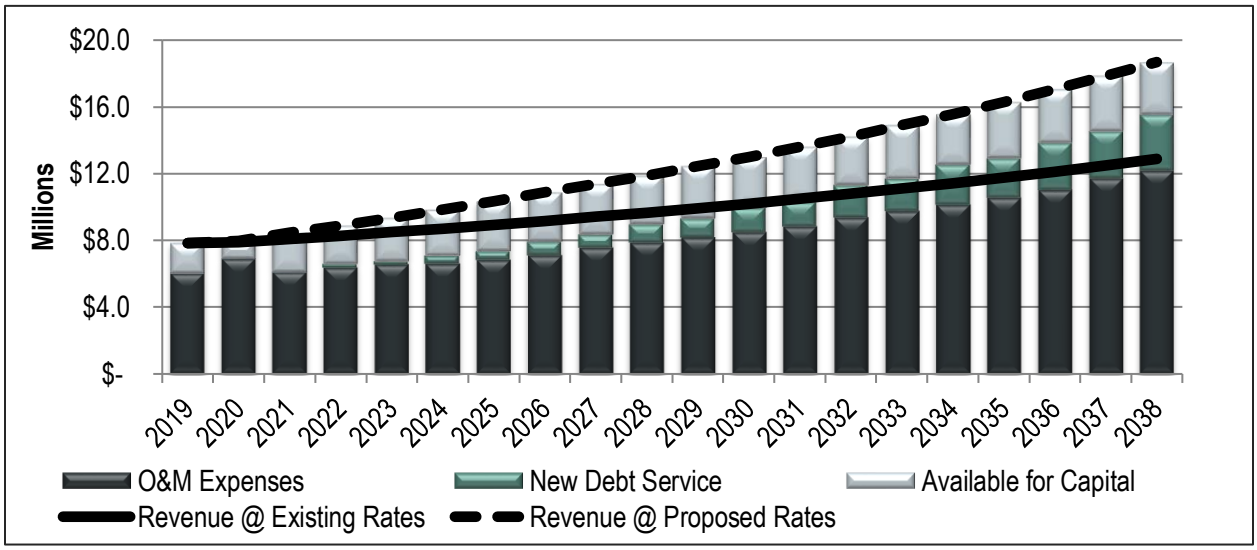


Table 6 indicates that revenues at current rates are insufficient to fully cover the costs of the flat capital plan and related debt service. However, the issuance of debt offsets the need for a heavily frontloaded rate plan, with rates only surpassing the 3.0% Charter limitation from FYs 2020-21 through 2025-26; rate increases for this period would be 4.0% annually.

III.E. REVENUE REQUIREMENT SCENARIO COMPARISON

Table 7 compares the capital funding and rate impacts of each revenue requirement scenario.

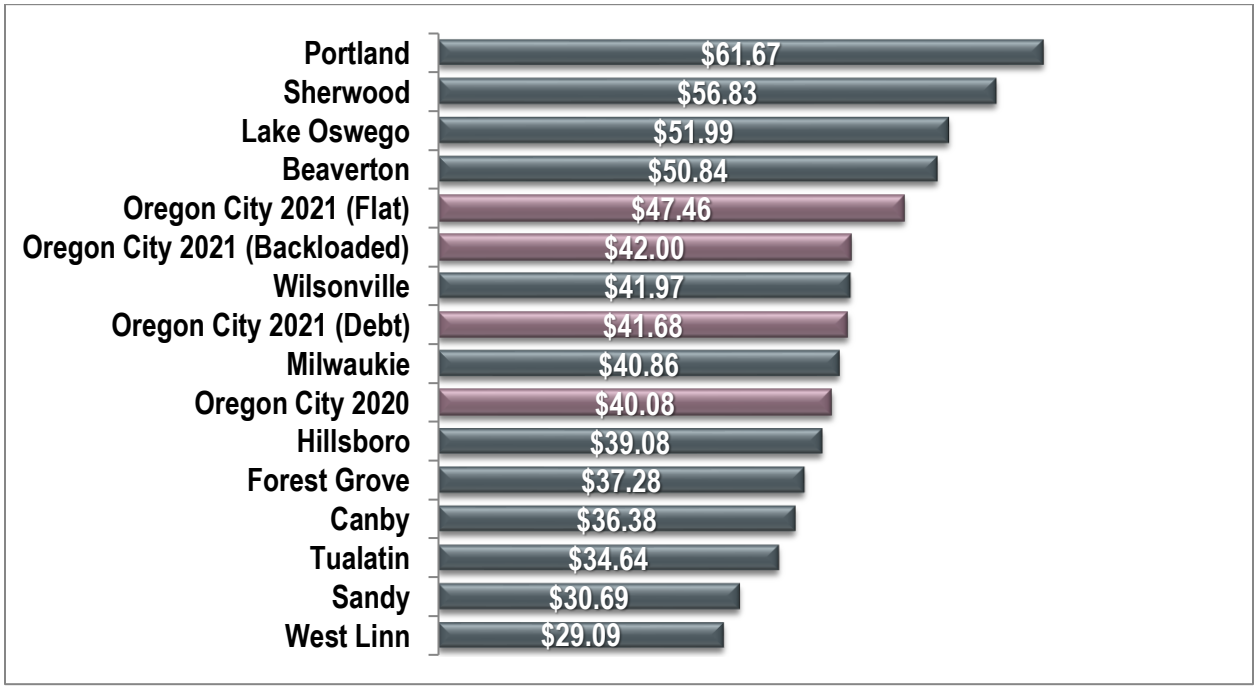
Table 7. Revenue Requirement Scenario Comparison

Scenario	% Capital Plan Funded	Total Debt Issuance	Cumulative Rate Increase through FY 2037-38
Charter Baseline	84%	-	75%
Backloaded Capital	100%	-	148%
Flat Capital	100%	-	74%
Flat Capital with Debt	100%	$38.0 million	86%

III.F. REGIONAL COMPARISON

Table 8 compares the monthly bills in several comparable Oregon cities for an average single family customer using 8 hundred cubic feet (ccf) of water each month. The bills shown for Oregon City include the South Fork Water Board treatment rate.

Table 8. Monthly Bill Comparison



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/12/2021

From: City Recorder Kattie Riggs

SUBJECT:

Review of the City Commission Rules of Procedure and Commission Policies

STAFF RECOMMENDATION:

Staff recommends the City Commission review and discuss all previously established Commission Policies and the Commission's Rules of Procedure.

EXECUTIVE SUMMARY:

This is the time for the City Commission to review and discuss any proposed changes to Commission Policies and the Commission's Rules of Procedure. Staff would like to point-out a few items that the Commission may not have been aware of such as the use of electronic devices at the dais during meetings.

BACKGROUND:

The City Charter Chapter IV, Section 14 provides that the City Commission adopt rules for the governing of its members and proceedings. The City Commission has adopted the Rules of Procedure and updated or edited these Rules as needed over the years via resolution. This is time for the Commission to review those Rules of Procedure to see if they would like to make any edits or changes.

In addition to the Rules of Procedure, the City Commission has the following eight Policies:

1-1 Commission Meetings, effective date January 1999

1-3 Public Meetings, effective date February 1997

1-5 City Insurance Management Plan, effective date February 1997

1-9 Defense of City Officials in Proceedings not Subject to the Oregon Tort Claims Act (OTCA), effective date February 1997

1-11 Reimbursement of Commissioner Expenses, effective date September 1, 2010

1-13 Alcoholic Beverage Service in Municipal Buildings, effective date August 1998

1-15 Electronic Messaging Policy, effective December 7, 2011

1-17 Media in Executive Session, November 16, 2011

1-19 Proclamation Request Policy, effective April 1, 2015

1-21 City Manager Complaint Policy, effective January 20, 2016

These policies are up for review and discussion, please inform staff of any changes the Commission wishes to make.

OPTIONS:

1. Please review the Commission Policies and Rules of Procedure and provide staff with direction of any proposed changes.

THE CITY COMMISSION RULES OF PROCEDURE

Section 1 Authority and Purpose

The Charter of the City of Oregon City provides that the City Commission ("Commission") shall adopt rules for the government of its members and proceedings. The following rules of procedure shall be in effect upon adoption by the Commission and until such time as they are amended, or new rules are adopted. For purposes of these rules, the Mayor is included in the term "Commissioner," unless the context requires otherwise. The rules are designed to apply to all City boards, committees, and commissions where appropriate.

Section II General Rules

A. Meetings to be Public: The deliberations and proceedings of the Commission shall be open to the public in accord with ORS 192 and any other applicable public meetings laws.

B. Quorum: Three members of the Commission shall constitute a quorum to conduct the City's official business at regular and special meetings. The concurrence of a majority of the members of the Commission present at a Commission meeting shall be necessary to decide any question before the Commission.

C. Attendance:

1. Commissioners are expected to attend all Commission work sessions and regular meetings; however, when it is necessary for a Commissioner to be absent from any meeting of the Commission, Commissioners are expected, as a matter of courtesy, to notify either the Mayor or the City Manager of their planned absence. Commissioners not present at a meeting will be noted as absent in the meeting minutes.

2. A Commissioner who is unavailable in person may participate in work sessions and regular meetings by conference call or other electronic means. If such participation occurs, the Commissioner shall be considered in attendance and not absent.

D. Compelling Attendance: When a quorum is not present at the time set for a meeting or when a quorum has been present and a meeting has commenced, but a quorum is no longer present, the remaining Commissioners may compel attendance of the absent Commissioners in accordance with Section 15 of the City Charter.

E. Minutes of Meetings:

1. Except as provided in paragraph 2 below, the Commission shall provide for the taking of written minutes of all its meetings. Neither a full transcript nor a recording of the meeting is required, except as otherwise provided by law but the written minutes must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes shall be available to the public within a reasonable time after the meeting and shall include at least the following information:

a. All members of the Commission present;

b. All motions, proposals, resolutions, orders, ordinances, and measures proposed and their disposition;

c. The results of all votes and the vote of each member by name; and

d. A reference to any document discussed at the meeting.

2. Minutes of executive sessions shall be kept in accordance with the above four (4) points. Instead of written minutes, a record of any executive session may be kept in the form of a sound tape or other suitable recording which need not be transcribed unless otherwise provided by law.

