



CITY OF
West Linn
 PLANNING AND DEVELOPMENT

STAFF REPORT

CITY COUNCIL HEARING

MEETING DATE: FEBRUARY 8, 2010

FILE NO.: ANX 09-01

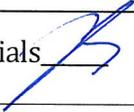
REQUEST: STEP TWO PUBLIC HEARING FOR THE PROPOSED ANNEXATION OF AN APPROXIMATELY 7.5 ACRE PROPERTY LOCATED AT 3332 AND 3151 PARKER ROAD. THE AREA TO BE ANNEXED INCLUDES A PORTION OF THE PARKER ROAD RIGHT-OF-WAY ADJACENT TO THE SITE.

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**City of West Linn
PLANNING DEPARTMENT**

TO: West Linn City Council
FROM: Chris Kerr, Senior Planner 
DATE: January 15, 2010 (City Council Meeting February 8, 2010)
FILE NO.: ANX-09-01
SUBJECT: Step Two public hearing regarding an annexation request for the property located at 3332 and 3151 Parker Road

Planning Director's Initials 

SPECIFIC DATA

OWNERS: West Linn-Wilsonville School District
SITE LOCATION: 3332 and 3151 Parker Road
APPLICANT: City of West Linn
SITE SIZE: ±7.5 acres
DESCRIPTION: The site is identified as Tax Lot 21E26D00500. It is a single lot of record, bisected by Parker Road. The annexation request includes the Parker Road right-of-way extending through the site.

APPROVAL CRITERIA: Outlined in Municipal Code Sections 2.915 through 2.960

COUNTY ZONING: FU-10 - Future Urbanizable 10 acre district (County)

PROPOSED ZONING (CITY): R-3 (Multi-family residential)

COMPREHENSIVE PLAN DESIGNATION: Medium High Density Residential

PUBLIC NOTICE: Notice was mailed to all property owners within 500 feet, as well as other interested parties, on January 15, 2010. Public notice was posted on the subject site, and in four public places within West Linn on January 15, 2010. The hearing was noticed in the West Linn Tidings on January 21st and 28th, 2010. Notice was also posted to the City website on January 19, 2010. All notice requirements for Step 2 Annexations were fulfilled.

PUBLIC COMMENTS: No comments have been received as of the date of the this Report

SUMMARY: This is a Step Two annexation hearing to consider placing the requested annexation of the 7.5 acre Parker Road property before the voters on the May 18, 2010 ballot. The Council previously approved Step One of the requested annexation and determined that, if annexed, the property would have a zoning designation of R-3. All application and notice requirements have been satisfied and all applicable criteria for annexations have been met. The property is located within the Urban Growth Boundary (UGB) and has been included in all of the City's adopted long-range facility and capital improvement plans. This infill property is surrounded on all sides by land that has already been annexed to the City. The annexation and ultimate development of the subject property would be in accordance with the anticipated, planned build-out of the City provided for in the Comprehensive Plan.

