



Oregon

Theodore R. Kubongoski, Governor

Department of Land Conservation and Development

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NOTICE OF ADOPTED AMENDMENT

07/28/2014

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialist

SUBJECT: City of Molalla Plan Amendment
DLCD File Number 001-14

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Thursday, August 14, 2014

This amendment was submitted to DLCD for review prior to adoption pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE:** The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged.

Cc: Dan Huff, City of Molalla
Gordon Howard, DLCD Urban Planning Specialist
Jennifer Donnelly, DLCD Regional Representative

<paa> YA

DLCD FORM 2



NOTICE OF ADOPTED CHANGE TO A COMPREHENSIVE PLAN OR LAND USE REGULATION



Local governments are required to send notice of an adopted change to a comprehensive plan or land use regulation **no more than 20 days after the adoption.** (See OAR 660-018-0040). The rules require that the notice include a completed copy of this form. **This notice form is not for submittal of a completed periodic review task or a plan amendment reviewed in the manner of periodic review.** Use Form 4 for an adopted urban growth boundary including over 50 acres by a city with a population greater than 2,500 within the UGB or an urban growth boundary amendment over 100 acres adopted by a metropolitan service district. Use Form 5 for an adopted urban reserve designation, or amendment to add over 50 acres, by a city with a population greater than 2,500 within the UGB. Use Form 6 with submittal of an adopted periodic review task.

Jurisdiction: City of Molalla

Local file no.: P-6-2014

Date of adoption: July 23, 2014

Date sent: 7/24/2014

Was Notice of a Proposed Change (Form 1) submitted to DLCD?

Yes: Date (use the date of last revision if a revised Form 1 was submitted): 4-25-14

No

Is the adopted change different from what was described in the Notice of Proposed Change? Yes No

If yes, describe how the adoption differs from the proposal:

Local contact (name and title): Dan Huff

Phone: 503-829-6855

E-mail: dhuff@cityofmolalla.com

Street address: 117 N. Molalla Avenue

City: Molalla

Zip: 97038-

PLEASE COMPLETE ALL OF THE FOLLOWING SECTIONS THAT APPLY

For a change to comprehensive plan text:

Identify the sections of the plan that were added or amended and which statewide planning goals those sections implement, if any:

For a change to a comprehensive plan map:

Identify the former and new map designations and the area affected:

Change from Various	to Various	107 acres.	A goal exception was required for this change. NO
Change from change.	to	acres.	A goal exception was required for this
Change from change.	to	acres.	A goal exception was required for this
Change from	to	acres.	A goal exception was required for this change.

Location of affected property (T, R, Sec., TL and address): Please see attached information

The subject property is entirely within an urban growth boundary

The subject property is partially within an urban growth boundary

If the comprehensive plan map change is a UGB amendment including less than 50 acres and/or by a city with a population less than 2,500 in the urban area, indicate the number of acres of the former rural plan designation, by type, included in the boundary.

Exclusive Farm Use – Acres:	Non-resource – Acres:
Forest – Acres:	Marginal Lands – Acres:
Rural Residential – Acres:	Natural Resource/Coastal/Open Space – Acres:
Rural Commercial or Industrial – Acres:	Other: – Acres:

If the comprehensive plan map change is an urban reserve amendment including less than 50 acres, or establishment or amendment of an urban reserve by a city with a population less than 2,500 in the urban area, indicate the number of acres, by plan designation, included in the boundary.

Exclusive Farm Use – Acres:	Non-resource – Acres:
Forest – Acres:	Marginal Lands – Acres:
Rural Residential – Acres:	Natural Resource/Coastal/Open Space – Acres:
Rural Commercial or Industrial – Acres:	Other: – Acres:

For a change to the text of an ordinance or code:

Identify the sections of the ordinance or code that were added or amended by title and number:

For a change to a zoning map:

Identify the former and new base zone designations and the area affected:

Change from	to	Acres:
Change from	to	Acres:
Change from	to	Acres:
Change from	to	Acres:

Identify additions to or removal from an overlay zone designation and the area affected:

Overlay zone designation:	Acres added:	Acres removed:
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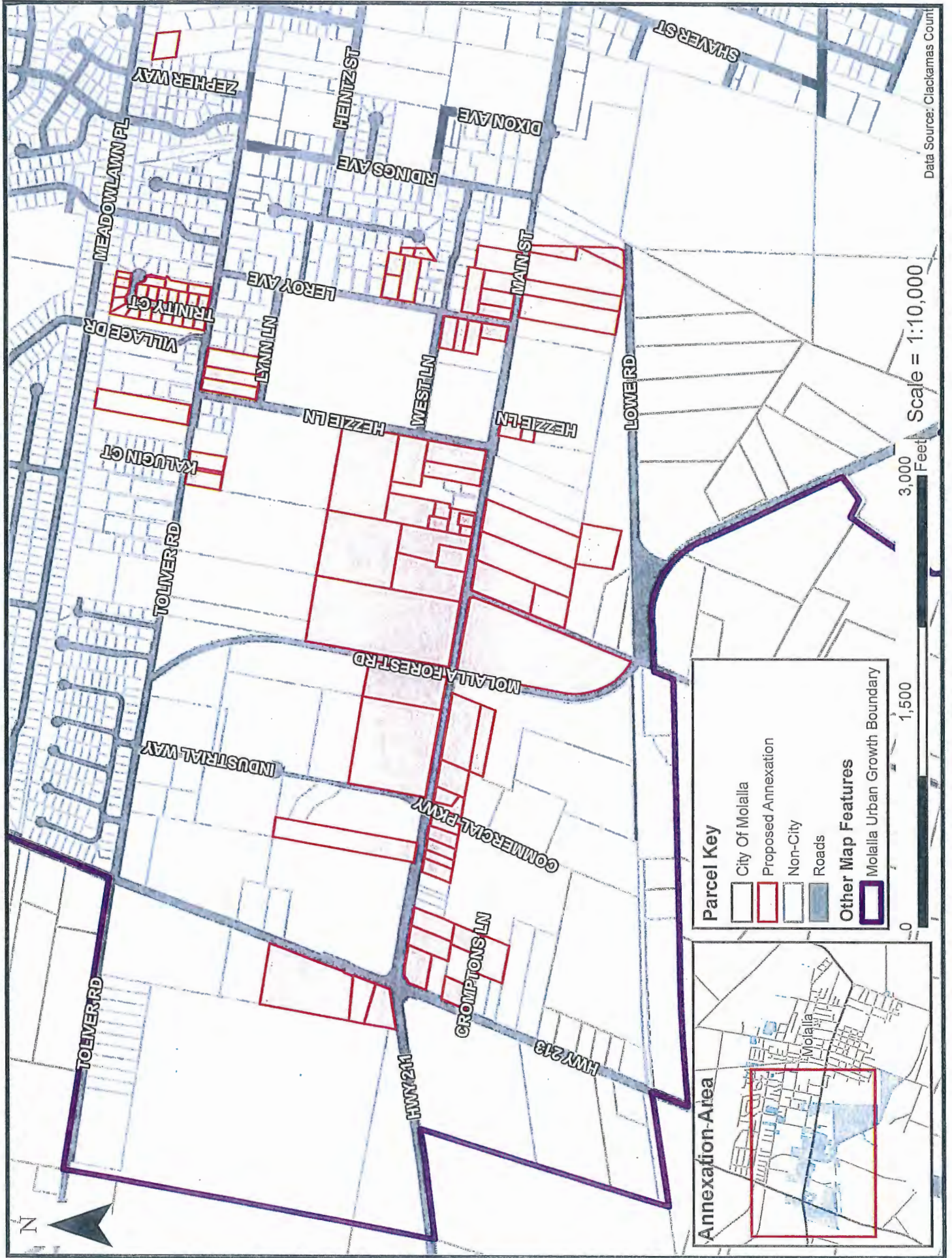
Location of affected property (T, R, Sec., TL and address):

List affected state or federal agencies, local governments and special districts: Clackamas County

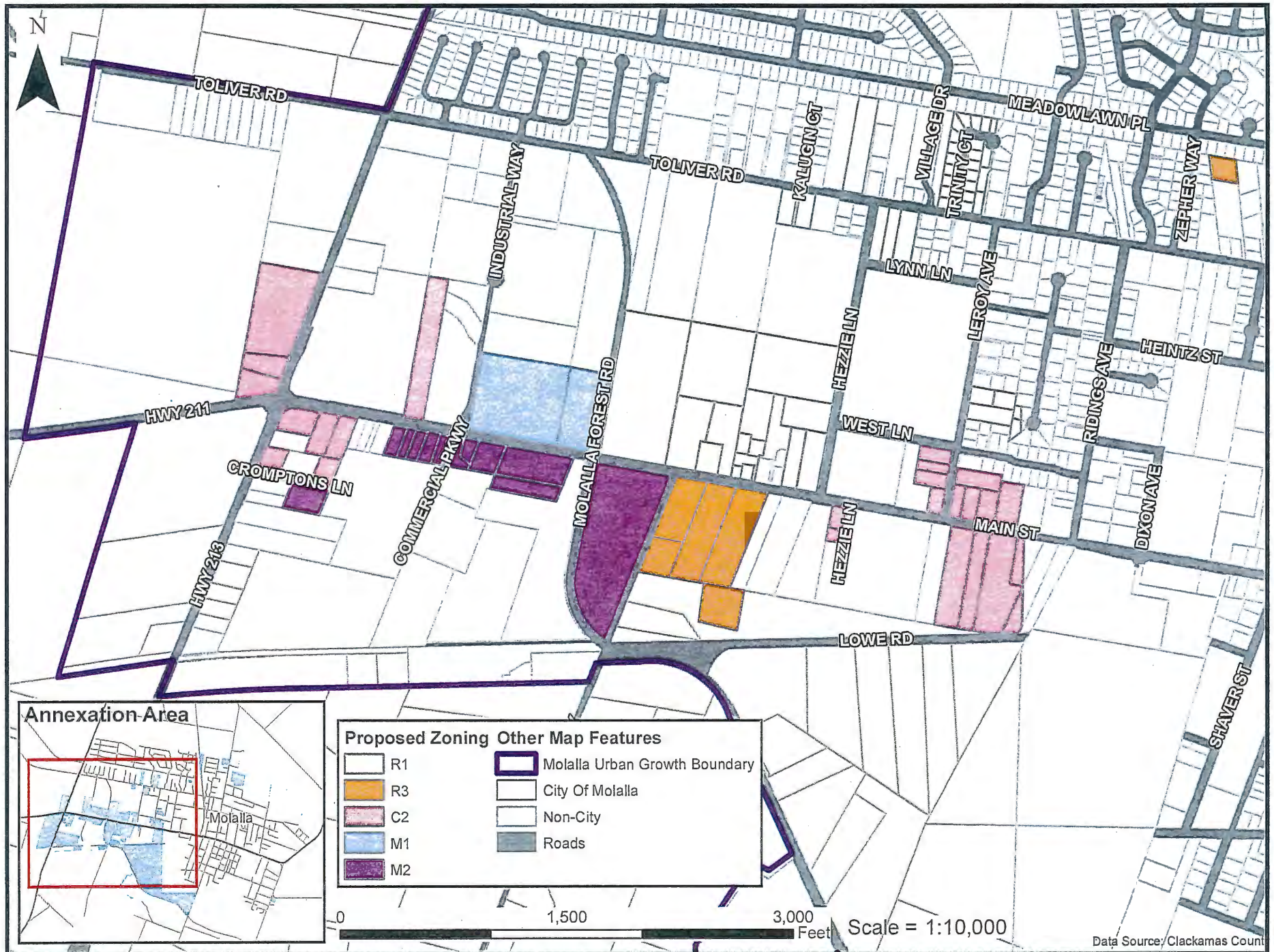
Identify supplemental information that is included because it may be useful to inform DLCD or members of the public of the effect of the actual change that has been submitted with this Notice of Adopted Change, if any. If the submittal, including supplementary materials, exceeds 100 pages, include a summary of the amendment briefly describing its purpose and requirements.

Island annexation of 96 individual properties located in various locations in the western section of the City of Molalla Urban Growth Area (Maps attached). This action will also include land use changes for all properties to a compliant zone and Comprehensive Plan designation. Each of these properties falls under the definition of island annexation as described in ORS 222.750. Due to the number of properties within this action a separate list of properties and map have been provided/attached.

EXHIBIT A



Map: Proposed Annexations to Molalla City Limits



Map: Proposed Zoning for Proposed Annexation Parcels



Map: Existing Connections to City Services for Proposed Annexation Parcels

EXHIBIT D

Island	LAST NAME	FIRST NAME	MAILING ADDRESS	CITY	ST	ZIP	TAX ID#	Site Address	Acres	Zone Now	New Zone	Status
#1	Spotten	Blake	30471 S. Hwy 213	Molalla	OR	97038	52E08AA03690	No Situs	0.61	RRFF5	R3	Hooked up to full City Services (Water/Sewer) - Back portion not in, must annex full lot to correct
#2	Smith	Rosemary	814 S. Toliver Rd.	Molalla	OR	97038	52E08BA00900	816 S. Toliver Road	0.67	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#2	Smith	Max L & Rosemary	814 S. Toliver Rd.	Molalla	OR	97038	52E08BA01000	814 S. Toliver Road	0.67	RRFF5	R1	Receives services through 816 S. Toliver
#2	Smith	Rosemary	814 S. Toliver Rd.	Molalla	OR	97038	52E08BA01100	No Situs	1.01	RRFF5	R1	Undeveloped
#3	Bauer	Fred & Ruthella	823 S. Toliver Rd.	Molalla	OR	97038	52E08BB00400	823 S. Toliver Road	1.92	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#4	Colbry	Kyran	12813 Arndt Rd.NE	Aurora	OR	97002	52E08BB02100	906 S. Toliver Road	0.55	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#4	Norvo	Shane & Kimberly	904 S. Toliver Rd.	Molalla	OR	97038	52E08BB02200	No Situs	0.08	RRFF5	R1	Undeveloped
#4	Norvo	Shane & Kimberly	904 S. Toliver Rd.	Molalla	OR	97038	52E08BB02300	904 S. Toliver Road	0.55	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#5	Gurdial & Hardeep Inc		10794 SE 144th Loop	Happy Valley	OR	97086	52E07D 02000	12704 S Hwy 211	0.9	RRFF5	C2	Hooked up to all services except water (Blackmans Corner)
#5	Hekala (Trust)	Virginia	12754 S Highway 211	Molalla	OR	97038	52E07D 01900	No Situs	0.87	RRFF5	C2	Undeveloped
#5	Hekala (Trust)	Virginia	12754 S Highway 211	Molalla	OR	97038	52E07D 01800	12754 S Hwy 211	0.82	RRFF5	C2	Hooked up to all services except sewer/storm
#5	Burley	Randy	12757 S Cromptons Ln	Molalla	OR	97038	52E07D 02401	12763 S Cromptons Ln	0.62	RRFF5	C2	Home in use on property - No City services
#5	Burley	Terry	12770 S Cromptons Ln	Molalla	OR	97038	52E07D 02404	No Situs	0.05	RRFF5	C2	Undeveloped
#5	Peterson	Gregory	31568 S Highway 213	Molalla	OR	97038	52E07D 02500	31568 S Hwy 213	0.63	RRFF5	C2	Home in use on property - No City services
#5	Burley	Terry	29335 S Cramer Road	Molalla	OR	97038	52E07D 02400	12770 S Cromptons Ln	1.03	RRFF5	M2	Home in use on property - No City services
#6	Newcomb	Dale C	PO Box 2579	Lebanon	OR	97355	52E07A 02100	12843 S Hwy 211	2.91	RRFF5	C2	Hooked up to all services except sewer/storm
#7A	Bentley Family Trust		12933 S Highway 211	Molalla	OR	97038	52E07A 01804	12933 S Hwy 211	7.13	RRFF5	M1	Hooked up to all services except sewer/storm
#7A	Russell	Harry & Lemo	13053 S Highway 211	Molalla	OR	97038	52E07A 01700	13053 S Hwy 211	2.82	RRFF5	M1	Home in use on property - No City services
#7A	Gregory (Trustee)	Virgil	9611 Olde Georgetown Way	Centerville	OH	45458	52E07A 01600	13143 S Hwy 211	9.84	RRFF5	R1	Hooked up to all services except sewer/storm
#7A	Welle	Joshua	13183 S Highway 211	Molalla	OR	97038	52E08B 03202	13183 S Hwy 211	2.45	RRFF5	R1	Home in use on property - No City services
#7A	Welle	Joshua	13183 S Highway 211	Molalla	OR	97038	52E08B 03201	No Situs	1.67	RRFF5	R1	Undeveloped property - used for heavy equipment storage for neighboring welding shop
#7A	Welle	Joshua	13183 S Highway 211	Molalla	OR	97038	52E08B 03203	13183 S Hwy 211	0.71	RRFF5	R1	Welding Shop
#7A	Willmschen	Glen	13263 S Highway 211	Molalla	OR	97038	52E08B 03300	13263 S Hwy 211	1.32	RRFF5	R1	Home in use on property - No City services
#7A	Keslar	Brian	823 S. Toliver Rd.	Molalla	OR	97038	52E08B 03400	13261 S Hwy 211	0.26	RRFF5	R1	Home in use on property - No City services
#7A	Turcol	Tom & Jean	2455 NE Spruce	Gresham	OR	97080	52E08B 03500	13257 S Hwy 211	0.25	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#7A	Matveev	Trofim	13241 S Highway 211	Molalla	OR	97038	52E08B 03600	13241 S Hwy 211	0.32	RRFF5	R1	Hooked up to all services except sewer/storm
#7A	Rickles	Michelle	PO Box 511	Molalla	OR	97038	52E08B 03700	13341 S Hwy 211	0.12	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#7A	Day	Steven	PO Box 213	Molalla	OR	97038	52E08B 03800	13247 S Hwy 211	0.18	RRFF5	R1	Hooked up to all services except sewer/storm
#7B	Hansen	Cedric & Dorothy	13325 S Highway 211	Molalla	OR	97038	52E08B 04200	13325 S Hwy 211	1.27	RRFF5	R1	Home in use on property - No City services
#7B	Cruikshank	Curtis & Joyce	13303 S Highway 211	Molalla	OR	97038	52E08C 04100	13303 S Hwy 211	0.92	RRFF5	R1	Home in use on property - No City services
#7B	McEachran	Joann	630 Kalugin Court	Molalla	OR	97038	52E08B 04000	430 S West Lane	1.44	RRFF5	R1	Hooked up to all services except sewer/storm
#7B	Sledge Development		PO Box 605	Molalla	OR	97038	52E08B 03100	No Situs	5.05	RRFF5	R1	Undeveloped
#7B	Sledge Development		PO Box 605	Molalla	OR	97038	52E08B 03200	No Situs	5.05	RRFF5	R1	Undeveloped
#8	Torsen	Patricia	PO Box 577	Molalla	OR	97038	52E08C 00900	31615 S Hezzie Lane	0.21	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services except sewer/storm
#8	Maloy	Scott & Carol	14550 S. Claim Road	Molalla	OR	97038	52E08C 00801	No Situs	0.34	RRFF5	C2	Undeveloped
#9	Campy	Edward	724 W Main Street	Molalla	OR	97038	52E08C 00600	724 W Main	2.4	RRFF5	C2	Hooked up to full City Services (Water/Sewer) In UB as 13352 HWY 211
#9	Campy	Edward	724 W Main Street	Molalla	OR	97038	52E08C 00500	No Situs	1.51	RRFF5	C2	Undeveloped
#9	Buttler	Nancy	133 NW Trinity Place #4	Portland	OR	97209	52E08C 00400	718 W Main Street	3.11	RRFF5	C2	Hooked up to all services except sewer/storm
#9	Molalla Mini Storage		14855 SE 82nd Drive	Clackamas	OR	97015	52E08C 00290	No Situs	0.48		C2	Hooked up to Full City Service. Back 1/2 of Molalla Mini Storage - Front Half in City.
#9	Bunnell (Trustee)	Donald	13412 Choco Road	Apple Valley	CA	92308	52E08C 00390	No Situs	0.48	RRFF5	C2	Hooked up to Full City Service. Back half of 710 W. Main. 1/2 in City, 1/2 not.
#10	Kim	Yong	PO Box 2684	Wilsonville	OR	97070	52E08B 04800	102 S Leroy Avenue	0.39	RRFF5	C2	Fred's Food o' Mart - Hooked up to all services (Water/Sewer)
#10	Lopez-Ruiz	Eusebio	106 S Leroy Avenue	Molalla	OR	97070	52E08B 04700	104 S Leroy Avenue	0.48	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services except sewer
#10	Uribe (Trustee)	Richard	PO Box 1157	Molalla	OR	97038	52E08B 04600	108 S Leroy Avenue	0.35	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services except sewer
#10	Okert	David & Dianne	110 S Leroy Avenue	Molalla	OR	97038	52E08B 04500	110 S Leroy Avenue	0.48	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services except sewer
#10a	Grabber	James	PO Box 447	Molalla	OR	97038	52E08AC03700	107 S. Leroy Avenue	0.76	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services except sewer/storm
#10a	Hall	Harold E & Judy M	35771 S Highway 213	Molalla	OR	97038	52E08AC03800	727 W Main Street	0.38	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services (Water/Sewer)
#10a	Fleskes	Pamela	725 W Main Street	Molalla	OR	97038	52E08AC03900	725 W Main Street	0.51	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services (Water/Sewer)
#10a	Feathers	Donald & Elizabeth	723 W Main Street	Molalla	OR	97038	52E08AC04000	723 W Main Street	0.64	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services (Water/Sewer)
#10a	Naylor	Michael & Marianne	721 W Main Street	Molalla	OR	97038	52E08AC04100	721 W Main Street	1.03	RRFF5	C2	Comp Plan -General Commerical - Home on site & Hooked up to all services (Water/Sewer)
#11	Marson	Frank	317 S. Leroy Avenue	Molalla	OR	97038	52E08AC01900	317 S. Leroy Avenue	0.39	RRFF5	R1	Hooked up to all services except sewer/storm
#11	Marson	Frank	317A S. Leroy Avenue	Molalla	OR	97038	52E08AC01800	317A S. Leroy Avenue	0.36	RRFF5	R1	Hooked up to all services except sewer/storm
#11	Blackburn	William & Gail	312 S Leroy Avenue	Molalla	OR	97038	52E08AC02600	312 S. Leroy Avenue	0.76	RRFF5	R1	Hooked up to all services except sewer
#11	Hettick	Richard & Shirley	404 Carol Court	Molalla	OR	97038	52E08AC02590	404 Carol Court	0.11	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#11	Battin	Laurel	402 Carol Court	Molalla	OR	97038	52E08AC02890	402 Carol Court	0.18	RRFF5	R1	Hooked up to full City Services (Water/Sewer)
#12	Murrell	Zach & Tessa	646 Trinity Ct.	Molalla	OR	97038	52E08BA00201	646 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Johnson	Teresa Lynn	660 Trinity Ct.	Molalla	OR	97038	52E08BA00202	660 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Vannice	Mary	682 Trinity Ct.	Molalla	OR	97038	52E08BA00203	682 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Kutcher	Lani & Becky	692 Trinity Ct.	Molalla	OR	97038	52E08BA00204	692 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Santos	Carlos	700 Trinity Ct.	Molalla	OR	97038	52E08BA00205	700 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Olsen	Matt & Jennifer	706 Trinity Ct.	Molalla	OR	97038	52E08BA00206	706 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Rutledge	Tom & Janice	712 Trinity Ct.	Molalla	OR	97038	52E08BA00207	712 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Schultz	Gary & Lyla	718 Trinity Ct.	Molalla	OR	97038	52E08BA00208	718 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)

#12	Straub	Jessie & Breal	724 Trinity Ct.	Molalla	OR 97038	52E08BA00209	724 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Limbeck	Paul & Tracy	730 Trinity Ct.	Molalla	OR 97038	52E08BA00210	730 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Smith	Leslie	736 Trinity Ct.	Molalla	OR 97038	52E08BA00211	736 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Renard	Joseph	742 Trinity Ct.	Molalla	OR 97038	52E08BA00212	742 Trinity Court	0.09	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Behrends	Marilyn	737 Trinity Ct.	Molalla	OR 97038	52E08BA00217	737 Trinity Court	0.19	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Brittingham	Thomas & Nicole	741 Trinity Ct.	Molalla	OR 97038	52E08BA00216	741 Trinity Court	0.25	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Alyea	Harold & Mary	805 Toliver Rd.	Molalla	OR 97038	52E08BA00225	800 Trinity Court	0.21	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Ables	Jerry	19302 Rollins St.	Oregon City	OR 97045	52E08BA00218	709 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Blackman	Carol	703 Trinity Ct.	Molalla	OR 97038	52E08BA00219	703 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Anderson	Daniel & Amy	697 Trinity Ct.	Molalla	OR 97038	52E08BA00220	697 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Baker	John & Barbara	687 Trinity Ct.	Molalla	OR 97038	52E08BA00221	687 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Duffy	Patrick & Susan	677 Trinity Ct.	Molalla	OR 97038	52E08BA00222	677 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Pattison	Richard & Cilia	657 Trinity Ct.	Molalla	OR 97038	52E08BA00223	657 Trinity Court	0.14	R3	R1	Hooked up to full City Services (Water/Sewer)
#12	Gomez	Martimiano & Irene	899 E. Main St. #9	Molalla	OR 97038	52E08BA00224	647 Trinity Court	0.15	R3	R1	Hooked up to full City Services (Water/Sewer)
#13	Bentley (Trustee)	Brooks Ann	PO Box 1257	Molalla	OR 97038	52E07D 00102	No Situs	9.77	RRFFS	M2	Undeveloped
#14	Schoenborn (Trustee)	Kathy	12966 S Highway 211	Molalla	OR 97038	52E07D 00300	12968 S Hwy 211	1.01	RRFFS	M2	Updeveloped - Back yard to 52E07D 00200
#14	Schoenborn (Trustee)	Kathy	12966 S Highway 211	Molalla	OR 97038	52E07D 00200	12966 S Hwy 211	2.13	RRFFS	M2	Home in use on property - No City services. Comp Plan - Heavy Industrial - Home on Site
#14	Valov	William	2339 Montera	Hacienda Heights	CA 91745	52E07D 00400	12940 S Hwy 211	0.85	RRFFS	M2	Undeveloped
#14	Valov	William	2339 Montera	Hacienda Heights	CA 91745	52E07D 00400	12930 S Hwy 211	0.32	M2	M2	Undeveloped
#14	City of Molalla		PO Box 248	Molalla	OR 97038	52E07D 00600	No Situs	0.3	PSP	M2	Undeveloped
#14	City of Molalla		PO Box 248	Molalla	OR 97038	52E07D 00701	No Situs	0.05	PSP	M2	Undeveloped
#15	Carroll	Richard & Roxanne	7011 SE Bailey St	Lacey	WA 98513	52E07D 01200	No Situs	0.43	RRFFS	M2	Undeveloped
#15	Carroll	Richard & Roxanne	7011 SE Bailey St	Lacey	WA 98513	52E07D 01100	12852 S Hwy 211	0.28	RRFFS	M2	Home in use on property - No City services
#15	Philpot	Fred	12860 S Highway 211	Molalla	OR 97038	52E07D 01000	12860 S Hwy 211	0.35	RRFFS	M2	Home in use on property - No City services
#15	Kirby (Estate)	Ruth	12874 S Highway 211	Molalla	OR 97038	52E07D 00900	12874 S Hwy 211	0.45	RRFFS	M2	Home in use on property - No City services
#15	Price	Willard	12605 S Groshong Rd	Molalla	OR 97038	52E07D 00800	12888 S Hwy 211	0.33	RRFFS	M2	Home in use on property - No City services
#16	Holmes	Mike & Katie	31600 S. Ona Way	Molalla	OR 97038	52E08C 01600	31600 S Ona Way	1.96	RRFFS	R3	Home in use on property - No City services
#16	Burghardt	Jeanie	PO Box 363	Canby	OR 97013	52E08C 01700	No Situs	1.12	RRFFS	R3	Undeveloped
#16	Puhlman	Roy & Faye	13210 S Highway 211	Molalla	OR 970138	52E08C 01500	13210 S Hwy 211	2.94	RRFFS	R3	Home in use on property - No City services
#16	Corp Pres Bshp Ch Jesus Christ LDS		50 E North Temple St 22 Flr	Salt Lake City	UT 84150	52E08C 01400	13250 S Hwy 211	3.15	RRFFS	R3	Hooked up to full City Services (Water/Sewer)
#16	Cemetary Public		150 Beaver Creek Road	Oregon City	OR 97045	52E08C 01900	No Situs	1.57	RRFFS	R3	Cemetary
#17	Deardorff	Alan	PO Box 26	Colton	OR 97017	52E07A 02700	31465 S Hwy 213	0.94	C2	C2	County GIS says in City - Assessors says NO! Hooked up to full City Services (Water/Sewer)
#17	Herigstad	Gordon	128 Shirley St	Molalla	OR 97038	52E07A 02601	31459 S Hwy 213	0.87	C2	C2	County GIS says in City - Assessors says NO! Hooked up to all City services except water (Stutz)
#17	LMRK Group LLC		PO Box 601	Woodburn	OR 97071	52E07A 02600	31361 S Hwy 213	4.85	RRFFS	C2	Junk Yard - Hooked up to no City services

107.03

**City of Molalla**

117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038

Phone: (503) 829-6855 Fax: (503) 829-3676

NOTICE OF PUBLIC HEARING**CITY OF MOLALLA PROPOSED ANNEXATION TO THE CITY OF MOLALLA AND ASSIGNMENT OF CITY ZONING DESIGNATIONS.**

NOTICE IS HEREBY GIVEN that the City of Molalla Planning Commission will hold a Public Hearing Wednesday, June 4, 2014, at 7:00 p.m. or thereafter, in the Molalla Adult Center, 315 Kennel Avenue, Molalla, Oregon.

1. Consider recommendation to adopt a proposed Ordinance annexing certain unincorporated territory surrounded by the City of Molalla city limits under Oregon Revised Statutes Chapter 222.750 and withdrawing said property from certain taxing districts; and
2. Consider adopting a proposed order assigning a City of Molalla zoning designation to each affected property consistent with the Comprehensive Plan

The City of Molalla has determined that the adoption of this land use action may affect the permissible uses of your property, which may reduce the value of your property (Measure 56).

The annexation affects property identified on the attached map.

Applicable criteria for annexations are found in Oregon Revised Statutes Chapter 222.750 and the City's Comprehensive Plan. Criteria includes:

1. Consistency with applicable provisions in ORS 195 agreements or ORS 195 annexation plans;
2. Consistency with applicable standards for boundary changes contained within the Comprehensive Plan and applicable public facility plans;
3. Whether the proposed boundary change will promote or not interfere with timely, orderly and economic provision of public facilities and services;
4. Consistency with criteria for a boundary change under state and local law.

This hearing is open to the public and interested parties are encouraged to attend. A copy of the reports, proposed ordinance and supporting documents are available for inspection before the hearing at Molalla City Hall. Pursuant to State Law the ordinance enacting this annexation proposal subject to referendum. A prospective referendum petition, as well as required forms that must be filed with the City Recorder after the ordinance is adopted, and signatures representing not less than 10% of the registered voters in the City at the time of the prospective petition is filed (approximately 800 valid elector signatures) must be filed with the City Recorder no later than the 30th day after the adoption of the ordinance.

Failure to raise an issue at the hearing, in person or by letter, and provide statements or evidence sufficient to afford the Planning Commission or City Council an opportunity to respond to the issue precludes appeal to the Oregon Land Use Board of Appeals on that issue.

Written comments or testimony may be submitted at the hearing or sent to the attention of the City Recorder, 117 N. Molalla Avenue, Molalla, OR 97038 prior to the hearing. For further information, please call Dan Huff, City Manager, at 503-829-6855, or e-mail dhuff@cityofmolalla.com.