3. The City Recorder or designee shall have the responsibility for preparing minutes, for correcting minutes to reflect Commission amendments, for retaining minutes, and for furnishing copies of the minutes to persons desiring a copy.

4. Minutes shall be prepared with sufficient detail to meet their required use. Specifically, the following requirements shall be met:

a. Recordings shall be made at each meeting. Equipment malfunction shall not be a reason to postpone the meeting and shall not negate the validity of the written minutes. The City Recorder or designee may temporarily interrupt the Commission proceedings in the event of equipment malfunction or other case of short term loss of recording.

b. If a verbal staff report is a summary of an agenda report, it may be so referenced in the minutes.

c. Names and, if furnished, city of residence of persons testifying shall be included in the minutes.

d. If a citizen's verbal testimony is a full summary of a written letter or other submission, it may be so referenced in the minutes.

e. All exhibits submitted, received and not excluded by the Commission during hearings and all other documents submitted shall be noted in the minutes.

f. Except for delay beyond the control of the City Recorder, or in the event of extraordinarily lengthy meetings, the minutes shall be prepared in final form by the next regular Commission meeting.

g. Minutes are public records upon composition; however, if distributed to the public before Commission approval, in any form other than as part of the Commission meeting information, "DRAFT" shall be noted on each reproduced page.

5. After being prepared in final form by the City Recorder or designee, the minutes shall be submitted to the Commission as quickly as feasible for approval by motion duly made and seconded, and approved by a majority of a quorum present. Approval of the minutes of any meeting may be undertaken individually or in conjunction with other

business items as part of approval of a motion in a consent agenda item. Members of the Commission may vote on approval of minutes whether or not they were present at the meeting.

6. The Commission may amend the minutes to reflect more accurately what transpired at a meeting. An individual Commissioner may call for additions or corrections to the minutes and unless there is disagreement from other Commissioners, the motion to approve the minutes shall include the minutes as amended. If the Commission questions the minutes or is unsure they accurately reflect what transpired during a meeting, the Commission may postpone approval of the minutes until recordings of the portion of the meeting in question can be consulted. The Commission shall be the final authority as to the amendment of the minutes.

7. When approved, the minutes shall be kept on file permanently in the City Recorder's office in paper and electronic formats. Sound recordings of Commission meetings shall be retained for a minimum of twelve months, subject to the Commission ordering retention for a longer time.

8. Both written minutes and sound recordings shall be available for public inspection and copying during office hours. Sound recordings and a listening device shall be available to the public for use on City premises. The City Recorder may implement additional reasonable rules and procedures to assure the preservation and orderly public review of such sound recordings.

F. Right of Commissioner to be Heard: Any Commissioner desiring to be heard shall be recognized by the presiding officer, but shall confine his or her remarks to the subject under consideration.

G. Addressing Staff: Commissioners at Commission meetings shall address questions or requests of staff through the staff person presenting the agenda item or the City Manager. All other requests of staff must go through the City Manager.

H. Rules of Order: "Robert's Rules of Order" shall govern in all situations not specifically covered by these rules or the City Charter. The Commission has previously adopted Robert's Rules of Order. In the event of a conflict between these rules and Robert's Rules of Order, these rules shall prevail. The City Attorney shall be the parliamentarian for the Commission.

Section III – Types of Meetings

A. Regular Meetings: Regular City Commission meetings shall be held at 7:00 p.m. on the first and third Wednesdays of each month in the City Commission Chambers at City Hall, 625 Center Street, Oregon City. All regular meetings will be adjourned no later than 10:00 p.m. unless extending until no later than 11:00 p.m. is agreed upon by the majority of Commissioners present at that meeting. When a City Commission meeting falls on a legal or national holiday, the meeting shall be held the following day or on a date fixed by the Commission for that meeting.

B. Special Meetings: The Mayor may call a special meeting of the Commission. A special meeting may also be held at the request of three members of the Commission. Special meetings of the Commission may also be held at any time by the common consent of all the

members of the Commission. A special meeting shall be subject to the same rules applicable for regular Commission meetings. An emergency meeting may be called by the Mayor or three members of the Commission for a time not earlier than three or later than 48 hours after notice is given. The call for an emergency meeting shall specify the day, the hour, and the location of the special meeting and shall list the subject or subjects to be considered.

C. Work Sessions: Work sessions are typically held at 6:00 p.m. on the Tuesday between the first and third Wednesdays of each month Commission. No formal votes may be taken on work session items, although Commissioners may be polled in order to give direction to the City Manager on topics under discussion at a work session. The Commission may allow testimony from the public at work sessions which will provide additional factual information, expert testimony or a professional opinion that will inform and educate the Commission about the work session topic. The agenda for the work session shall be prepared by the City Manager based on any of the following:

1. All items directed by the consensus of the Commission shall be listed on the agenda.

2. All items deemed appropriate by the City Manager as specified in the City Charter.

3. Business from the Commission pertaining to committee reports and other Commission business.

D. Executive Sessions: Executive sessions are governed by ORS 192.660 and are closed to the public, except that representatives of the news media shall be allowed to attend most sessions. City Commissioners and staff in attendance shall not disclose to any person the content of any discussion that takes place in an executive session. The Commission may require all in attendance not to disclose executive discussions and may adopt appropriate sanctions for breach of such requirement. Executive sessions are typically held prior to or at the end of a regular or special meeting. No executive session may be held for the purpose of taking a final action or making a final decision, although the Commission may reach a consensus in executive session. Decisions must be taken by formal vote in open session to allow the public to know the result of the discussions in executive session.

E. Retreat: The Commission shall hold a retreat in January of each odd numbered year for the purpose of setting Commission goals. In addition, at the retreat, all City department heads shall give an annual department update, addressing current and future projects for the department. Commission retreats shall be held within City limits and are subject to the open meeting and public records laws of Oregon.

Section IV – Presiding Officer and Duties

A. Presiding Officer: The Mayor shall preside over the City Commission's deliberations. The Mayor shall have a vote on all questions before the Commission; shall have authority to preserve order, enforce the rules of the Commission, and determine the order of business under the rules of the Commission. In the absence of the Mayor, the Commission President shall perform the Mayor's duties. In the absence of the Mayor from the city or the inability of the Mayor to act, the President of the Commission shall have and exercise the power to perform all duties of the Mayor. In the absence of the Mayor and the President, if a quorum of the Commission be present, the senior member of the Commission shall preside over the meeting

as President Pro-Tem. If there is no one senior member of the Commission, Commissioners shall choose, by vote, a President Pro-Tem to preside at that meeting.

B. Call to Order: The meetings of the Commission shall be called to order and conducted by the Presiding Officer.

C. Preservation of Order: Effective governance requires that Commissioners, staff, and members of the public treat one another with dignity and respect at all times. The presiding officer shall preserve order and decorum, discourage attacks on personalities or the impugning of Commissioners' and citizens' motives, and confine Commissioner debate to the question under discussion. Persons in attendance at the meeting who become disorderly, abusive or disruptive may be removed from the meeting. The presiding officer may summon the assistance of the police or other administrative staff to assist in maintaining order, and if an arrest of a person(s) is deemed necessary to restore or maintain order, the presiding officer may sign a complaint on behalf of the City.

Commissioners, staff, and the public must first be recognized by the presiding officer before speaking. Any of the following shall be sufficient cause for the presiding officer or Sergeant-at-Arms to remove any person from the City Commission Chamber or City Hall, at the direction of the presiding officer, for the duration of the meeting:

1. The use of unreasonably loud, disruptive or profane language.

2. The making of loud or disruptive noise.

3. Engaging in violent or distracting action.

4. The willful damage of furnishings or of the interior of the City Commission Chamber or City Hall.

5. The refusal to obey any of the rules of conduct provided within this Section, including the limitations on occupancy and seating capacity.

6. The refusal to obey an order of the presiding officer or an order issued by any Commissioner which has been approved by a majority of the Commissioners present.

7. Any conduct that substantially obstructs the work or the conduct of business of the Commission.

Before the presiding officer directs removal of any person from the meeting hall for conduct described here, that person shall be given a warning by the presiding officer to cease the objectionable conduct.

If a meeting is disrupted by members of the audience, the presiding officer or a majority of the Commissioners present may order that the City Commission Chamber or City Hall be cleared.

D. Points of Order: The presiding officer with the advice of the City Attorney shall determine all procedures, subject to the right of any Commissioner to appeal to the Commission. If any appeal is taken, the question shall be, "Shall the action proposed by the presiding officer be sustained?"

E. Question to be Stated: The presiding officer shall ensure that all questions submitted for a vote are clearly articulated for the record and shall announce the result. A roll call vote shall be taken upon the request of any Commissioner.

F. Substitution for Presiding Officer: The presiding officer may call upon the President of the Commission, or if absent, any other Commissioner, to preside temporarily over the meeting. Any such substitution shall not continue beyond adjournment.

Section V – Agenda and Order of Business

A. Agenda: The City Commission agenda is the official order of business at City Commission meetings. The agenda shall be a listing by topic of subjects to be considered by the Commission at any meeting. Items are placed on the agenda by consensus of the majority of the Commission or recommended by the City Manager. The agenda shall be delivered to Commissioners as provided in Section D(1) below, unless a special or emergency meeting is duly called, in which case delivery shall be prompt, in accordance with the circumstances.

Each agenda item typically includes a Commission report with a background report, staff recommendations, budget impacts, and other pertinent information necessary to make a decision. There are times when reports are made orally at the City Commission meetings, and there will be no supporting materials in the packet. The City Manager shall be responsible for approving the staff recommendation on each agenda item. Commissioners are encouraged to contact the City Manager before arriving for the meeting if they have questions about an agenda item.

B. Consent Agenda: The consent agenda contains routine items that are generally not controversial and do not require further discussion. The group of items may be approved with one motion and one roll call vote. Items may include approval of the minutes, routine resolutions, easements, deeds, agreements, contracts, and other miscellaneous items. Any item or items may be removed for separate consideration at the request of any Commissioner or member of the public. Items removed for separate consideration will be considered immediately following approval of the consent agenda.