RECOMMENDATION

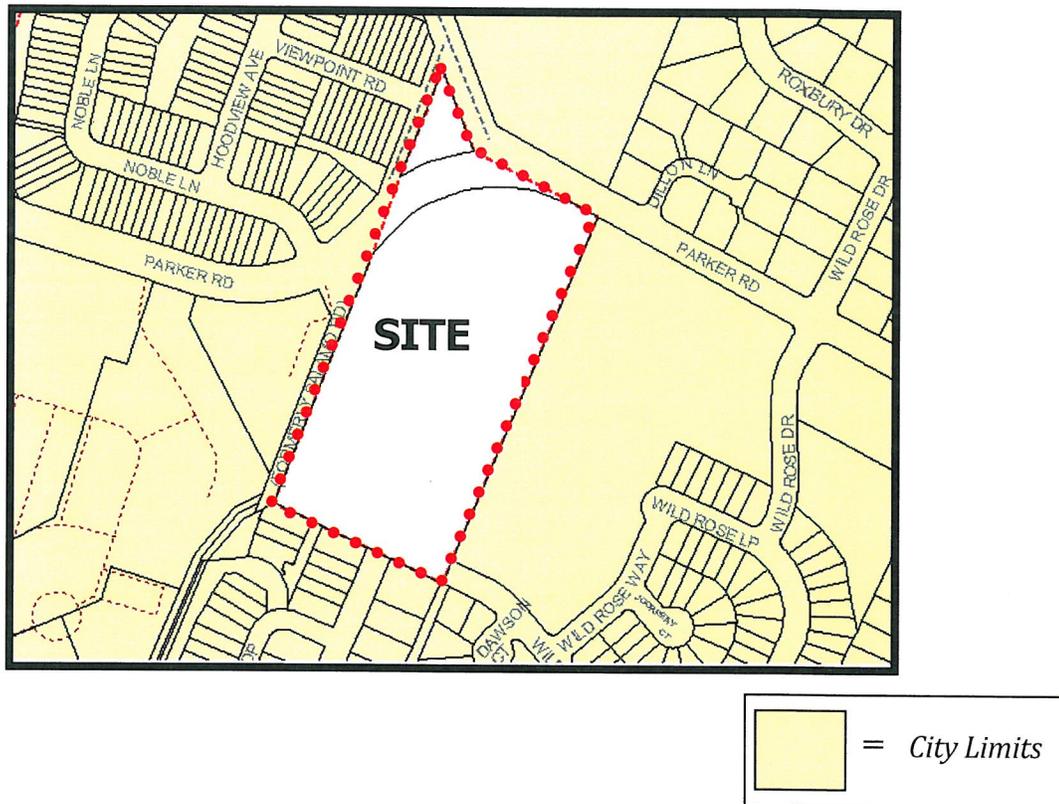
Staff recommends that the City Council adopt the attached annexation Resolution which will place the proposed annexation before the voters on the May 18, 2010 ballot.

BACKGROUND

There is a two 'step' City Council hearing process for annexations in the City of West Linn. Additionally, annexations require a majority vote from the City's electorate. On November 9, 2009, the West Linn City Council passed a motion directing Staff to initiate an annexation application for this property. On December 14, 2009, the City Council approved the Step One annexation request, with a determination that, if it is ultimately annexed into the City, the property would be zoned R-3 (Single-Family and Multiple-Family Residential). This is consistent with the surrounding zoning and the current Comprehensive Plan designation of Medium High Density Residential.

A Step Two annexation decision is a legislative action to be made to determine whether or not to refer the requested annexation to the voters for their approval or denial. The City's Municipal Code provides the Council considerable leeway in determining whether or not to send the annexation request to the voters of the City. In making their Step Two decision, the Council may consider any policy issues that the Council deems relevant. If the Council decides to approve

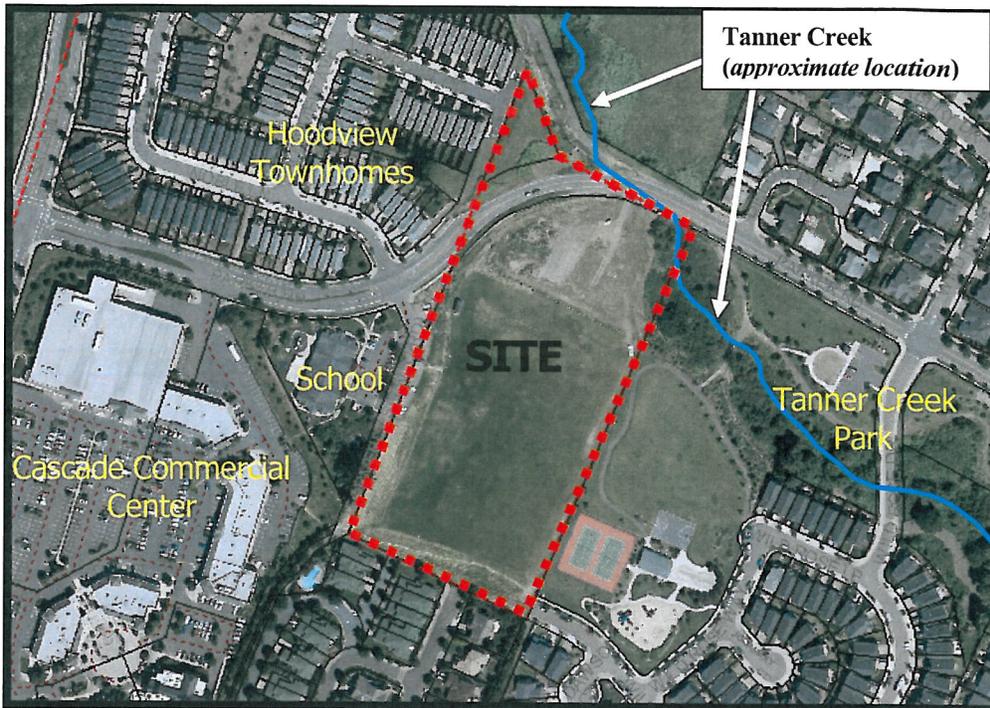
the Step Two request, they should also set the date of the election (staff recommends May 18, 2010).



