



## STAFF REPORT

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Owner:	Millersburg Land and Development, LLC
Nature of Application:	Annexation of approximately 9.09 acres.
Property Location:	Generally, that westerly portion of T12S-R5W-Sec. 7, Tax Lot 504; north of Chapel Drive and west of Newton Creek
Applicable Criteria:	Chapter 18.135 of the Philomath Municipal Code
Comp. Plan Designation:	Low Density Residential
Proposed Zoning:	Low Density Residential (R-1)
Staff Contact:	Chris Workman, City Manager / Planning Official
File Number:	PC17-08

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### **BACKGROUND**

The owner seeks to annex approximately 9.09 acres of land for low-density residential development. This annexation, if approved by the City Council, will allow the owner to develop the property with approximately 45 homes (estimated five homes per acres); increasing the City's population by roughly 119 persons at total build-out (using 2.64 persons per dwelling). Within these 9.09 gross acres, the City will require the applicant to protect the riparian corridors to the east and provide land or funds for public park space.

The question of "if" the subject property should be annexed into the City was already answered when the property was included in the City's Urban Growth Boundary over 20 years ago. The actual question before the City Council is *when* the property should be annexed into the City. The criteria found in PMC 18.135 is used to determine whether the appropriate time to annex the property is now, if the application is deemed complete, and if the City has the necessary infrastructure planned or in place to serve the property when it is developed.

Staff has reviewed the application and found that it is complete. Staff and the City Engineer have identified the need for improvements or upgrades to the current water and sewer systems that will be necessary at the time of development. The Comprehensive Plan indicates this development would eventually occur and the City has taken steps to prepare for this annexation. The City has developed facility master plans for water, wastewater, transportation, storm drain and parks that identify infrastructure improvements required as the City grows. To finance these improvements, the City has established system development charges (SDCs) that require development to pay for the capacity improvements needed to accommodate growth.

The City Council may either adopt the Findings of Fact as approved by the Planning Commission or modify the findings of fact following the public hearing. The Council will

then vote to either approve the application or deny it based on any new Findings of Fact. If denied, the applicant may file an appeal to the State Land Use Board of Appeals. If approved, the City Council will consider an ordinance annexing the property into the City. There is no allowance under existing State law for consideration by the Philomath electorate on this type of annexation application.

## **COMMENTS RECEIVED**

No comments were submitted at the time of this report.

## **DECISION CRITERIA**

**Philomath Municipal Code Chapter 18.135 details the criteria for evaluating Annexations.**

**A) Statement of Process. The process of annexation of land to the City allows for orderly expansion of the City and for the adequate provision of public facilities and services. The City Charter requires that annexation, and/or extension of city services beyond city boundaries may only be approved by a majority vote of the electorate.**

The owner is seeking to have this property annexed into the City. The property is located within the City's UGB and abuts the City along its western boundary. The property immediately to the west is approved for urban development and incorporated into this application's development concept. Municipal water, sewer and streets are adjacent to the property and available to extend into and serve future development of the subject property. This annexation will allow for the orderly expansion of the city limits and provision of public facilities and services.

Current State law prohibits the City from sending this annexation to the electorate for approval.

### **B) Annexation Filing Deadlines.**

- 1) Unless mandated by State law, all annexation requests approved by the City Council shall be referred to the voters in accordance with the requirements of this title and ORS Division 222.**
- 2) Annexation elections are scheduled for May and November. Applications for annexation shall be filed with the planning department before 5:00 p.m. on the second Thursday of November for a ballot election in May and before 5:00 p.m. on the second Thursday of May for a ballot election in November.**

Current State law prohibits the City from sending this annexation to the electorate for approval. This section is not applicable.

**C) Requirements for Applications. Applications to the city for initiation of annexation proceedings made by individuals shall be on forms provided by the planning official and shall include the following material:**

- 1) Written consent to the annexation signed by the requisite number of affected property owners, electors, or both, to dispense with an election within the territory to be annexed, as provided by state law.**

This section is not applicable.

**2) A legal description of the property to be annexed.**

A legal description of the subject property is incorporated as part of the application and findings describing the subject property.

**3) A map of the area to be annexed, including adjacent city territory.**

The applicant has supplied a map depicting the subject property, surrounding area, city limits and UGB, which is incorporated as part of the application and findings.