C. Order of Business: The general rule as to the order of business in regular meetings shall be as follows:

1. Call to Order – The Mayor calls the meeting to order and roll call is taken.

2. Flag Salute.

3. Ceremonies, Proclamations, Presentations.

4. Citizen Comments – This section allows members of the public to speak for three minutes near the beginning of each regular Commission meeting on any matter of interest that is not on the agenda. The comment time may be adjusted by Commission consensus. Verbally abusive or disruptive behavior or slanderous comments are not allowed.

The City Commission does not generally engage in dialog with those making comments, but may ask clarifying questions with the Presiding Officer's permission or refer the issue to the City Manager for evaluation. The City Commission requests that complaints be initially addressed at the department level prior to the citizen addressing the City Commission.

Only those citizens who have completed a comment form and delivered it to the City Recorder will be called to speak. When called upon, speakers shall state their name and city of residence for the record. The City Recorder shall receive any written comments or other materials submitted to the Commission. If a speaker wishes to give an electronic presentation, the presentation must be delivered to City staff, preferably via electronic mail, 48 hours prior to the meeting. The citizen's external electronic data device will not normally be permitted to be used on City equipment for security purposes.

5. Adoption of the Agenda – This section permits time to make additions, deletions, or changes to the current agenda, including removing an item from the consent agenda.

6. Public Hearings.

7. General Business – New items for consideration. General business also includes first and second readings of ordinances and some resolutions.

Ordinances for Introduction (First reading) – An ordinance is an act of law of the City of Oregon City or through an initiative ordinance enacted by the citizens of Oregon City through the election process. The ordinance for introduction to the City Commission, commonly called the "first reading," is considered by the Commission and if passed, is generally moved forward to the next Commission meeting for the second reading. The Commission can decide what will constitute the first reading – whether to have the entire ordinance read into the record, or only the title of the ordinance read into the record.

Final Ordinances (Second reading) – If approved at the second reading, the ordinance is passed and becomes effective 30 days following the second reading, unless an emergency is declared, in which case the Commission may choose a different time for the ordinance to become effective, including being effective immediately.

Resolutions – Resolutions may be required to authorize expenditure of City funds beyond authorized amounts, establish new funds, authorize certain contractual arrangements on behalf of the City, call for an election, to amend or rescind an existing resolution, and a number of other municipal actions. Unlike an ordinance, a resolution is usually effective immediately and does not require a second reading or a waiting period to become effective. A resolution should be reserved for the acts of the City Commission which require a formal written record that the action has been taken, but do not necessarily require the adoption of an ordinance or law.

8. Consent Agenda – All items listed under the consent agenda are considered routine and non-controversial and will be enacted by one motion. There will be no separate discussion on these items, unless an item has been removed from the consent agenda under Adoption of the Agenda.

9. Communications –
   a. The City Manager presents his/her report at this point in the meeting.
   b. Mayor's report and appointments by the Mayor of citizens to Boards or Commissions.
   c. Reports by Commissioners of their activities in the community.

10. Adjournment

D. Agenda Packets

1. The City Recorder is responsible for compiling the agenda and supporting materials for the City Commission meetings for the Mayor, Commissioners, staff, and the public. The City Recorder shall create the agenda packet and transmit electronically to each member of the City Commission and staff the Friday before each regular Commission meeting and before each special meeting as feasible. The packet shall also be electronically posted to the City's Web site at www.orcity.org.

2. Agendas for all City Commission meetings shall be posted on the notice board in the lobby of City Hall, at the Oregon City Library, at the Pioneer Community Center, and on the City's Web site. The agendas are also sent electronically to local news media and other interested citizens. The agenda shall also be available electronically and posted to the City's Web site at www.orcity.org.

Section VI – Committees

A. The Commission may create committees to assist in the conduct of its Charter duties with such assignments as the Commission may specify. The Mayor shall appoint, at his or her sole discretion, members to such committees to serve until the special purpose for which the committee was created has been accomplished or when the committee is abolished by the Commission. Unless otherwise provided by ordinance, all committees so created shall be advisory to the Commission and all committees shall conduct their meetings in accordance with the Public Meetings Law.

Section VII – Reconsideration of Actions Taken

A. Unless specifically governed by other provisions of the codes, ordinances, or other regulations of the City, any Commissioner who voted with the majority may move for reconsideration of an action at the same or the next following regular meeting of the Commission. No additional testimony or evidence from the public shall be taken as part of reconsideration unless the record is re-opened and notice provided. Once a matter has been reconsidered, no motion for further reconsideration shall be made without unanimous consent of the Commissioners present at the meeting.

Section VIII – Use of Electronic Devices

A. It is the policy of the Commission, in keeping with the intent of the state's open meetings law, that the use of electronic communications devices during Commission meetings be limited and shall otherwise comply with rules and laws applicable to proceedings before the Commission. Use of such devices is generally permitted only at work sessions so long as the

source and the content of the information is disclosed to the public and access to the information remains courteous to guests and meeting attendees.

Any electronic communication regarding a quasi-judicial matter to be considered by the Commission is an ex parte contact, and shall be disclosed, as required by law.

This rule does not prohibit the use of the City provided interactive computers on the dais for viewing the Commission meeting agenda and agenda packet. This rule does not limit the use of electronic communications devices outside of public meetings. However, all electronic communications sent and received by Commissioners must comply with the rules and laws applicable to public records.

B. Definitions

1. As used in this section, “electronic communications devices” means laptop computers, blackberries, cell phones, or other similar devices capable of transmitting or receiving messages electronically.

2. As used in this section, “electronic communications” means e-mail, text messages, or other forms of communications transmitted or received by technological means.

Section IX – Conduct of Quasi-Judicial Land Use Hearings

A. Nature and General Conduct of Hearing

1. The Commission, when conducting an administrative, quasi-judicial land use hearing shall provide notice of the hearing to all persons entitled to notice under the codes of the City and state law. In conducting the hearing, the Commission shall provide to all entitled persons an opportunity to be heard, to present and rebut evidence to an impartial tribunal, to have the proceedings recorded, and to have a decision based on substantial evidence consistent with state law and the Oregon City Municipal Code.

2. Each person wishing to testify shall fill out a sign up card and provide it to the City Recorder. Speakers will proceed in the order in which their card is received. The information requested on the sign up card allows the city to provide appropriate follow up information, including notice of any decision, to persons who participate in the hearing.

3. No person offering testimony shall speak more than once without obtaining permission from the presiding officer.

4. No person shall testify without first receiving recognition from the presiding officer and stating his or her name and city of residence for the record.

5. There shall be no audience demonstrations, such as applause, cheering, display of signs or other conduct disruptive to the hearing.

6. The presiding officer, Commissioners, City Manager, City Attorney, and with the approval of the presiding officer, any other officer or employee of the city may question and cross examine any person who testifies.

7. Any person entitled to participate in a hearing may also submit written testimony in addition to or in lieu of speaking before the Commission.

8. Any person unable to attend and participate in the public hearing may submit written testimony by the noticed deadline.

9. If a speaker wishes to give an electronic presentation, the presentation must be delivered to City staff, preferably via e-mail, 48 hours prior to the meeting. The citizen's external electronic data device will not normally be permitted to be used on City equipment for security purposes.

10. Timetable for Staff Reports, Testimony, Rebuttal:

Public Hearing Process for Land Use Items:

Staff Report:

- 15 minutes for Staff report

Public Testimony:

- 15 minutes for applicant
- 5 minutes for representatives of a recognized Oregon City neighborhood association, government agency, or other incorporated public interest organization from Oregon City
- 3 minutes for any individual
- 5 minutes for applicant's rebuttal

Questions of Staff

Commission Deliberation / Motion

Public Hearing Process for Appeal Items:

Staff Report

- 15 minutes for Staff report

Public Testimony:

- 10 minutes for appellant
- 10 minutes for applicant
- 5 minutes for representatives of a recognized Oregon City neighborhood association, government agency, or other incorporated public interest organization from Oregon City
- 3 minutes for individuals
- 5 minutes for applicant's rebuttal

Questions of Staff

Commission Deliberation / Motion

B. Challenge and Disqualification of Commissioner(s)

1. With respect to any quasi-judicial action before the Commission, any proponent or opponent of a matter to be heard by the Commission may challenge the qualification of any Commissioner to participate in such hearing and decision. Such challenge must state facts relating to the Commissioner's bias, prejudgment, conflict of interest or other facts from which the party has concluded that the Commissioner is unable to participate and make a decision in an impartial manner.

a. Such challenge must be made prior to the commencement of the public hearing.

b. Such challenge shall be incorporated into the record of the hearing.

2. No Commissioner shall participate in discussion or vote on a quasi-judicial matter when:

a. any of the following has a direct or substantial financial interest in the proposal: the Commissioner or his/her spouse, brother, sister, child, parent, father-in-law, mother-in-law, any business in which the Commissioner is then serving or has served within the previous two years, or any business which the Commissioner is negotiating for or has an arrangement or understanding concerning prospective partnership or employment;

b. the Commissioner has a direct personal interest in the proposal; or

c. for any other reason, the Commissioner determines that he or she cannot participate in the hearing and decision in an impartial manner.

3. No other officer or employee of the City who has a financial or other private interest shall participate in discussion with or give official opinion to the Commission on the matter without first declaring for the record the nature and extent of such interest, as required by Oregon law.

4. The general public has a right to have Commissioners free from pre-hearing or ex parte contacts on quasi-judicial matters heard by them. It is recognized that a countervailing public right is free access to public officials on any matter. Therefore, Commissioners shall reveal any pre-hearing or ex parte contacts with regard to any matter at any commencement of the public hearing on the matter. If such contacts have impaired the Commissioner's impartiality or ability to vote on the matter, the Commissioner shall so state and shall abstain from consideration of the matter.

5. Notwithstanding any provision of this or any other rule:

a. an abstaining or disqualified Commissioner may be counted for purposes of forming a quorum;

b. a Commissioner may represent himself or herself, a client or any other member of the public at a hearing provided that the Commissioner:

1. abstains from the vote on the matter;
2. removes himself or herself from the Commission area and joins the audience; and
3. makes full disclosure of his/her status and position at the time of addressing the Commission.