Sadie Cramer, City Recorder

Publish May _____, 2014

2011 ORS § 222.750¹**Annexation of unincorporated territory surrounded by city**

- (1) As used in this section:
 - (a) Creek means a natural course of water that is smaller than, and often tributary to, a river, but is not shallow or intermittent.
 - (b) River means a large, continuous and natural stream of water that is fed along its course by converging tributaries and empties into an ocean, lake or other body of water.
- (2) When territory not within a city is surrounded by the corporate boundaries of the city, or by the corporate boundaries of the city and the ocean shore, a river, a creek, a bay, a lake or Interstate Highway 5, the city may annex the territory pursuant to this section after holding at least one public hearing on the subject for which notice has been mailed to each record owner of real property in the territory proposed to be annexed.
- (3) This section does not apply when the territory not within a city:
 - (a) Is surrounded entirely by water; or
 - (b) Is surrounded as provided in subsection (2) of this section, but a portion of the corporate boundaries of the city that consists only of a public right of way, other than Interstate Highway 5, constitutes more than 25 percent of the perimeter of the territory.
- (4) Unless otherwise required by its charter, annexation by a city under this section must be by ordinance or resolution subject to referendum, with or without the consent of any owner of real property within the territory or resident in the territory.
- (5) For property that is zoned for, and in, residential use when annexation is initiated by the city under this section, the city shall specify an effective date for the annexation that is at least three years and not more than 10 years after the date the city proclaims the annexation approved. The city recorder or other officer performing the duties of the city recorder shall:
 - (a) Cause notice of the delayed annexation to be recorded by the county clerk of the county in which any part of the territory subject to delayed

annexation is located within 60 days after the city proclaims the annexation approved; **and**

- (b) Notify the county clerk of each county in which any part of the territory subject to delayed annexation is located not sooner than 120 days and not later than 90 days before the annexation takes effect.
- (6) Notwithstanding subsection (5) of this section, property that is subject to delayed annexation becomes part of the city immediately upon transfer of ownership.
- (7) This section does not limit provisions of a city charter, ordinance or resolution that are more restrictive than the provisions of this section for creating or annexing territory that is surrounded as described in subsection (2) of this section.
- (8) If a city charter, ordinance or resolution requires the city to conduct an election in the city, the city shall allow electors, if any, in the territory proposed to be annexed to vote in the election on the question of annexation. If the governing body of the city finds that a majority of the votes cast in the city and the territory combined favor annexation, the governing body, by ordinance or resolution, shall proclaim the annexation approved. The proclamation shall contain a legal description of each territory annexed. [Amended by 1963 c.444 §1; 1985 c.702 §16; 2007 c.654 §1; 2007 c.706 §1]

...

Notes of Decisions

Permitting annexation of surrounded territory without vote of residents does not deprive residents of right to equal protection under United States Constitution. *Kane v. City of Beaverton*, 202 Or App 431, 122 P3d 137 (2005)

Surrounded by means territory to be annexed is completely enclosed by and contiguous with corporate boundaries of annexing city or corporate boundaries of annexing city and body of water. *Costco Wholesale Corp. v. City of Beaverton*, 206 Or App 380, 136 P3d 1219 (2006), *affd* 343 Or 18, 161 P3d 926 (2007)

Chapter 222

Notes of Decisions

Provisions of this chapter do not require final decisions on small tract annexations to be made in quasi-judicial proceedings rather than by popular vote. *Stewart v. City of Corvallis*, 48 Or App 709, 617 P2d 921 (1980), Sup Ct review denied

Related Statutes³

- 12.270
Conclusive presumption of validity of governmental subdivision boundary proceedings one year after effective date
- 197.175
Cities and counties planning responsibilities
- 199.487
Commission authority to initiate minor boundary change
- 199.490
Procedure for minor boundary changes or transfers of territory
- 222.050
Certain consolidations and mergers
- 222.183
Notice of annexation when effective date delayed for more than one year
- 222.280
Election of officers
- 222.855
Annexation to remove danger to public health

¹ Legislative Counsel Committee, *CHAPTER 222—City Boundary Changes; Mergers; Consolidations; Withdrawals*, <http://www.leg.state.or.us/ors/222.html> (2011) (last accessed Mar. 25, 2012).

² Legislative Counsel Committee, *Annotations to the Oregon Revised Statutes, Cumulative Supplement - 2011, Chapter 222*, <http://www.leg.state.or.us/ors/annos/222ano.htm> (2011) (last accessed Mar. 25, 2012).

³ OregonLaws.org assembles these lists by analyzing references between Sections. Each listed item refers back to the current Section in its own text. The result reveals relationships in the code that may not have otherwise been apparent.

CORRESPONDENCE

Pat Torsen	Affected property owner	Letter submitted prior to the public hearing
Carol Maloy Et Al.	Affected property owner	Letter submitted prior to the public hearing
Susan Hansen	Testimony and letter received at the public hearing	

May 1, 2013

Attention: Dan Huff;

This letter is in regards to the annexation of the Proposed Annexations to the City Limits of Molalla.

My property is included in this list, which I do not object to, however; upon viewing all the area being annexed, I would like to propose three other areas that are within city boundaries that are not being listed to annex.

1. The corner of Lowe Rd., there seems to be two lots that are not in the city? And they are not on the list to be annexed in.
2. The area on both sides of Hwy 213 that are within the Forest Road Purple boundary lines.

If we are doing this, let's get it done all at once, for future development. The City Limits are moving out. Big Businesses can develop on the other side of 213 and still be in the City Limits. Let's not leave out little pieces again. This is supposed to be the purpose of This Annexation!

Also, the Dibble, Larkin, Jackson Cemetery is on this list! Do you want the City to have the responsibility of maintaining it instead of the county? We need a fence around it and a gate. The ground is being checked for other graves, and many more are there. They have already been desecrated, thanks to the apartment builders. The property on the other side of the cemetery towards Lowe Road should be donated to the Cemetery to make up for the damage that was done. The property behind the apartments can be fenced in for apartment area recreation. The other side they have already been developing!!!!

Let's get this all done at once, so we don't have to do it later.

Thank You,



Patricia Torsen

cc Debbie Rogue, Mayor

RECEIVED
APR 30 2014

BY:

June 3, 2014

City of Molalla
117 N. Molalla Avenue
Molalla, OR 97038

**RE: City of Molalla Proposed Annexation / Assignment of City Zoning Designations Notice
Parcels 5S 2E 08B, 03100 (account 01091927) and 5S 2E 08B, 03200 (account 01091936)**

Dear City of Molalla Representative:

In regards to the notice received concerning a public hearing scheduled for June 4, 2014, and specifically as it relates to the two parcels noted, we are sending this letter to document the following:


... We confirmed with the City on 5/2/14 that these properties were annexed in 2007 by City of Molalla Ordinance 2007-3, were rezoned R-1 at that time, and have been paying City taxes since then.

... We have been told by the City that this proceeding is just to correct a mapping error at Clackamas County and will have no substantive effect on these two properties in any way, including not changing the R-1 zoning.

... We express no opinion on whether or not these properties are needed to satisfy the requirements of state laws for annexation of other parcels.

... If any of this is incorrect we object to the proceedings as it affects these two parcels and should be contacted immediately.

Sincerely,



Carol Maloy, Member

N. Scott Maloy, Member

For SLEDGE DEVELOPMENT, LLC

P.O. Box 605 – Molalla, OR 97038

RECEIVED
JUN 03 2014

BY:





Administration – City Manager’s Office
117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

June 19, 2014

RE: Planning Commission Decision - City of Molalla Island Annexation

As a recognized party to the proceeding, the City of Molalla is providing you with a copy of the signed Findings of Fact and Decision Document of the Molalla Planning Commission’s Decision regarding Island Annexations (File No. P-6-14). A final decision on this matter will be considered on **July 9, 2014 before the Molalla City Council.**

If you have questions or need clarification please contact me by phone at 503-829-6855 or by e-mail at dhuff@cityofmolalla.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Huff", is written over a horizontal line.

Dan Huff
City Manager

**CITY OF MOLALLA PLANNING COMMISSION
FINDINGS OF FACT AND DECISION DOCUMENT**

LEGISLATIVE ISLAND ANNEXATION AND ZONE CHANGE

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation and
Zone change of 96 proerties	)	Zone Change
Located within the Molalla Urban)	
Growth Boundary.)	

A. SUMMARY

This Staff Report is in regards to a proposed legislative city initiated island annexation and zone change that requires the Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla (Exhibit A). The Commission will notice by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the Planning Commissions deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties comply with various definitions of “islands” as described in ORS 222.750 (Exhibit F). Each of these properties will also recieve the appropriate city zoning designation that complies with the underlying Comprehensive Plan designation as shown on the spreadsheet. **No Comprehensive Land Use designations will be affected by this action.**

Following legal review and adherence to statutory notification requirements the proposed annexation appears to satisfy applicable approval criteria. Based on the following Findings, Staff recommends that the Planing Commission recommend approval of the island annexation and accompanying zone changes to the City Council.

C. PROCEDURES

This specific action is specific to the identified 96 properties and will not affect other properties not shown or shall approve development of the properties identified. This is a legislative action but because the City is applying compliant city zones to these properties a quasi judicial hearing process is required. During this hearing the Commission will receive the subject staff report, take written and verbal testimony, consider facts and criteria and render a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating a legislative island annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes for all 96 properties from Clackamas County zoning to a compliant City of Molalla zoning district as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.

3. On April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla has not received written testimony or correspondence from property owners concerning the proposed annexation and zone change as of the print of this staff report.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014. The Planning Commission received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the Planning Commission's recommendation on the requested annexation and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Zoning Map be consistent with the Statewide Planning Goals. Finally, Section 19.7.300 of the Development Code provides specific local criteria for approving a zone change.

The requested annexation and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that "*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*"

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla's acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and is unlikely to generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State.

Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties are within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change

in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all “urbanizable land” and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City’s UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*

5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Commission should note that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy we will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The Planning Commissions finds that this proposal complies with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the Commission finds that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's. The Planning Commission forwards a recommendation of approval to the City Council regarding this annexation and zone change action.

I. DECISION

The Planning Commission recommends APPROVAL of the Island Annexation and Zone Changes identified in File No. P-6-14 to the City Council and includes the following additional recommendations as part of their decision:

1. That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.
2. That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.

DATED this 19 Day of June, 2014.



Jake Burroughs, Chair



Dan Huff, City Manager

CITY OF MOLALLA

ORDINANCE No. 2014 - 06

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real property that is the subject of this ordinance is located in a tract of land being portion of Tract 3 of the Plat of "Toliver Acres", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08AA03690.

This island is hereby proclaimed to be annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of MFR (Multi-Family Residential). This change is supported maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RFFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-3 (Multi-Family Residential). The property is currently vacant and undeveloped. Therefore, In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately upon the effective date of this ordinance. The annexation is supported by

findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

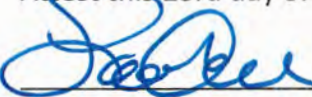
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
4. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

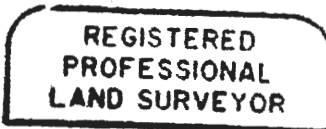
FAX: 503-233-7889

Email: chris@ztecengineers.com

840 S. Tolliver Road
Annexation to the City of Molalla

A Tract of land being a portion of Tract 3 of the Plat of "Tolliver Acres", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Northwest corner of Clackamas County Partition Plat No. 1999-59, said point also being the Northeast corner of that tract of land described in that Deed recorded Document No. 2013-018962, Clackamas County Deed Records; thence South 07°21'30" East along the Westerly boundary line of said Partition Plat No. 1999-59, and its Southerly extension, a distance of 656.27 feet to a point on the Northerly right of way line of South Tolliver Road; thence South 08°00'00" West, at right angles to said South Tolliver Road, a distance of 50.00 feet to a point on the Southerly right of way line of said South Tolliver Road; thence North 82°00'00" West, along said Southerly right of way line, a distance of 21.46 feet to a point; thence North 08°00'00" East at right angles to said South Tolliver Road, a distance of 50.00 feet to a point on said North right of way line of said South Tolliver Road, said point being the Southeast corner of that tract of land described in that Deed recorded as Document No. 99-007711, Clackamas County Deed Records; thence North 07°21'30" West, along the Easterly line of said Document No. 99-007711 tract, a distance of 128.46 feet to the Northeast corner thereof; thence North 82°00'00" West, along the Northerly line of said Document No. 99-007711 tract, and along the Northerly line of that tract of land described in that Deed recorded as Document. 2012-047865, Clackamas County Deed Records, a distance of 147.73 feet to the Northwest corner of said Document No. 2012-047865 tract, said point also being on the Easterly line of that tract of land described in that Deed recorded as Document No. 2005-112377, Clackamas County Deed Records;



Chris Fischborn

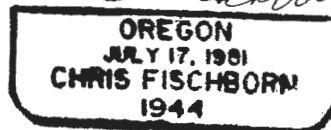


EXHIBIT A

Ordinance 2014-06
Original Page 1 of 5

840 S. Tolliver Road, Annexation to the City of Molalla, cont.,

thence North 08°30'27" West, along said Easterly line, and along the Easterly line of the Plat of "Del Mar Terrace" (Plat No. 3289), a distance of 530.81 feet to the Northeast corner of said "Del Mar Terrace", said point also being the Northwest corner of said Document No. 2013-018962 tract; thence South 82°00'40" East, along the North line of said Document No. 2013-018962 tract, a distance of 180.22 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 2.1269 acres (92,648 square feet) more or less.

The bearings and distances in the description are based on Clackamas County Partition Plat No. 1999-59 and on the Plat of "Del Mar Terrace".

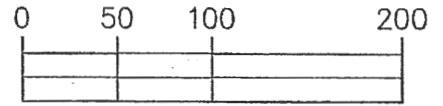


EXHIBIT A

Ordinance 2014-06
Original Page 2 of 5

840 S. TOLIVER RD.
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

GRAPHIC SCALE



(IN FEET)
1 INCH = 100 FEET

* LEXINGTON ESTATES
NO. 3
64 65 66 67
S 82°00'40" E 180.22'

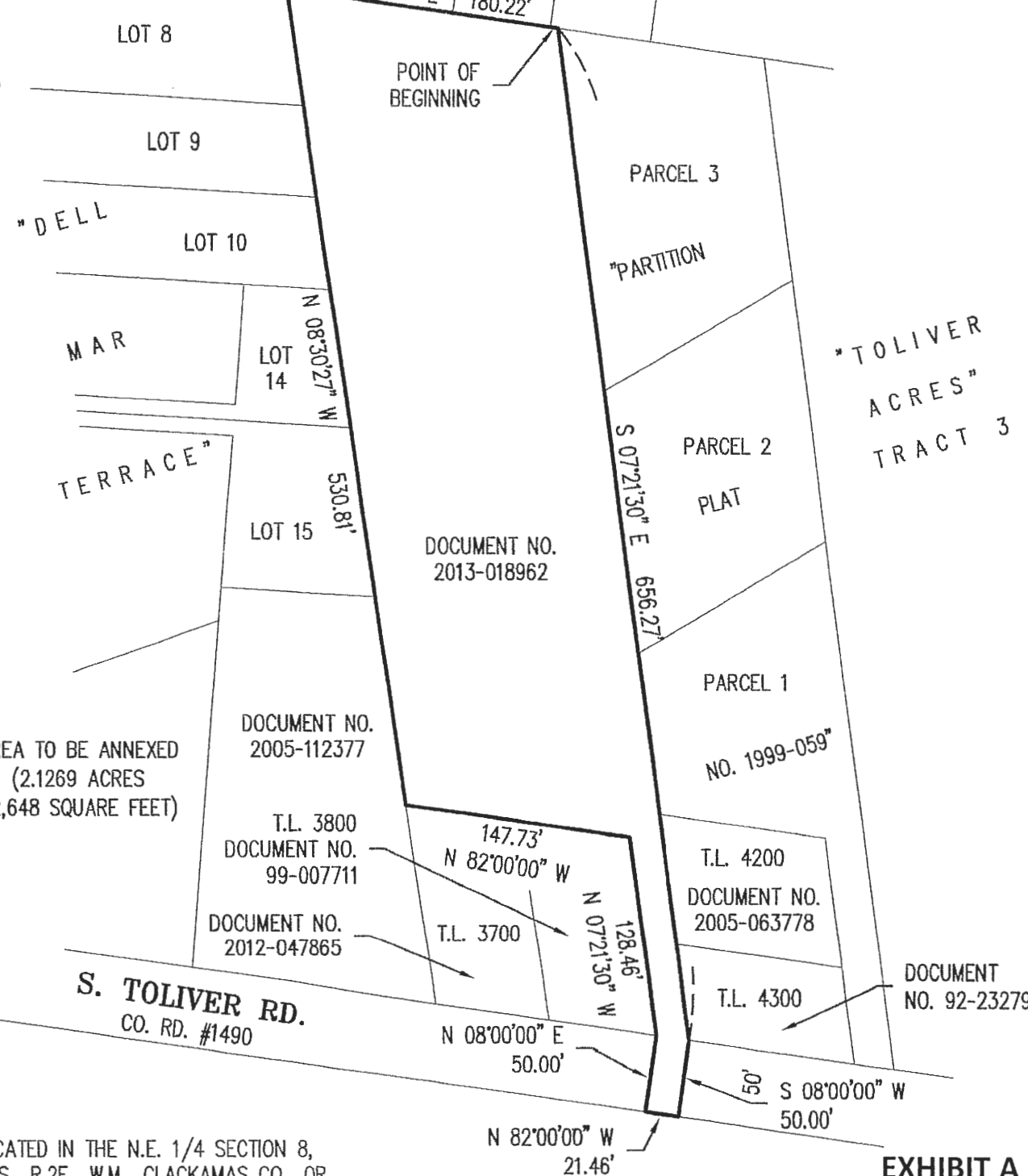


EXHIBIT A

Ordinance 2014-06
Original Page 3 of 5

TITLE: EXHIBIT "A"	
PLOT DATE: 12-13-13	
FILE: W1202-7C.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

Location Map:



SPOTTEN BLAKE
30471 S HWY 213
MOLALLA, OR 97038

Site Address: **NO SITUS**
Taxlot Number: **52E08AA03690**
Land Value: **17025**
Building Value: **0**
Total Value: **17025**

Acreage:
Year Built:
Sale Date: **03/18/2013**
Sale Amount: **125000**
Sale Type: **X**

Land Class:
100

Building Class:

Neighborhood:
Molalla rural north 100,

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.61

Fire **Molalla RFPD #73**
Park **N/A**
School **SCH 35 MOLALLA RIVER**
Sewer **N/A**
Water **N/A**
Cable **City**
CPO **City**
Garb/Recyc **Molalla Sanitary**
City/County **Clackamas County**

EXHIBIT A

Ordinance 2014-06
Original Page 4 of 5

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



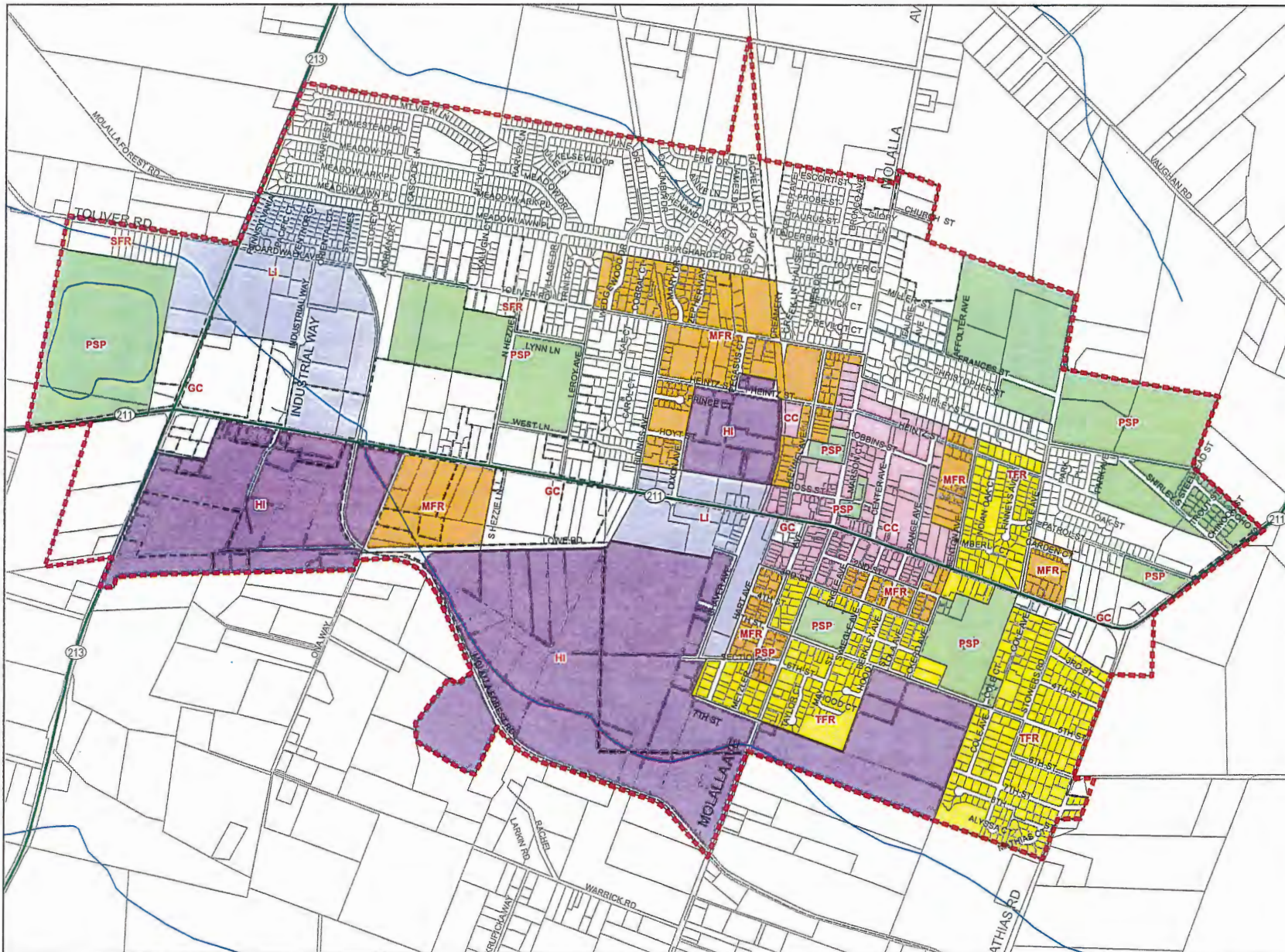
01/28/2014

EXHIBIT A

Ordinance 2014-06
Original Page 5 of 5

City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS
DEPARTMENT OF INFORMATION SERVICES/GEOSPATIAL INFORMATION SYSTEMS
121 LIBRARY COURT
OREGON CITY, OREGON 97142

The information on this map was derived from digital data from Clackamas County's GIS. Care was taken to the creation of this map but it is provided "as is". Clackamas County cannot accept responsibility for any errors, omissions, or inaccuracies in the information, data or maps shown on this map. The information on this map is provided for informational purposes only and should not be used for any other purpose. Clackamas County is not responsible for any errors or omissions in this map. Clackamas County is not responsible for any errors or omissions in this map. Clackamas County is not responsible for any errors or omissions in this map.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners’ consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

- Patricia Torsen 31615 S. Hezzie Lane
- Carol Maloy Et Al 14550 S. Claim Road
- Harry Russell 13053 S. Highway 211 (Represented by John Henrickson)
- Dale Newcomb P.O. Box 2579, Lebanon, OR 97355
- Cedric Hansen 13325 S. Highway 211
- Curtis Cruikshank 13303 S. Highway 211
- Pam Fleskes 725 W. Main Street
- Randy Burley 12763 S. Crompton Lane
- John Hekala 12754 S. Highway 211
- Nancy Butler 133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

- Susan Hansen 33381 S. Sawtell Road
- Jim Taylor 29480 S. Holt Road, Colton OR
- Gayla Hansen 38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

- Carol Maloy, 14550 S. Claim Rd
- Ed Campy, 724 W. Main
- Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

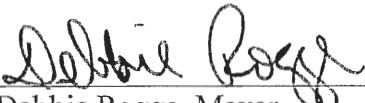
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 07

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being portion of Tract 21 and 24 of the "The Shaver Place" (Plat No. 360), located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08BA00900

Tax Lot No. 52E08BA01000

Tax Lot No. 52E08BA01100

This island is hereby proclaimed to be annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential). This change is supported maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential). The properties are currently:

Tax Lot No. 52E08BA00900 Residential – In Use
Tax Lot No. 52E08BA01000 Residential – Vacant and Uninhabitable
Tax Lot No. 52E08BA01100 Undeveloped

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08BA00900 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

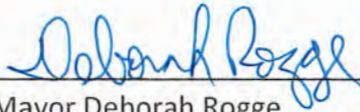
Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

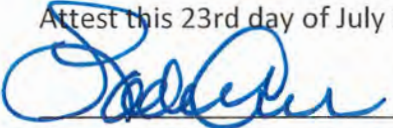
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

814 & 816 S. Toliver Rd.
Tax Lot 1100 on Map 5S 2E 08 BA
Annexation to the City of Molalla

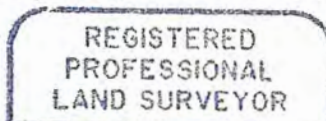
Exhibit A

A Tract of land being a portion of Tracts 21 and 24 of "The Shaver Place" (Plat No. 360), a portion of that public road described in that deed recorded in Book 449, Page 292, Clackamas County Deed Records, a portion of Hezzie Lane, and a portion of S. Toliver Road, all located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Northwesterly corner of Parcel 6 of Partition Plat No. 2000-017, said point also being the Northeasterly corner of parcel 1 that Tract of land described in that deed recorded as Document No. 75-10574, Clackamas County Deed Records; said point being on the Southerly right of way line of S. Toliver Road at a point that is North 81°45'20" West 479.55 feet from the intersection of said Southerly right of way line with the Westerly right of way line of S. Leroy Avenue (60 feet wide); thence South 08°42'55" West, along the Westerly line of said Partition Plat No. 2000-017 and along the Westerly line of Partition Plat No. 1998-101, a distance of 365.00 feet to the Southeasterly corner of said parcel 1 of said Document No. 75-10574, said point being on the Northerly right of way line of said public road described in said Book 449, Page 292 deed; thence South 08°14'40" West at right angles to said public road, a distance of 60.00 feet to a point on the Southerly right of way line of said public road; thence North 81°45'20" West, along said Southerly right of way line, a distance of 280.24 feet to a point on the Easterly right of way line of Hezzie Lane; thence North 81°17'05" West, at right angles to said Hezzie Lane, a distance of 60.00 feet to a point on the Westerly right of way line of said Hezzie Lane; thence North 08°42'55" East, along said Westerly right of way line, a distance of 424.51 feet to a point on the Southerly right of way line of said S. Toliver Road; thence North 08°14'40" East, at right angles to said S. Toliver Road, a distance of 60.00 feet to a point on the Northerly right of way line of said S. Toliver Road; thence South 81°45'20" East, along said Northerly right of way line and its Easterly extension, a distance of 339.75 feet; thence South 08°14'40" West, at right angles to said S. Toliver Road, a distance of 50.00 feet to the true point of beginning of the Tract of land herein described

Said Tract of land contains an area of 3.7047 acres (161,378 square feet), more or less.

The bearings and distances in this description are based on Clackamas County Survey No. 17274.



Chris Fischborn

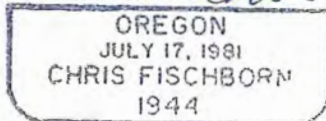
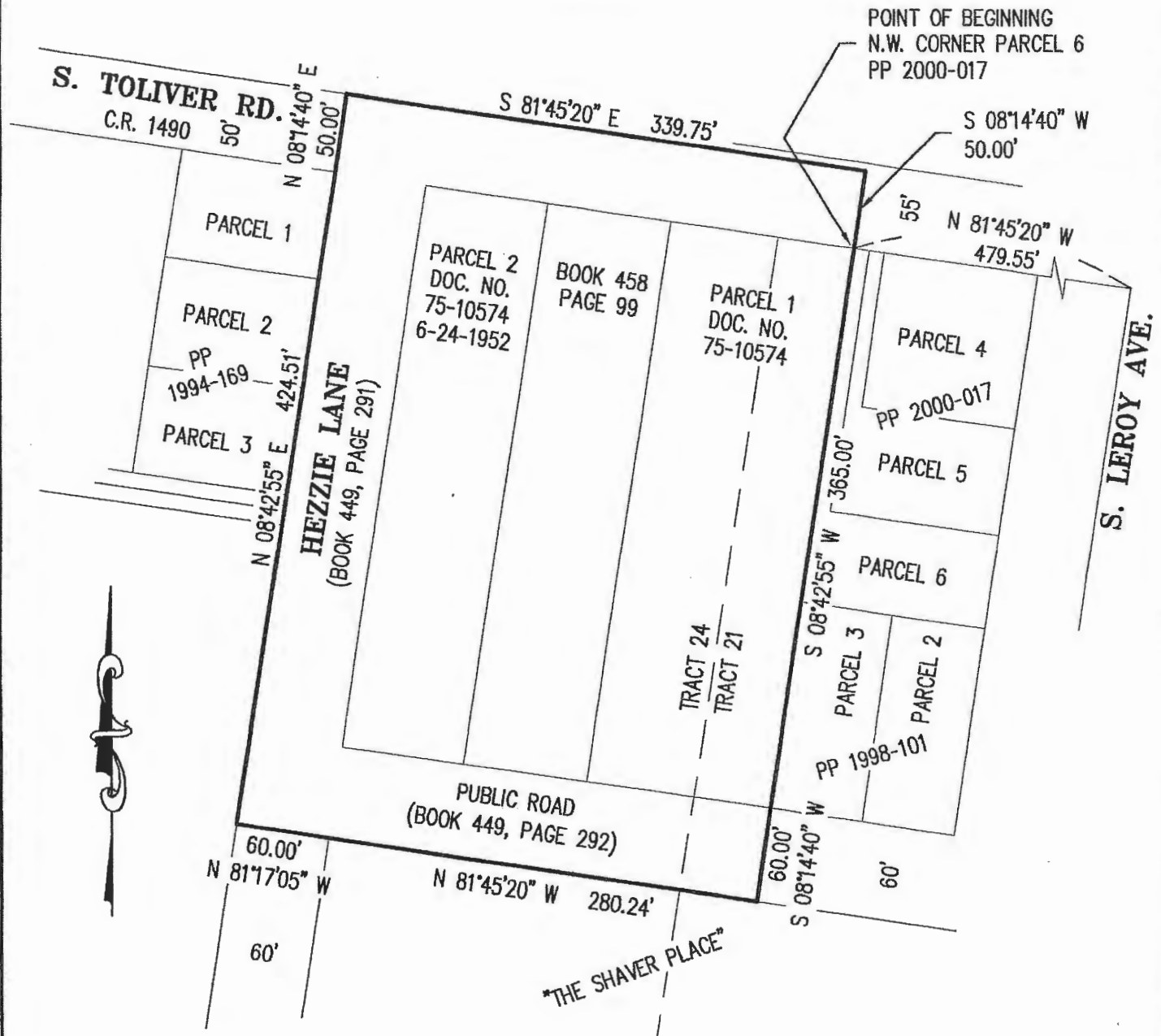


EXHIBIT A

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PP DENOTES PARTITION PLAT
 C.R. DENOTES COUNTY ROAD

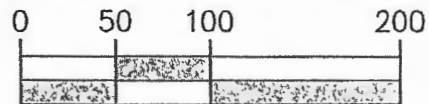
814 & 816 S. TOLIVER RD.
 TAX LOT 1100 ON MAP 5S 2E 08 BA
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



AREA TO BE ANNEXED
 (3.7047 ACRES
 161,378 SQUARE FEET)

LOCATED IN THE N.W. 1/4 SECTION 8,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

GRAPHIC SCALE



(IN FEET)
 1 INCH = 100 FEET

EXHIBIT A

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TITLE: EXHIBIT "A"	
PLOT DATE: 11-18-13	
FILE: W1202-7D.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

SMITH ROSEMARY
814 S TOLIVER RD
MOLALLA, OR 97038

Location Map:



Site Address: **816 S TOLIVER RD**
Taxlot Number: **52E08BA00900**
Land Value: **62473**
Building Value: **97110**
Total Value: **159583**

Acreage:
Year Built: **1949**
Sale Date:
Sale Amount: **0**
Sale Type:

Land Class:
101
Building Class:
13
Neighborhood:
Molalla rural north 100,
Taxcode Districts: **035013**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:

RRFF5 0.67

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas County**

EXHIBIT A

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Original Page 3 of 8

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

916

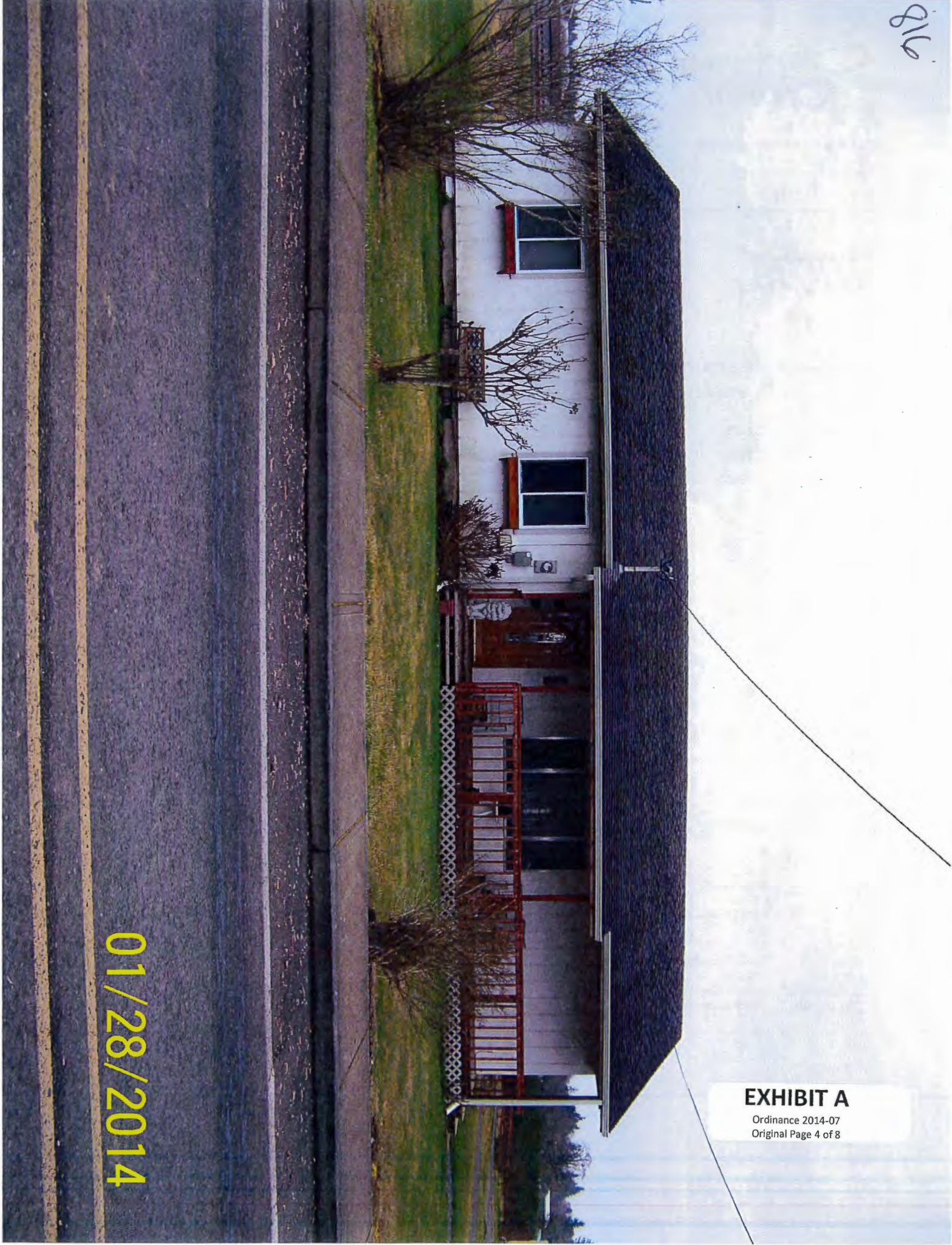


EXHIBIT A

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01/28/2014



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

SMITH MAX L & ROSEMARY
814 S TOLIVER RD
MOLALLA, OR 97038

Site Address: **814 S TOLIVER RD**
 Taxlot Number: **52E08BA01000**
 Land Value: **62473**
 Building Value: **110670**
 Total Value: **173143**

Acreage:
 Year Built: **1952**
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.67

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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 Original Page 5 of 8

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418



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01/28/2014



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

SMITH ROSEMARY
814 TOLIVER RD
MOLALLA, OR 97038

Site Address: **NO SITUS**
Taxlot Number: **52E08BA01100**
Land Value: **56850**
Building Value: **0**
Total Value: **56850**

Acreage:
Year Built:
Sale Date:
Sale Amount: **0**
Sale Type:

Land Class:
100
Building Class:

Neighborhood:
Molalla rural north 100,
Taxcode Districts: **035013**

Location Map:



Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **1.01**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas County**

EXHIBIT A

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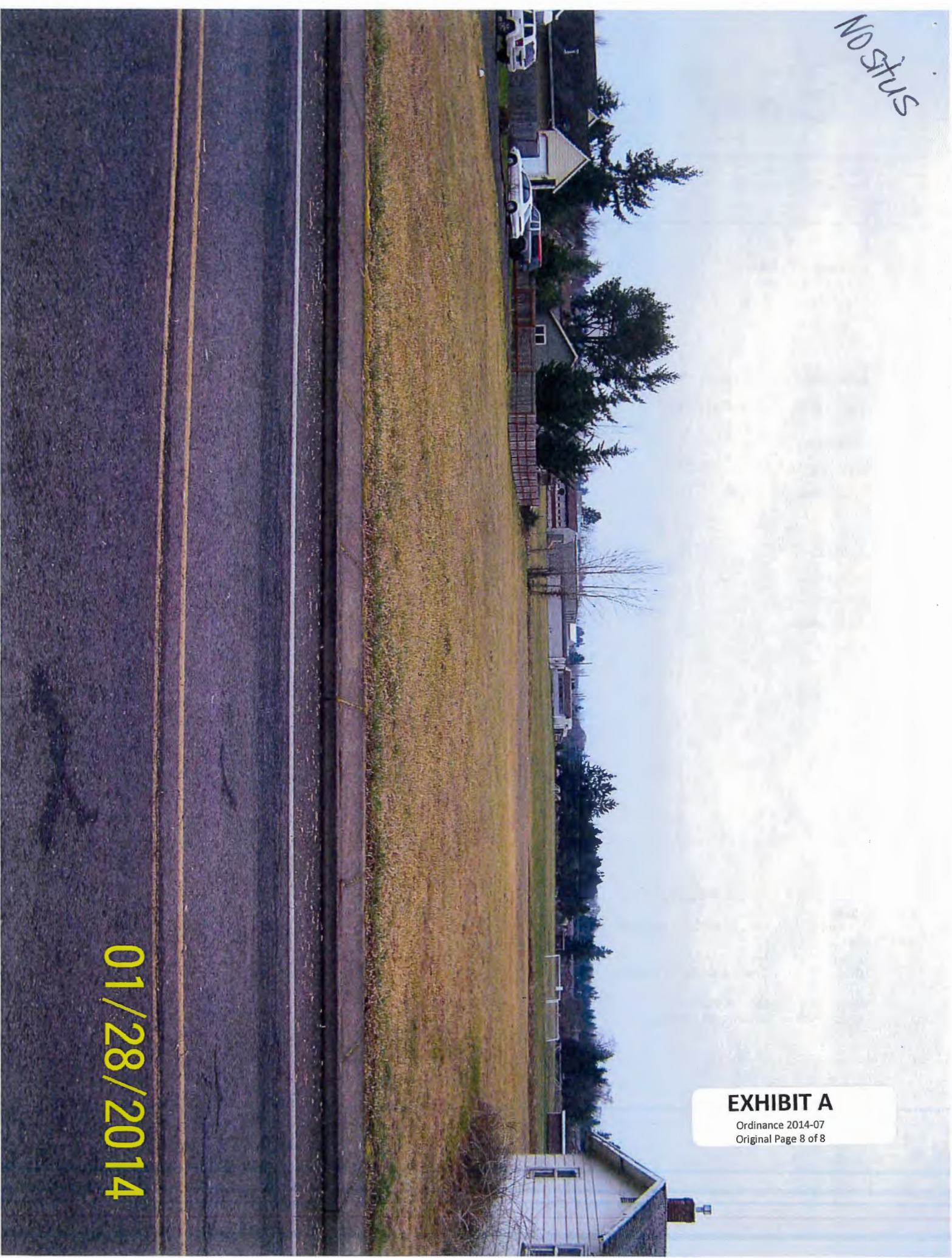
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NO STATUS

EXHIBIT A

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01/28/2014



Clackamas County COMPREHENSIVE PLAN

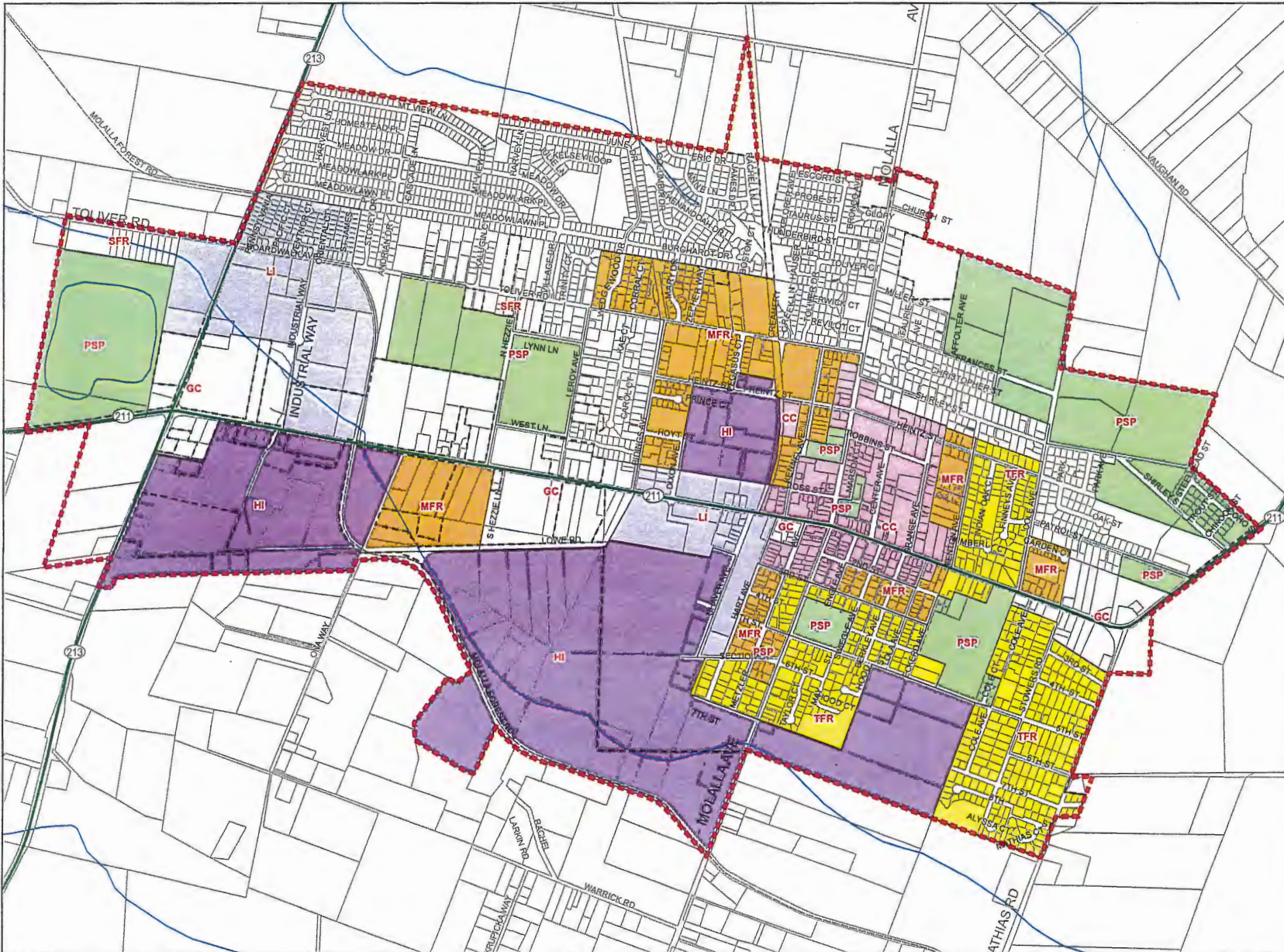
MAP IV-7: Non-Urban Area Land Use Map

Clackamas County, Oregon
 Planning Department
 1000 NE Oregon Street, Suite 200
 Clackamas, Oregon 97015
 Phone: (503) 263-2200
 Fax: (503) 263-2201
 www.clackamas.gov

Comprehensive Plan Designations

- Forest (F)
- Open Space (OS)
- Unincorporated Community Residential (UCR)
- Low Density Residential (LD)
- Medium Density Residential (MD)
- Planned Medium Density Residential (PMD)
- Village Villages (V)
- Village Villages (V)
- Medium High Density Residential (MHR)
- Medium High Density Residential (MHR)
- Community Commercial (CC)
- Community Commercial (CC)
- Community Commercial (CC)
- Planned Community (PC)
- Planned Community (PC)
- Planned Community (PC)
- Planned Community (PC)
- Planned Community (PC)
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City of Molalla
Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



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 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
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 OREGON CITY, OREGON 97143

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCDC) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

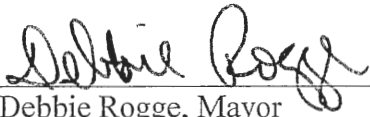
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
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 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 08

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real property that is the subject of this ordinance is located in a tract of land being portion of Tract 7 of the Plat of "Toliver Acres", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E088BB00400

This island is hereby proclaimed to be annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential). The property is currently in use as a residence. Therefore, in accordance with ORS 222.750, Tax Lot No. 52E08BA00900 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes.

Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

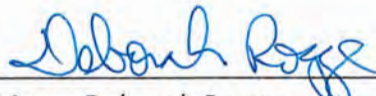
Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

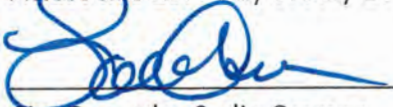
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 20:14



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

823 S. Toliver Rd.

Annexation to the City of Molalla

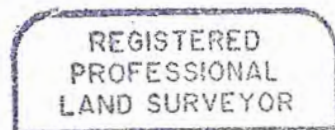
Exhibit A

A Tract of land being all of that Tract of land described in that deed recorded as Document No. 97-094519, Clackamas County Deed Records, and being a portion of Tract 7 of the plat of "Toliver Acres", located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Southwesterly corner of Parcel 3 of Partition Plat No. 1998-115, said point being the Southeasterly corner of said Document No. 97-094519, said point also being on the Northerly right of way line of S. Toliver Road; thence South 07°32'33" West, at right angles to said S. Toliver Road, a distance of 50.00 feet to a point on the Southerly right of way line of said S. Toliver Road; thence North 82°27'27" West, along said Southerly right of way line, a distance of 132.22 feet to a point; thence North 07°32'33" East, at right angle to said road, a distance of 50.00 feet to a point on said Northerly right of way line of said S. Toliver Road, said point also being the Southwesterly corner of said Document No. 97-094519 Tract; thence North 07°50'55" East, along the West line of said Document No. 97-094519 Tract, a distance of 633.64 feet to the Northwesterly corner thereof; thence South 82°27'16" East, along the Northerly line of said Document No. 97-094519 Tract, a distance of 132.20 feet to the Northeasterly corner thereof, said point also being the Northwesterly corner of said Partition Plat No. 1998-115; thence South 07°50'49" West, along the Westerly line of said Partition Plat, a distance of 633.63 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 2.0749 acres (90,382 square feet), more or less.

The bearings and distances in this description are based on Clackamas County Partition Plat No. 1998-115.



Chris Fischborn

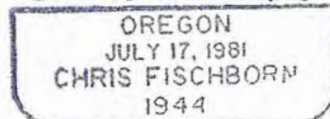
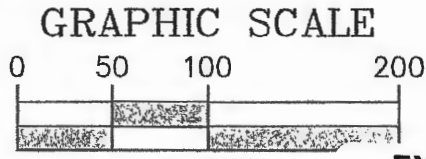
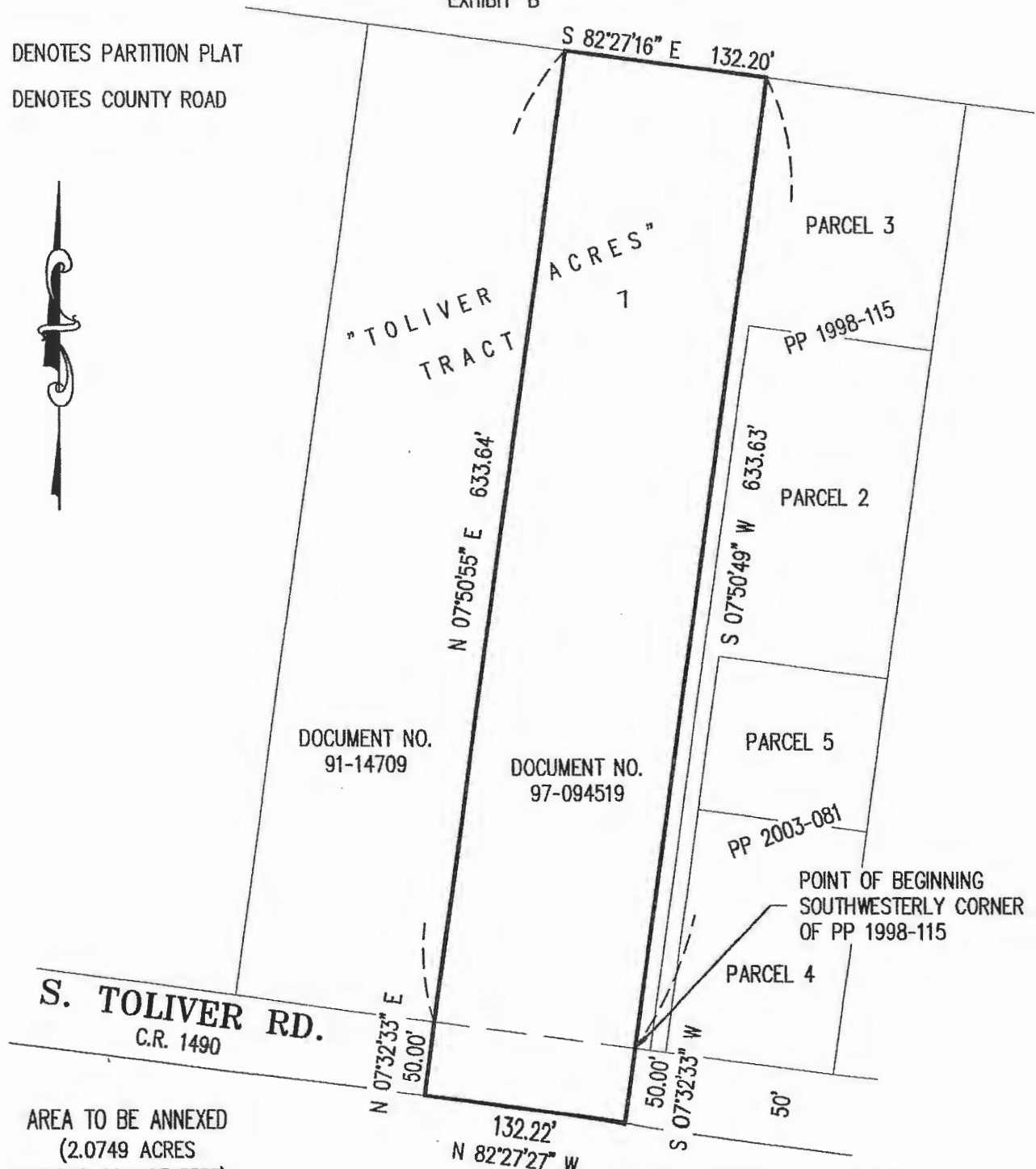


EXHIBIT A

Ordinance 2014-08
Original Page 1 of 4

823 S. TOLIVER RD.
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

PP DENOTES PARTITION PLAT
C.R. DENOTES COUNTY ROAD



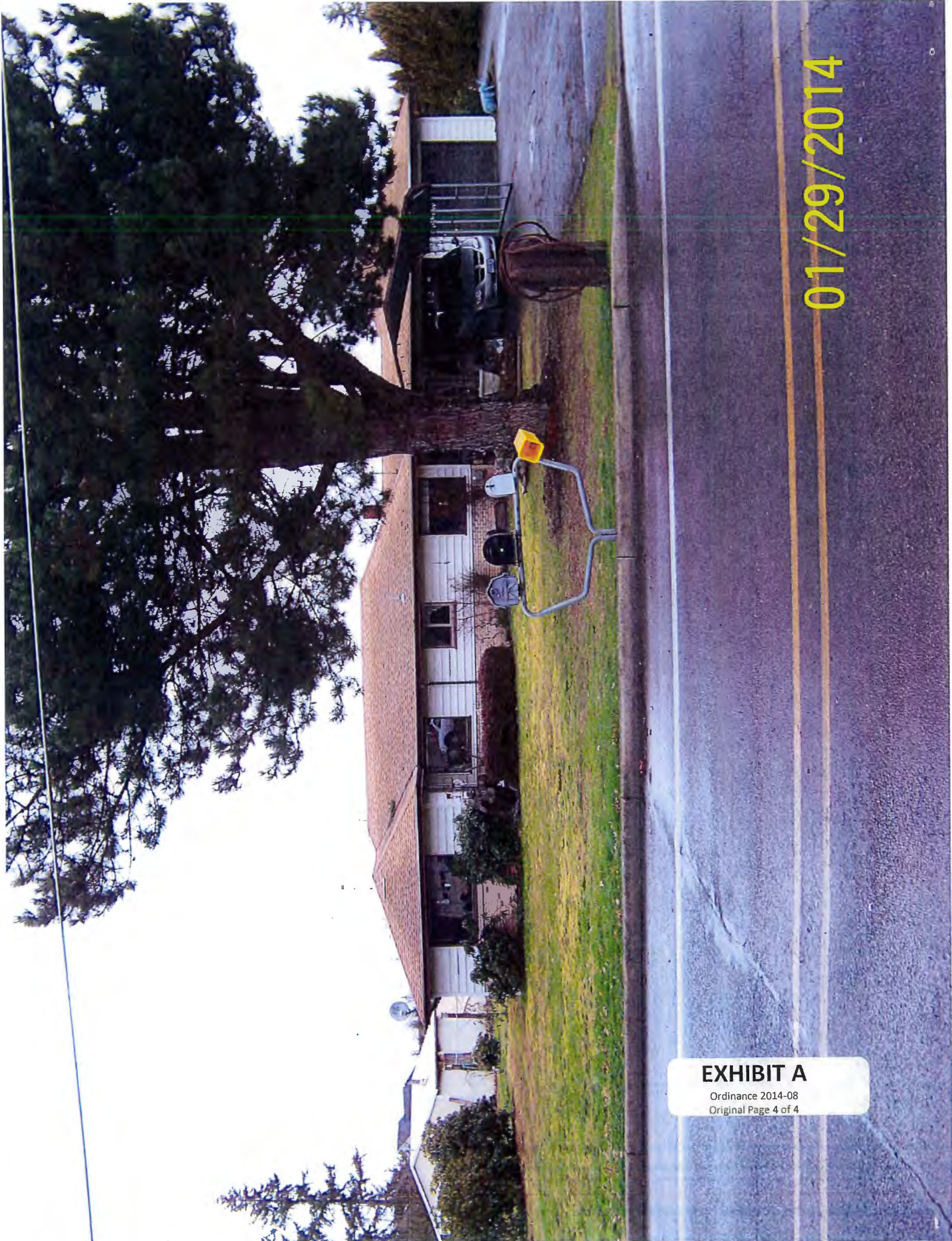
(IN FEET)
1 INCH = 100 FEET

EXHIBIT A
Ordinance 2014-08
Original Page 2 of 4

LOCATED IN THE N.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "B"	
PLOT DATE: 11-13-13	
FILE: W1202-7E.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795

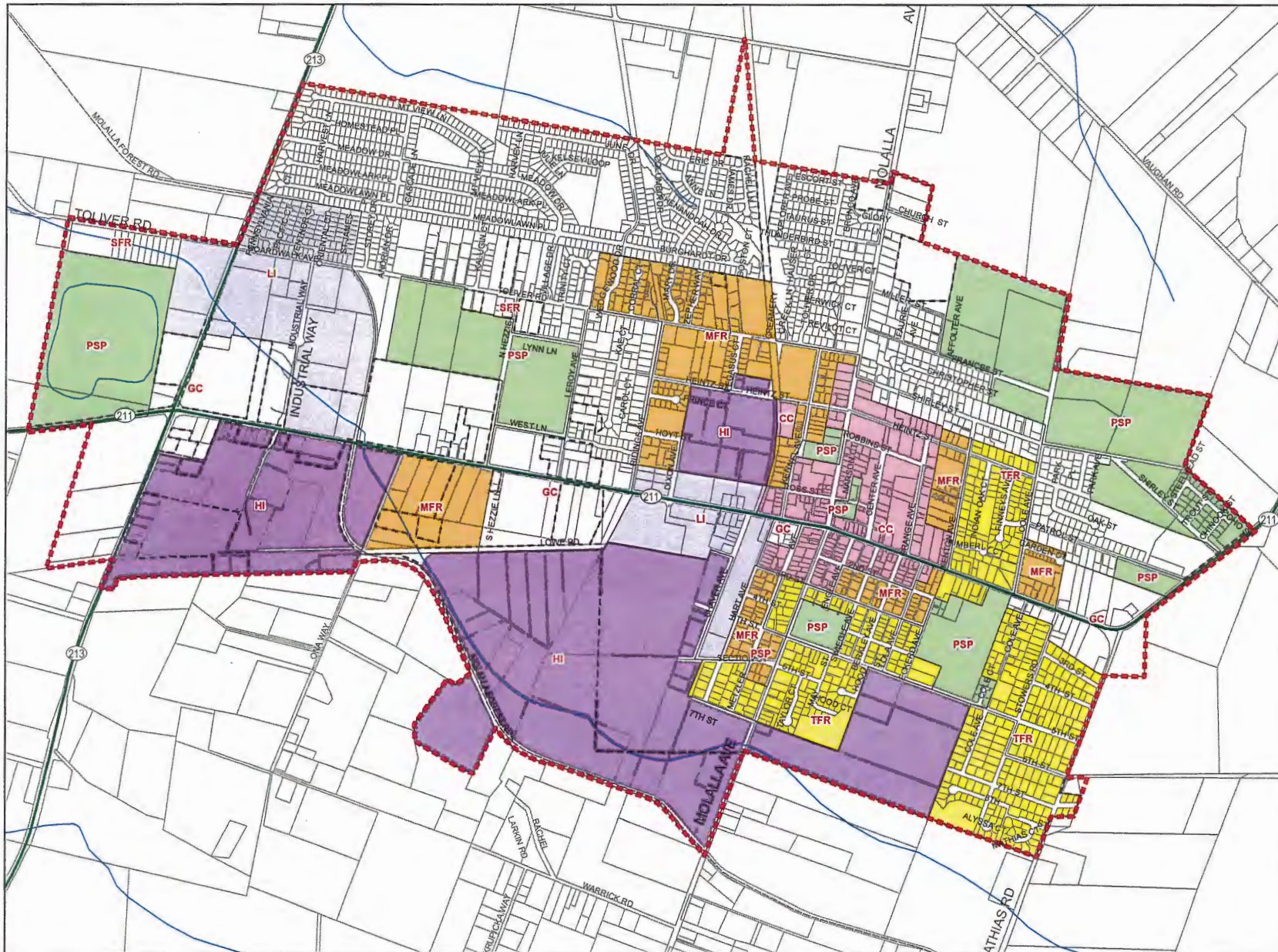


01/29/2014

EXHIBIT A

Ordinance 2014-08
Original Page 4 of 4

City of Molalla
Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 271 LIBRARY COURT
 OREGON CITY, OREGON 97143

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

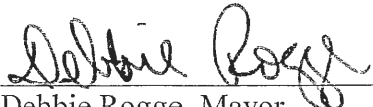
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
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 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 09

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being portion of Tract 25 of the "The Shaver Place", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08BB02100

Tax Lot No. 52E08BB02200

Tax Lot No. 52E08BB02300

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential). The properties are currently:

Tax Lot No. 52E08BB02100 Residential – In Use
Tax Lot No. 52E08BB02200 Undeveloped
Tax Lot No. 52E08BB02300 Residential – In Use

In accordance with ORD 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08BB02100 and Tax Lot No. 52E08BB02300 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of the property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

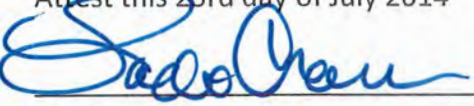
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

904 & 906 S. Toliver Rd.
Annexation to the City of Molalla

Exhibit A

A Tract of land being a portion of Tract 25 of the plat of "The Shaver Place", located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the intersection of the Westerly line of said Lot 25 with the Southerly right of way line of S. Toliver Road; thence North 08°14'40" East, at right angles to said S. Toliver Road, a distance of 50.00 feet to a point on the Northerly right of way line of said S. Toliver Road; thence South 81°45'20" East, along said Northerly right of way line, a distance of 230.00 feet to a point; thence South 08°14'40" West, at right angles to said S. Toliver Road, a distance of 50.00 feet to a point on said Southerly right of way line, said point being the Northeasterly corner of that Tract of land described as Parcel 1 of that deed recorded as Document No. 2012-054822, Clackamas County Deed Records; thence South 08°42'21" West, parallel with the Westerly line of said Lot 25 of said Plat of "The Shaver Place" and along the Easterly line of said Document No. 2012-054822 Tract, a distance of 230.00 feet to the Southeasterly corner thereof; thence North 81°45'20" West parallel with said S. Toliver Road, and along the Southerly line of Parcels 1 and 2 of said Document No. 2012-054822 and along the Southerly line of that Tract of land described in that deed recorded as Document No. 2012-009177, Clackamas County Deed Records, a distance of 230.00 feet to a point on said Westerly line of said Lot 25; thence North 08°42'21" East, along said Westerly line, a distance of 230.00 feet to the true point of beginning of the Tract of land herein described

Said Tract of land contains an area of 1.4784 acres (64,398 square feet), more or less.

The bearings and distances in this description are based on Clackamas County Survey No. 17274.



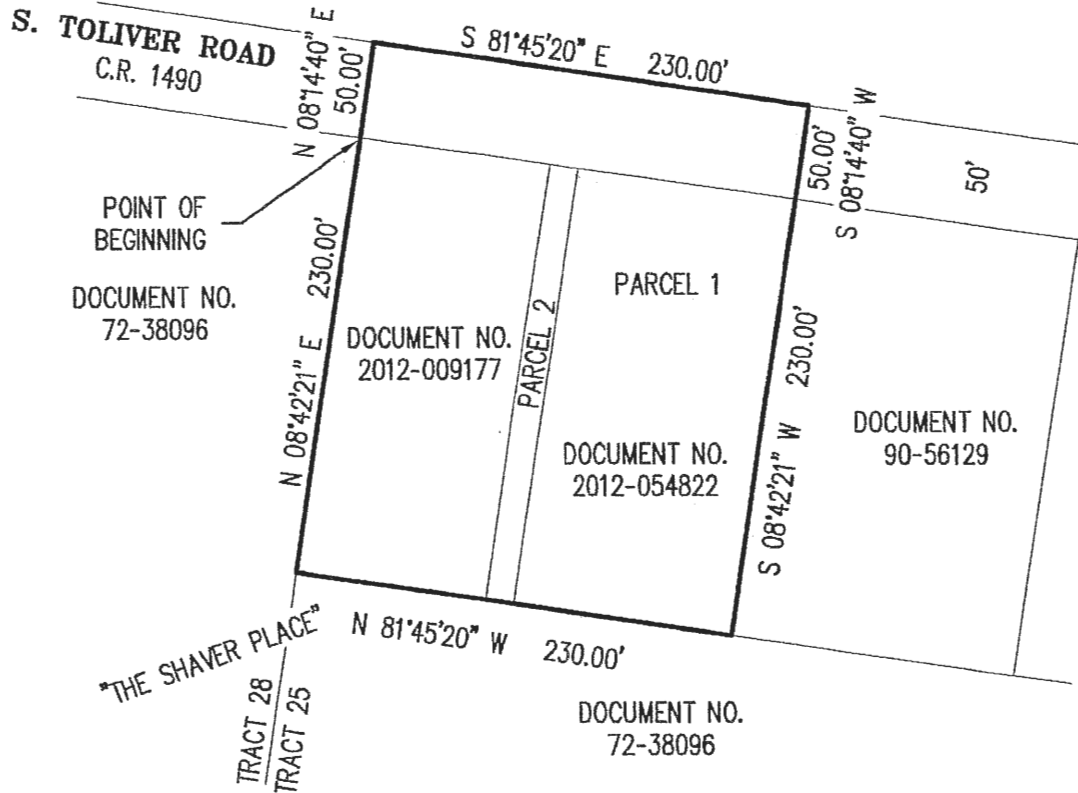
EXHIBIT A

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C.R. DENOTES COUNTY ROAD

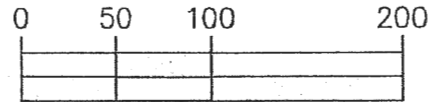


904 & 906 S. TOLIVER RD.
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"



AREA TO BE ANNEXED
(1.4784 ACRES
64,398 SQUARE FEET)

GRAPHIC SCALE



(IN FEET.)
1 INCH = 100 FEET

LOCATED IN THE N.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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TITLE: EXHIBIT "B"	
PLOT DATE: 11-18-13	
FILE: W1202-7F.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.