- 4) Sufficient information for city staff to allow for the completion of an impact analysis on existing water supply and facilities, and existing sewer, drainage, transportation, park and school facilities. In addition, city staff shall project what additional facilities will be required to serve the development described in the conceptual plan and, if necessary, how such facilities will need to be phased in over time. The application shall provide evidence of the need of the proposal by citing data and statistics that support the annexation.**

City services including water, sewer, storm drain, and streets are available to be extended into the subject property. These facilities were designed and approved by the City in its facility master plans to accommodate this development and surrounding areas. This annexation will allow the development to utilize these services and provide the logical extension of them into this section of the City's urban growth boundary. The City Engineer has commented on what a development of this size will trigger in the way of improvements or upgrades to the current water and sewer systems.

**Water:** Water is available to the subject property and the City has adequate water rights to provide water to future development of this site. Between the Marys River (3.68 million gallons per day (mgd)), city wells (.74 mgd), and the Rock Creek Intertie (.85 mgd), the City has access to 5.27 million gallons of water per day.

The average water use per person is 150 gallons of water per day (g/d). The City's current population according to the PSU Population Research Center is 4710. That equates to a total current demand of 706,500 g/d. The added demand for this property upon full build out of 119 persons will be 17,700 g/d. When taking into consideration the current development of two apartment complexes with a combined population estimate

of 898 people or 134,700 g/d, the total estimated demand for the City with this annexation reaches 858,900 g/d.

<b>Available Water (gallons)</b>		<b>5,270,000</b>
<u>Water Demand (gallons)</u>		
Current Population	706,500	
Approved Developments	134,700	
<i>Proposed Annexation</i>	<u>17,700</u>	
<b>Total</b>		<b>858,900</b>

The current water treatment plant is rated at 1.2 million gallons per day (MGD), though it typically produces roughly .95 MGD due to its age, incoming water quality, and other factors. The City also has water rights at the 11<sup>th</sup> Street well and 9<sup>th</sup> Street well which can be utilized more fully as needed.

The City is planning to construct a new plant that will be operational by 2021 with a rated capacity of 2.5 MGD. The plant will be paid for by current utility fees, as it will replace the existing plant, and new development through the collection of System Development Charges (SDCs).

According to the 2005 Water Master Plan, the City has a storage capacity deficit for emergency fire protection. Although the storage deficit is offset by the availability of the 11th Street well and the Rock Creek Intertie, development of the subject property will exacerbate the existing storage deficit. A second water tank ultimately needs to be constructed as a long-term water storage solution. The City plans to construct the new tank at the same time as the treatment plant and have it operational by the year 2021. The tank will be paid for in part by current utility fees and in part by development, either directly or through the payment of SDCs collected at the time of development.

The Philomath Rural Fire Protection District has indicated minimum fire flows of 1000 gallons per minute at 20 psi will be required throughout any future development.

**Sewer:** Sewer is available to the property and the City has adequate treatment capacity at the sewer lagoons (expanded in 2011) to provide sewer service to future development of this site.

It is presumed this development will generate the demand to collect and treat approximately 11,800 gallons of wastewater at 100 gallons per person per day. The added wastewater from approximately 119 new residents can be handled with the existing treatment facility, in addition to the apartment complex developments already underway.

The City's Wastewater Master Plan calls for the area to be served primarily by a new line that drains directly to the Newton Creek Pump Station to the east. There is a 10 inch diameter stub out at the Newton Creek Pump Station for this purpose. Some

connections can be made to the existing 21 inch line, but these should be kept to a minimum.

At full build-out, this development will exceed the design capacity of the existing Newton Creek Pump Station and the station will need to be improved at the time of the development. This will be paid for in part by current utility fees and in part by development, either directly or through the payment of System Development Charges (SDCs) collected at the time of development.

The pressure main carrying the wastewater to the lagoons will also need to be upsized. Financing the cost of needed improvements will come from SDCs and City sewer funds.

The City will continue to implement its Master Plans for collection, pumping, and treatment. In addition, the financing of these necessary capital improvements has been addressed through the adoption of sanitary sewer SDCs. The City is updating the wastewater SDC and user fees to ensure they are adequate.

**Storm Drainage:** Drainage from the property north of the site is via Newton Creek. The applicant has recognized the need to provide for on-site detention of storm water and will be required to provide the City with a comprehensive strategy to address storm water impacts at the time of development. Offsite storm drain improvements will be paid for with SDCs and storm drain fees.

**Streets:** Access to the subject property will be via Chapel Drive. Chapel Drive is a Benton County minor arterial and carries traffic through Benton County beyond the City of Philomath.

The estimated daily traffic generation of a new development is used as the criteria for determining whether a transportation impact analysis (TIA) is needed. If new access is located on an arterial or collector and the estimated daily traffic generation is more than 1000 trips, a TIA may be required. If access is located on a local street or alley and the generated trips exceed 200, a TIA may be required.