C. <u>Presiding Officer:</u>

1. The presiding officer shall have the authority to:

a. regulate the course and decorum of the hearing

b. dispose of procedural requests or similar matters;

c. rule on admissibility of exhibits and other documents into evidence, offers of proof and relevance of evidence testimony;

d. impose reasonable limitation on the number of witnesses heard and set reasonable time limits for oral presentations, questions of various parties and rebuttal testimony; and

e. take other such action authorized by the Commission appropriate for conduct commensurate with the nature of the hearing.

D. Order of Procedure:
The presiding officer, in conduct of the hearing shall:

1. Commence the Hearing: Announce the nature and purpose of the hearing and summarize the rules for the conduct of the hearing.

2. In quasi-judicial matters, call for Ex Parte Contacts, Conflicts of Interest or Bias:

a. Inquire of the Commission whether any member wishes to abstain from participation in the hearing. Any Commissioner then announcing a decision to abstain shall identify the reason for abstaining and shall not participate in discussion of the matter or vote on the matter.

b. Allow any Commissioner whose participation has been challenged by an allegation of bias, prejudgment, personal interest, or partiality or who has been subject to significant ex parte or pre-hearing contact with proponents or opponents to make a statement in response thereto or in explanation thereof, as part of his or her decision to participate in the hearing. This statement shall not be subject to cross-examination, except upon consent of the Commissioner, but shall be subject to rebuttal by the proponent or opponent as appropriate.

3. Objections to Jurisdiction: Inquire of the audience whether there are any objections to the jurisdiction of the Commission to hear the matter and, if such objections are received, conduct such further inquiry as necessary to determine the question. The presiding officer shall terminate the hearing if the inquiry results in substantial evidence that the Commission lack jurisdiction or the procedural requirements of the ordinance were not met. Any matter thus terminated shall, if the defect can be remedied, be rescheduled by the Commission.

4. Staff Report and Recommendations: Call upon the City Manager or other city staff person to provide that the nature of the matter be summarized, that any graphic or pictorial displays which are part of the record be explained, that the staff report, findings and decision of the Planning Commission or other appropriate board or agency be summarized, and provide other such information as may be requested by the Commission.

5. Applicant and Public Testimony: All testimony and evidence submitted, orally or in writing, must be directed toward the applicable approval criteria. If any person believes that other criteria apply in addition to those addressed in the staff report, those criteria must be listed and discussed on the record. The meeting chairperson may reasonably limit oral presentations in length or content depending upon time constraints. Any party may submit written materials of any length while the public record is open.

6. Applicant's Case: The applicant shall be heard first, followed by persons in favor of the proposal. If the hearing is an appeal, the applicant shall still be heard first.

7. Testimony in favor of the application. Allow supporters to be heard.

8. Testimony in opposition to the application. Allow opponents to be heard.

9. Public Agencies: Allow representatives of any city, state, regional authority, or municipal or quasi-municipal corporation existing pursuant to law to testify.

10. Rebuttal Testimony: Allow the applicant to offer rebuttal testimony.

11. Written Communications: Facilitate distribution of written communications addressing a matter before the Commission prior to the commencement of the hearing to be considered for receiving into evidence.

12. Continuance or Close of Hearing and Deliberation by City Commission: The Commission shall either make its decision and state its findings, which may incorporate findings proposed by the proponent, opponents, the staff, or the Planning Commission, continue the public hearing with the public record open or close the public hearing and continue for deliberations. If the decision is continued for further public testimony or deliberations to a subsequent meeting, the time and place of the subsequent meeting must then be announced. Prior to deliberation on the matter, the Commission shall conclude the hearing. If the subsequent meeting shall be for the purpose of continued deliberation, or to consider proposed findings, additional public testimony shall not be allowed, except upon decision of the Commission. If additional testimony is to be accepted after the close of the public hearing, the public hearing must be reopened, and is subject to public notice requirements.

E. Record of Proceedings:

1. The City Recorder, or designee, shall prepare a record of proceedings in the manner prescribed for all City Commission meetings.

2. The City Staff, where practicable, shall receive all physical and documentary evidence presented which shall be marked to show the identity of the person offering the evidence and whether it was presented on behalf of a proponent or opponent. Unless evidence is capable of being offered and incorporated into the record, it shall not be received. In those cases, the person offering testimony must provide the City Staff with a copy of PowerPoint presentations, oversized exhibits, etc. If the testimony and documentary evidence is not physically conveyed to the City Staff, those documents shall not be deemed part of the record. All exhibits received into evidence shall be

retained by the Commission until any applicable appeal period has expired, at which time the exhibits may be released upon written request to the person identified thereon.

Section X – Amendments and Additions to Operating Procedures and Policies

A. Unless otherwise superseded by law, any part of these operating procedures and policies may be temporarily suspended by a two-thirds vote of those members of the Commission present and voting.

B. These operating procedures and policies may be permanently amended at any meeting at which prior notice of the proposed change is provided to each member of the Commission. A majority vote of those members of the Commission present and voting is needed to effect an amendment or an addition to these operating procedures and policies.

Approved and adopted by the City Commission March 16, 2011.
Amendments since:

- the 1st Amendment approved by Resolution No. 11-24 on November 2, 2011
- the 2nd Amendment approved by Resolution No. 14-16 on July 2, 2014
- the 3rd Amendment approved by Resolution No. 15-11 on April 1, 2015
- the 4th Amendment approved by Resolution No. 19-11 on May 1, 2019

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City Commission Policies
City of Oregon City

Policy Number	Title	Effective Date
1-1	Commission Meetings	January 1999 Revised 6/5/2019
1-3	Public Meetings	February 1997 Revised 12/6/2017 Revised 6/5/2019
1-5	City Insurance Management Plan	February 1997
1-9	Defense of City Officials in Proceedings not Subject to the Oregon Tort Claims Act (OTCA)	February 1997
1-11	Reimbursement of Commissioner Expenses	September 1, 2010
1-13	Alcoholic Beverage Service in Municipal Buildings	August 1998
1-15	Electronic Messaging Policy	December 7, 2011 Revised 1/16/2019
1-17	Media in Executive Session	November 16, 2011
1-19	Proclamation Request Policy	April 1, 2015
1-21	City Manager Complaint Policy	January 20, 2016

Commission
Policy and Procedure

SUBJECT: Commission Meetings Policy and Procedure	EFFECTIVE DATE: June 5, 2019
POLICY NUMBER: Commission Policy 1-1	REVIEWED: Adopted January 20, 1999 Revised June 5, 2019

1.0 PURPOSE

1.1 The purpose of this policy is to establish guidelines for agenda preparation, scheduling, attendance and rules of order for Commission meetings.

2.0 APPLICABILITY

2.1 The policy applies to all elected officials, administrative personnel and citizens.

3.0 IN GENERAL

3.1 It is the responsibility of the City Manager to ensure that the Oregon City Commission meeting guidelines are met before, during and after each meeting of the City Commission.

4.0 OREGON CITY COMMISSION MEETING GUIDELINES

4.1 Commission Meetings. Commission meetings are conducted on the first and third Wednesday of each month beginning at 7:00 PM unless otherwise designated by the Commission. If a meeting falls on a legal holiday, then it will be held on the following day.

4.2 Rules of Procedure. The rules of procedure governing Commission meetings shall be the latest revised edition of Robert's Rules of Order.

4.3 Length of Commission Meetings. The number of items to be included on the agenda for Commission meetings is left to the discretion of the City Manager. Since it is the desire of the Commission that no meetings exceed two (2) hours in length, the City Manager may adjust the number of items on the agenda accordingly.

4.4 Special Meetings. The Mayor upon his/her own motion may, or at the request of three (3) members of the Commission shall, by giving notice to all members of the Commission then in the City, call a special meeting of the Commission for a time no earlier than three (3) nor later than forty-eight (48) hours after the notice is given. Special meetings of the Commission may also be held at any time by the common consent of all the members of the Commission.

4.5 Quorum. A majority of members of the Commission shall constitute a quorum for its business, but a smaller number may meet and compel the attendance of absent members in a manner provided by ordinance.

4.6 Records of Proceedings. The City Commission shall cause a record of its proceedings to be kept. The ayes and nays upon any question before it, shall be taken and entered in the record.

4.7 Proceedings to be Public. No action by the Commission shall have legal effect unless the motion for the action and vote by which it is disposed of take place at proceedings open to the public.

4.8 The Mayor's Function. The Mayor shall be chair of the Commission and preside over its deliberations. He/she shall have a vote on all questions before the Commission. He/she shall have authority to preserve order, enforce the rules of the Commission and determine the order of business under the rules of the Commission.

4.9 Commission Packets. Commission packets containing the agenda and relevant staff reports will be delivered to the Mayor and Commission the Friday prior to each City Commission meeting date.

4.10 Agenda Preparation. It is the responsibility of the City Recorder to prepare the City Commission meeting agenda, organize the agenda and staff reports into packets and arrange delivery of the packets to the Mayor and Commission members.

4.11 Agenda Items. Items for the Commission meeting agenda may be placed on the agenda by any of the following methods:

4.11.1. By the City Commission through consensus of a majority of members to the City Manager.
4.11.2. By City staff through reports reviewed by the City Manager.
4.11.3. By the City Manager or Department Directors.
4.11.4. By citizens through consensus of a majority of Commission members either through vocal or written requests to include background of the issue to be addressed, the resolution wanted and funding required to gain resolution.
4.11.5. By City staff to boards/commissions and committees through reports submitted to the City Manager.
4.11.6. By the City's legal counsel through communication submitted to the City Manager.

4.12 Staff Reports. Staff reports submitted to the City Recorder by department directors for agenda items must be concise and clear and include all the facts and background information necessary for the Commission to make a decision.

It is the responsibility of the department directors to submit to the City Recorder, their staff reports and agenda materials throughout the week prior to the Commission meeting but no later than 12:00 Noon on Thursday of that week.

It is the responsibility of the City Manager to review and sign each staff report and return them to the City Recorder to process for the Commission packets.

4.13 Commission Meeting Attendance. Department directors having items on a Commission meeting agenda must attend that meeting. Other department directors may attend at their option. The City Manager will attend all City Commission meetings, unless excused.

4.14 Commission Meeting Follow-Up. All City Commission requests must be followed up in a timely and efficient manner pursuant to Administrative Policy 2-5: Administrative Response to City Commission Requests.