3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

COLBRY KYRAN L
12813 ARNDT RD NE
AURORA, OR 97002

Site Address: **906 S TOLIVER RD**
 Taxlot Number: **52E08BB02100**
 Land Value: **59006**
 Building Value: **122440**
 Total Value: **181446**

Acreage:
 Year Built: **1967**
 Sale Date: **02/10/2012**
 Sale Amount: **116000**
 Sale Type: **S**

Location Map:



Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
 RRF5 0.55

Fire Molalla RFPD #73
 Park N/A
 School SCH 35 MOLALLA RIVER
 Sewer N/A
 Water N/A
 Cable Wave Broadband (Molalla)
 CPO Molalla
 Garb/Recyc Molalla Sanitary
 City/County Clackamas County

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

NORVO SHANE J & KIMBERLY G
904 S TOLIVER RD
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E08BB02200**
 Land Value: **2667**
 Building Value: **460**
 Total Value: **3127**

Acreage:
 Year Built:
 Sale Date: **08/22/2012**
 Sale Amount: **241000**
 Sale Type: **X**

Land Class:

101

Building Class:

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
RRFF5		0.08

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

Ordinance 2014 09
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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

NORVO SHANE J & KIMBERLY G
904 S TOLIVER RD
MOLALLA, OR 97038

Site Address: **904 S TOLIVER RD**
 Taxlot Number: **52E08BB02300**
 Land Value: **59806**
 Building Value: **200270**
 Total Value: **260076**

Acreage:
 Year Built: **1967**
 Sale Date: **08/22/2012**
 Sale Amount: **241000**
 Sale Type: **M**

Location Map:



Land Class:
101
 Building Class:
14
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.55**

Fire Molalla RFPD #73
 Park N/A
 School SCH 35 MOLALLA RIVER
 Sewer N/A
 Water N/A
 Cable Wave Broadband (Molalla)
 CPO Molalla
 Garb/Recyc Molalla Sanitary
 City/County Clackamas County

EXHIBIT A

Ordinance 2014-09
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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

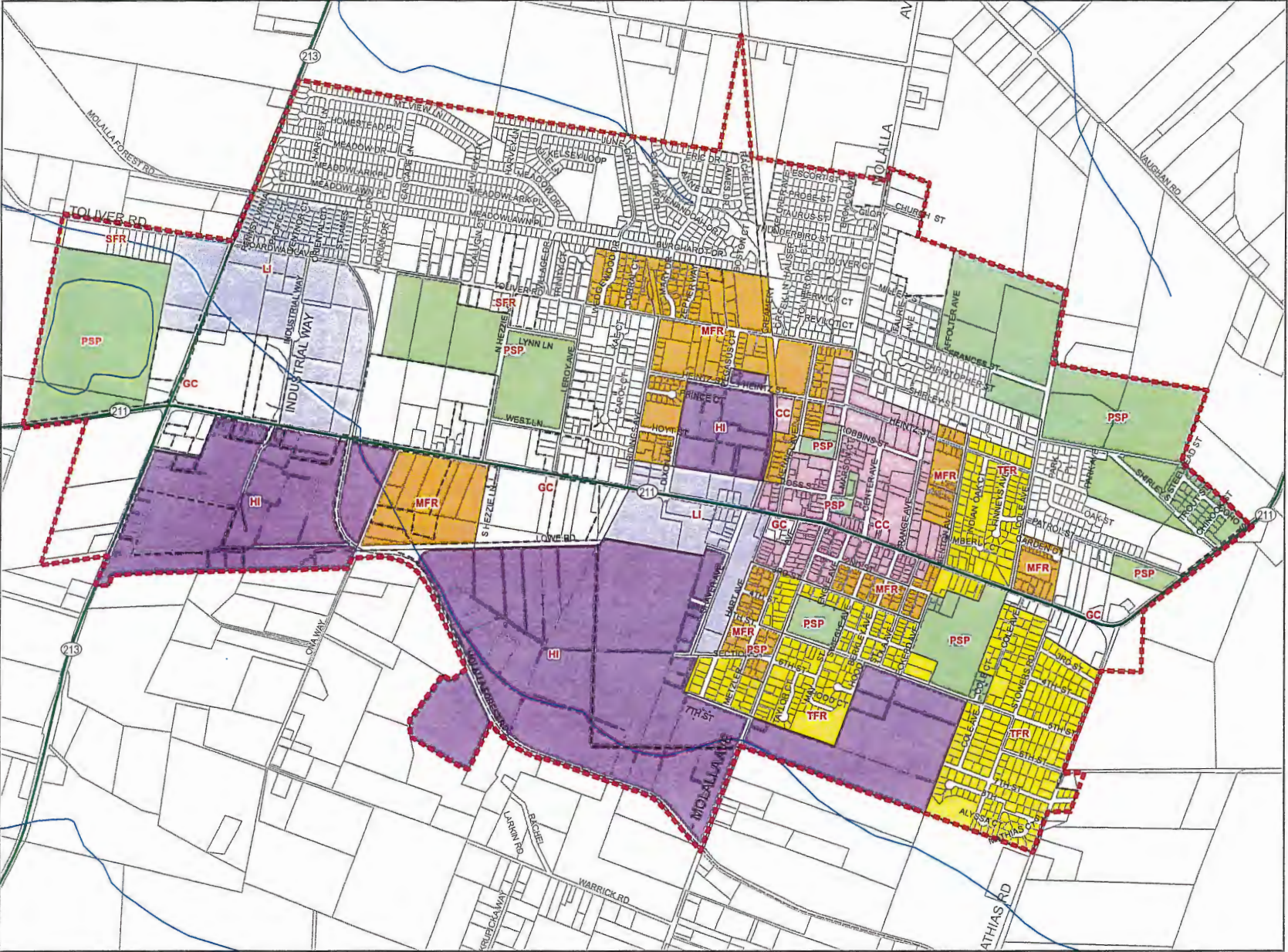


01/29/2014

EXHIBIT A

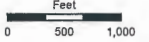
Ordinance 2014-09
Original Page 8 of 8

City of Molalla
Comprehensive Plan
 Adopted 1980



- Legend*
- Comp. Plan Designations**
- Single-Family Residential
 - Two-Family Residential
 - Multi-Family Residential
 - Public or Semi-Public
 - General Commercial
 - Central Commercial
 - Light Industrial
 - Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 311 SOUTH COURT
 OREGON CITY, OREGON 97143

The information on this map was derived from digital data from Clackamas County's GIS. Care was taken in the creation of this map but is provided "as is". Clackamas County cannot accept any responsibility for any errors, omissions, or inaccuracies and it warrants, either as to the accuracy or completeness of the information. Although information from Local Emergency Plans have been used in the creation of this map, it is not intended to be used for emergency response. There are no warranties or other third party information on this product before buying any insurance.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

- 4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
- 5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
- 6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

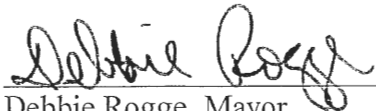
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

- 1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
- 2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
- 3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
- 4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 10

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of Parcels 2 and 3 of Partition Plat No. 2000-007, all of that tract of land described in that deed recorded as Document No. 91-46033, Clackamas County Deed Records, all of that Tract of land described in that deed recorded as Document No. 91-46034, Clackamas County Deed Records, a portion of State Highway 213, and a portion of State Highway 211, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07D 02000

Tax Lot No. 52E07D 01900

Tax Lot No. 52E07D 01800

Tax Lot No. 52E07D 02401

Tax Lot No. 52E07D 02404

Tax Lot No. 52E07D 02400

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RI (Rural Industrial), is changed to a City plan designation of GC (General Commercial) except for Tax Lot No. 52E07D 02400 which will have the City plan designation of HI (Heavy Industrial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RFFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial), except for Tax Lot No. 52E07D 02400 will be changed to M-2 (Heavy Industrial). The properties are currently:

Tax Lot No. 52E07D 02000	Commercial – In Use
Tax Lot No. 52E07D 01900	Undeveloped
Tax Lot No. 52E07D 01800	Residential – In Use
Tax Lot No. 52E07D 02401	Residential – In Use
Tax Lot No. 52E07D 02404	Undeveloped
Tax Lot No. 52E07D 02400	Residential – In Use

In accordance with ORD 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E07D 01800 and Tax Lot No. 52E07D 02401 and Tax Lot No. 52E07D 02400 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of the property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled “CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT” attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

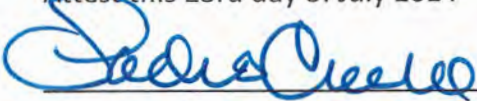
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

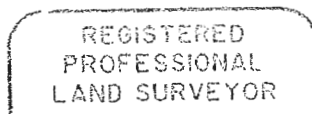
Email: chris@ztecengineers.com

12700, 12704, 12754, 12757, 12763, 12770 State Highway 211
and Tax Lot 1900 on Map 52E 07D
Annexation to the City of Molalla

Exhibit A

A Tract of land being all of Parcels 2 and 3 of Partition Plat No. 2000-007, all of that Tract of land described in that deed recorded as Document No. 2006-106274, Clackamas County Deed Records, all of that Tract of land described in that deed recorded as Document No. 91-46033, Clackamas County Deed Records, all of that Tract of land described in that deed recorded as Document No. 91-46034, Clackamas County Deed Records, a portion of State Highway 213, and a portion of State Highway 211, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a 5/8 inch iron rod with a yellow plastic cap stamped, "LOVE PLS 747" found at the most Southerly corner of said Parcel 3 of said Partition Plat No. 2000-007; thence North 81°29'00" West, along the Southerly line of said Parcel 3, a distance of 253.88 feet to the most Easterly corner of said Parcel 3; thence North 19°55'00" East, along the Easterly line of said Parcel 3, a distance of 179.92 feet to the most Easterly Northwest corner of said Parcel 3; thence South 81°29'00" East, along the Northerly line of said Parcel 3, a distance of 112.88 feet to an angle point in said Northerly line; thence North 19°55'00" East, along the boundary line of said Parcel 3, and along the Westerly line of said Parcel 2 of said Partition Plat No. 2000-007, a distance of 213.31 feet to the Northwesterly corner of said Parcel 2, said point also being the Northeasterly corner of Parcel 1 of said Partition Plat No. 2000-007; thence North 81°29'00" West, along the Northerly line of said Parcel 1, a distance of 112.98 feet to the Southwesterly corner of that Tract of land described in that deed recorded as Document No. 91-46034, Clackamas County Deed Records; thence North 19°53'30" East, along the Westerly line of said Document No. 91-46034 Tract, a distance of 117.57 feet to the Southeasterly corner of that Tract of land described in that deed recorded as Document No. 2006-106274, Clackamas County Deed Records; thence North 81°32'20" West, along the Southerly line of said Document No. 2006-106274 Tract, a distance of 256.70 feet to a point on the Easterly right of way line of State Highway 213; thence North 70°05'00" West, at right angle to said State Highway 213, a distance of 60.00 feet to a point on the Westerly right of way line of said State Highway



Chris Fischborn

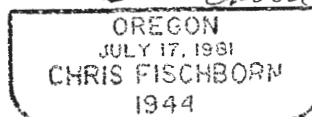


EXHIBIT A

Ordinance 2014-10
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213; thence North 19°55'00" East, along said Westerly right of way line, a distance of 222.52 feet to a point on the Westerly extension of the Northerly right of way line of State Highway 211; thence South 81°29'09" East, along said Northerly right of way line, a distance of 559.80 feet to a point; thence South 08°30'51" West, at right angles to said State Highway 211, a distance of 60.00 feet to a point on the Southerly right of way line of said State Highway 211, said point also being at the Northwesterly corner of the Plat of the "West Molalla Homes"; thence South 19°55'00" West, along the Westerly line of said "West Molalla Homes" Plat; and its Southerly extension, a distance of 683.99 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 5.3777 acres (234,251 square feet), more or less.

The bearings and distances in this description are based on Partition Plat No. 2000-0070 and on Clackamas County Survey No. 25082.

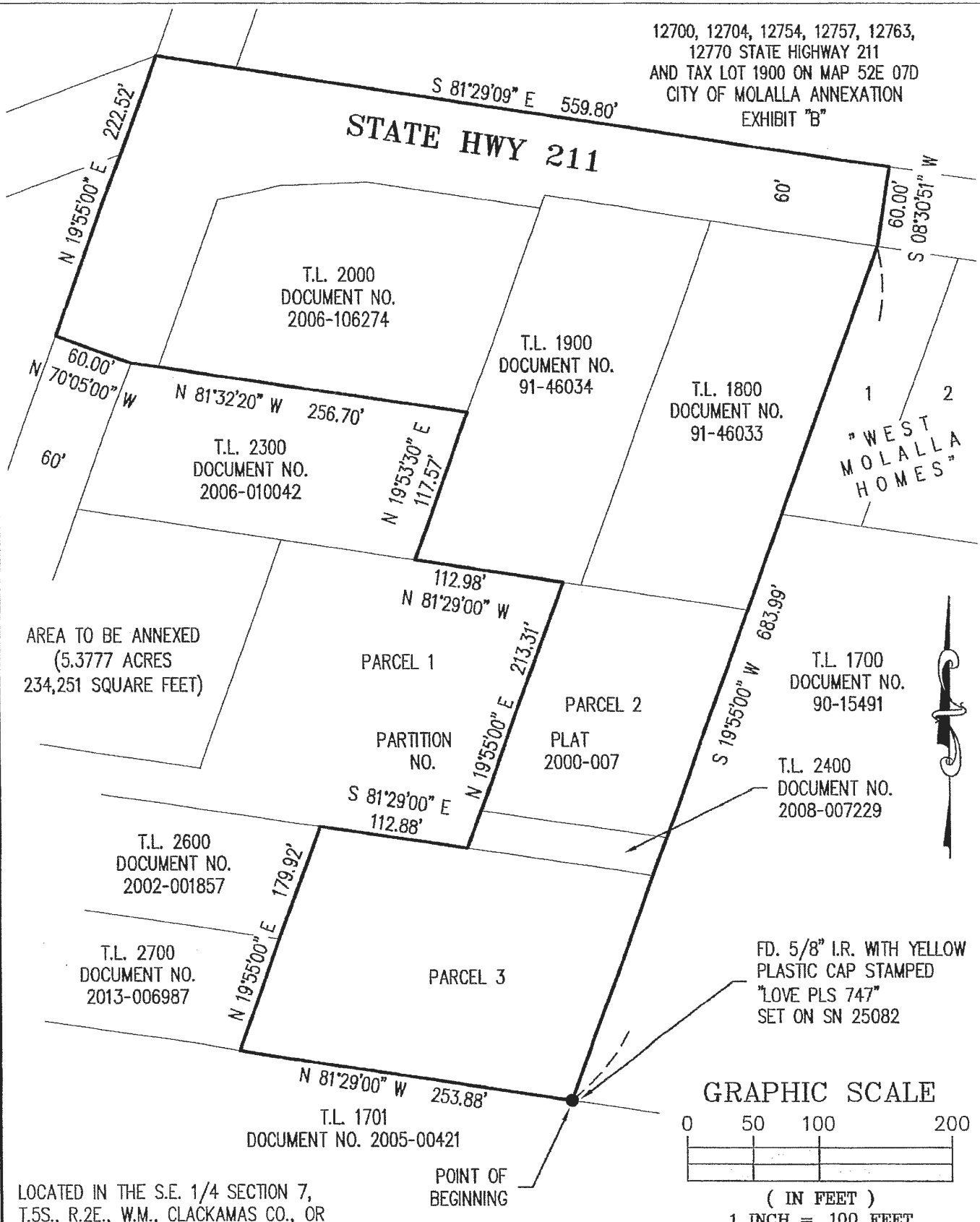


EXHIBIT A

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12700, 12704, 12754, 12757, 12763,
12770 STATE HIGHWAY 211
AND TAX LOT 1900 ON MAP 52E 07D
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

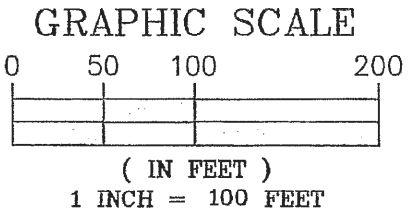
STATE HWY 211



AREA TO BE ANNEXED
(5.3777 ACRES
234,251 SQUARE FEET)

"WEST
MOLALLA
HOMES"

FD. 5/8" I.R. WITH YELLOW
PLASTIC CAP STAMPED
"LOVE PLS 747"
SET ON SN 25082



LOCATED IN THE S.E. 1/4 SECTION 7,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

POINT OF
BEGINNING

TITLE: EXHIBIT "B"	
PLOT DATE: 11-18-13	
FILE: W1202-7G.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

GURDIAL & HARDEEP INC
 10794 SE 144TH LOOP
 HAPPY VALLEY, OR 97086

Location Map:



Site Address: **12704 S HWY 211**

Taxlot Number: **52E07D 02000**

Land Value: **211075**

Building Value: **738580**

Total Value: **949655**

Acreage:

Year Built:

Sale Date: **11/15/2006**

Sale Amount: **1488500**

Sale Type: **S**

Land Class:

201

Building Class:

Neighborhood:

Area 02 commercial

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.90

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HEKALA VIRGINIA TRUST
12754 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: **NO SITUS**
 Taxlot Number: **52E07D 01900**
 Land Value: **16726**
 Building Value: **0**
 Total Value: **16726**

Acreage:
 Year Built:
 Sale Date: **09/01/1991**
 Sale Amount: **10**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.87

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HEKALA VIRGINIA TRUST
12754 S HWY 211
MOLALLA, OR 97038

Site Address: **12754 S HWY 211**

Taxlot Number: **52E07D 01800**

Land Value: **75105**

Building Value: **77070**

Total Value: **152175**

Acreage:

Year Built: **1925**

Sale Date: **09/01/1991**

Sale Amount: **10**

Sale Type:

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.82

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BURLEY RANDY G
12757 S CROMPTONS LN
MOLALLA, OR 97038

Site Address: **12763 S CROMPTONS LN**

Taxlot Number: **52E07D 02401**

Land Value: **53841**

Building Value: **600**

Total Value: **54441**

Acreage:

Year Built:

Sale Date: **06/23/2008**

Sale Amount: **0**

Sale Type: **S**

Land Class:

101

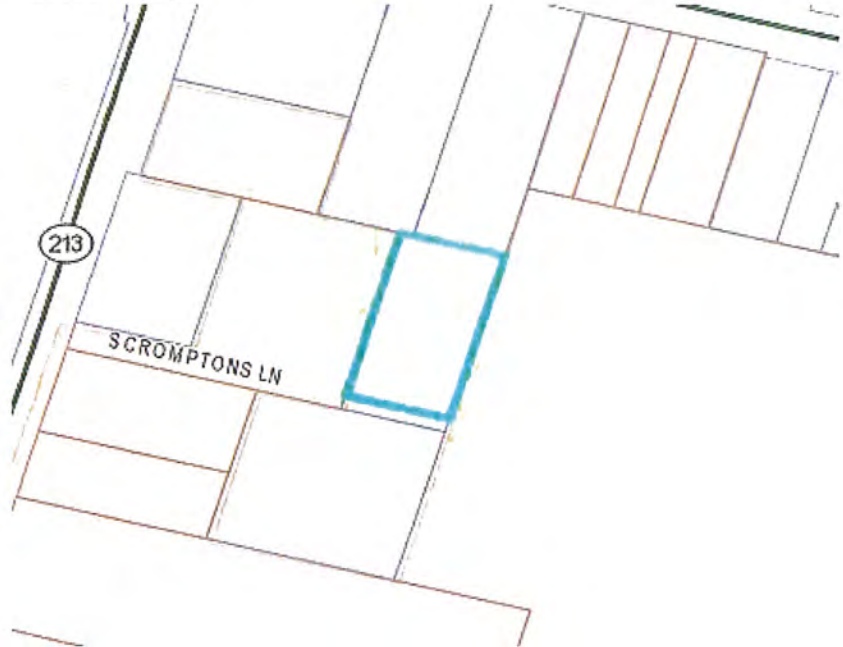
Building Class:

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.62

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BURLEY TERRY L
12770 S CROMPTONS LN
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E07D 02404**
 Land Value: **3040**
 Building Value: **0**
 Total Value: **3040**

Acreage:
 Year Built:
 Sale Date: **05/19/2008**
 Sale Amount: **28000**
 Sale Type: **S**

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.05

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BURLEY TERRY L
29335 S CRAMER RD
MOLALLA, OR 97038

Location Map:



Site Address: **12770 S CROMPTONS LN**

Taxlot Number: **52E07D 02400**

Land Value: **64236**

Building Value: **740**

Total Value: **64976**

Acreage:

Year Built:

Sale Date: **12/01/1997**

Sale Amount: **28000**

Sale Type:

Land Class:

101

Building Class:

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

1.03

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

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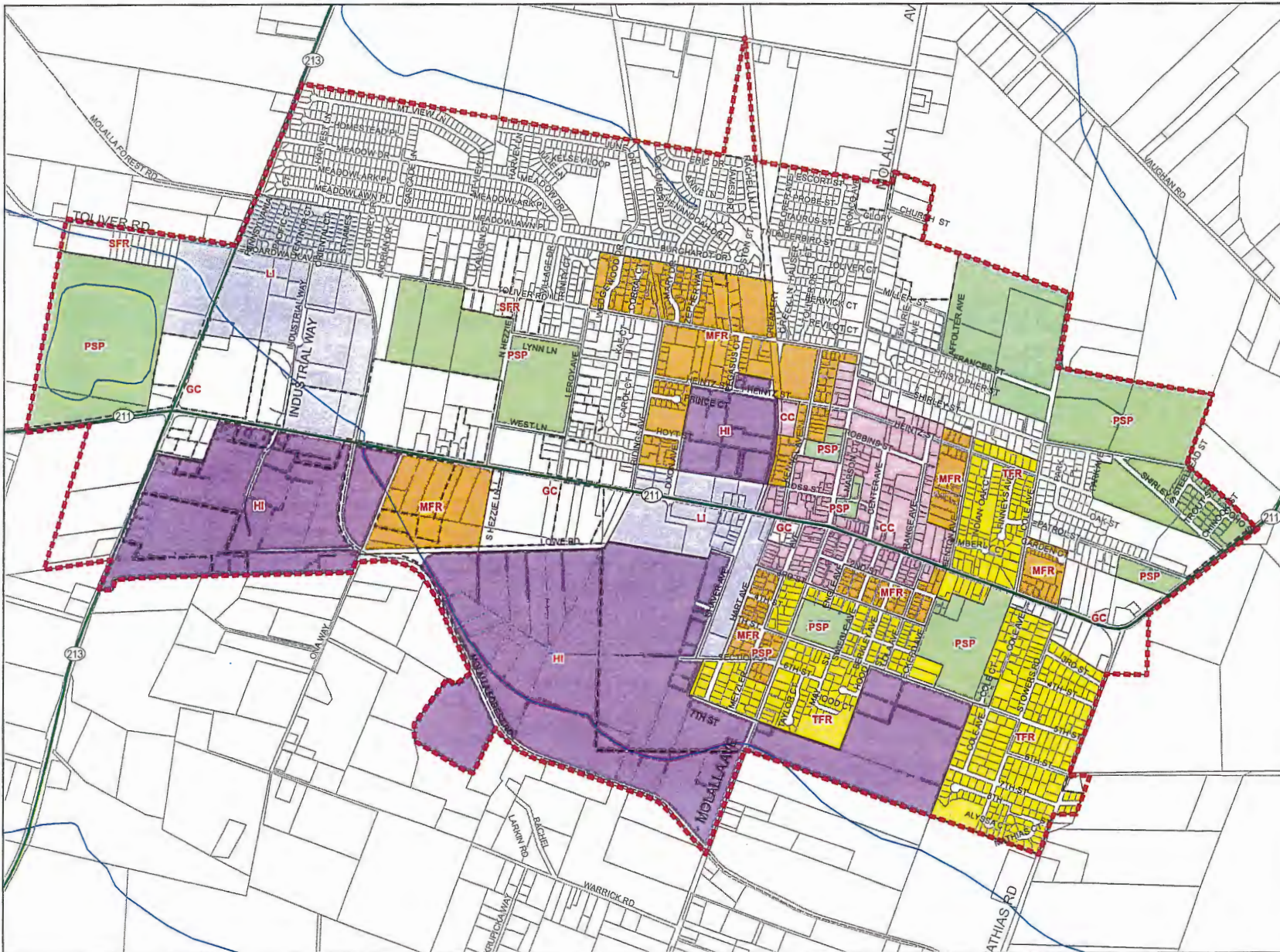


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City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS
DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
151 LIBRARY COUNTY
BETHLEHEM CITY, OREGON 97148

The information on this map was derived from digital data from Clackamas County's GIS. Users are advised to use a scale of 1:12,800 only for general reference. Clackamas County cannot assume any responsibility for any errors, omissions, or published accuracy, or its use, for any purposes, which may require this product. Although Clackamas County has taken care to ensure the accuracy of this product, it is not a substitute for a professional land survey. Users are cautioned to seek professional advice before making any decisions.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

- Patricia Torsen 31615 S. Hezzie Lane
- Carol Maloy Et Al 14550 S. Claim Road
- Harry Russell 13053 S. Highway 211 (Represented by John Henrickson)
- Dale Newcomb P.O. Box 2579, Lebanon, OR 97355
- Cedric Hansen 13325 S. Highway 211
- Curtis Cruikshank 13303 S. Highway 211
- Pam Fleskes 725 W. Main Street
- Randy Burley 12763 S. Crompton Lane
- John Hekala 12754 S. Highway 211
- Nancy Butler 133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

- Susan Hansen 33381 S. Sawtell Road
- Jim Taylor 29480 S. Holt Road, Colton OR
- Gayla Hansen 38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

- Carol Maloy, 14550 S. Claim Rd
- Ed Campy, 724 W. Main
- Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
 1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City’s treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

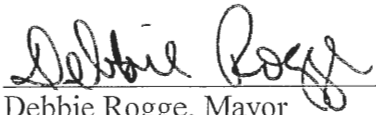
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 11

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real property that is the subject of this ordinance is located in a tract of land being all of that tract of land described in that Deed recorded as Document No. 2006-066856, Clackamas County Deed records and also being a portion of State Highway 213, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07D 02500

This property is annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Industrial), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RFFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial). The property is currently in use as both a residence and commercial photographer. Therefore, in accordance with ORS 222.750, Tax Lot No. 52E07D 02500 will have an effective date of

annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

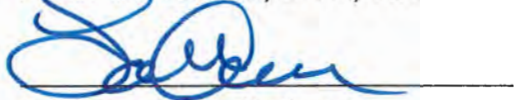
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

31568 State Highway 213

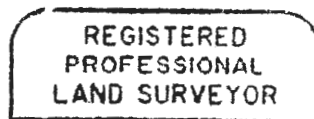
Annexation to the City of Molalla

A Tract of land being all of that tract of land described in that Deed recorded as Document No. 2006-066856, Clackamas County Deed Records and also being a portion of State Highway 213, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a 5/8 inch iron rod with a yellow plastic stamped "LOVE PLS 747", found at the Northwest corner of said Document No. 2006-066856 tract, said point being on the Easterly right of way line of State Highway 213; thence South 81°29'00" East, along the Northerly line of said Document No. 2006-066856 tract, a distance of 155.39 feet to the most Northerly Northwest corner of Parcel 1 of Partition Plat No. 2000-007; thence South 19°55'00" West, along the boundary line of said Parcel 1, a distance of 181.31 feet to a point; thence continuing along said Parcel 1 boundary line, North 81°29'00" West a distance of 155.39 feet to a point on said Easterly right of way line of said State Highway 213; thence North 70°05'00" West, at right angles to said State Highway 213, a distance of 60.00 feet to a point on the Westerly right of way line of said State Highway 213; thence North 19°55'00" East, along said Westerly right of way line, a distance of 181.31 feet to a point; thence South 70°05'00" East, at angles to said State Highway 213, a distance of 60.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 0.8838 acres (38,496 square feet) more or less.

The bearings and distance in this description are based on Clackamas County Partition Plat No. 2000-007.