The applicant has provided an analysis from its traffic engineer stating, "The ITE Trip Generation Manual estimates that each single family home will generate 9.52 average daily trips (ADT). 52 single family homes, when they are complete and occupied are estimated to generate 495 trips per day. 52 of those trips will be during the PM peak hour." This letter is incorporated by reference as part of the application. Due to the low estimated trip counts, no formal TIA is required for this development.

**Parks:** The nearest city park is a community park located to the north of the subject property and the property also abuts the middle school and high school ball fields. The existence of these facilities, however, does not reduce the requirement for new development to provide parkland for recreation.

The City's Park Master Plan reflects the need for a new community park east of the subject property and ultimately a new neighborhood park in the southeast corner of the City's UGB. Models in the Plan calculate that residential development should provide 15 acres of parkland per 1000 persons. In this case, a minimum of 1.78 acres of park and open parkland and/or trails will be required at the time of development. The scope and amenities would be determined as part of the development review process. Land dedication would be done at the time of development and improvements would be paid for with SDCs and General Fund dollars.

**Schools:** The Philomath School District will provide school facilities. With an expected student population of 0.5 students per household and the current development of two apartment complexes with a combined population estimate of 898 people, the District will have to accommodate an additional 461 students. The District embarked on major expansions over the past ten years. The construction of the primary school and additions to the high school, combined with declining enrollment over the past several years, have left the School District with capacity to take in new students without adding new facilities. The District will need to determine how to best meet the anticipated long-term demands for additional facilities.

**Additional Facilities:** The expected demand from this development will be that necessary to serve approximately 119 more persons. The City will be able to both construct and finance necessary infrastructure improvements through the implementation of its adopted water and wastewater master plans and associated SDCs.

**5) A statement outlining the method and source of financing required to provide additional facilities.**

The owner will provide private financing for all on-site improvements such as utilities, street improvements and drainage facilities. Off-site improvements to the water and wastewater systems may also need to be completed. It is anticipated that the developer will finance the needed improvements, in conjunction with available System Development Fees, or a combination of private financing and SDC fees or credits.

**6) A conceptual development plan shall be provided by the applicant and shall include the following:**

- i. A scale drawing of the site**
- ii. The conceptual development plan**

The applicant has provided a general land use plan, which includes developing the subject property – along with the strip of land already within the City and approved for low density development (*generally lots 1-14 of the Chapel Drive Subdivision*). The full development proposal will develop to 52 dwellings. The development plan calls for serving the subject property via new streets to and through the subject property.

The Local Wetland Inventory (LWI) indicates probable jurisdictional wetlands in the southerly portion of the property. The applicant's concept proposes to minimize and avoid the wetlands in the development plan.

**7. A statement indicating the type and nature of any comprehensive plan text or map amendments or zoning ordinance or zoning map amendments that may be required to complete the planned development.**

The property is planned for low-density residential use, which is consistent with the proposed development concept. No plan amendment is required. The zoning map will need to be modified to denote the subject property within the City limits and city zoning. Upon annexation, the property will be zoned Low Density Family Residential (R-1).

**8. The application fee established by the city. In addition to the application fee, the planning official shall require a deposit that is adequate to cover any and all election costs.**

The owner paid the applicable annexation fee in full at the time the application was submitted. There is no election deposit required.

**FINDINGS OF FACT**

- 1) The property is located in the southeast section of the City's Urban Growth Boundary (UGB) and abuts the city limits along the west boundary. The lands to the south, across Chapel Drive, are outside the City's UGB.
- 2) The Comprehensive Plan designation of the property is County Low Density Residential (LDR); upon annexation, the land will be zoned Philomath Low Density Residential (R-1).
- 3) The subject property is approximately 9.09 acres of undeveloped land.
- 4) The subject property is constrained along the east side with natural areas (wetlands and riparian corridors) that are protected under the City's Development Code, state regulations and federal laws.
- 5) Under the census data used by the City, each dwelling would house an average of 2.64 persons, resulting in an increased population of 119 persons for the estimated 45 homes.
- 6) City facilities (streets, sewer, storm and water) are not located on the subject property and will need to be extended into and throughout the property upon development.
- 7) The city is capable of providing services to the subject property commensurate with the needs of existing approved and proposed developments.