The area to be annexed, outlined in red above, comprises approximately seven and one-half (7.5) acres including the portion of the Parker Road right-of-way bisecting the site. The Parker Road right-of-way was dedicated to the City in December of 1998, but never annexed into the City. The property is a single tax lot of record owned by the West Linn–Wilsonville School District. The property owner has provided written consent for this annexation application. The property is within the limits of the Urban Growth Boundary and the City limits. It has a Comprehensive Plan designation of Medium High Density Residential and, if annexed, the property would receive an R-3 zoning district designation.

SITE CONDITIONS

The majority of the site has frontage on a City arterial, is vacant, generally flat and covered with grass. It is used as athletic practice fields and occasionally for public gatherings. An area along the eastern boundary of the site includes a stream and a small wetland (see aerial map below).



Regulations protecting these sensitive areas will be applied when a specific development application is submitted. An open drainage ditch runs adjacent to Parker Road along property's frontage. Stormwater run-off from the site ultimately feeds into Tanner Creek. A small 'triangular' portion of the property, north of Parker Road, which was created when Parker Road was dedicated, has limited development potential due to its small size, shape, and the adjacent creek.

SURROUNDING LAND USES

The site is bordered by a variety of uses and zoning districts. To the west is multi-family housing, a private Montessori school, and with the Cascade Shopping Center. Undeveloped land and single family homes lie to the north; Tanner Creek Park borders the eastern property line and multi-family and single-family housing are found south of the site. The surrounding zoning districts include commercial (GC), multi-family (R-3), and single family residential (R-7 and R-10) along the northern side of Parker Road.

STAFF ANALYSIS

Relevant Regulations:. As previously noted, the annexation process is established by state statutes found in ORS 222, Metro Code Chapter 3.09, CDC Chapter 81 and City Municipal Code Chapter 2.915-2.960. Step Two of the annexation process entails a legislative decision for the City Council regarding whether to place the request before the voters. There are no specific criteria for the City Council to apply to their decision; however, the Council has broad authority to:

"...approve or deny placing an annexation before the voters based upon, but not limited to, matters such as taxation, infrastructure, environmental impacts, housing

supply, school capacity, availability of park land and other considerations deemed by the City Council as relevant". (Muni. Code 2.930)

Additionally, Municipal Code Section 2.950(2)(b)(i) states that staff shall prepare a summary as follows:

"The staff shall prepare a report that summarizes the effect of the annexation based on the most intensive land use permitted by the designated City zone for the site. The staff shall also describe the physical, environmental, social and economic impacts of the annexation on the community as a whole and on the neighborhood of which it will be a part."

Overview: The subject site an infill property that is located within the UGB. It is surrounded on all sides by lands already in the City; it is essentially a 'hole in the donut', whose annexation would represent the natural progression of logical development within the City limits. Annexation would allow the City to anticipate, and control, future development of the site in a predictable manner that is in accordance with the City's goals and aspirations.

Currently the property is not subject to the City's regulations. If annexed into the City, any future development will be subject to City approvals, including all of our rules and regulations. These include all CDC regulations, public works and stormwater requirements, environmental protections, and any financial obligations established by the City. Cumulatively, Staff expects that the application of the City's regulations would result in a positive impact for the adjacent neighborhood and the overall community.