Chris Fischborn

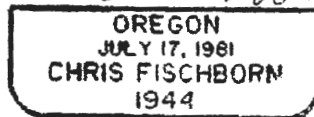
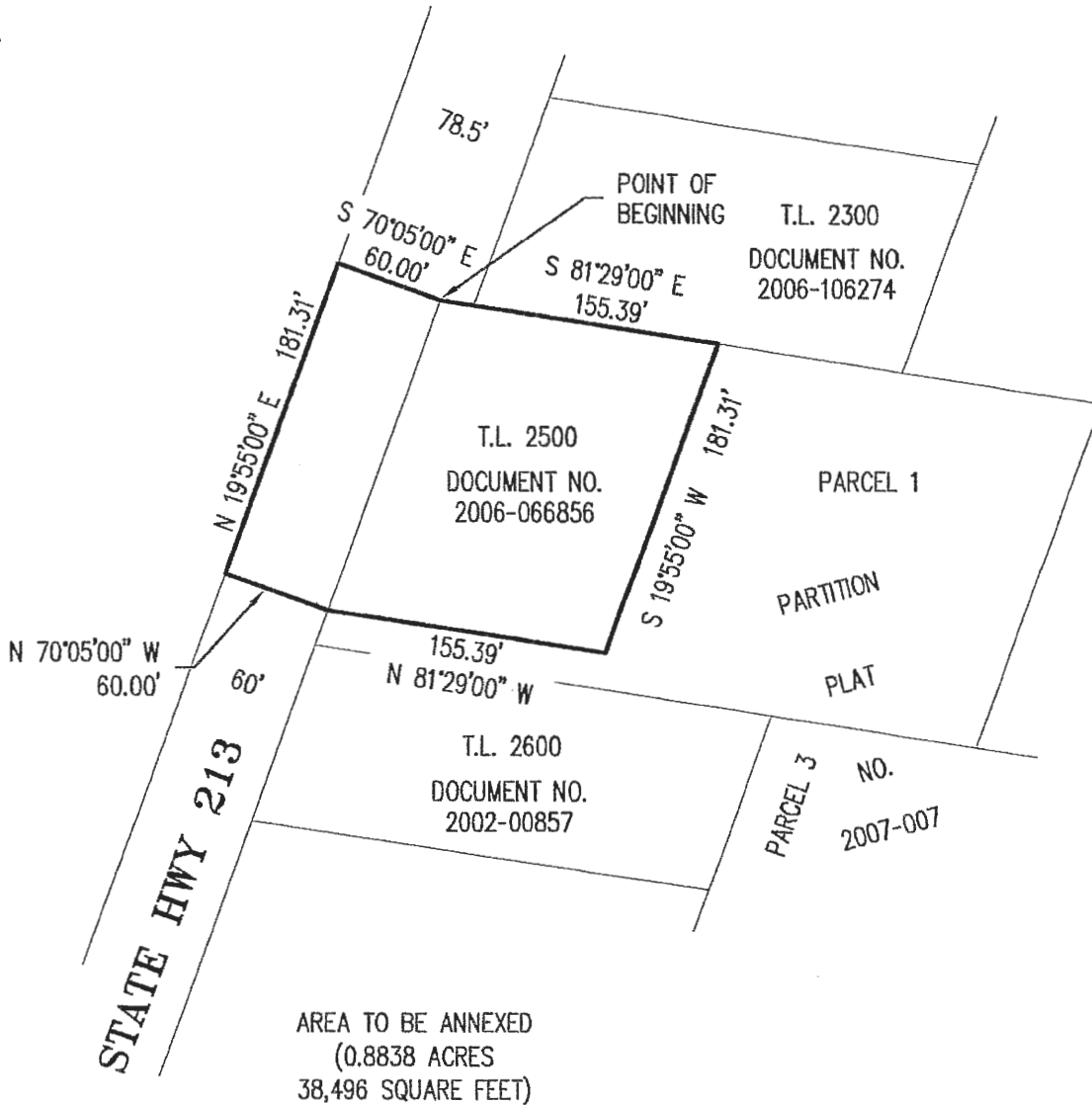


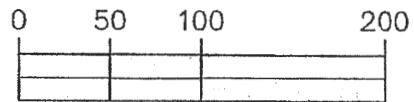
EXHIBIT A

Ordinance 2014-11
Original Page 1 of 4

31568 STATE HIGHWAY 213
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



GRAPHIC SCALE



(IN FEET)
 1 INCH = 100 FEET

LOCATED IN THE S.E. 1/4 SECTION 7,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "A"	
PLOT DATE: 1-17-14	
FILE: W1202-7S.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795

EXHIBIT A



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

PETERSON GREGORY E
31568 S HWY 213
MOLALLA, OR 97038

Location Map:



Site Address: **31568 S HWY 213**

Taxlot Number: **52E07D 02500**

Land Value: **70305**

Building Value: **124780**

Total Value: **195085**

Acreage:

Year Built: **1950**

Sale Date: **07/18/2006**

Sale Amount: **242000**

Sale Type: **S**

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.63

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

Ordinance 2014-11
 Original Page 3 of 4

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A
Ordinance 2014-11
Original Page 4 of 4

Clackamas County COMPREHENSIVE PLAN

MAP IV-7: Non-Urban Area Land Use Map

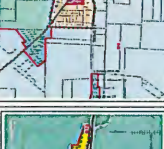
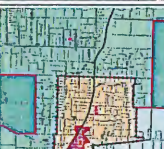
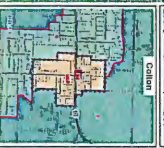
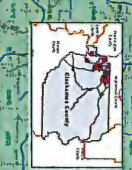
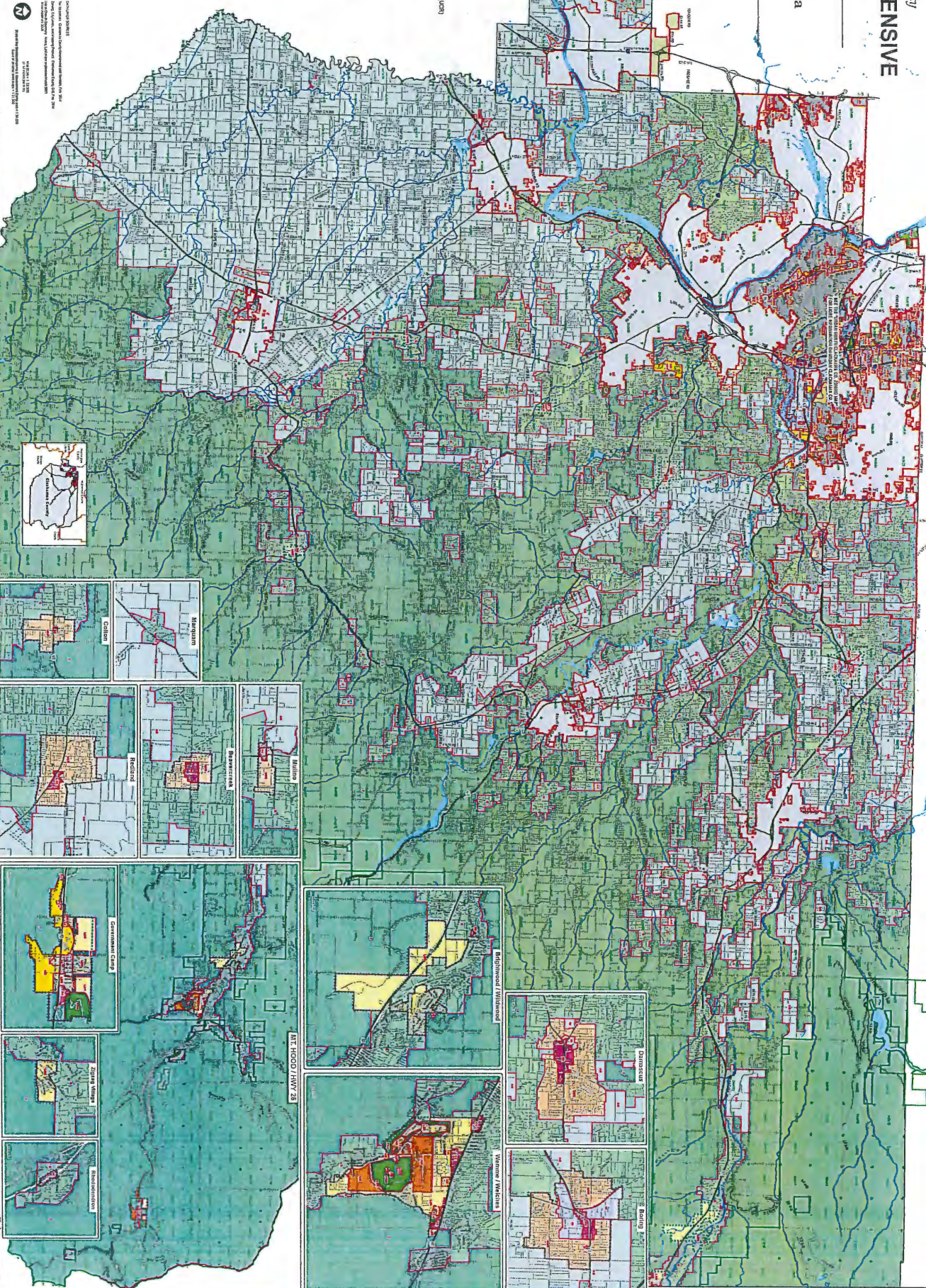
Clackamas County, Oregon
Map IV-7: Non-Urban Area Land Use Map
This map shows the land use designations for the Non-Urban Area of Clackamas County, Oregon. The map is based on the Comprehensive Plan, Map IV-7, and the Land Use Code. The map is a technical drawing and should not be used for legal purposes. For more information, contact the Clackamas County Planning Department.

Comprehensive Plan Designations

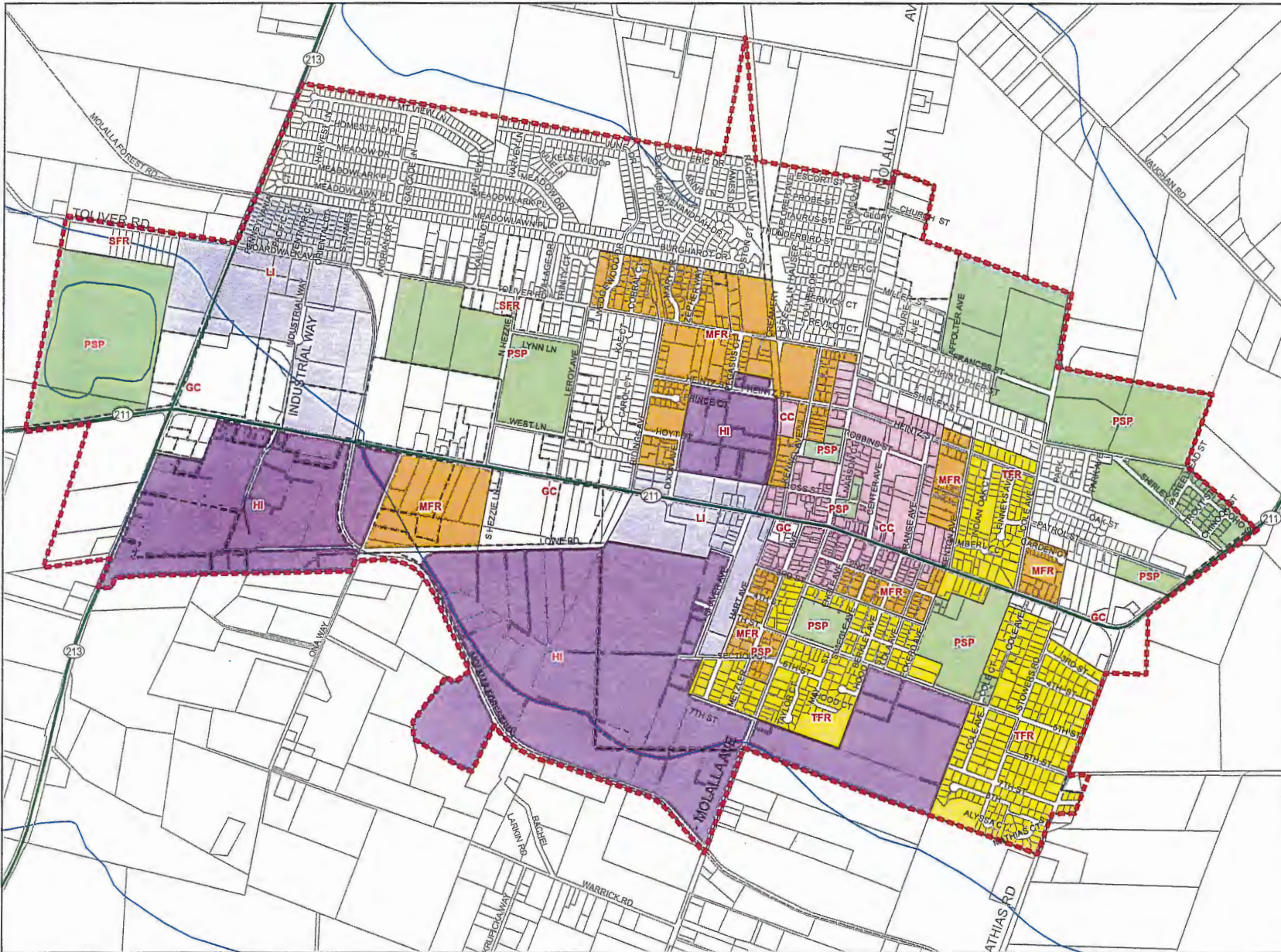
- Forest (F)
- Agriculture (A)
- Rural (R)
- Low Density Residential (LD)
- Medium Density Residential (MD)
- High Density Residential (HD)
- Office Commercial (OC)
- Retail Commercial (RC)
- Village Commercial (VC)
- Planned Center (PC)
- General Industrial (GI)
- District Industrial (DI)
- Light Industrial (LI)
- Public School (PS)
- Village Community Services (VCS)
- Open Space (OS)
- Clackamas County
- Urban Growth Boundary
- Unincorporated Rural Community
- All-Weather Highway
- City Drainage
- Major Road
- Resource Protection
- Interim/Partial Cities



CLACKAMAS COUNTY
PLANNING DEPARTMENT
1000 NE Oregon Street, Suite 200
Clackamas, Oregon 97015
Phone: 503-646-2200
Fax: 503-646-2201
www.clackamascounty.gov



City of Molalla
Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 121 LIBRARY COURT
 OREGON CITY, OREGON 97143

The information on this map was derived from digital data from Clackamas County GIS. Care was taken to the creation of this map but is not a warranty. Clackamas County cannot accept any responsibility for any errors, omissions, or graphical discrepancies that may occur in the reproduction of this product. Although information from Land Survey only have been used in the creation of this product, we do not have the original records to reproduce Land Survey. Users are encouraged to field verify information on this product before making any decisions.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
 1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

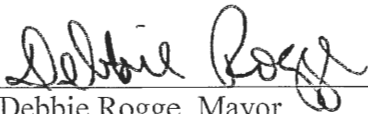
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA
ORDINANCE No. 2014 - 12

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla (“City”) initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City’s code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City’s corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City’s code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties’ comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real property that is the subject of this ordinance is located in a tract of land being all of that tract of land described in that Deed recorded as Document No. 86-02182, Clackamas County Deed Records, being a portion of Tract 35 of the Plat of “The Shaver Place”, located in the Northeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07A 02100

This property is annexed into the City of Molalla. A meets and bounds legal description, surveyor’s map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RC (Rural Commercial), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial). The property is currently in use as a residence. Therefore, in accordance with ORS 222.750, Tax Lot No. 52E07A 02100 will have an effective date of annexation three (3) years from the

effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

12843 State Highway 211
Annexation to the City of Molalla

Exhibit A

A Tract of land being all of that Tract of land described in that deed recorded as Document No. 86-02182, Clackamas County Deed Records, being a portion of Tract 35 of the Plat of "The Shaver Place", located in the Northeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a 5/8 inch iron rod with a yellow plastic cap stamped, "DAVIS & PIKE LS 846" found at the Northwesterly corner of Partition Plat No. 2010-054, said point also being the Northeasterly corner of said Document No. 86-02182; thence South 08°42'35" West, along the Westerly boundary line of said Partition Plat No. 2010-054, a distance of 957.60 feet to a point on the Northerly right of way line of State Highway 211; thence South 08°58'07" West, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Southerly right of way line of said Highway 211; thence North 81°01'53" West, along said Southerly right of way line, a distance of 132.68 feet to a point; thence North 08°58'07" East, at right angles to said Highway 211, a distance of 60.00 feet to a point on said Northerly right of way line of said Highway 211, said point also being at the Southwesterly corner of said Document No. 86-02182 Tract; thence North 08°42'35" East, along the Westerly line of said Document NO. 86-02182 Tract, a distance of 956.00 feet to the Northwesterly corner thereof; thence South 81°43'29" East, along the Northerly line of said Document No. 86-02182 Tract, a distance of 132.68 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 3.0970 acres (134,905 square feet), more or less.

The basis of bearings for this description is Clackamas County Partition Plat No. 2010-054.

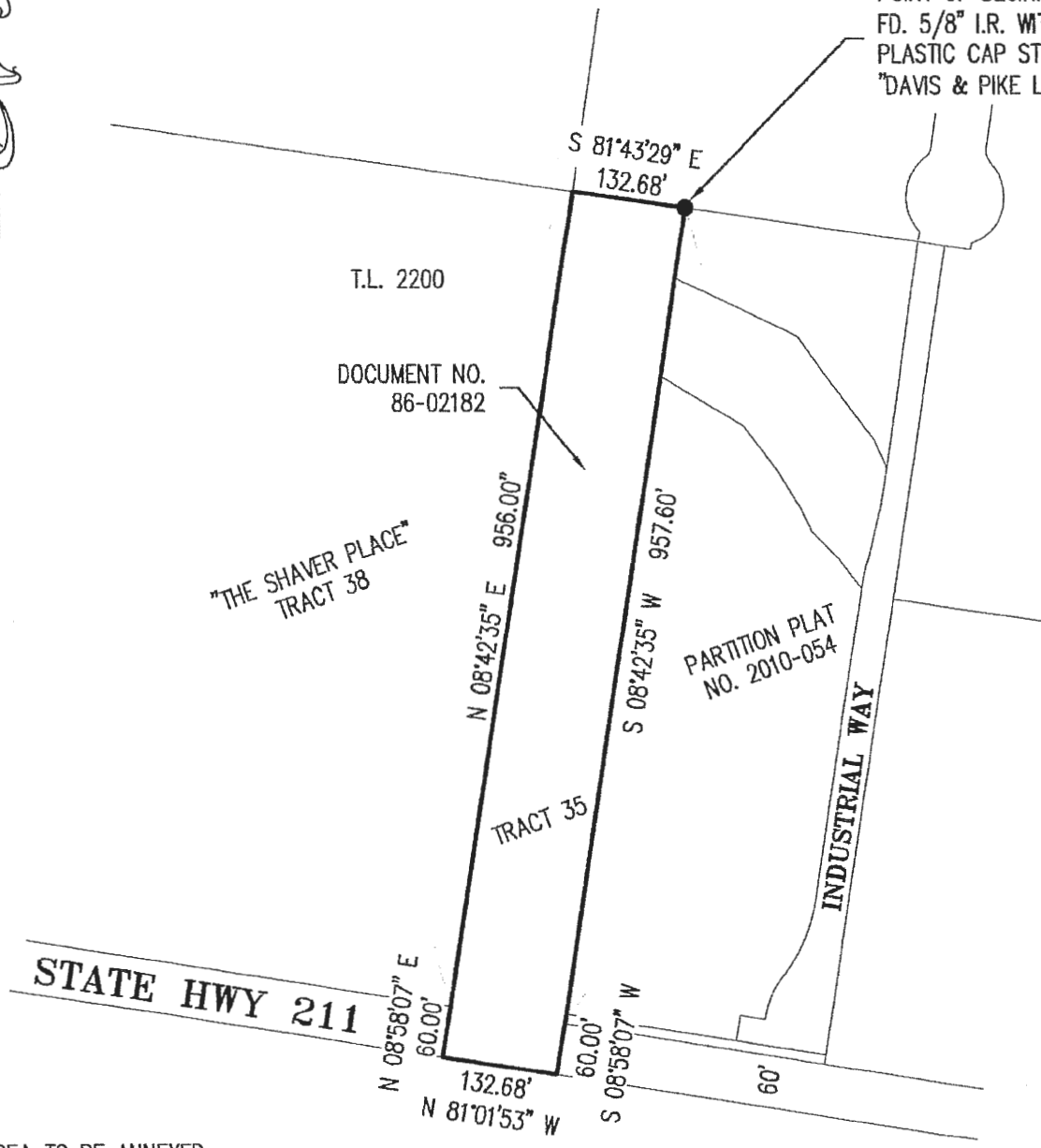


EXHIBIT A

Ordinance 2014-12
Original Page 1 of 4

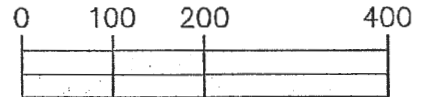
12843 STATE HIGHWAY 211
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

POINT OF BEGINNING
FD. 5/8" I.R. WITH A YELLOW
PLASTIC CAP STAMPED
"DAVIS & PIKE LS 846"



AREA TO BE ANNEXED
(3.0970 ACRES
134,905 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
1 INCH = 200 FEET

LOCATED IN THE N.E. 1/4 SECTION 7,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "B"	
PLOT DATE: 11-18-13	
FILE: W1202-7H.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

NEWCOMB DALE C
PO BOX 2579
LEBANON, OR 97355

Site Address: **12843 S HWY 211**

Taxlot Number: **52E07A 02100**

Land Value: **94703**

Building Value: **148950**

Total Value: **243653**

Acreage: **2.91**

Year Built: **1952**

Sale Date: **01/01/1986**

Sale Amount: **55000**

Sale Type:

Location Map:



Land Class:

101

Building Class:

14

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		2.91
M1		0.00

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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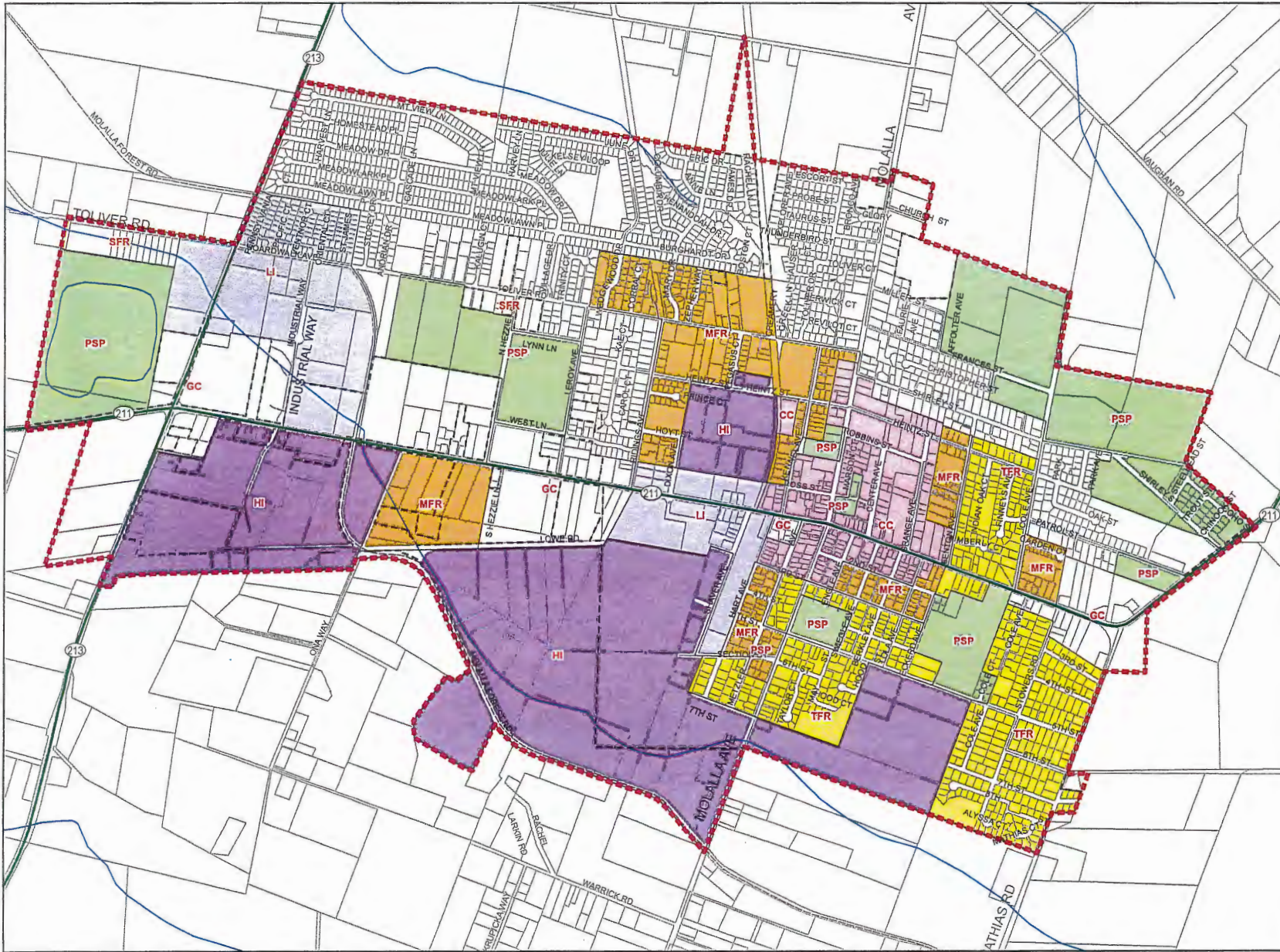
This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A
Ordinance 2014-12
Original Page 4 of 4

City of Molalla
 Comprehensive Plan
 Adopted 1980



- Legend**
- Comp. Plan Designations**
- Single-Family Residential
 - Two-Family Residential
 - Multi-Family Residential
 - Public or Semi-Public
 - General Commercial
 - Central Commercial
 - Light Industrial
 - Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 221 LIBRARY COURT
 OREGON CITY, OREGON 97145

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

- Dale Newcomb, 12843 S. Hwy 211
- Rudy Baurer, 823 Toliver Rd
- Harry Russell, 13053 S. Hwy 211
- Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council’s decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City’s Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

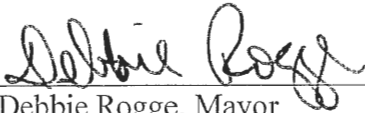
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 13

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a Tract of land being all of Parcel 3 of Partition Plat No. 1993-141, all of that Tract of land described in that Deed recorded as Document No. 96-052091, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 97-028357, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document no. 2006-030377, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2008-084319, Clackamas County Deed Records; all of that Tract of land described in that Deed recorded as Document No. 94-053626, Clackamas County Deed Records; all of that Tract of land described in that Deed recorded as Document No. 92-45178, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2008-014117, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 72-32514, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2006-029666, Clackamas County Deed Records, all of that Tract of land described as Parcel 2 of that Deed recorded as Document No. 2006-030379, all of that Tract of land described as Parcel 1 of that Deed recorded as Document No. 2006-030379, a portion of State Highway 211 and a portion of Molalla Forest Road, being a portion of Tracts 27, 30, 31 and 34 of the Plat of

"The Shaver Place", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

- Tax Lot No. 52E07A 01804
- Tax Lot No. 52E07A 01700
- Tax Lot No. 52E07A 01600
- Tax Lot No. 52E08B 03202
- Tax Lot No. 52E08B 03201
- Tax Lot No. 52E08B 03203
- Tax Lot No. 52E08B 03300
- Tax Lot No. 52E08B 03400
- Tax Lot No. 52E08B 03500
- Tax Lot No. 52E08B 03600
- Tax Lot No. 52E08B 03700
- Tax Lot No. 52E08B 03800

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential), except for Tax Lot No. 52E07A 01804 & Tax Lot No. 52E07A 01700 is changed to City plan designation LI (Light Industrial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected properties, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential), except for Tax Lot No. 52E07A 01804 & Tax Lot No. 52E07A 01700 is changed to M-1 (Light Industrial). The properties are currently:

- | | |
|--------------------------|-----------------------------------|
| Tax Lot No. 52E07A 01804 | Residential – In Use |
| Tax Lot No. 52E07A 01700 | Residential – In Use |
| Tax Lot No. 52E07A 01600 | Residential – In Use |
| Tax Lot No. 52E08B 03202 | Residential – In Use |
| Tax Lot No. 52E08B 03201 | Undeveloped |
| Tax Lot No. 52E08B 03203 | Commercial – In Use |
| Tax Lot No. 52E08B 03300 | Residential – In Use |
| Tax Lot No. 52E08B 03400 | Residential – In Use |
| Tax Lot No. 52E08B 03500 | Multi-Family Residential – In Use |
| Tax Lot No. 52E08B 03600 | Residential – In Use |
| Tax Lot No. 52E08B 03700 | Residential – In Use |
| Tax Lot No. 52E08B 03800 | Residential – In Use |

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E07A 01804, Tax Lot No. 52E07A 01700, Tax Lot No. 52E07A 01600, Tax Lot No. 52E08B 03202, Tax Lot No. 52E08B 03300, Tax Lot No. 52E08B 03400, Tax Lot No. 52E08B 03500, Tax Lot No. 52E08B 03600, Tax Lot No. 52E08B 03700, and Tax Lot No. 52E08B 03800 will have an effective date of annexation three (3) years

from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

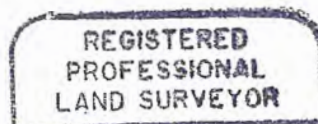
FAX: 503-233-7889

Email: chris@ztecengineers.com

12933, 13053, 13143, 13183, 13241, 13247,
13257, 13261, 13263 & 13341 State Highway 211
Tax Lots 3201 and 3203 on Tax Map 5S2E08B
A Portion of Molalla Forest Road and a Portion
Of State Highway 211

A Tract of land being all of Parcel 3 of Partition Plat No. 1993-141, all of that Tract of land described in that Deed recorded as Document No. 96-052091, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 97-028357, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document no. 2006-030377, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2008-084319, Clackamas County Deed Records; all of that Tract of land described in that Deed recorded as Document No. 94-053626, Clackamas County Deed Records; all of that Tract of land described in that Deed recorded as Document No. 92-45178, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2008-014117, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 72-32514, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2006-029666, Clackamas County Deed Records, all of that Tract of land described as Parcel 2 of that Deed recorded as Document No. 2006-030379, all of that Tract of land described as Parcel 1 of that Deed recorded as Document No. 2006-030379, a portion of State Highway 211 and a portion of Molalla Forest Road, being a portion of Tracts 27, 30, 31 and 34 of the Plat of "The Shaver Place", located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a 5/8 inch iron rod with a red plastic cap stamped "Centerline Concepts, Inc.", found at the most Westerly corner of Parcel 1 of Partition Plat No. 2003-071, said point being on the Northerly right of way line of State Highway 211; thence South 07°48'30" West, at right angles to said State Highway 211, a distance of 60.00 feet to a point on the Southerly right of way line of said State Highway 211;



Chris Fischborn

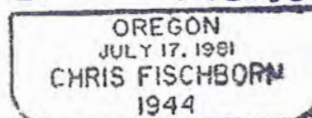


EXHIBIT A

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12933, 13053, 13143, 13183, 13241, 13247, 13257, 13261, 13263 & 13341 State Highway 211 Tax Lots 3201 and 3203 on Tax Map 5S2E08B a Portion of Molalla Forest Road and a Portion of State Highway 211, cont.,

thence North 82°11'30" West, along said Southerly right of way line, a distance of 520.92 feet to an angle point in said Southerly right of way line; thence continuing along said Southerly right of way line, North 81°43'16" West a distance of 1399.58 feet to a point; thence North 08°16'44" East, at right angles to said State Highway 211, a distance of 60.00 feet to a point on said Northerly right of way line of said State Highway 211, said point being at the most Westerly corner of Parcel 3 of Partition Plat No. 1993-141; thence North 07°57'32" East, along the Westerly line of said Parcel 3, a distance of 524.03 feet to the Northwesterly corner thereof; thence South 82°27'41" East, along the Northerly line of said Parcel 3 and its Easterly extension, a distance of 819.91 feet to a point on the Westerly right of way line of said Molalla Forest Road; thence North 07°57'43" East, along said Westerly right of way line, a distance of 436.14 feet to a point; thence South 82°02'17" East, at right angles to said Molalla Forest Road, a distance of 60.00 feet to the Northwesterly corner of said Document No. 97-028357 tract; thence South 82°27'41" East, along the Northerly line of said Document No. 97-028357 tract, a distance of 439.96 feet to the Northeasterly corner thereof; thence South 07°57'48" West, along the Easterly line of said Document No. 97-028357, a distance of 499.93 feet to the Northwesterly corner of said Document No. 2006-030377 tract; thence South 82°21'20" East, along the Northerly line of said Document No. 2006-030377, and along the Northerly line of said Parcel 2 of said Document No. 2006-030379, a distance of 440.70 feet to a point on the Westerly line of said Document No. 72-32514; thence North 08°00'34" East, along said Westerly line, a distance of 121.07 feet to the Northwesterly corner thereof; thence South 82°11'30" East, along the Northerly line of said Document No. 72-32514 tract, a distance of 186.39 feet to the Northwesterly corner of Parcel 2 of said Partition Plat No. 2003-071; thence South 08°00'34" West, along the Westerly line of said Parcel 2, a distance of 418.73 feet to an angle point in said Westerly line; thence North 82°11'30" West a distance of 26.50 feet to an angle point in said Westerly line; thence South 08°00'34" East, along said westerly line, and along the Westerly line of said Parcel 1 of Said Partition Plat No. 2003-071, a distance of 181.11 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 31.0726 acres (1,353,522 square feet) more or less.

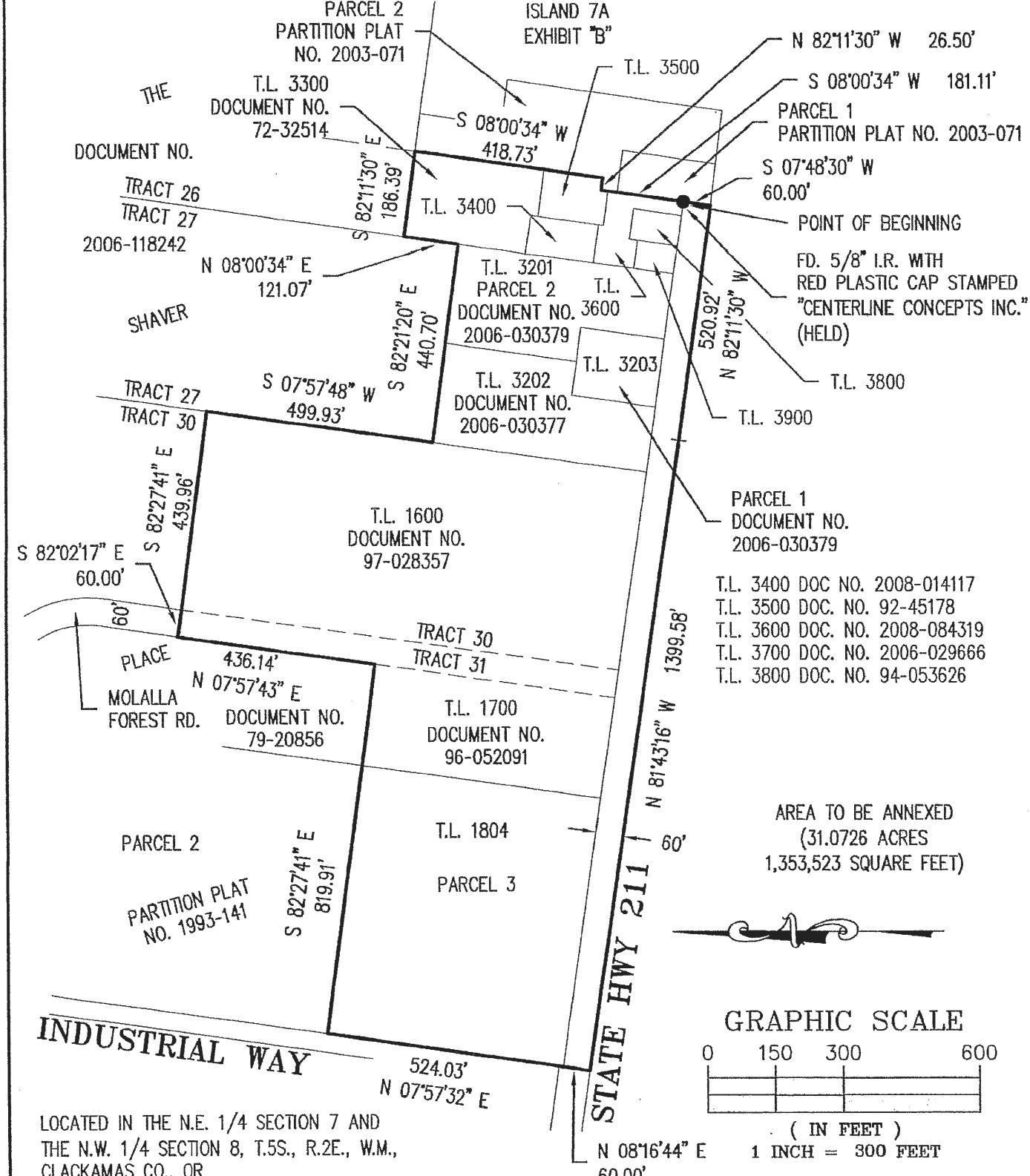
The bearings and distances in this description are based on Partition Plat No's 1993-141, 2003-071 and on Clackamas County Survey No. 10994.