Commission
Policy and Procedure

SUBJECT: Public Meetings Policy and Procedure	EFFECTIVE DATE: June 5, 2019
POLICY NUMBER: Commission Policy 1-3	REVIEWED: Adopted March 5, 1997 Revised December 6, 2017 Revised June 5, 2019

1.0 PURPOSE

1.1 The purpose of this policy is to provide guidelines for public meetings according to ORS 192.610 to 192.690.

2.0 APPLICABILITY

2.1 This policy applies to the City Commission, all city boards, commissions, and committees that serve at the pleasure of the City Commission, and any other body that requires a quorum in order to make a decision.

3.0 IN GENERAL

3.1 The Oregon form of government requires an informed public aware of the deliberations and decisions of governing bodies and the information upon which such decisions were made. It is the intent of the City of Oregon City that decisions of its governing bodies be arrived at openly according to ORS 192.610 to 192.690.

4.0 DEFINITIONS

4.1 Decision. A decision means any determination, action, vote, or final disposition upon a motion, proposal, resolution, order, ordinance or measure on which a vote of a governing body is required, at any meeting at which a quorum is present.

4.2 Executive Session. An executive session is any meeting or part of a meeting of a governing body which is closed to certain persons for deliberation on certain matters.

4.3 Governing Body. A governing body means the members of any public body which consists of two or more members, with the authority to make decisions for or recommendations to a public body on policy or administration.

4.4 Public Body. A public body is the state, any regional council, county, city or district, or any municipal or public corporation, or any board, department, commission, council, bureau, committee or subcommittee or advisory group or any other agency thereof.

4.5 Meeting. A meeting is the convening of a governing body of a public body for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. A meeting does not include any on-site inspection of any project or program. A meeting also does not include the attendance of members of a governing body at any national, regional or state association to which the public body or the members belong.

5.0 PUBLIC MEETING GUIDELINES

5.1 Open Meetings. All meetings of a governing body of a public body must be open to the public and all persons shall be permitted to attend any meeting except as otherwise provided by ORS 192.610 to 192.690.

No quorum of governing body shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter except as otherwise provided by ORS 192.610 to 192.690.

All regular meetings will be adjourned no later than 10:00 p.m. unless extending the meeting until no later than 11:00 p.m. is agreed upon by the majority of the governing body present at the meeting.

All regular meetings of the City Commission, Planning Commission, and Historic Review Board should begin at 7:00 p.m.

5.2 Meeting Location. Meetings of a governing body of a public body shall be held within the geographic boundaries over which the public body has jurisdiction; or at the administrative headquarters of the public body; or at the nearest practical location.

A governing body shall not hold a meeting at any place where discrimination on the basis of race, creed, color, sex, age, national origin or disability is practiced. However, the fact that organizations with restricted membership hold meetings at the place shall not restrict its use by a public body if use of the place by a restricted membership organization is not the primary purpose of the place or its predominate use.

5.3 Public Notice. The governing body of a public body shall provide for and give public notice, reasonably calculated to give actual notice to interested persons including news media which have requested notice, of the time and place for holding regular meetings. The notice shall also include a list of the principal subjects anticipated to be considered at the meeting, but this requirement shall not limit the ability of a governing body to consider additional subjects.

5.3.1 If an *executive session only* (according to 192.660) will be held, the notice

shall be given to the members of the governing body, to the general public and to news media which have requested notice, stating the specific provision of law authorizing the executive session.

5.3.2 No *special or emergency meeting* shall be held without at least twenty-four (24) hours notice to the members of the governing body, the news media which have requested notice and the general public. In the case of an actual emergency, a meeting may be held upon such notice as is appropriate to the circumstances but the minutes for such a meeting shall describe the emergency justifying less than twenty-four (24) hours notice.

5.4 Meeting Minutes. The governing body of a public body shall provide for the sound, video or digital recording or the taking of written minutes of all its meetings. Neither a full transcript nor a recording of the meeting is required, except as otherwise provided by law but the written minutes or recording must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes or recordings shall be available to the public within a reasonable time after the meeting.

A minimum of action minutes shall be provided and include at least the following information:

- All members of the governing body present;
- All motions, proposals, resolutions, orders, ordinances, and measures proposed and their disposition;
- The results of all votes and except for public bodies consisting of more than twenty-five (25) members unless requested by a member of that body, the vote of each member by name;
- The subject of any items discussed; and
- A reference to any document discussed at the meeting.

Minutes of *executive sessions* shall be kept in accordance with the above five (5) points. Instead of written minutes, a record of any executive session may be kept in the form of a sound video tape or digital recording which need not be transcribed unless otherwise provided by law. Material, the disclosure of which is inconsistent with the purpose for which a meeting under ORS 192.660 is authorized to be held, may be excluded from disclosure. However, excluded materials are authorized to be examined privately by court in any legal action and the court shall determine their admissibility. Any violation of these public meeting guidelines shall be subject to enforcement proceedings as specified in ORS 192.680 and 192.685.

COMMISSION POLICY 1-5
Adopted March 5, 1997

CITY INSURANCE MANAGEMENT PLAN

PURPOSE

The purpose of this policy is to establish fair and consistent insurance coverage for the City of Oregon City.

APPLICABILTY

This policy applies to the City Commission.

IN GENERAL

In the changing market place it is necessary to continually manage/organize the City's insurance portfolio. The end result of this management process should be cost effective insurance coverage provided at the lowest possible cost. Recognizing the challenge the City shall appoint an Agent of Record to manage its insurance programs in a timely, efficient and cost effective manner.

A. **Appointment.** The City Commission shall appoint an Agent of Record.

B. **Responsibility of Agent of Record.** The Agent of record shall advertise in local trade magazines and any other appropriate publication that the City is receiving proposals on insurance, such as liability, fleet vehicle, fire, false arrest, boiler and any other type of insurance. The Agent of Record shall then make recommendations to the Commission on the proposed type and amount of insurance. These recommendations shall be in the form of a written report showing comparative analysis of the potential providers (including evidential findings). The City Commission shall make the final decision regarding vendor choice.

C. **Length of Appointment.** The City Commission reserves the right to change the Agent of record every three (3) to five (5) years.

COMMISSION POLICY 1-9
Adopted March 5, 1997

DEFENSE OF CITY OFFICIALS IN PROCEEDINGS NOT SUBJECT TO THE OREGON TORT CLAIMS ACT ("OCTA")

PURPOSE

It is in the public interest of the City of Oregon City that elected officers, members of official City boards, commission and committees, all City employees, and City agents be free of the fear of personal financial hardship resulting from having to defend claims and charges (other than "true" crimes punishable by imprisonment) which are beyond the scope of the OCTA and which arise out of the good faith performance of their duties. This policy is designed to be consistent with ORS 30.285 and shall be so construed.

APPLICABILITY

This policy applies to the City's elected officers (officers), members of official City boards, commissions and committees (officials), all City employees (employees), and City agents (agents).

DEFINITIONS

Malfeasance is failure to comply with ethical standards of conduct…*evildoing, ill conduct, the commission of some act which is positively unlawful, and/or the doing of an act which is wholly wrongful and unlawful.*

IN GENERAL

A. Except as otherwise provided by law, the City shall defend, save harmless and indemnify its officers, officials, employees or agents against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of duty.

B. In no event shall the resources of the City be committed to the defense of the City officer, official, employee, or agent unless the City Commission is satisfied that:

1. The act or omission does not constitute malfeasance in office; or
2. The act or omission does not constitute willful or wanton neglect of duty.

C. With respect to matters not covered by the OTCA, the resources of the City should not be committed to the defense of a City officer, official, employee or agent, unless the City Commission is satisfied that:

1. The act or omission of the officer, official, employee, or agent was in good faith and without malice and in course of official duties. Good faith is absent if the officer, official, employee or agent knew or reasonably should have known that the act or omission would violate a law, rule or regulation; and

2. The officer, official, employee, or agent did not act contrary to the advice of legal counsel.

D. In no event should the resources of the City be committed to the defense of a City officer, official, employee or agent charged with a crime punishable by imprisonment unless the Commission is satisfied that it is not a “true” crime in that:

1. The offense charged is based solely on the alleged negligence of the City officer, official, employee, or agent and the City officer, official, employee, or agent was not malfeasant in their position nor willfully or wantonly neglectful of official duty; or

2. It appears that the allegedly criminal act or omission was done or omitted as a conscious and good faith choice between evils in response to an emergency, or as a conscious and good faith attempt to protect persons from injury, disease, or to protect property from damage or destruction, either of which would have been likely and substantial had the City officer, official, employee, or agent not acted in the manner charged; or

3. The only basis for the charge is vicarious liability for the misconduct of a subordinate; and where the City officer, official, employee, or agent clearly did not participate in or condone the subordinate’s conduct knowing or having good reason to know it to be unlawful.

E. Ordinarily the commitment to defend a City officer, official, employee or agent will involve direct payment of defense costs as they are incurred. In any case, however, the City Commission may choose to commit only to reimbursement of validated expenses in the event the City officer, official, employee or agent is ultimately exonerated.

F. In no event will the office of the City Attorney be used to provide primary defense for a City officer, official, employee, or agent on a claim or charge outside the scope of the OTCA. The City Attorney may, however, provide information and assistance to the attorney retained to defend the case unless the City Attorney determines that such assistance would create a conflict of interest or otherwise violate the Code of Professional Responsibility governing attorneys.

G. Nothing in this policy should be construed to entitle any City officer, official, employee or agent to defense. The intent of this policy is to vest discretion with the City Commission with certain restrictions as to when defense funds may be provided. In each case the City Commission should be guided by considerations of what is in the best interest of the City of Oregon City subject to the above conditions and restrictions.

TRAVEL AUTHORIZATION AND
REIMBURSEMENT OF CITY COMMISSIONER EXPENSES

PURPOSE

This purpose of this policy is to establish procedures relative to business-related expenses and City-endorsed travel incurred by the City Commission members.

APPLICABILITY

This policy applies to the Mayor and City Commissioners.

IN GENERAL

A person engaged in travel for the benefit of the City has a responsibility to keep accurate, substantiated cost records, original receipts and to submit requests for reimbursement that are in accordance with this policy. The City Commission shall be entitled to reimbursement for actual and necessary business-related expenses that are not directly billed to the City to include but not limited to dinners, luncheons, breakfasts, and expenses associated with transportation and travel.