MOST INTENSIVE LAND USE PERMITTED ON THE SITE IF ANNEXED

The requested annexation does not involve a specific development application and one is not required (or even permissible) at this point. The most intensive land use permitted under the R-3 Zoning District is multi-family housing at the minimum 3,000 square foot lot size. It should be noted, however, that the applicable R-3 zoning district provides for a variety of conditional uses, including schools and public uses, such as government offices or a police station. Such uses can be made compatible with other uses in the district through the application of restrictive conditions and approval criteria, following a public hearing. The School District has not indicated that they intend to construct a school on the property.

As previously noted, the entire area to be annexed is approximately 7.5 acres. Of that, the Parker Road right-of-way encompasses ± 0.48 acres; the 'triangle' area north of Parker Road is ± 0.3 acres; and the main body of the site (south of Parker Road) is ± 6.7 acres. Under the R-3 zoning district, Staff estimates that a maximum of 67 multi-family units could be developed on the site.¹ In Staff's estimation, multi-story apartment buildings would be required to achieve that level of density on this site.

¹ Broadly applying the minimum 3,000 s.f. lot size to the entire 7.5 acre property to determine density would be incorrect since the Community Development Code (CDC) specifies certain reductions (e.g., right-of-way) that must be applied to the determine the 'net' acreage of the property for density calculation purposes. Additionally, the CDC only permits a portion of the density to be transferred from areas with environmentally constrained lands

PHYSICAL IMPACTS

The development of a maximum of 67 multi-family units on this site would provide a continuation of the development pattern that surrounds this property consistent with the Comprehensive Plan. The property has direct access onto Parker Road which is a designated City arterial. Anticipated physical improvements would likely include: construction of a sidewalk and drainage facilities along Parker Road, connections to the surrounding trail system, a stormwater treatment facility and perhaps enhancement of the water resource area's transition area. Under that scenario, the existing athletic field would be displaced.

ENVIRONMENTAL IMPACTS

As noted above, the majority of the site is flat and covered with mowed grass. An area along the site's eastern boundary includes a stream and a small wetland. Development of up to 67 multi-family dwelling units on the site will require adherence to the City's environmental regulations. The Community Development Code (CDC) restricts development in these areas, protects significant trees, and provides for reducing potential downstream impacts into Tanner Creek. The CDC provides for transition areas on the subject property for any water resources areas, even if they are located off-site, but these regulations are not expected to significantly impact the future development potential of the site.

The City's environmental standards are significantly stricter than they were when the surrounding neighborhoods were developed. This means that the future development of this site will result in more sensitive site planning, more riparian areas being preserved, and much less impact on the environmentally constrained lands on the property than has occurred previously in the City or could occur under the existing County standards. It is only through the annexation of the site that the City is able to apply its environmental standards.

SOCIAL IMPACTS

As noted above, construction of up to 67 residences on this site would result in a development substantially consistent with the character of this area. The residents of this site, if annexed, would have the opportunity to fully participate in the affairs of City government, and in return would be subject to the same City regulations and standards as the surrounding areas already within West Linn.

The City's long planning documents, such as the Comprehensive Plan, Imagine West Linn and the Sustainable West Linn Strategic Plan, specifically recommend and encourage higher density housing to be located along arterials and in close proximity to employment/commercial centers. These Plans recognize that appropriately locating this type of land use helps the City to satisfy its goals, such as increasing opportunities for alternative modes of travel (pedestrian, biking, future transit), and reduces the vehicle mile traveled within the community. Provided the future development of the site meets all of the provisions of the CDC and is compatible with the

(e.g., buffers for adjacent wetlands, riparian corridor, and tree canopies, etc.). Staff's estimates the net acreage of the property to be 5.2 acres, with one of those acres located within Water Resource Area buffers.

adjacent developments, this annexation will further implement the established long range goals of the City.