- 8) City water rights are sufficient to provide water to future development on the subject property; however, treatment and storage facilities need to be upgraded to accommodate the additional average daily demand this and other developments within the City would demand upon full build-out.
- 9) The wastewater treatment facility is capable of servicing future development on the subject property. Newton Creek Pump Station is located southeast of the property and has a stub out to receive a new wastewater line from the subject property. A main line runs east of the subject property which may also be used for limited collection. The City's Wastewater Master Plan calls for increasing the capacity of the pump station and the wastewater main line to accommodate new development.
- 10) Peak hourly traffic is anticipated to be approximately 52 vehicular trips during the peak evening hour. No Traffic Impact Analysis (TIA) was required due to the minimal effect any proposed development would have on overall traffic flows in and around the subject property.
- 11) The Parks Master Plan reflects the need for approximately 1.78 acres for public park space based on the park system profile of 15 acres of parkland per 1000 persons.

## **COMPREHENSIVE PLAN POLICIES AND GOALS**

The application includes a review of the City's comprehensive plan policies and goals. Staff has reviewed the application's analysis in relation to following comprehensive plan policies and goals:

Citizen Involvement. Notifications were mailed to neighbors and interested parties as required and a public hearing will be held before the Planning Commission and the City Council.

Housing. (1) The City shall include an adequate supply for buildable residential land within the Urban Growth Boundary in order to accommodate the anticipated housing needs of the planning period.  
(6) Either annexation or delayed annexation must occur in order for City zoning to apply to residential lands currently in the urban fringe.  
(8) The City of Philomath will continue to evaluate various mechanisms to stabilize or reduce the cost of housing, particularly in relation to income levels.

Urbanization. (2) Land allocations for various uses designated on the Comprehensive Plan map shall be based on anticipated needs for development.  
(9) When considering annexation requests, the City of Philomath should evaluate its ability to provide services to areas proposed for annexation.  
(10) When considering annexation requests, the City of Philomath shall notify Benton County (as specified in the Urban Fringe Management Agreement between Philomath and Benton County) in order to allow the County to comment on the request.

Public Facilities and Service. (1) Public facilities should be designed with sufficient capacity to meet the City's future needs.

(5) Prior to or concurrent with the development of subdivisions or planned unit developments within the Urban Growth Boundary, provision for urban services shall be provided to the development site.

(6) Public facilities that are to be installed shall meet the minimum standard established by the City or designated on the City's master facilities plan unless otherwise exempted by the City, to provide for the cost effective installation of public facilities to benefit the City.

(14) Developers shall be required to participate in providing the facilities to serve their projects as a condition of approval.

(20) The City shall be the principal provider of sewer, water and public facilities and services within the Urban Growth Boundary

Transportation. (10) The transportation system shall be developed in a manner that contributes to community livability, recognizes and respects the characteristics of natural features, and minimizes the negative effects on abutting land uses.

(12) The transportation system shall be managed to reduce existing traffic congestion and facilitate the safe, efficient movement of people and commodities within the community.

(16) Development proposals shall be reviewed to assure the continuity of sidewalks, trails, multi-use paths, bike lanes, and other bicycle and pedestrian facilities.

(20) Access shall be gained from the lowest designated street, where property frontage is on more than one street.

Resources and Hazards - Open Space. (1) As urbanization occurs along watercourses, some open space area should be maintained in order to minimize erosion potential, maintain water temperature and quality, etc., natural drainage channels, and to allow for linear parks along these channels.

(2) Park and recreation land shall be considered for dedication in relation to the Park Master Plan when urban development occurs as a means of preserving open space.

The application meets the Comprehensive Plan's primary Residential Land Use Goal to "Maintain and improve existing residential areas; develop a variety of housing types in order to meet the City's housing needs."

Staff concludes the application conforms to the applicable comprehensive plan policies.

## **CONCLUSION**

The subject property is located within the City's Urban Growth Boundary and abuts the City along its western boundary. City services including water, sewer, storm drain, and streets are available to be extended into the property to serve future development.

This annexation will allow for the orderly expansion of the city limits and the provision of public facilities and services. The comprehensive plan fully anticipates developing the subject property for low-density residential development, with which the conceptual 52-

lot subdivision complies. There are a number of public improvements that may be required of future development, which have been anticipated and designed within each of the individual facility master plans. The cost for paying for these capacity improvements has been anticipated in the City's system development charge schedule. The applicable Comprehensive Plan policies have been reviewed and deemed, on the whole, to support the request for annexation. Staff concludes this annexation meets the applicable criteria set forth in Philomath Municipal Code Chapter 18.135.

## **RECOMMENDED MOTION**

*I move the City Council adopt the Findings of Fact as presented in the Staff Report dated March 1, 2018 and approve this annexation application, File Number PC17-08, and direct staff to present an ordinance annexing the property as identified in the application and Staff Report.*

OR

*I move the City Council adopt the Findings of Fact as modified in opposition to the applicable criteria and that the application for annexation of the subject property, as presented in File Number PC17-08, be denied.*