NOTE: Gifts related to reasonable travel expenses for the City Commission are exempt from the restrictions of the ethics laws if the gift is related to officially designated negotiations, economic development activity, or trade promotion or fact-finding missions or trips and the payment of expenses have been approved by the City Commission (OAR 199-005-0020).

Travel Expense Reimbursement

The City will reimburse the City Commission for reasonable business travel expenses incurred while on a trip related to official City business.

Travel in the interest of the City can usually be anticipated and is a regularly budgeted item. For travel to be approved, funds must be available in the Commission's budget. In those instances where budgeted funds in this appropriation are inadequate, a formal budget adjustment must be requested.

Travel by City Commission members does not require prior approval by the City Manager.

The traveler must complete Part A of the Travel Authorization form (anticipated expenses) prior to travel which provides a record of the travel and offers a per diem check in advance. The form is submitted to the City Manager's Office at least two weeks prior to the proposed travel date. Accounts payable will review budget appropriations and, if in order, will cut the per diem check.

In emergency situations, when the Travel Authorization form cannot be submitted two weeks in advance, the Travel Report is submitted with a memo describing the emergency.

Advancing money for travel does not constitute approval of spending the entire advance; only actual and necessary expenditures will qualify for reimbursement. An advance cannot be obtained if a previous advance has not cleared repayment or a new Travel Report form for actual expenses has not been received

Part B of the Travel Authorization form (actual expenses) must be completed following the travel listing actual expenses.

TRAVEL EXPENSES

A. **Transportation.**

1. Air Travel. Air travel will be considered a standard cost for reimbursement purposes. First class air passage will not be considered. Air travel shall be utilized only when the cost is a savings over mileage expense and other expenses incurred when traveling by car.

Travel arrangement should be made as far in advance as possible to take advantage of the most economical rate.

2. Personal Vehicle. Mileage will be reimbursed when a Commissioner's personal vehicle is used for City business, except mileage will not be reimbursed for travel to and from regularly scheduled Commission meetings requiring the attendance of all Commissioners. Mileage shall be reimbursed at the current IRS rate. Commissioners traveling by personal automobile on City business are required to carry, at the Commissioner's expense, public liability and property damage insurance at the minimum required by law.

3. Travel in City Vehicles. Travel in City owned vehicles might be approved under certain circumstances. When traveling in a City vehicle, receipts for gas, oil and other supplies purchased enroute will be required. The cost of gas, oil, etc. for the City vehicle should be entered under "Other" in the "Transportation" section on the Travel Authorization form.

4. Taxi, Shuttles and Rental Cars. Taxi expenses are considered reimbursable expenses when shuttle services do not effectively meet the needs of travel. Shuttle service available through the airport and/or conference is encouraged when available. A rental car may be permitted when it is in the best interest of the City.

5. Parking. The City will reimburse a business related parking expense. On trips of more than one (1) day duration, long-term economy parking must be used. An original parking receipt will be required for reimbursement.

B. **Lodging.** All business-related lodging expenses will be reimbursed following the domestic per diem rates established by the US General Services Administration for the travel destination. Accommodations should be appropriate for the purpose of the trip. Receipts for all lodging costs shall be obtained. If members of the family accompany the Commissioner, the reimbursable lodging cost shall be that of a single room. When requested, most hotels and motels will furnish a receipt for a single room when a double room is used but desire reimbursement for a single room. If such an arrangement cannot be made, the price of a single should be noted on the receipt for actual lodging costs. If the room is not shared with another City employee, the single room rate must be available in the supporting documents included with the Travel Authorization form.

The final hotel bill must reflect that the bill has been paid in full (either showing a zero balance or accompanied with a credit card receipt). This must be an itemized statement indicating daily room charges, meals (without room service charges), telephone calls, etc., if applicable.

C. **Meals.** All business-related expenses for meals, including tips, will be reimbursed following the domestic per diem rates established by the US General Services Administration. Receipts must be attached to Part B of the Travel Authorization form.

Original receipts must be submitted to be reimbursed for actual costs or expenses exceeding the per-diem rate schedule. If original receipts are not available, meal expenses will automatically be reimbursed on a per-diem basis.

D. **Other Miscellaneous Travel Expenses.**

1. Phone and Fax Charges: Expenses incurred for phone and fax charges will be allowed only when necessary for City business.
2. Registration Fees: Fees for meeting or convention registration will be paid in advance by the City. To request advance payment for registration fees, complete the tuition section of Part A of the Travel Authorization form
3. Tips: Expense for tips should be included with the transportation, lodging and meal expenses. Gratuities are not reimbursable individually.
4. Alcoholic Beverages: Expenditures for alcoholic beverages are not reimbursable.

E. **Direct Pay Expenses.** Expenses that can be directly paid by the City such as airfare and conference registration fees should be arranged in advance with the City Manager or designee.

REIMBURSEMENT OF TRAVEL EXPENSES

To apply for reimbursement, complete Part B of the Travel Authorization form **within 60 days** of the trip with actual expenditures totaled, original receipts attached, and signature of person requesting reimbursement. Submit the form to the City Manager's Office, who is responsible for reviewing the request for proper documentation and reasonableness of expenses.

After review, the Travel Authorization form will be submitted to Accounts Payable for processing.

If any portion of the travel advance is unspent, the unspent portion must be repaid when the Travel Authorization form is submitted. The Accounts Payable staff is responsible for following up on delinquent travel advances.

A representative of the City is expected to use good judgment in the nature of expenses incurred in traveling. Expenses for family members who accompany a City Commissioner on a trip are not reimbursable. The expense report should be prepared to reflect only the actual and necessary expenses related to the person authorized to make the trip and the level of expenses in all categories must be appropriate and reasonable.

Other Expense Reimbursement

General business expenses will be considered for reimbursement that are required for the performance of Commissioner duties. Examples of expenses not reimbursed are meals with constituents, meals with other commissioners, or other activities where there was an alternative to avoiding the expense.

At the end of each month, Commissioners shall itemize all other non-travel expenses that are not directly paid by the City on a Commission Expense Statement. The statement shall be forwarded to the City Manager's Office within seven (7) days following the last day of each month. The City Manager will approve and authorize reimbursement for the Commission Expense Statements which meet these guidelines and that do not exceed the budgeted amount for Commissioner expenses. Expenses which exceed these amounts shall be forwarded to the City Commission for approval and reimbursement authorization. All approved expenses will be forwarded to the Finance Department for reimbursement.

CITY COMMISSION OTHER EXPENSE STATEMENT

Name:_____ **Expenses For The Month(s) of**:_____

Signature:_____**Date**:_____

Please attach receipts. When recording miles for local travel include the destination and the total number of miles driven for each trip.

DATE	DESCRIPTION	MEALS	TOTAL MILES DRIVEN	OTHER EXPENSES	TOTAL

TOTAL	$

City Manager's
Signature:_____**Date**:_____

Approved for reimbursement by City Manager ____Yes ____No
Approved by City Commission ___Yes ___No ____N/A

CITY OF OREGON CITY
TRAVEL AUTHORIZATION MANAGEMENT - Commission Policy 1-11

Date: _____ Name: _____ Vendor #: _____

Dates of Travel: _____ Charge to (Account No.): _____

Destination & Purpose of Trip: _____ Department: _____

Please fill out part A, submit to City Manager's Office. Attach documentation
travel (i.e. Conference brochure/flyer, etc.). Also provide copies to be mailed to 3rd parties, (i.e. registration forms, claim forms for hotels, etc.).
The yellow and pink copies will be returned to you with any advance travel monies. Retain those copies and complete part B with
receipts of any non per diem type expenses such as hotel, rental car, air fare, etc.

PART A - Anticipated Expenses (Prior to travel)

Transportation

Mileage: _____ miles x _____ (current IRS rate) = **$**_____

Airfare Charged to City visa? Y or N ..... **$**_____

Other (specify) _____ ..... **$**_____

Total Transportation $_____

Lodging $_____ x days _____ = ... **Total Lodging** $_____

Charged to City visa? Y or N PPD w/ Claim Form? Y or N

Meals (1st and last day of travel meals are paid at 75% of per diem rate)

First Day 1 x Rate _____ x 75% _____ = **$**_____
Full Days ___ x Rate _____ x 100% _____ = **$**_____
Last Day 1 x Rate _____ x 75% _____ = **$**_____
Less meals included in tuition/training **$ -**_____

Total Meals $_____

Tuition/Reg/Fees _____ **Total Tuition/Reg** $_____
Charged to City visa? Y or N PPD w/ Claim Form? Y or N

TOTAL ANTICIPATED EXPENSES $_____

ADVANCE REQUESTED BY TRAVELER $_____

SIGNATURES:

Traveler _____ City Manager _____

Finance Director _____

PART B - Actual Expenses (After travel)

Actual Expenses to be filled out upon travelers return. Please attach copies of receipts.

Transportation **$**_____
Lodging **$**_____
Meals **$**_____
Tuition/Registration/Fees **$**_____
Other **$**_____

TOTAL ACTUAL EXPENSES $_____

LESS ADVANCE PAID TO TRAVELER and PREPAID EXP $ -_____

DUE TO TRAVELER **$**_____

REFUNDED TO CITY **$**_____

SIGNATURES/APPROVALS:

Traveler _____ City Manager _____

Finance Director _____

COMMISSION POLICY 1-13
Adopted August 19, 1998

ALCOHOLIC BEVERAGE SERVICE IN MUNICIPAL BUILDINGS

PURPOSE

The purposed of this policy is to establish regulations for lessees who want to serve alcoholic beverages including, but not limited to beer, wine and champagne (hereinafter "alcoholic beverages"), in municipal buildings.

APPLICABILTY

This policy applies to municipal buildings that are leased for wedding receptions, retirement functions, class reunions, and all similar events where alcoholic beverages will be served.

IN GENERAL

It is the responsibility of the Community Activity Director or designee to coordinate the rental of municipal buildings and the implementation of this policy.

It is the City's responsibility to minimize City liability related to the rental of municipal buildings for private use when alcoholic beverages will be served.