ECONOMIC IMPACTS

Development of the site could benefit surrounding businesses during the construction period and might employ local workers. In the event the site is developed for dwellings, a use that supports employees, or a use that draws people to the area, it would provide a source of customers for local businesses. While it is not possible to determine all of the long-term economic impacts of an annexation, Staff can provide an accurate summary of the System Development Charges (SDC's) and related fees that would be collected, if the subject site is developed. Please note that that SDC's would be collected if the site is developed as part of a Conditional Use approval as well (e.g., public facility or school) as well, and determining the exact amount of SDC's would be based on the specific plan proposed on the site. Assuming 67 multi-family homes were to be constructed on the property, the SDC's to be collected would be as follows²:

Streets: Any future development of the site will be required to pay SDC's for improvement of significant citywide streets. The current charge is \$3,527 per new dwelling unit, resulting in a Street SDC total of \$236,309. The Council is currently considering an increase in the Street SDC of 36%; if that increase is approved and it is applicable to this site, then the total Street SDC's collected for the 67 multi-family units would be \$321,380. Additionally, the City's roadway maintenance fee would be applied to development on this site to help pay for ongoing maintenance of City streets.

Water: The developer of this site will be required to pay Water SDC's for improvements to the City's overall water system. Assuming that the 67 units utilize a 5/8" water meter, the City would receive \$4,828 per unit, or a total of \$323,476. However, the Council is currently considering an increase in the Water SDC of 43%; if that increase is approved and it is applicable to the this site, then the total Water SDC's collected *for the City* would be \$462,570. Standard utility charges for any new development will also pay for city-wide water system maintenance and improvements.

Sanitary Sewer: A Sewer SDC for citywide sewer facilities will be collected for any future development of the site. The City would receive \$1,529 per multi-family dwelling. Assuming 67 multi-family units, the total Sewer SDC's collected *for the City* would be \$102,443 (see footnote #2 below). Utility charges for any new development will also help pay for city-wide sewer system maintenance and improvements.

² Note: the total amount of SDC's for water and sewer that must be paid by the developer is greater than the number shown in the report. This report only identifies that portion of the total amount that is payable to the City of West Linn. Additional SDC's are collected from the applicant for water and sewer charges for both the South Fork Water Board (water) and the Tri-City Service District (sewer). Under the current example, assuming that the units provide a 5/8" water meter, the Tri-City Service District would receive \$1,616 per unit. The South Fork Water Board would receive \$1,363 per unit. These bodies have historically approved an annual inflationary rate increases and are expected to do so again in January of 2010.

Storm Drainage: The City of West Linn collects Stormwater SDC's for citywide storm drainage facilities as well. The exact amount of the stormwater SDC that will due is based on the amount of impervious surface area of the development, therefore at this time only an estimate of the amount that will be paid is possible. Based on our experience with similar projects, Staff estimates that the total Stormwater SDC's for the development of 67 multi-family units on this property would be \$64,052.

Parks: Any development of the property will require payment of Parks SDC's. Assuming 67 multi-family units are developed on the site, the City would collect \$5,923 per additional dwelling unit, for a total of \$396,841. Additionally, the City has a utility fee that will be applicable to any new development on this site to help pay for ongoing maintenance of City parks.

<i>Total Estimated City SDC's for 67 multi-family units:</i>	<u>\$ 1,123,121</u>
<i>If the SDC increases discussed above are implemented:</i>	<u>\$ 1,347,287</u>

Schools: In 2007, changes in state law allow school districts to collect a construction impact fee for new development at a maximum rate per square foot. The West Linn-Wilsonville School District instituted a construction impact fee of \$1.00 per square foot, which will be paid for by any new residences developed on this site. Property taxes paid by any new residences will help pay for ongoing operation of the district's school system.

Fire Protection: West Linn is part of the Tualatin Valley Fire & Rescue District (TVF&R). TVF&R has indicated that the proposed annexation would not cause an anticipated change in the provision of fire and emergency services.

Police Services: Development on this site will not materially affect the city's ability to provide effective police service to the community.

General City Services: General City services are financed through property tax revenues. This property currently has an assessed of \$345,000. This property is currently tax-exempt, and will remain tax-exempt so long as it is publicly owned and to be developed for public purposes. If the property was not tax-exempt, based upon current tax rates, upon annexation West Linn would receive an additional \$731 annually from the City's basic property tax levy. The City would also receive \$114 annually toward repayment of existing city bond obligations. Any new residences would significantly increase assessed values and thus proportionally increase tax revenues.