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12933, 13053, 13143, 13183, 13241, 13247, 13257, 13261, 13263 & 13341
 STATE HIGHWAY 211, TAX LOTS 3201 & 3203 ON TAX MAP 5S 2E 08B
 CITY OF MOLALLA ANNEXATION

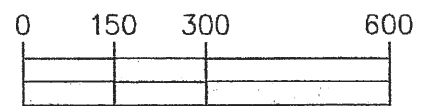


- T.L. 3400 DOC NO. 2008-014117
- T.L. 3500 DOC. NO. 92-45178
- T.L. 3600 DOC. NO. 2008-084319
- T.L. 3700 DOC. NO. 2006-029666
- T.L. 3800 DOC. NO. 94-053626

AREA TO BE ANNEXED
 (31.0726 ACRES
 1,353,523 SQUARE FEET)



GRAPHIC SCALE



(IN FEET)
 1 INCH = 300 FEET

LOCATED IN THE N.E. 1/4 SECTION 7 AND
 THE N.W. 1/4 SECTION 8, T.5S., R.2E., W.M.,
 CLACKAMAS CO., OR

TITLE: EXHIBIT "A"	
PLOT DATE: 1-28-14	
FILE: W1202-7TADWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BENTLEY FAMILY TRUST
12933 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: 12933 S HWY 211
 Taxlot Number: 52E07A 01804
 Land Value: 118566
 Building Value: 100570
 Total Value: 219136

Acreage:
 Year Built: 1940
 Sale Date: 05/01/1992
 Sale Amount: 10
 Sale Type:

Land Class:

641

Building Class:

13

Neighborhood:

Molalla rural north all

Taxcode Districts: 035040

Site Characteristics:

UGB: MOLALLA
 Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		7.13

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

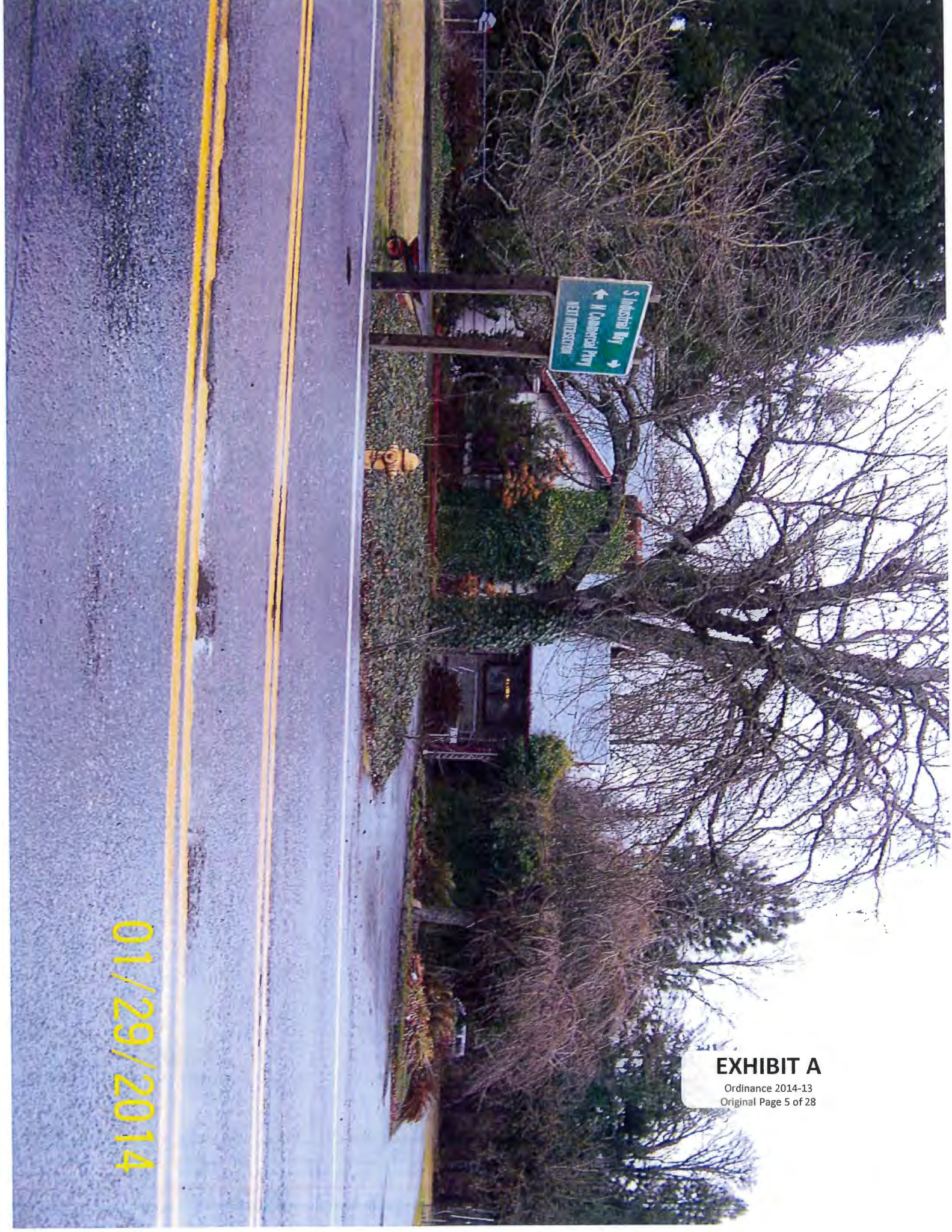


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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

RUSSELL HARRY V & LEMO J
13053 S HWY 211
MOLALLA, OR 97038

Site Address: **13053 S HWY 211**
 Taxlot Number: **52E07A 01700**
 Land Value: **92915**
 Building Value: **185090**
 Total Value: **278005**

Acreage:
 Year Built: **1940**
 Sale Date: **07/01/1996**
 Sale Amount: **190000**
 Sale Type:

Land Class:
101
 Building Class:
14
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

Location Map:



Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **2.82**

EXHIBIT A

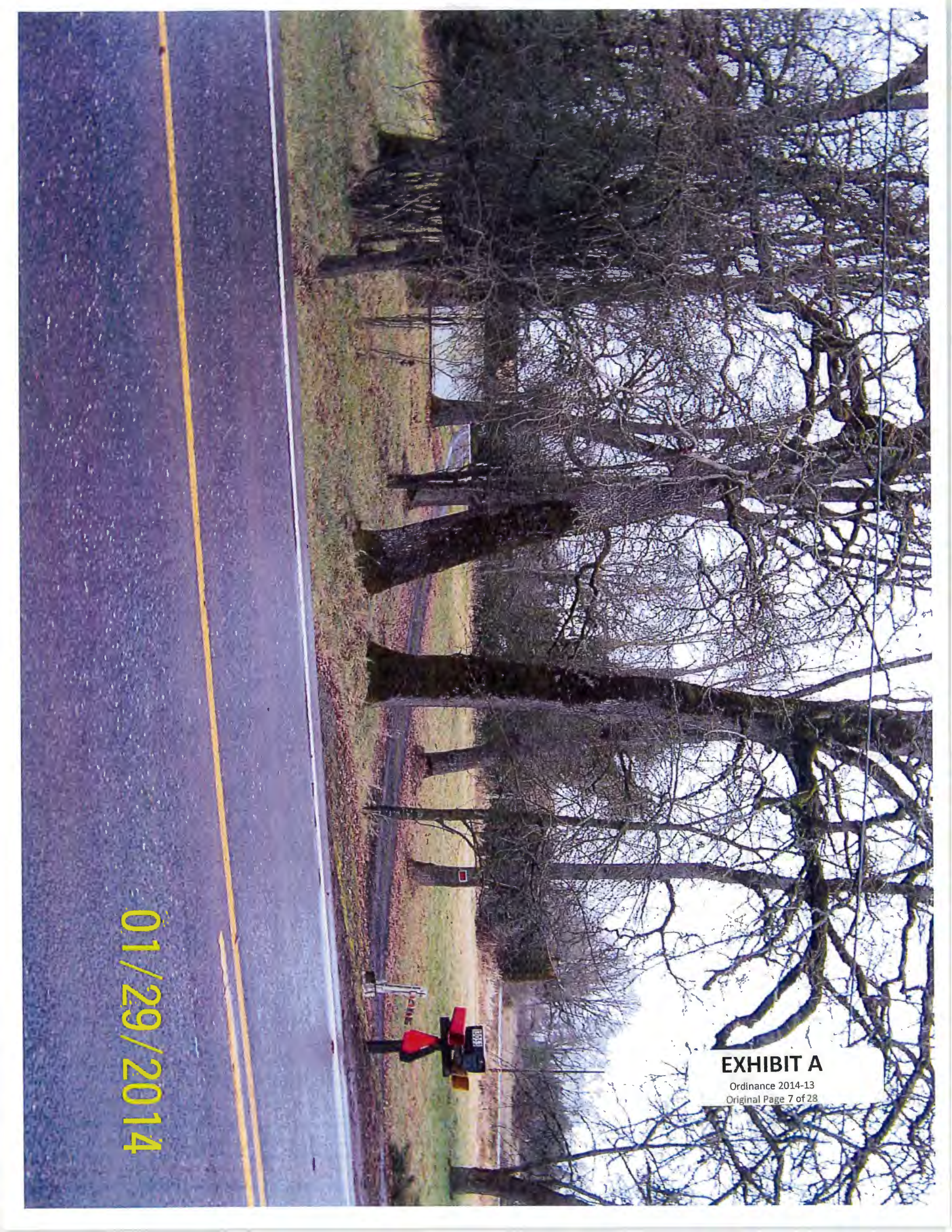
Ordinance 2014-13
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

GREGORY VIRGIL F TRUSTEE
9611 OLDE GEORGETOWN WAY
CENTERVILLE, OH 45458

Location Map:



Site Address: **13143 S HWY 211**

Taxlot Number: **52E07A 01600**

Land Value: **132780**

Building Value: **107870**

Total Value: **240650**

Acreage:

Year Built: **1925**

Sale Date: **09/13/2004**

Sale Amount: **0**

Sale Type: **S**

Land Class:

401

Building Class:

13

Neighborhood:

Molalla rural north all

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		9.84

RRFF5

9.84

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

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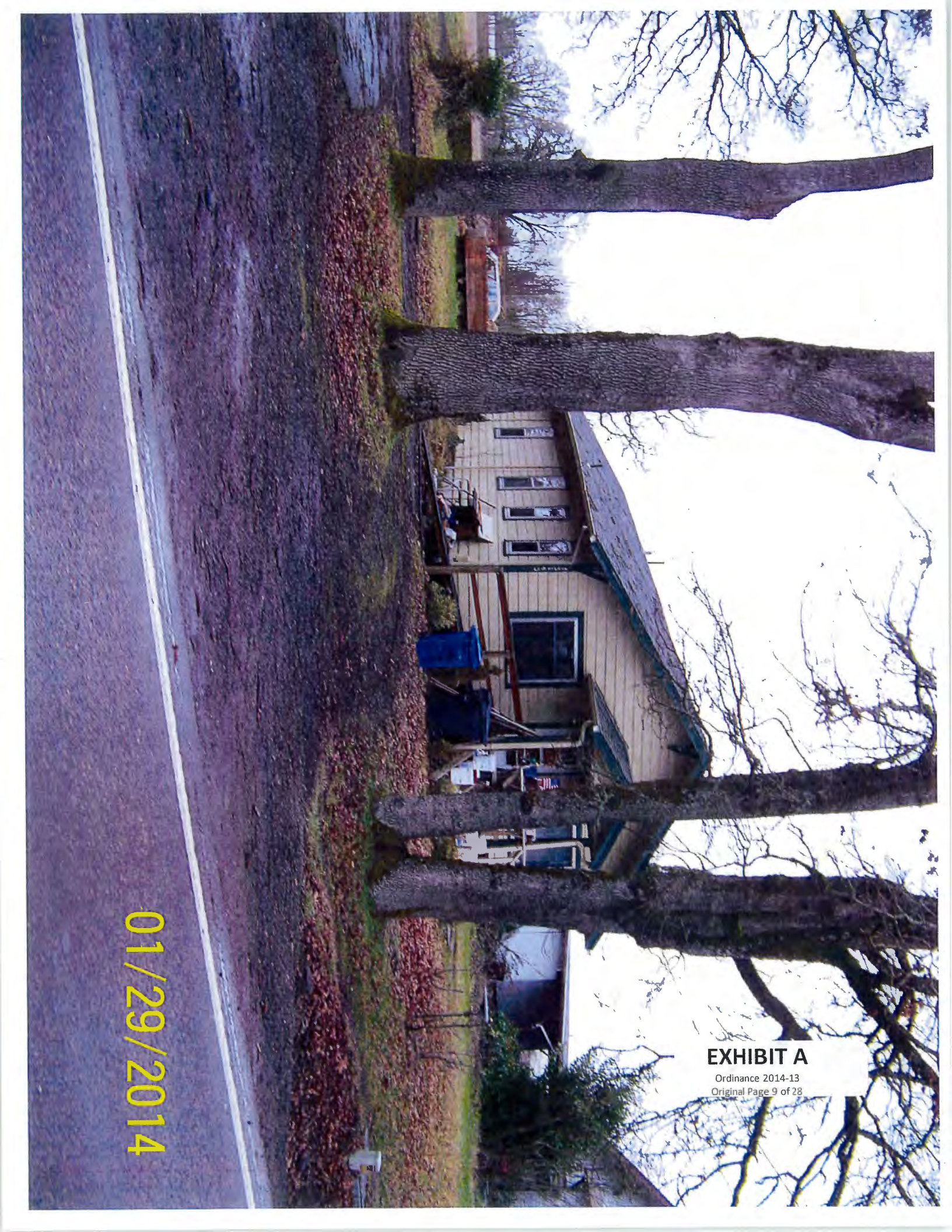


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Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

WELLE JOSHUA R & JAMIE N
13183 S HWY 211
MOLALLA, OR 97038

Site Address: **13183 S HWY 211**

Taxlot Number: **52E08B 03202**

Land Value: **82904**

Building Value: **111950**

Total Value: **194854**

Acreage:

Year Built: **1938**

Sale Date: **03/31/2006**

Sale Amount: **350000**

Sale Type: **S**

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Location Map:



Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

2.45

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas Co.**

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

WELLE JOSHUA R & JAMIE N
13183 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: **NO SITUS**
 Taxlot Number: **52E08B 03201**
 Land Value: **65897**
 Building Value: **0**
 Total Value: **65897**

Acreage:
 Year Built:
 Sale Date: **03/31/2006**
 Sale Amount: **0**
 Sale Type: **M**

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		1.67

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

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Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

WELLE JOSHUA R & JAMIE N
13183 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: **13183 S HWY 211**
Taxlot Number: **52E08B 03203**
Land Value: **77777**
Building Value: **73090**
Total Value: **150867**

Acreage:
Year Built:
Sale Date: **03/31/2006**
Sale Amount: **0**
Sale Type: **X**

Land Class:
201
Building Class:
Neighborhood:
Area 02 commercial
Taxcode Districts: **035013**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.71**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas Co.**

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Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

WILLMSCHEN GLEN A & E LOUISE
13263 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: 13263 S HWY 211

Taxlot Number: 52E08B 03300

Land Value: 74416

Building Value: 71320

Total Value: 145736

Acreage:

Year Built: 1960

Sale Date:

Sale Amount: 0

Sale Type:

Land Class:

101

Building Class:

12

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

1.32

Fire Molalla RFPD #73
Park N/A
School SCH 35 MOLALLA RIVER
Sewer N/A
Water N/A
Cable Wave Broadband (Molalla)
CPO Molalla
Garb/Recyc Molalla Sanitary
City/County Clackamas Co.

EXHIBIT A

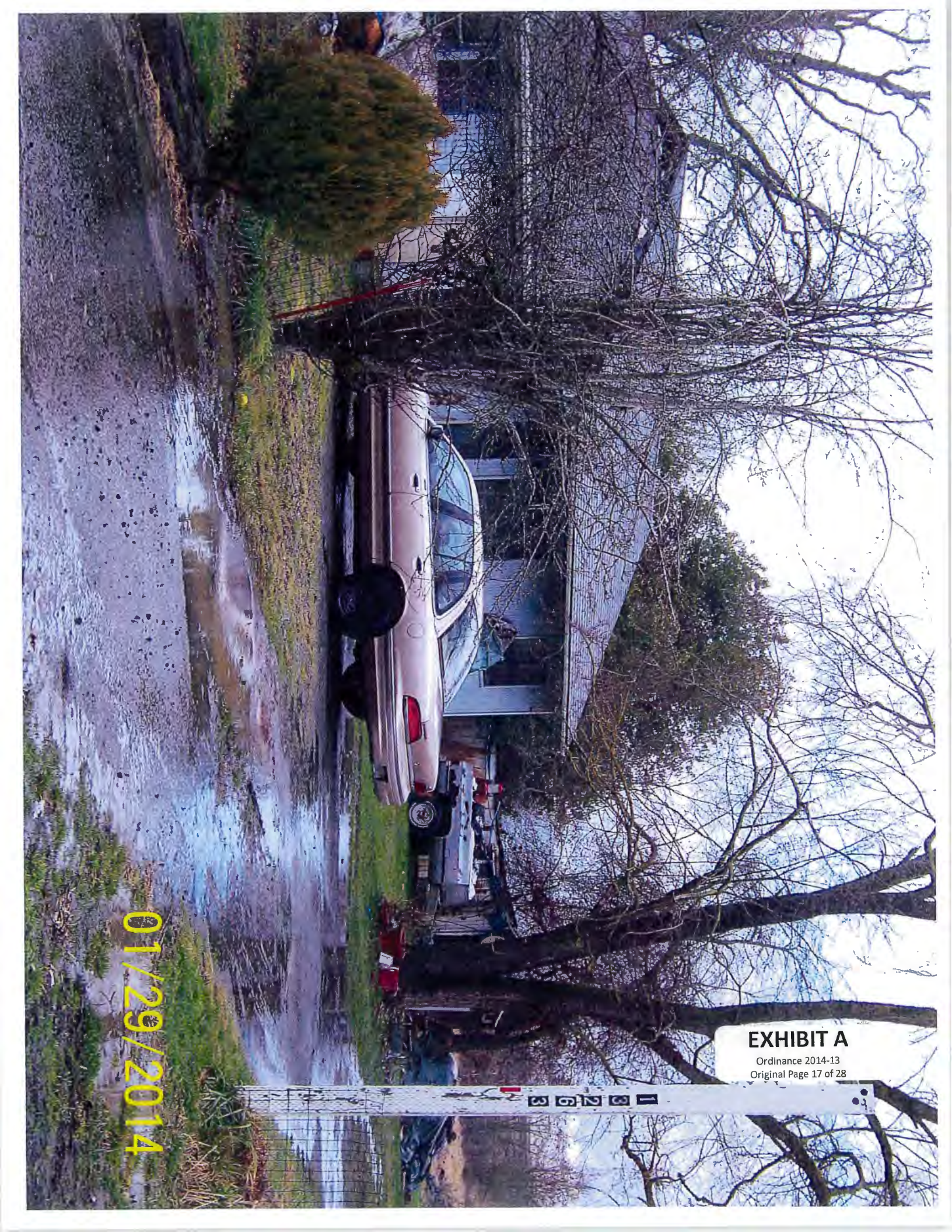
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

KESLAR BRIAN A
823 S TOLIVER RD
MOLALLA, OR 97038

Location Map:



Site Address: 13261 S HWY 211

Taxlot Number: 52E08B 03400

Land Value: 52872

Building Value: 68860

Total Value: 121732

Acreage:

Year Built: 1957

Sale Date: 02/27/2008

Sale Amount: 0

Sale Type: S

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.26

RRFF5

0.26

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

TURCOL TOM & JEAN
 2455 NE SPRUCE
 GRESHAM, OR 97080

Location Map:



Site Address: 13257 S HWY 211

Taxlot Number: 52E08B 03500

Land Value: 67210

Building Value: 206200

Total Value: 273410

Acreage:

Year Built: 2000

Sale Date: 07/01/1992

Sale Amount: 54000

Sale Type:

Land Class:

101

Building Class:

232

Neighborhood:

Area 02 plexes except

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.25

RRFF5

0.25

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MATVEEV TROFIM
 13241 S HWY 211
 MOLALLA, OR 97038

Location Map:



Site Address: 13241 S HWY 211

Taxlot Number: 52E08B 03600

Land Value: 78679

Building Value: 142230

Total Value: 220909

Acreage:

Year Built: 1960

Sale Date: 12/29/2008

Sale Amount: 295000

Sale Type: S

Land Class:

101

Building Class:

232

Neighborhood:

Area 02 plexes except

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.32

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

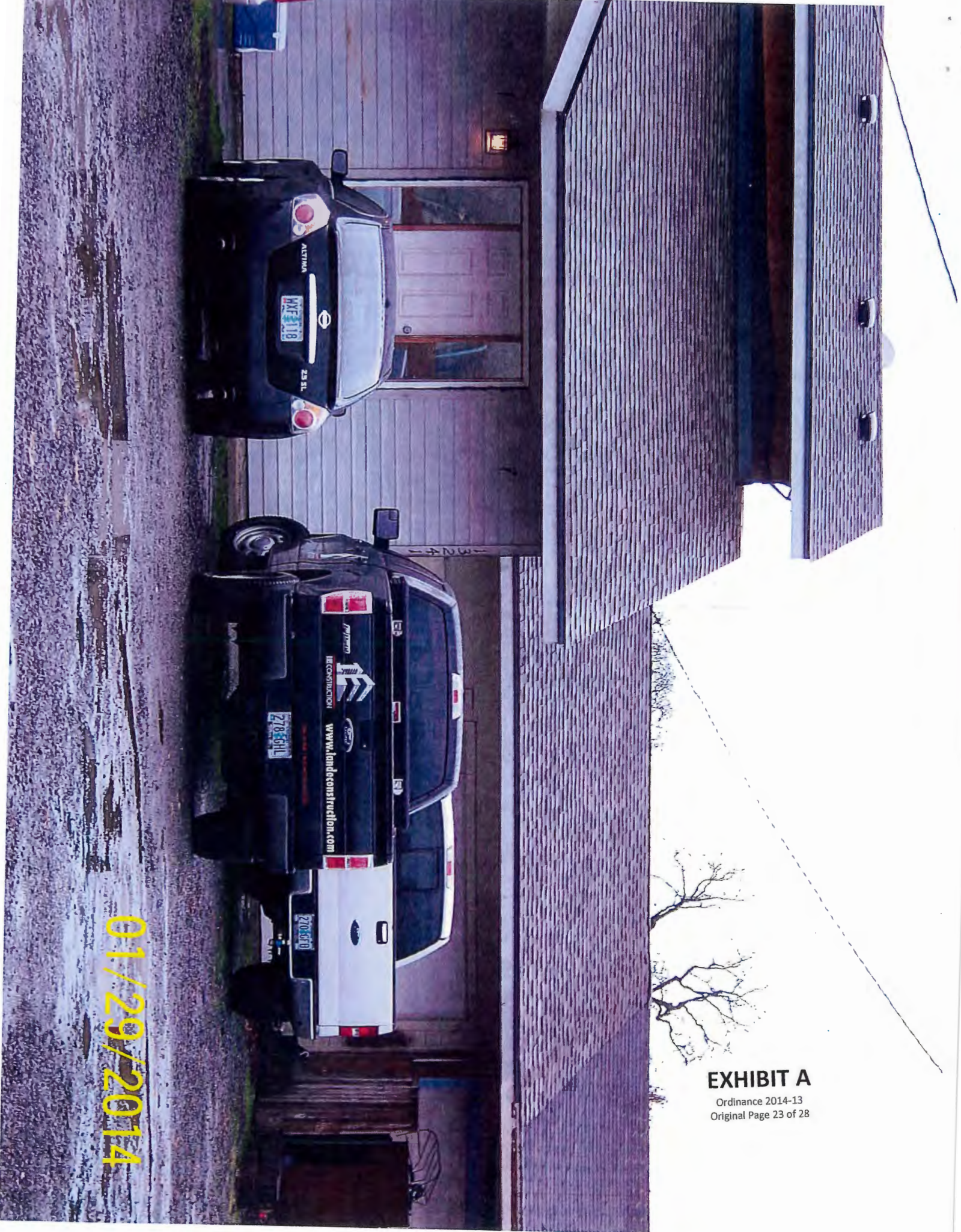


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01/29/2014

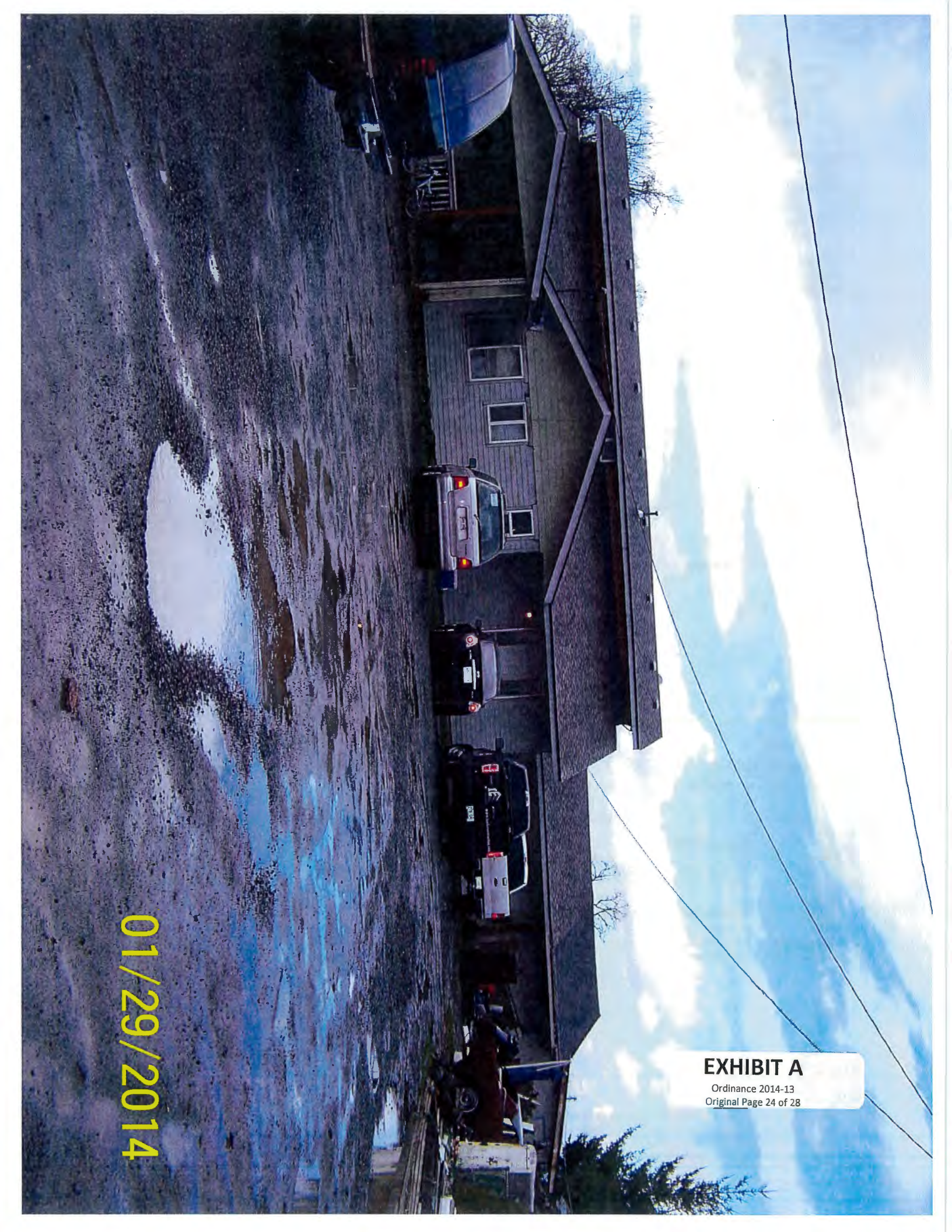


EXHIBIT A

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01/29/2014



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

RICKLES MICHELLE
PO BOX 511
MOLALLA, OR 97038

Site Address: **13341 S HWY 211**
Taxlot Number: **52E08B 03700**
Land Value: **43539**
Building Value: **93830**
Total Value: **137369**

Acreage: **0.12**
Year Built: **1959**
Sale Date: **03/30/2006**
Sale Amount: **149467**
Sale Type: **S**

Land Class: **101**
Building Class: **13**
Neighborhood: **Molalla rural north 100,**
Taxcode Districts: **035013**

Location Map:



Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.12**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas Co.**

EXHIBIT A

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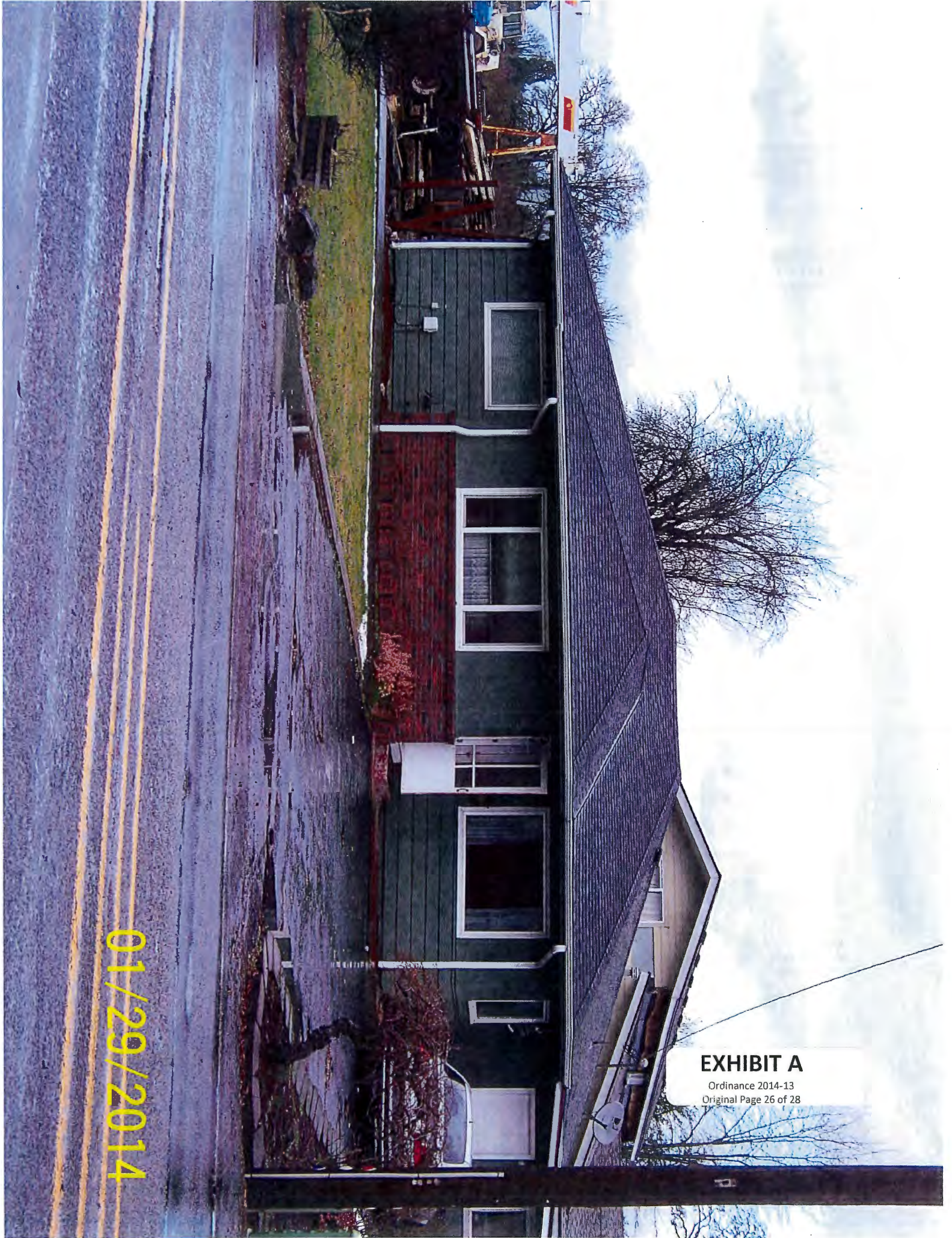


EXHIBIT A

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01/29/2014



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

DAY STEVEN I
PO BOX 213
MOLALLA, OR 97038

Site Address: 13247 S HWY 211
Taxlot Number: 52E08B 03800
Land Value: 43539
Building Value: 108830
Total Value: 152369

Acreage:
Year Built: 1952
Sale Date: 06/01/1994
Sale Amount: 84000
Sale Type:

Land Class:
101
Building Class:
13
Neighborhood:
Molalla rural north 100,
Taxcode Districts: **035013**

Fire: Molalla RFPD #73
Park: N/A
School: SCH 35 MOLALLA RIVER
Sewer: N/A
Water: N/A
Cable: Wave Broadband (Molalla)
CPO: Molalla
Garb/Recyc: Molalla Sanitary
City/County: Clackamas Co.