It is the lessee's responsibility to safeguard the safety and health of Oregon City residents and others when the lessee allows alcoholic beverages to be served in leased municipal buildings.

Any lessee who serves alcoholic beverages in a municipal building shall ensure all state and local laws are complied with by serving the alcoholic beverages and by those consuming the alcoholic beverages.

SPECIFIC REQUIREMENTS:

A. TIME LIMIT. Alcoholic beverages may be served in leased municipal buildings for period of time not to exceed four (4) hours.

B. FOOD: Food must be served if alcoholic beverages are being served.

C. INSURANCE. The lessee shall obtain, at the lessee's expenses, a $1,000,000 liability insurance policy for bodily injury, including death and property damage. The lessee shall name the City, its officers, agents, and employees, as additional insureds on the policy. The lessee shall provide the City with a copy of the Certificate of Insurance of this effect at least seven (7) days before the lease commences. The Certificate of Insurance shall contain a clause to the effect that the City shall be notified in writing no less than seventy-two hours (72) hours in advance of the event insured if the policy is canceled or substantially modified.

D. INDEMNITY. The lessee shall sign an agreement with the City in which the lessee agrees to hold harmless and defend the City, its officers, agents, and employees from and against any and all claims arising out of the lessee's use of the municipal building.

E. OLCC LICENSE. In accordance with state law, if any financial compensation is going to be provided in exchange for alcoholic beverages, the lessee shall obtain a license from the Oregon Liquor Control Commission ("OLCC"). The lessee shall provide the City a copy of any such license at least seven (7) days before the lease commences.

F. OLCC PERMIT. Any person who will be serving alcoholic beverages in the leased municipal building must obtain an OLCC service permit. The lessee shall provide the City a copy of the OLCC permit at least seven (7) days before the lease commences.

G. RENTAL. The hourly rental of municipal buildings for events where alcoholic beverages will be served will be forty percent (40%) more than the hourly rental that is charged for use of a municipal building where no alcoholic beverages are served.

H. DEPOSIT. The lessee shall provide a $500 security and damage deposit prior to the event. This deposit may be made via credit card, which will not be charged unless there is damage to the building as a result of the lessee's use of the building.

ELECTRONIC MESSAGING POLICY

PURPOSE

The purpose of this policy is to establish acceptable usage by elected/appointed officials (including City board/committee/commission members) of electronic messaging systems, including but not limited to email, instant messaging, blogging and social media sites, such as Facebook or Twitter (sometimes collectively referred to as "electronic messaging" or "electronic messages").

APPLICABILITY

This policy applies to the Mayor, City Commissioners, and all applicable City board/committee/commission members, which will all be referred to as "member(s)" throughout this document. Upon adoption, this policy will become part of the Commission's Rules of Procedure. A separate policy applies to City employees.

IN GENERAL

Although the use of electronic messaging (email) and social media allows members to conduct City business efficiently, use of electronic messaging systems comes with some inherent risks. The City Commission sets forth the following policies, but reserves the right to change those policies at any time as may be appropriate or required under the circumstances or as resulting from the development of new technologies or new laws.

The City prohibits discrimination based on age, race, gender, sexual orientation, physical or mental disability, sources of income, or religious or political beliefs. Use of electronic messaging resources to harass or to discriminate for any or all of the aforementioned reasons is prohibited.

Message Ownership, Confidentiality and Public Records Retention

- All electronic messages to or from members where City business is discussed, whether on City-provided electronic messaging systems or on personal systems or web server pages are subject to disclosure through valid public records or litigation discovery requests. This includes personal email and social media accounts. It is recommended that emails pertaining to City business received on personal accounts be forwarded to the City-provided email for records retention purposes.
- Messages sent electronically can be intercepted inside or outside the agency and, as such, any expectation of confidentiality is limited. Accordingly, proprietary or confidential information should not be sent through email, instant messages or other social media sites.

- All electronic messages stored in City-provided electronic messaging systems or composed, sent, or received by members, regardless of their content, are, by law, public records of the City. This includes email that is accessed using City-provided electronic messaging resources via external Internet service providers.
- If the information transmitted by electronic messages relates to the "transaction of public business," that information shall not be deleted or otherwise disposed of unless done in accordance with a records retention schedule set forth in Oregon City Resolution No. 09-31. Each email message or posting must be evaluated for content to determine which retention procedure to apply. Any email message deleted will be permanently deleted and non-retrievable after 90-days of date received. The City Recorder shall assist members, as requested, in making retention decisions.
- The legal "custodian" responsible for retaining electronic messages on privately-maintained electronic messaging systems will normally be either the originator of the message for outgoing messages or the receiver of the message for incoming messages. The City shall not be deemed the legal custodian of messages that are not included in City-maintained back-up files.
- When a public records request is made to the City that includes records retained by an elected/appointed member, the City Recorder shall notify the affected member(s). Under the City's public records policy, the member has five days from the date of receipt of a request for public records, including for electronic messages, to deny, grant, deny in part, or grant in part the request. Alternatively, the member shall within five (5) business days explain why more time is needed for a full response. Failure to respond within the seven day deadline shall be deemed a denial. Expiration of this seven-day period triggers the right to initiate proceedings in circuit court to challenge the denial. The member may consult the City Recorder, and through the City Recorder the City Attorney, for advice in dealing with a request for public records. Further representation of a member shall be a determination of the City Manager or City Commission.
- The City will provided records management, including records retention, training to members expected to abide by this policy through written materials on the City's website. It is the responsibility of each member to review and understand the materials or ask for assistance. The City Recorder's Office is available to assist the member(s) with regard to standard retention practices.
- Electronic messages are frequently inadequate in conveying mood and context. Members should carefully consider how the recipient might interpret a message before composing or sending it.

Use of Electronic Messages and Public Meetings

- Use of email by a quorum of a public body may, in some circumstances, constitute a meeting under Oregon's public meeting laws, even when discussions take place through one-on-one email discussions that then can be passed on to others. As such, the members are encouraged to refrain from discussing City business via electronic messages in those cases in which members are deliberating towards a decision.

City Issued Electronic Messaging

- The City provides electronic messaging resources to assist in conducting City business including issuance of an email address that is to be used while conducting City business via email and not for personal use. These limitations include but are not limited to:
    - Personal soliciting.
    - Lobbying, soliciting, recruiting, selling, or persuading for or against commercial ventures, products, religious or political causes unrelated to City business, outside organizations, or similar activities.
    - Electioneering with regard to candidacy for public office.
    - The operation of a business or for any undertaking for personal gain.
    - Use by, or on behalf of, any outside organization or third party.
- As records created by members on City messaging systems are public records, the City may intercept, monitor, review and/or disclose any and all messages composed, sent, or received on City-issued electronic resources. The interception, monitoring, and reviewing of messages may be performed with the assistance of content filtering software, or by designated agency employees and/or designated external entities. City employees designated to review messages may include, but are not limited to, the City Manager, City Recorder, and/or representatives from Human Resources, Planning, Legal, or Information Technology departments.
- The City may alter, modify, re-route, or block the delivery of messages as appropriate. This includes, but is not limited to:
    - Rejecting, quarantining, or removing the attachments and/or malicious code from messages that may pose a threat to City resources.
    - Discarding attachments, such as music, considered to be of little business value and of significant resource cost.
    - Rejecting or quarantining messages with suspicious content.
    - Re-routing messages with suspicious content to designated City employees for manual review.
    - Rejecting or quarantining messages determined to be unsolicited commercial email (spam).
    - Appending legal disclaimers to messages.

The system administrator shall keep a record of those messages altered, modified, re-routed, or blocked.

- Even though the City employs anti-virus software, virus infected messages can enter the City's messaging systems. Viruses, "worms," and other malicious code can spread quickly if appropriate precautions are not taken. Members should:
    - Be suspicious of messages sent by people not known by them.
    - Not open attachments unless they were anticipated.
    - Disable features in electronic messaging programs that automatically preview messages before opening them.

- The City considers unsolicited commercial email (spam) a nuisance and potential security threat. Members are encouraged not to attempt to remove themselves from future delivery of a message that they determine is spam. These “Remove Me” links often are used by unscrupulous mass junk emailers as a means to verify that you exist. Attempted removal will only ensure that the member will receive ever-increasing amounts of spam.
- Upon expiration of term of office, the City will deny all access to electronic messaging resources, including the ability to download, forward, print, or retrieve any message stored in the system, regardless of sender or recipient, unless requested through the public records request policy of the City.
- Internet message boards are a fertile source from which mass junk emailers harvest email addresses and email domains. Members are encouraged not to use City-provided email addresses when posting to message boards.

All members shall:

- **Check their email a minimum of twice per week including the afternoon prior to a meeting.**
- **Forward all public comments and messages relevant to a land use case(s) to the City Recorder and Community Development Director.**
- **Be responsible for disclosing any and all messages (even if not received through City-provided electronic messaging) relevant to any land use review at the next applicable meeting.**

Adopted December 7, 2011 by the City Commission.
Revised Commission Policy 1-15 Adopted at the City Commission meeting on January 16, 2019.

REGARDING MEDIA IN EXECUTIVE SESSIONS

PURPOSE

The purpose of this policy is to provide guidelines for determining what is a news media organization and who is a representative of the news media according to ORS 192.610(2) and ORS 192.660(4).

APPLICABILTY

This policy applies to all executive session meetings held by the City Commission and any other board or committee of the City.

IN GENERAL

ORS 192.610(2) provides any meeting or part of a meeting of a governing body my deliberate in closed meetings on certain matters; and ORS 192.660(4) provides that representatives of the news media shall be allowed to attend executive sessions, but that the governing body may require that specified information be undisclosed. This policy defines news media organizations and who is a representative of the news media for access into executive sessions.

DEFINITIONS

1. **Definitions.** As used in Resolution No. 11-22, the following definitions apply:

A. **News.** Means factual information that is about current events.

B. **News Media Organization.** Means an entity that is organized and operated to publish, broadcast or disseminate news to the public as determined by section 3 or 4 below.

C. **Representative of the News Media.** Means an employee, agent or contractor of a news media organization who is engaged in the act of gathering news for that news media organization as determined by Section 5 below.