Location Map:



Site Characteristics:

UGB: MOLALLA
Flood Zone: Not Available

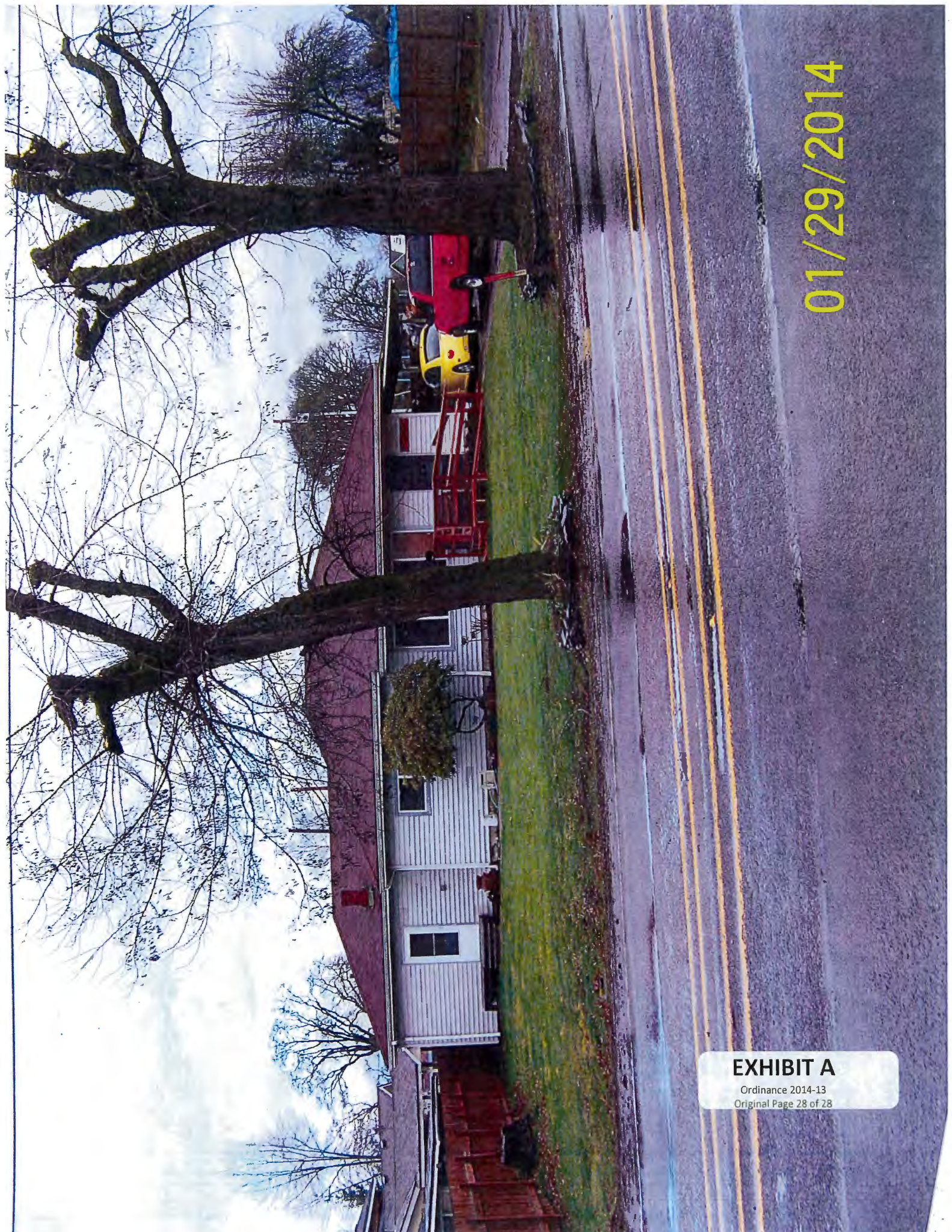
Zoning Designation(s):

Zone	Overlays	Acreage:
RRFF5		0.18

EXHIBIT A

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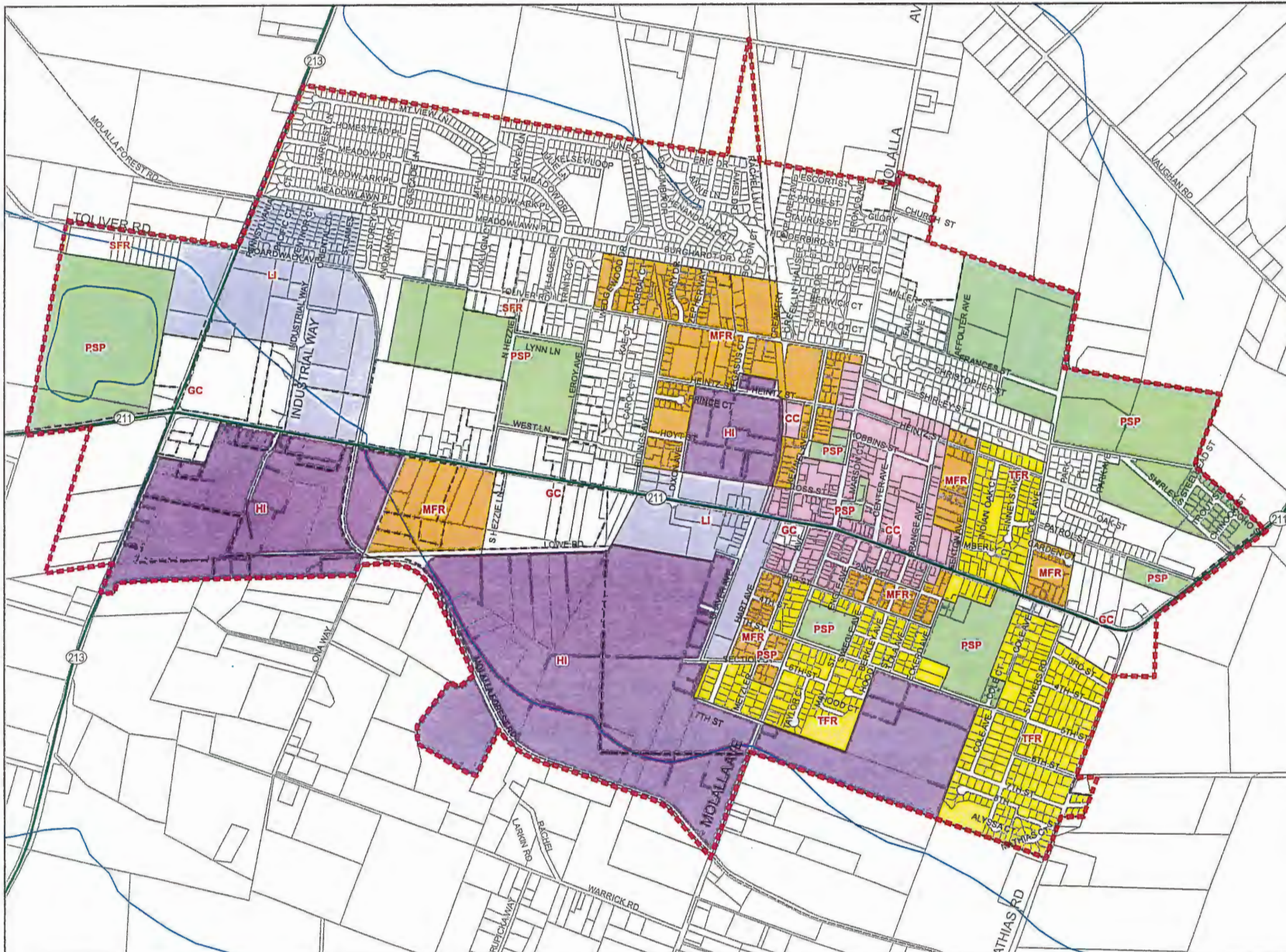
01/29/2014

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City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS
DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
311 LIBRARY COURT
OREGON CITY, OREGON 97046

The information on this map was derived from digital data from Clackamas County GIS. Care was taken to the greatest extent possible to provide "as-is" information. Clackamas County does not warrant or represent that the information is accurate, complete, or free of errors. Clackamas County does not assume any liability for any errors, omissions, or other inaccuracies in this information. This information is provided for informational purposes only and should not be used for any other purpose. Clackamas County does not assume any liability for any errors, omissions, or other inaccuracies in this information. This information is provided for informational purposes only and should not be used for any other purpose.

EXHIBIT B

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
 Ed Campy, 724 W. Main
 Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City’s TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City’s streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all “urbanizable land” and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City’s UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

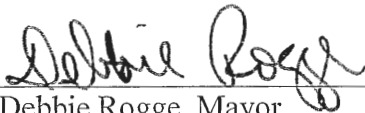
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
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4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 14

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a Tract of land being all of that Tract of land described in that Deed recorded as Document No. 2004-081919, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 93-01365, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2010-039333, and a portion of State Highway 211, and a portion of Hezzie road, being a portion of Tracts 23 and 26 of the Plat of "The Shaver Place", located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon.:

Tax Lot No. 52E08B 04200

Tax Lot No. 52E08B 04100

Tax Lot No. 52E08B 04000

Tax Lot No. 52E08B 03100

Tax Lot No. 52E08B 03200

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential).

This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected properties, RFFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential). The properties are currently:

Tax Lot No. 52E08B 04200	Residential – In Use
Tax Lot No. 52E08B 04100	Residential – In Use
Tax Lot No. 52E08B 04000	Residential – In Use
Tax Lot No. 52E08B 03100	Undeveloped
Tax Lot No. 52E08B 03200	Undeveloped

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E088B 04200, Tax Lot No. 52E08B 04100, and Tax Lot No. 52E08B 04000 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

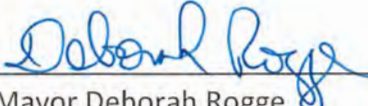
Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

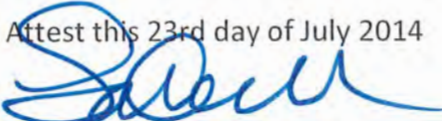
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

13307 & 13325 State Highway 211
And Tax Lots 3100, 3200, & 4000 on Tax Map 5S2E08B

A Tract of land being all of that tract of land described in that Deed recorded as Document No. 2004-081919, Clackamas County Deed Records, all of that tract of land described in that Deed recorded as Document No. 93-01365, Clackamas County Deed Records, all of that Tract of land described in that Deed recorded as Document No. 2010-039333, all of that tract of land described in that deed recorded as Document no. 2006-118242, Clackamas County Deed Records, and a portion of State Highway 211, and a portion of Hezzie road, being a portion of Tracts 23 and 26 of the Plat of "The Shaver Place", located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a 5/8 inch iron rod with a red plastic cap stamped "Centerline Concepts, Inc.", found at the Southeasterly corner of Parcel 2 of Partition Plat No. 2003-071, said point being on the Northerly right of way line of said State Highway 211; thence North 08°00'34" East, along the Easterly line of said Partition Plat No. 2003-071, a distance of 400.00 feet to an angle point in said Easterly line; thence North 82°11'30" West, a distance of 75.04 feet to an angle point in said Easterly line; thence North 08°00'34" East, along said Easterly line, a distance of 199.85 feet to the Northeasterly corner of said Parcel 2; thence North 82°11'30" West, along the Northerly line of said Partition Plat No. 2003-071 and its Westerly extension, a distance of 264.14 feet to the Northwesterly corner of that tract of land described in that deed recorded as Document No. 72-32514, Clackamas County Deed Records, thence South 08°00'34" West, along the Westerly line of said Document No. 72-32514 tract, a distance of 121.07 feet to the Northeasterly corner of that tract of land described in that deed recorded as Parcel 2 of Document No. 2006-030379, Clackamas County Deed Records, thence North 82°21'20" West, along the Northerly line of said Parcel 2 and along the Northerly line of that tract of land described in that deed recorded as Document No. 2006-030377, Clackamas County Deed Records, a distance of 440.70 feet to the



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Northwesterly corner of said Document No. 2006-030377 tract; thence North 07°57'48" East along the Westerly line of said Document No. 2006-118242 tract. a distance of 499.93 feet to the Northwesterly corner thereof; thence South 82°24'42" East, along the Northerly line of said Document No. 2006-118242, a distance of 1020.82 feet to a point on the Westerly right of way line of said Hezzie Road; thence South 81°58'52" East, at right angles to said Hezzie Road, a distance of 60.00 feet to a point on the Easterly right of way line of said Hezzie Road; thence South 08°01'08" West, along said Easterly right of way line and its Southerly extension a distance of 1041.14 feet to a point on the Southerly right of way line of said State Highway 211; thence North 82°11'30" West, along said Southerly right of way line, a distance of 300.14 feet to a point; thence North 07°48'30" East, at right angles to said State Highway 211, a distance of 60.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 15.5443 Acres (677,110 square feet) more or less.

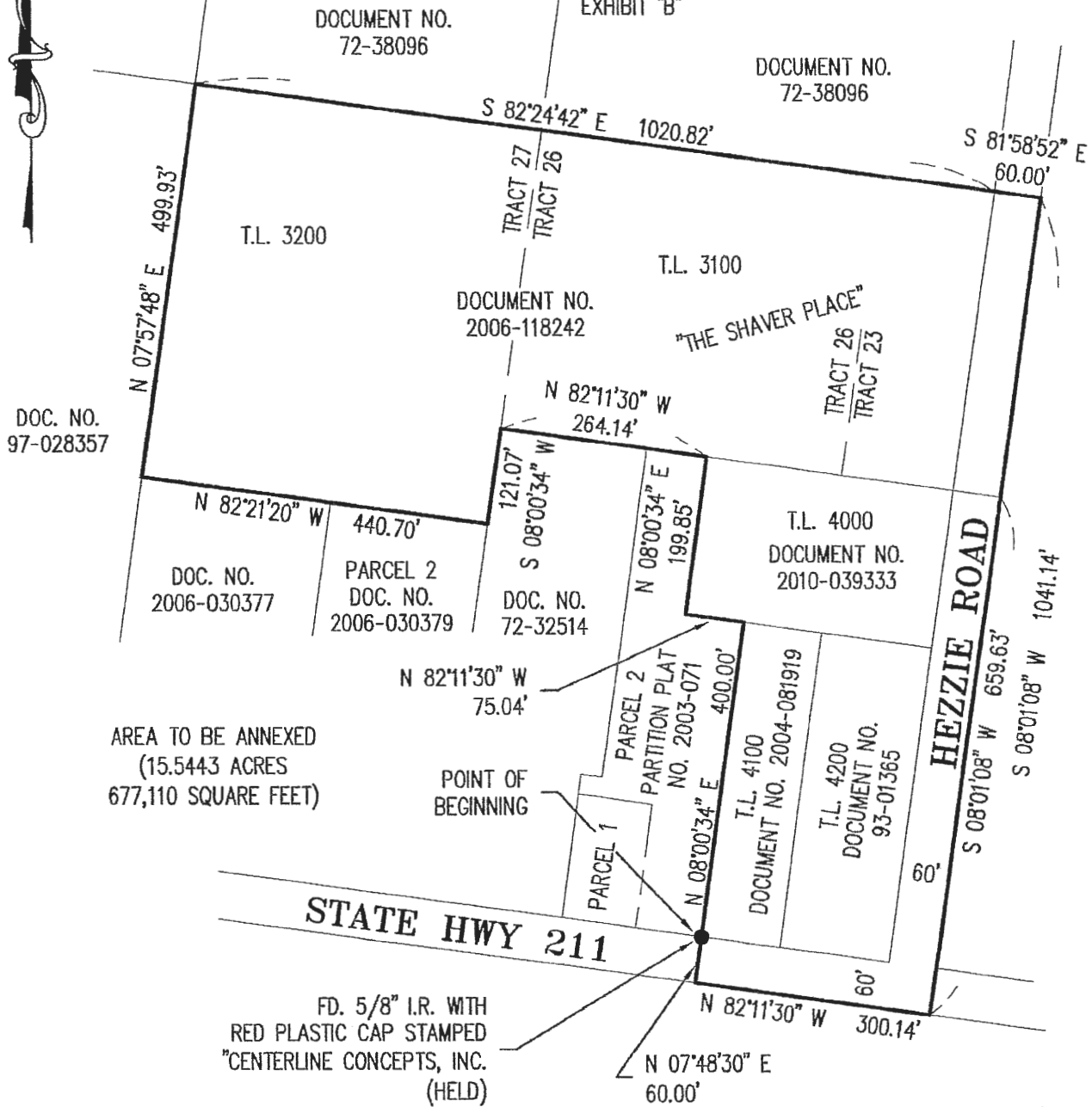
The bearings and distances in this description are based on Clackamas County Partition Plat No. 2003-071.



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13307 & 13325 STATE HIGHWAY 211
 TAX LOTS 3100, 3200 & 4000 ON TAX MAP 5S 2E 08B
 CITY OF MOLALLA ANNEXATION
 ISLAND 7B
 EXHIBIT "B"



LOCATED IN THE N.W. 1/4 SECTION 8,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "A"	
PLOT DATE: 1-30-14	
FILE: W1202-7T12.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HANSEN CEDRIC H & DOROTHY L L-EST
13325 S HWY 211
MOLALLA, OR 97038

Location Map:



Site Address: 13325 S HWY 211

Taxlot Number: 52E08B 04200

Land Value: 74895

Building Value: 152560

Total Value: 227455

Acreage:

Year Built: 1950

Sale Date: 12/01/1992

Sale Amount: 82248

Sale Type:

Land Class:

101

Building Class:

14

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

1.27

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CRUIKSHANK CURTIS D & JOYCE L
13303 S HWY 211
MOLALLA, OR 97038

Site Address: 13303 S HWY 211

Taxlot Number: 52E08B 04100

Land Value: 67806

Building Value: 128970

Total Value: 196776

Acreage:

Year Built: 1942

Sale Date: 08/23/2004

Sale Amount: 191900

Sale Type: S

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035013

Location Map:



Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.92

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MCEACHRAN JOANN G
630 KALUGIN CT
MOLALLA, OR 97038

Location Map:



Site Address: 430 S WEST LN

Taxlot Number: 52E08B 04000

Land Value: 78471

Building Value: 77120

Total Value: 155591

Acreage:

Year Built: 1954

Sale Date: 06/29/2010

Sale Amount: 0

Sale Type: S

Land Class:

101

Building Class:

12

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		1.44

RRFF5

1.44

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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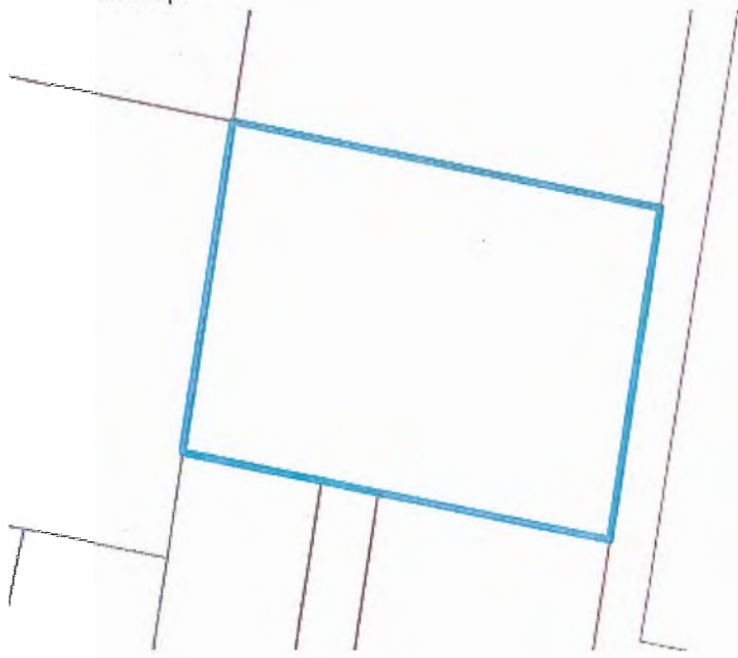


Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

SLEDGE DEVELOPMENT LLC
PO BOX 605
MOLALLA, OR 97038

Location Map:



Site Address: **NO SITUS**
Taxlot Number: **52E08B 03100**
Land Value: **139800**
Building Value: **0**
Total Value: **139800**

Acreage:
Year Built:
Sale Date: **12/26/2006**
Sale Amount: **1**
Sale Type: **M**

Land Class:
401
Building Class:
Neighborhood:
City of Molalla all other
Taxcode Districts: **035002**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **5.05**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **Wave Broadband (Molalla)**
CPO: **Molalla**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas Co.**

EXHIBIT A

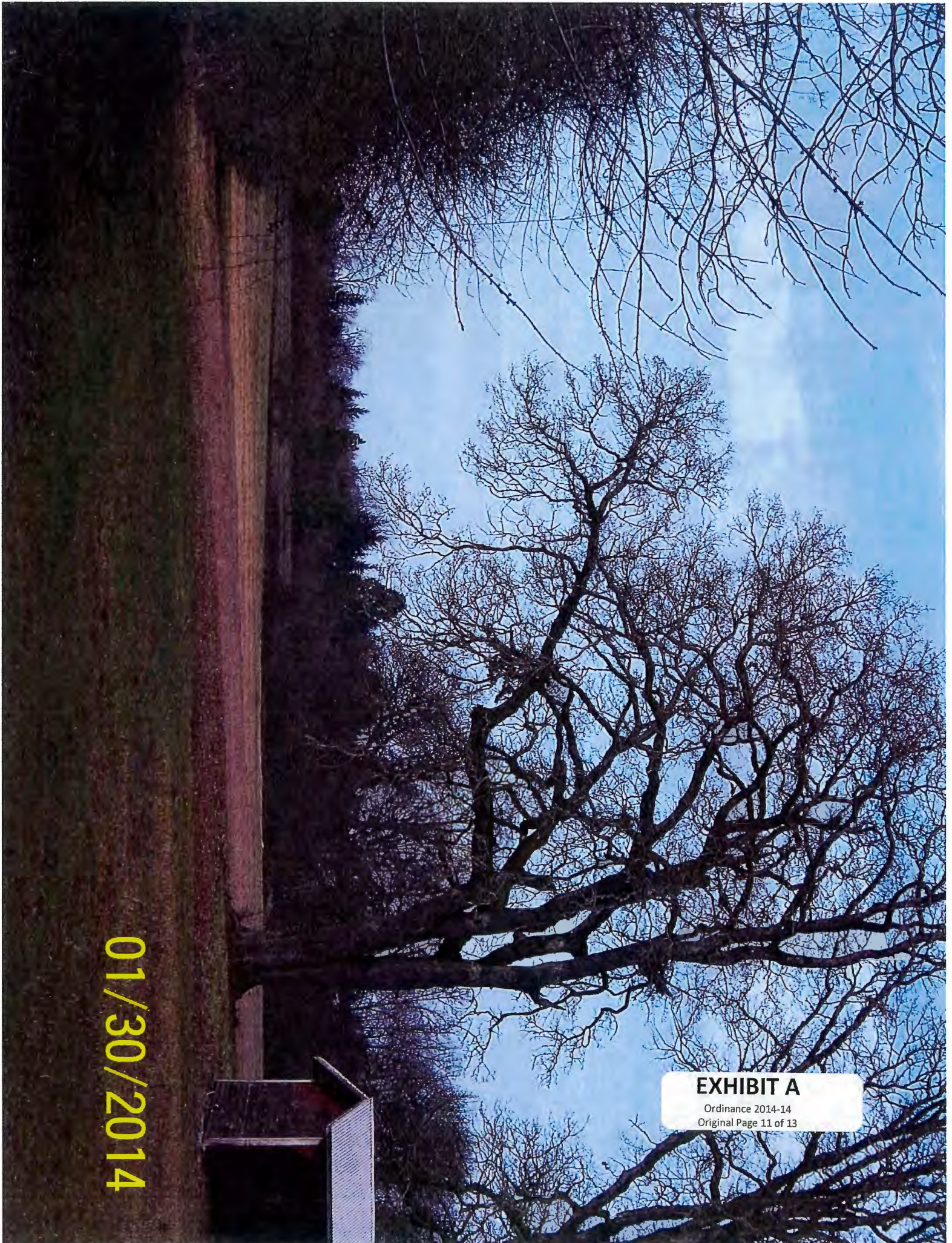
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

SLEDGE DEVELOPMENT LLC
PO BOX 605
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E08B 03200**
 Land Value: **139800**
 Building Value: **0**
 Total Value: **139800**

Acreage:
 Year Built:
 Sale Date: **12/26/2006**
 Sale Amount: **1**
 Sale Type: **X**

Land Class:
400
 Building Class:
 Neighborhood:
City of Molalla all other
 Taxcode Districts: **035002**

Fire **Molalla RFPD #73**
 Park **N/A**
 School **SCH 35 MOLALLA RIVER**
 Sewer **N/A**
 Water **N/A**
 Cable **Wave Broadband (Molalla)**
 CPO **Molalla**
 Garb/Recyc **Molalla Sanitary**
 City/County **Clackamas Co.**

Location Map:



Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>
Flood Zone: Not Available	RRFF5 5.05

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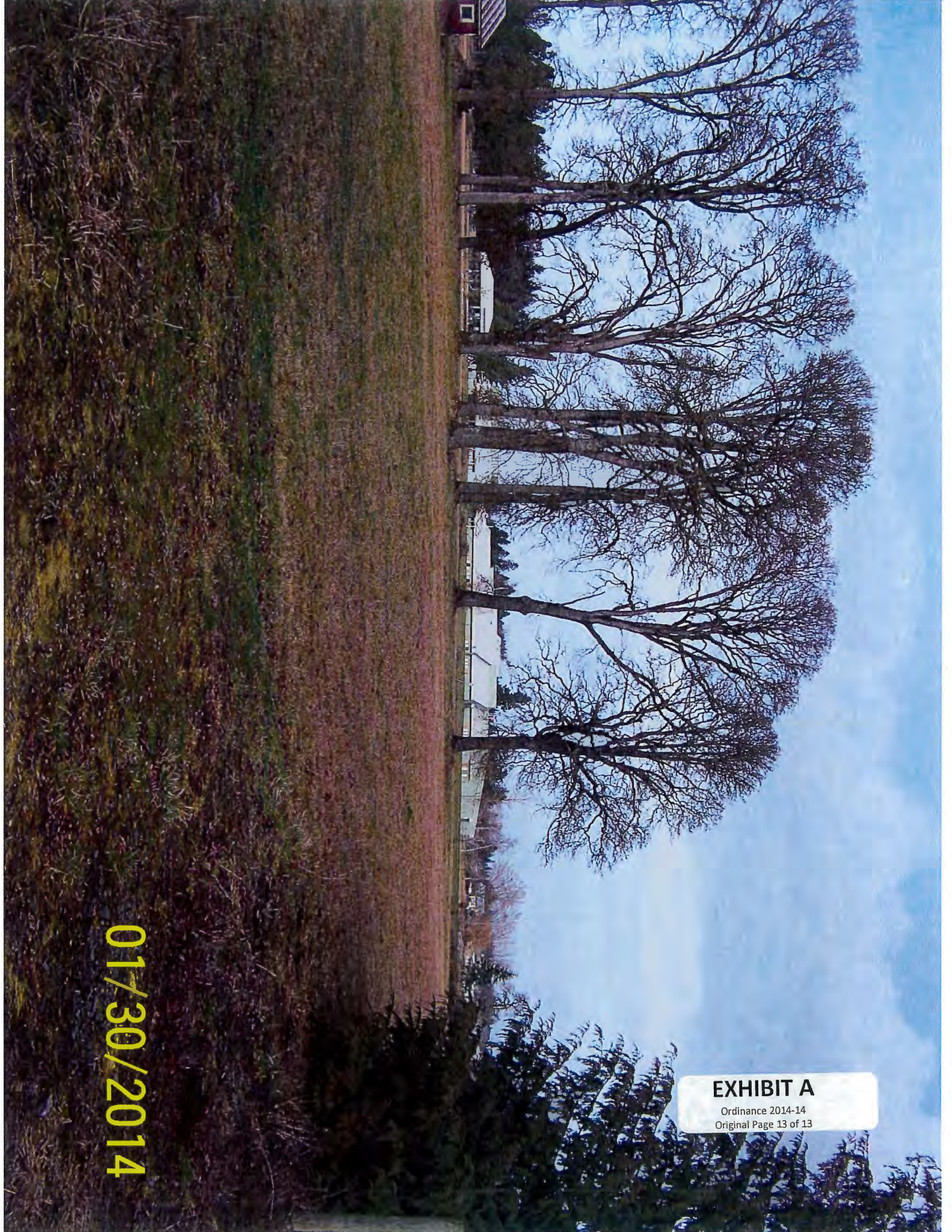
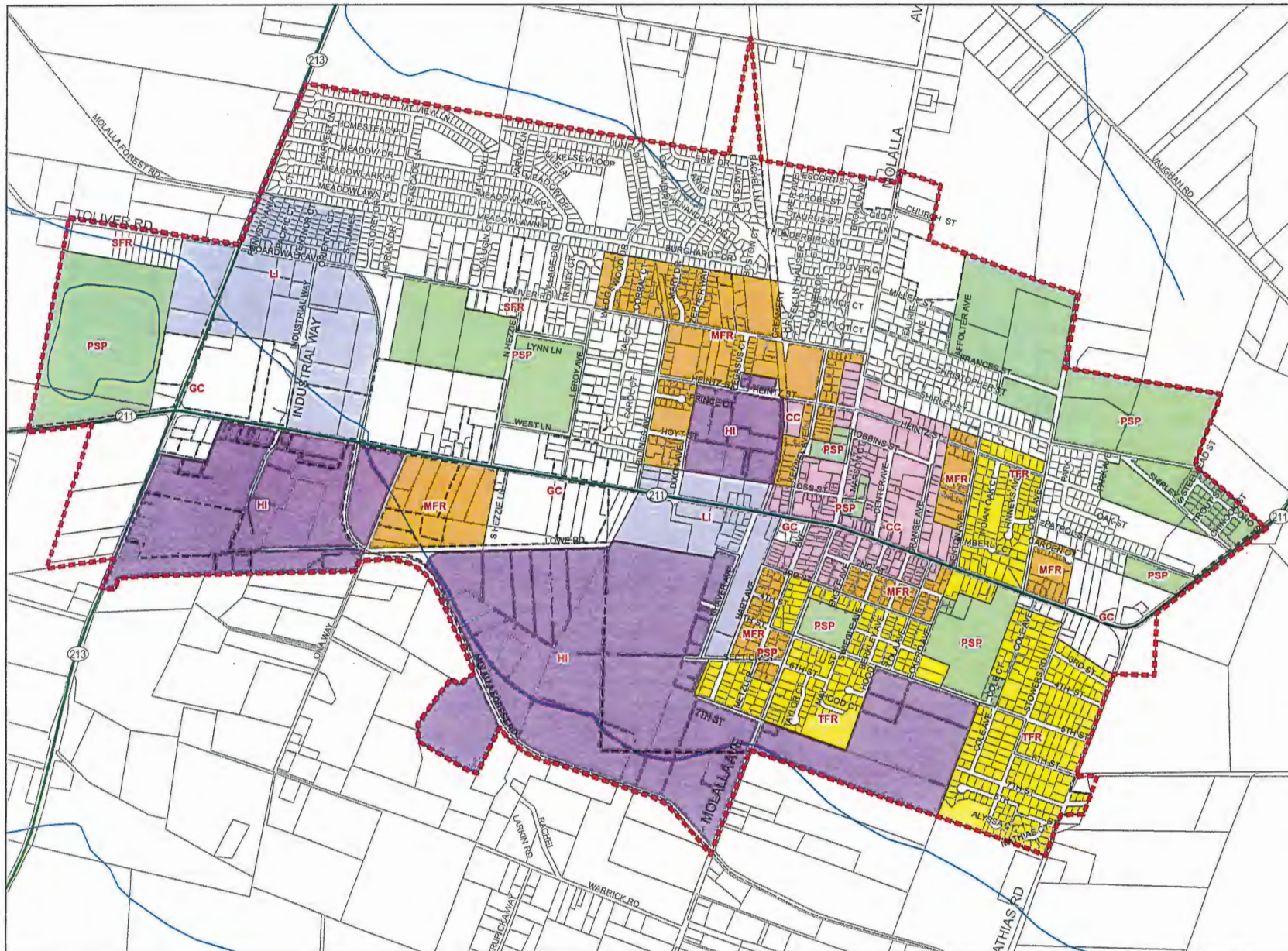


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01/30/2014

City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations


- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800





CLACKAMAS COUNTY

GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
1211 LIBRARY COURT
OREGON CITY, OREGON 97146

The information on this map was derived from digital databases from Clackamas County's GIS. Care was taken to make an edition of this map that is identical to the GIS. Clackamas County reserves all rights and responsibility for any errors, omissions, or unavailability of any information. Plans are not to be used for any purpose other than that intended. Although information from GIS is accurate, it may have been updated since the creation of this product. It is the user's responsibility to verify the accuracy of the information. Clackamas County does not warrant the accuracy of the information on this product and does not assume any liability for any errors or omissions on this product before making any decisions.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
 Ed Campy, 724 W. Main
 Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor’s Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City’s tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla’s acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City’s TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City’s streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all “urbanizable land” and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City’s UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

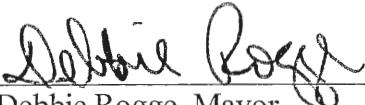
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 15

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla (“City”) initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City’s code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City’s corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City’s code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties’ comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land in that deed recorded as Document No. 91-50732, Clackamas County Deed Records, and all of that Tract of land described in that deed recorded as Document No. 82-10941, and a portion of State Highway 211, all located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08C 00801

Tax Lot No. 52E08C 00900

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor’s map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RFFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial).