2. **Policy that Information be Undisclosed.** It is the Commission's policy that all information discussed or considered in executive sessions of the Commission may not be disclosed in any form, and/or to any other person so long as the information is properly within the scope of the statutory authorization of the executive session. This policy extends to all statements made in executive sessions, to all documents considered, and all other information presented or considered regardless of the format, within the proper scope of the executive sessions of the Commission. To the extent this policy may be inconsistent with Oregon law, Oregon law shall control. This policy shall apply regardless whether persons attending any particular executive session are reminded of the policy. The Commission, in its sole discretion, may make exceptions to this policy if it is in the public interest to do so, and if the majority of the members thereof vote to do so.

3. **Recognized News Media Organizations.** The following entities are hereby recognized as news media organizations without requiring further proof because they have an established history of publishing, broadcasting or disseminating news in, affecting, or about Oregon City to the public:

A. The Oregonian
B. Oregon City News/Clackamas Review

No other entity shall be recognized as a news media organization unless it is recognized through the process described in Section 4 below.

4. **Recognition of Other Entities.**

A. In order to be recognized as a news media organization, an entity other than those recognized in Section 3 above must: (i) submit a written request for recognition as a new media organization to the Commission; and (ii) provide evidence that the entity is organized and operated to publish, broadcast or disseminate news to the public.

B. It shall be the entity's burden to persuade the Commission by a preponderance of the evidence that it is organized and operated to publish, broadcast or disseminate news to the public. The entity may be a news component of a larger organization which isn't necessarily a news media organization.

C. The Commission may consider any relevant evidence provided or gathered in making a decision whether to recognize an entity as a news media organization. The Commission shall make its determination whether to recognize the entity as a news media organization based on the following criteria:

(i) Regular publication, regular broadcasts or regular updates (at least once weekly) of news;

(ii) Publication, broadcast or website must contain a minimum of 25% news content, and include news produced by its own staff;

(iii) The publication, broadcast or website must not serve primarily as a platform to promote the interest and/or opinions of a special interest group, individual or cause, or as a forum to air grievances, engage in gossip, or for personal attacks or character assassination.

D. The Commission's decision to recognize of not to recognize an entity as a news media organization is a quasi-judicial decision reviewable as provided by ORS 34.010 to 34.100.

5. **Attendance at Executive Sessions.** Representatives of the news media are allowed to attend executive sessions, except as otherwise allowed by law. In order to determine whether someone requesting permission to attend an executive session is a representative of the news media, the following procedure shall be followed:

A. Any person who wishes to attend an executive session must: (i) submit a written request for permission to attend an executive session to the Commission; and (ii) provide evidence that the person is an employee, agent or contractor of a news media organization who is engaged in the act of gathering news for that news media organization.

B. The request for permission shall be on a form provided by the Commission. The person requesting permission to attend an executive session must complete and sign the request form. The request form shall include a space for the person to indicate his or her name and the entity for which he or she is an employee, agent or contractor. The request form shall also include a space for the person to sign his or her signature certifying that he or she is gathering news for a news media organization; that the information submitted is true; and that he or she understands that it is the Commission's policy, and that he or she agrees to comply with the Commission's policy, that all information discussed or considered in executive sessions of the Commission shall not be disclosed in any form, and/or to any other person as long as it was properly within the scope of the announced statutory authorization of the executive session and as long as the media's reporting has not independently verified it.

C. It shall be the person's burden to persuade the Commission or Commissioners by a preponderance of the evidence that he or she is an employee, agent or contractor of a news media organization engaged in the act of gathering news for a news media organization. The Commission shall make its determination whether to recognize the person as a representative of the news media based on the following criteria:

(i) Proof, satisfactory to the Commission, that the person is associated with a recognized news media organization. Such proof can come in the form of the following:

- Press identification - press badge or identification issued by recognized news media organization, plus proof of identity (such as a driver's license);

- Proof of A recently published news article by a news media organization with the person's byline, or a masthead showing the person's name as a member of the editorial staff of a recognized news media organization, plus proof of identity; or

- A letter on letterhead from an editor of a recognized news media organization in which the editor states that the reporter is covering the meeting for the news media organization, plus proof of identity (freelancers must have clippings or proof of work with a recognized news media organization within the last six months); and

(ii) Proof, satisfactory to the Commission, that the person is gathering news, even though the information discussed or considered in executive session may not be disclosed in any form, and/or to any other person.

D. If the entity disclosed on the request for permission form is not recognized as a news media organization, the person shall not be allowed to attend an executive session until the entity is granted recognition.

E. If the executive session is for the purpose of discussing current litigation or litigation likely to be filed, and the member of the news media is a party to the litigation or is an employee, agent or contractor of a news media organization that is a party to the litigation, the person shall not be allowed to attend the executive session. If the

Commission has reason to believe that the person has submitted false information or has previously failed to comply with the Commission's policy regarding disclosure of information properly within the scope of previous executive sessions, it may refuse permission for the person to attend the executive session.

F. The Commission may consider any relevant evidence provided or gathered in making a decision whether a person is a representative of the news media. The Commission's decision to recognize or not to recognize a person as a representative of the news media, and/or to grant permission to attend an executive session, is a quasi-judicial decision reviewable as provided by ORS 34.010 to 34.100.

6. **Cameras and Other Recording Devices.** Cameras, tape recorders and other recording devices may not be used in executive sessions, except the official executive session recordings made by City staff.

This policy was approved by the City Commission via Resolution No. 11-22 on November 16, 2011.

Commission Policy 1-19
April 1, 2015

REGARDING PROCLAMATION REQUESTS

PURPOSE

The purpose of this policy is to provide guidelines for issuing proclamations.

APPLICABILTY

This policy applies to all requests received by the Mayor or City Commission and any City staff.

IN GENERAL

From time to time, the City Commission of Oregon City adopts proclamations recognizing certain events, causes, individuals, or groups. In issuing such proclamations the Commission does not wish to offend persons or groups, but the Commission wishes to recognize causes, events, persons, groups, or organizations with local implications. The Commission will consider requests that are timely, have potential relevance to a majority of Oregon City's population, and contain positive messages.

The Intent of Proclamations. It is the City's position that proclamations issued by the City Commission are not subject to a public hearing, but are the means by which the City Commission speaks on an issue.

Guidelines.
The Commission will issue proclamations only on the following subject matter, unless the Mayor requests an exception:

A. Matters involving the operation or programs of municipal government or the provision of municipal services to the citizens and businesses in the City.

B. Subjects that relate to components of the Oregon City Comprehensive Plan, Master Plans, or Commission goals.

C. Requests to honor businesses that are located in the City, services or philanthropic organizations that provide a significant level of service or business in the City, and sports teams based in Oregon City upon accomplishment of noteworthy achievements, programs, or milestones.

D. Requests to honor the life of a long-time or prominent Oregon City resident or staff member upon his or her death.

E. Requests to honor city officials, employees, volunteers and consultants for their achievements or milestones of service.

F. Events involving official City sponsorship or ceremonial participation.

The Commission will not issue proclamations containing the following subject matters:

A. Requests to support or oppose candidates for public office.

B. Requests for support, endorsement or protection of religious, spiritual or philosophical practices, groups, theories or practices.

C. Language that includes any inflammatory, obscene or libelous statements or promotes the hatred of any person or class of persons.

Requestors must follow the listed proclamation processing requirements:

A. Requests for proclamations shall be submitted to the City Recorder's office. Staff will send it to the Mayor for approval, then place it on a future City Commission agenda.

B. Requests for proclamations must be submitted to the City Recorder's office no less than 30 days prior to the Commission meeting or event at which the proclamation would be issued.

C. Requests should include draft language and background information that can be used to prepare the proclamation.

D. National and international groups requesting proclamations must have a City sponsor.

No subordinate board, commission or committee of the City and no individual Commissioner or other official of the City may issue a proclamation without prior approval and consent of the Mayor.

This policy was adopted by the City Commission on April 1, 2015.

CHARTER EMPLOYEE COMPLAINT REPORTING PROCEDURE

PURPOSE

To establish the notification procedure for the Mayor and City Commission in the event of allegations of misconduct, harassment or illegal / unethical conduct against the City Manager or Municipal Court Judge.

APPLICABILITY

This policy applies to employees of the City of Oregon City.

REFERENCES

A. Personnel Policy 030 – Equal Employment Opportunity and Harassment Policy
B. Personnel Policy 410 – Standards of Conduct

PROCEEDURE

The City Manager and Municipal Court Judge are City employees appointed and serving at the pleasure of the City Commission. The City Manager and Municipal Court Judge are subject to employee Personnel Policies and Procedures. Allegations against any City employee are treated seriously, promptly investigated and resolved timely.
The reporting requirements of references A and B apply to the City Manager and the Municipal Court Judge, subject to the following modification in the procedure which shall be followed whenever a complaint against the City Manager or Municipal Court Judge is received.

Immediately upon receipt of an allegation (including any available documentation or evidence to the support the complaint) of misconduct, harassment or illegal / unethical conduct committed by the City Manager or Municipal Court Judge, or concerning which either is in any way complicit, the Human Resources Director will notify the Mayor and the City Commission immediately upon determining that the elements of the complaint are reliably ascertained. ("Reliably ascertained" means that a written complaint has been received by the Human Resources Director, or the basis of the allegations has been provided verbally to the Human Resources Director by the complainant or other source which the Human Resources Director deems sufficiently credible and specific as to be susceptible to investigation.) The official accused shall be informed of the nature of the complaint and the actions the City will take when the Human Resources Director has determined that notification is appropriate and the content of the notification. In every case, notification shall follow a determination that the allegations are not potentially criminal. If potentially criminal, then the Human Resources Director will consult with the City's attorney, make recommendations to the Mayor and Commission and keep the Commission fully informed.

Upon receipt of a notification of charges against the City Manager or Municipal Court Judge, the Mayor will determine the need to call an Emergency Executive Session to discuss the complaint and, if an Executive Session is needed, will notify the City Recorder's Office to make the notifications required by the Open Meetings Law. The Human Resources Director will provide the Mayor and Commission a recommended course of action relating to completing requirements of an appropriate investigation, whether the official should be placed on administrative leave with pay, and other matters appropriate for consideration and action by the Commission. The Human Resources Director shall oversee the scope of work of investigation.

This policy was adopted by the City Commission on January 20, 2016.