The properties are currently:

Tax Lot No. 52E08C 00900 Residential – In Use

Tax Lot No. 52E08C 00801 Undeveloped

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08C 00900 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

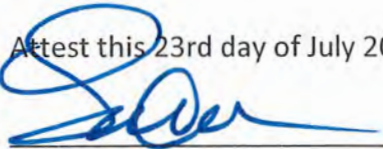
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

31615 S. Hezzie Ln.

and Tax Lot 801 on

Map 52E 08C

Annexation to the City of Molalla

Exhibit A

A Tract of land being all of that Tract of land described in that deed recorded as Document No. 91-50732, Clackamas County Deed Records, and all of that Tract of land described in that deed recorded as Document No. 82-10941, and a portion of State Highway 211, all located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at a point on the Southerly right of way line of State Highway 211 that is also on the Westerly boundary of said Document No. 91-50732 Tract, said point being South 81°30'00" East a distance of 1055.60 feet and South 08°30'00" West a distance of 30.00 feet from the Northwest corner of the Rachel Larkin Donation Land Claim No. 43; thence from said point of beginning, North 08°30'00" East, at right angles to said State Highway 211, a distance of 60.00 feet to a point on the Northerly right of way line thereof; thence South 81°30'00" East, along said Northerly right of way line, a distance of 100.00 feet; thence South 08°30'00" West, at right angles to said State Highway 211, a distance of 60.00 feet to a point on said Southerly right of way line, said point also being on the Easterly boundary line of said Document No. 91-50732 Tract; thence along said Easterly boundary line and along the Easterly boundary line of said Document No. 82-10941 Tract, South 08°30'00" West a distance of 240.00 feet to the Southeasterly corner of said Document No. 82-10941 Tract; thence North 81°30'00" West, along the Southerly line of said Document No. 82-10941 Tract, a distance of 100.00 feet to the Southwesterly corner thereof; thence North 08°30'00" East, along the Westerly line of said Document No. 82-10941 Tract, and along the Westerly line of said Document No. 91-50732 Tract, a distance of 240.00 feet to the true point of beginning of the Tract of land herein described.

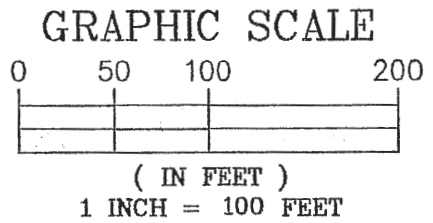
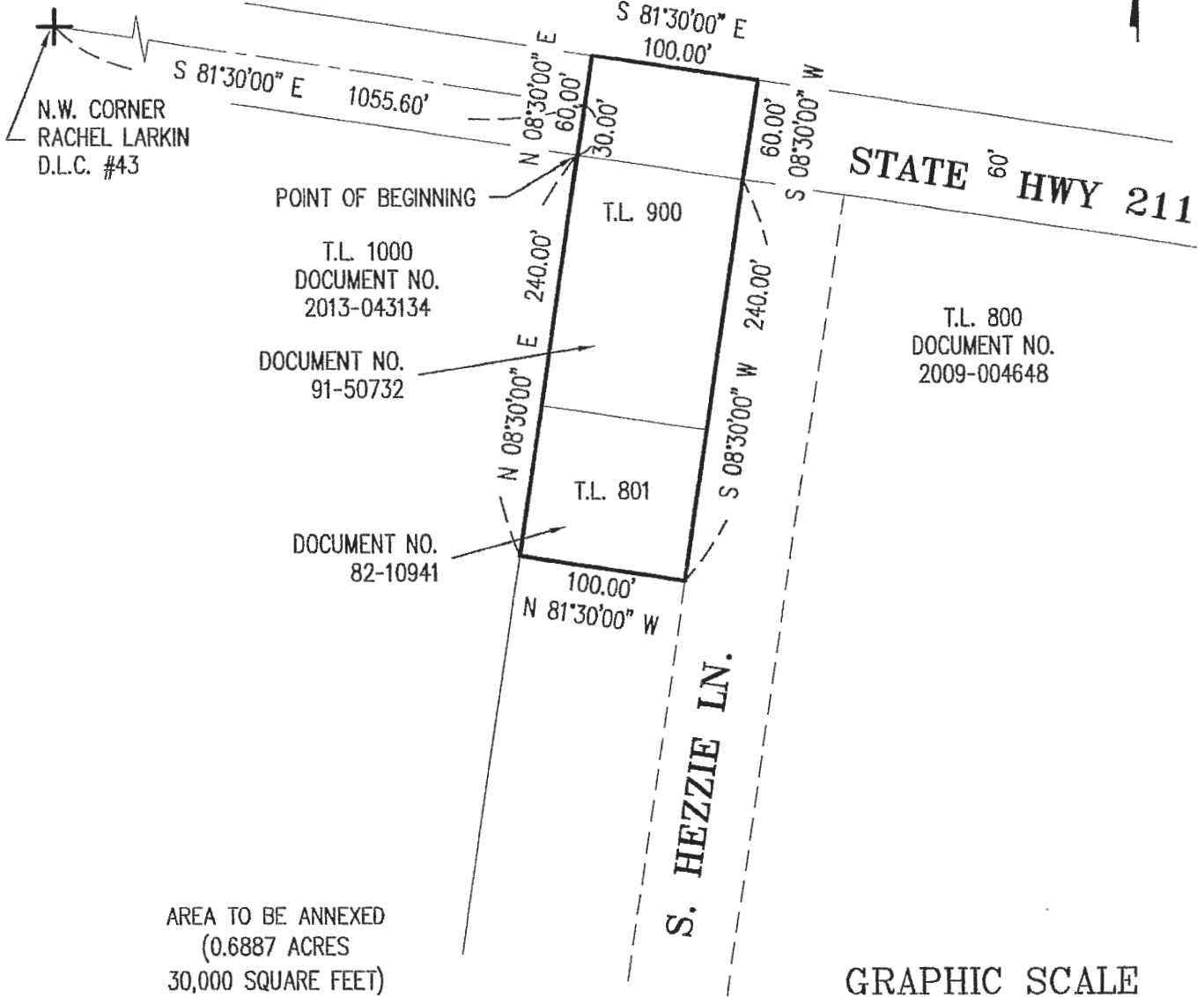
Said Tract of land contains an area of 30,000 square feet (0.6887 acres), more or less.



EXHIBIT A

Ordinance 2014-15
Original Page 1 of 6

31615 S. HEZZIE LN.
AND T.L. 801 ON
MAP 52E 08C
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"



LOCATED IN THE S.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A
Ordinance 2014-15
Original Page 2 of 6

TITLE: EXHIBIT "B"	
PLOT DATE: 11-20-13	
FILE: W1202-7J.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MALOY N SCOTT & CAROL L
14550 S CLAIM RD
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E08C 00801**
 Land Value: **10032**
 Building Value: **0**
 Total Value: **10032**

Acreage:
 Year Built:
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
100

Building Class:

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.21

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas County

EXHIBIT A

Ordinance 2014-15
 Original Page 3 of 6

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A
Ordinance 2014-15
Original Page 4 of 6



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

TORSEN PATRICIA LOUISE
PO BOX 577
MOLALLA, OR 97038

Site Address: **31615 S HEZZIE LN**
 Taxlot Number: **52E08C 00900**
 Land Value: **65758**
 Building Value: **119120**
 Total Value: **184878**

Acreage:
 Year Built: **1961**
 Sale Date: **10/01/1991**
 Sale Amount: **46780**
 Sale Type:



Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.34

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

Ordinance 2014-15
 Original Page 5 of 6

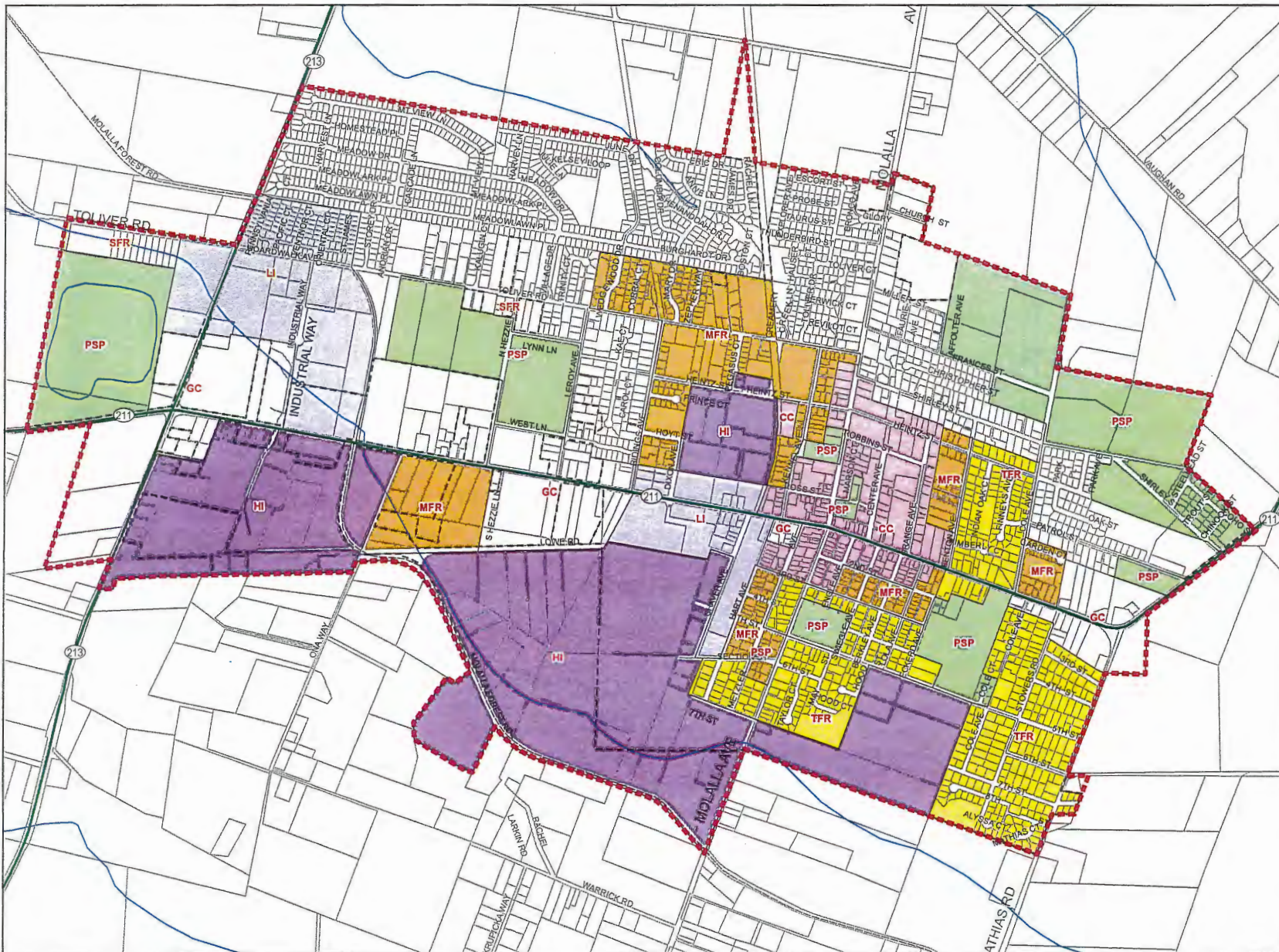
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01/29/2014

EXHIBIT A
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Original Page 6 of 6

City of Molalla
 Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY

GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 "CLACKAMAS COUNTY"
 OREGON CITY, OREGON 97046

The information on this map was obtained from digital data from Clackamas County's GIS. Care was taken to the maximum extent possible to ensure the accuracy of the information presented on this map. However, Clackamas County cannot accept any responsibility for any errors, omissions, or inaccuracies that may occur in the use of this information. Although Clackamas County has taken every precaution to ensure the accuracy of this product, it is not a warranty, product, approval, or endorsement of any kind. Users are advised to verify information on this product before making any decisions.

EXHIBIT B

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
 1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

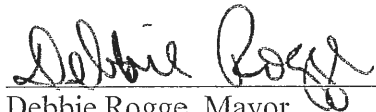
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
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 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 16

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being a portion of the Rachel Larkin Donation Land Claim No. 43, located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08C 00600

Tax Lot No. 52E08C 00500

Tax Lot No. 52E08C 00400

Tax Lot No. 52E08C 00290

Tax Lot No. 52E08C 00390

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RC (Rural Commercial), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial) except for Tax Lot No. 52E08C 00290 which will retain its C-2 status.

The properties are currently:

Tax Lot No. 52E08C 00600	Residential – In Use
Tax Lot No. 52E08C 00500	Undeveloped
Tax Lot No. 52E08C 00400	Residential – In Use
Tax Lot No. 52E08C 00290	Commercial – In Use
Tax Lot No. 52E08C 00390	Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08C 00600, Tax Lot No. 52E08C 00400, and Tax Lot No. 52E08C 00390 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

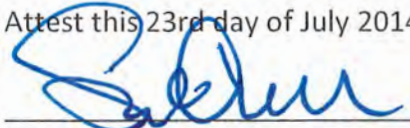
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

704, 710 & 718 W. Main Street, 13522 State Highway 211,

Tax Lot 500 on Tax Map 5S 2E 08C

Annexation to the City of Molalla

Exhibit A

A Tract of land being a portion of the Rachel Larkin Donation Land Claim No. 43; located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the intersection of the Westerly line of that tract of land described in that deed recorded as Document No. 97-082119, Clackamas County Deed Records, with the Southerly right of way line of State Highway 211, said point being South 81°30'00" East a distance of 1850.10 feet and South 08°30'00" West a distance of 30.00 feet from a 3-1/4 inch bronze disc in a monument box found at the Northwest corner of said Rachel Larkin Donation Land Claim No. 43; thence North 08°30'00" East, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Northerly right of way line of said State Highway 211; thence South 81°30'00" East, along said Northerly right of way line, a distance of 720.25 feet to a point; thence South 08°30'00" West, at right angles to said Highway 211, a distance of 60.00 feet to a point on said Southerly right of way line of said Highway 211, said point also being on the Easterly boundary line of that tract of land described as Parcel II in that deed recorded as Document No. 2013-023342, Clackamas County Deed Records; thence South 22°43'44" West, along said Easterly boundary line of said Parcel II, a distance of 634.13 feet to a point on the Northerly right of way line of Lowe Road (County Road No. L-207); thence South 87°11'10" West, along said Northerly right of way line, a distance of 198.93 feet to a point on the boundary line of that tract of land described in that deed recorded as Document No. 2013-043134, Clackamas County Deed Records; thence North 81°30'00" West, along said boundary line of said Document No. 2013-043134 tract, and parallel with said Highway 211, a distance of 369.33 feet to the Southwesterly corner of said Document No. 97-082119 tract; thence North 08°30'00" East, along said Westerly line of said Document No. 97-082119 tract, a distance of 653.70 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 10.4741 acres (456,252 square feet), more or less.

The bearings and distances in this description are based on Clackamas County Surveys 28456 and 2008-324.

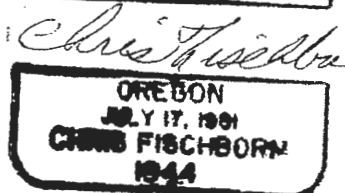
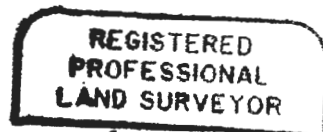
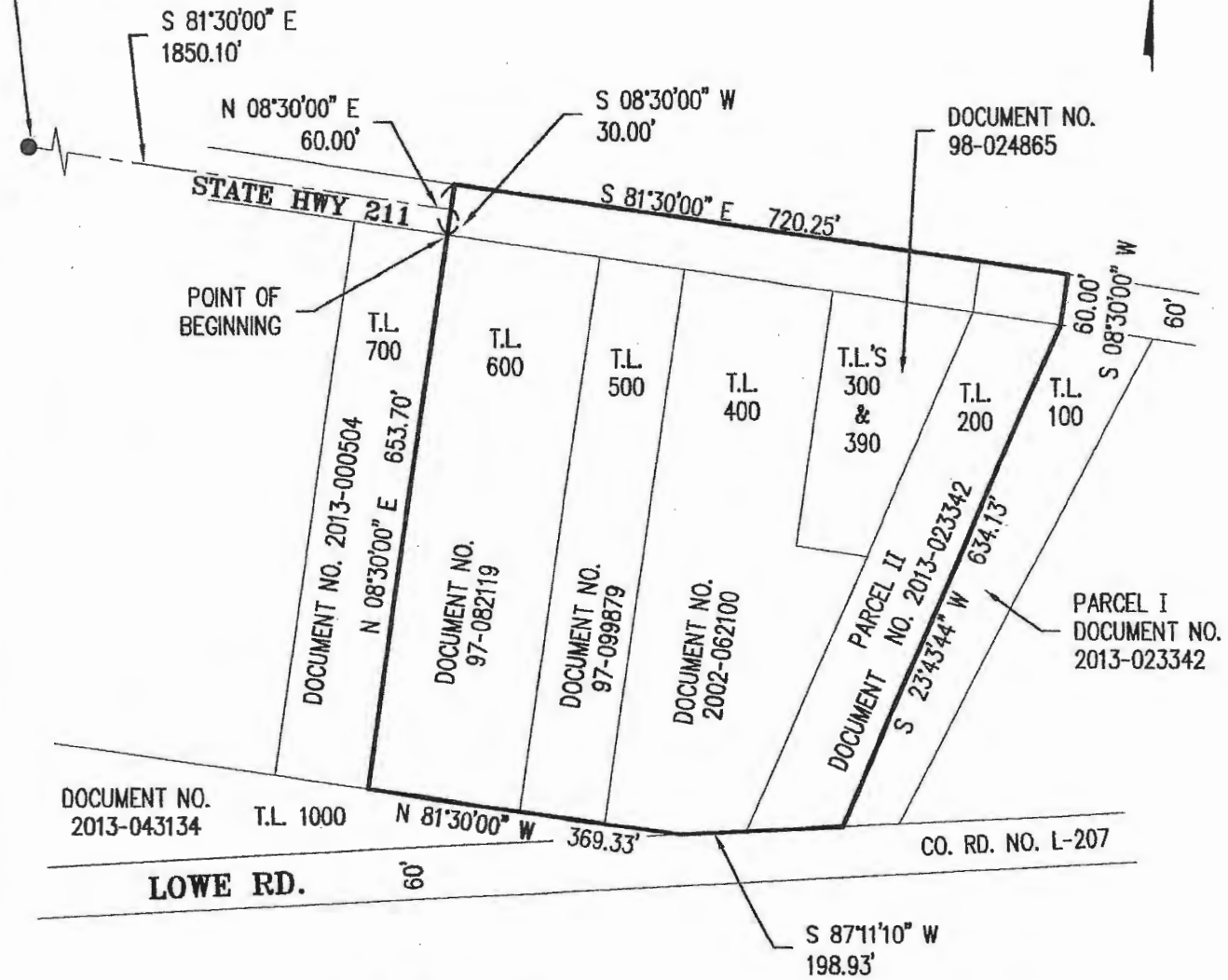


EXHIBIT A

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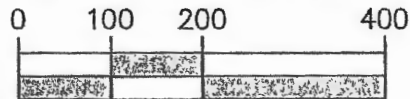
704, 710 & 718 W. MAIN STREET, 13522 STATE
 HIGHWAY 211 & TAX LOT 500
 ON MAP 5S 2E 08C
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"

N.W. CORNER RACHEL LARKIN
 DONATION LAND CLAIM NO. 43
 FD. 3-1/4" BRASS DISC IN
 MONUMENT BOX



AREA TO BE ANNEXED
 (10.4741 ACRES
 456,252 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
 1 INCH = 200 FEET

LOCATED IN THE S.W. 1/4 SECTION 8,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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TITLE: EXHIBIT "B"	
PLOT DATE: 12-10-13	
FILE: W1202-7K.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CAMPY EDWARD J
724 W MAIN ST
MOLALLA, OR 97038

Site Address: **724 W MAIN ST**

Taxlot Number: **52E08C 00600**

Land Value: **93040**

Building Value: **66270**

Total Value: **159310**

Acreage:

Year Built: **1924**

Sale Date: **10/01/1997**

Sale Amount: **0**

Sale Type:



Land Class:

101

Building Class:

12

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		2.40

RRFF5

2.40

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas Co.

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/30/2014

EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CAMPY EDWARD J
724 W MAIN ST
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E08C 00500**
 Land Value: **8977**
 Building Value: **0**
 Total Value: **8977**

Acreage:
 Year Built:
 Sale Date: **12/01/1997**
 Sale Amount: **0**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

Location Map:

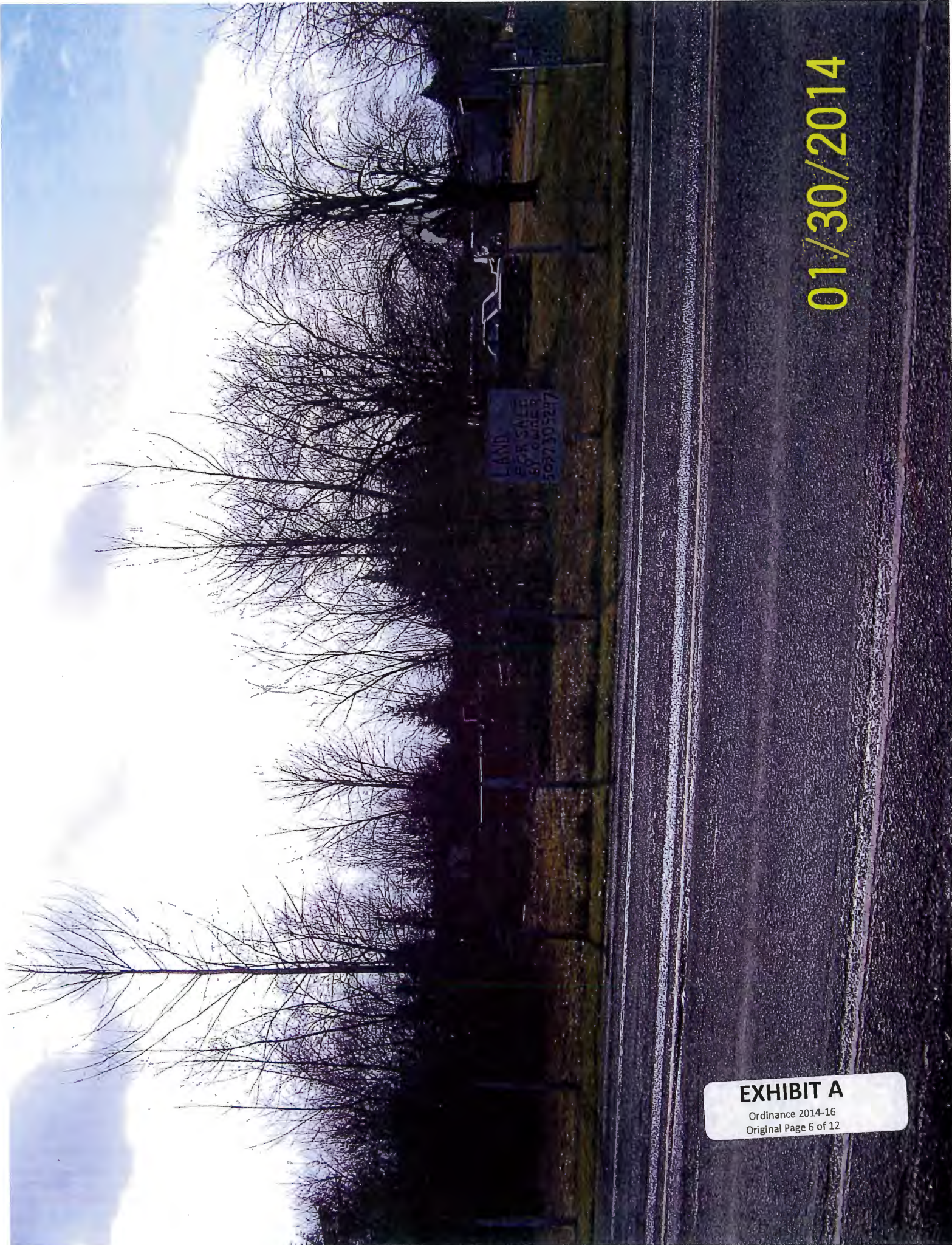


Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>
Flood Zone: Not Available	RRFF5 1.51

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/30/2014

EXHIBIT A

Ordinance 2014-16
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BUTTLER NANCY
 133 NW TRINITY PL #4
 PORTLAND, OR 97209

Site Address: 718 W MAIN ST
 Taxlot Number: 52E08C 00400
 Land Value: 102605
 Building Value: 167190
 Total Value: 269795

Acreage:
 Year Built: 1949
 Sale Date:
 Sale Amount: 0
 Sale Type:



Land Class:
401
 Building Class:
14
 Neighborhood:
Molalla rural north all
 Taxcode Districts: 035013

Site Characteristics:
 UGB: MOLALLA
 Flood Zone: Not Available

Zoning Designation(s):

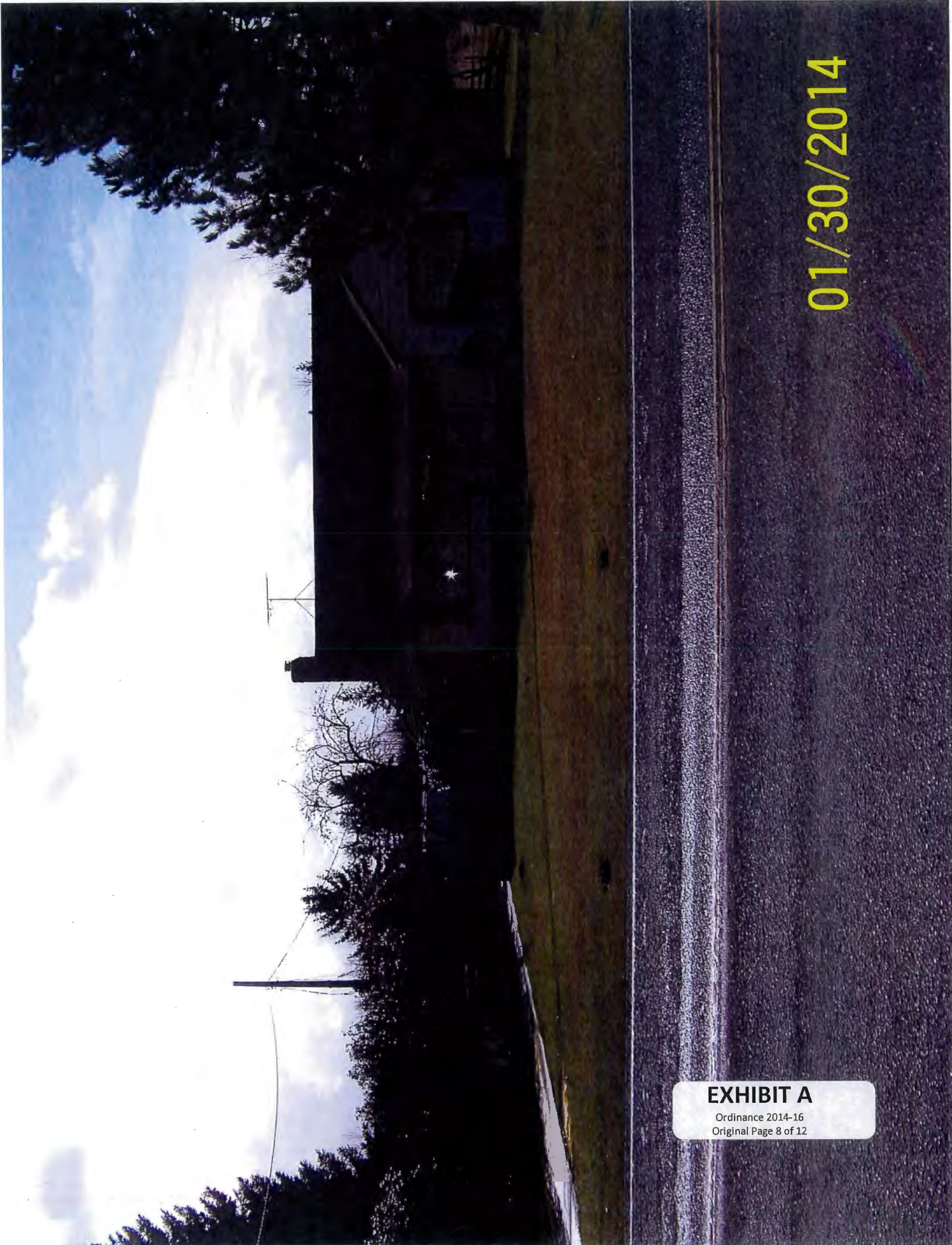
Zone	Overlays:	Acreage:
RRFF5		3.11

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/30/2014

EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MOLALLA MINI STORAGE LLC
 14855 SE 82ND DR
 CLACKAMAS, OR 97015

Site Address: **NO SITUS**
 Taxlot Number: **52E08C 00290**
 Land Value: **76119**
 Building Value: **0**
 Total Value: **76119**

Acreage:
 Year Built:
 Sale Date: **03/28/2013**
 Sale Amount: **0**
 Sale Type: **X**

Land Class:
300
 Building Class:
 Neighborhood:
Area 02 industrial
 Taxcode Districts: **035013**

Location Map:



Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	Zone Overlays: Acreage:
Flood Zone: Not Available	C2 0.48

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: City
 CPO: City
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

EXHIBIT A

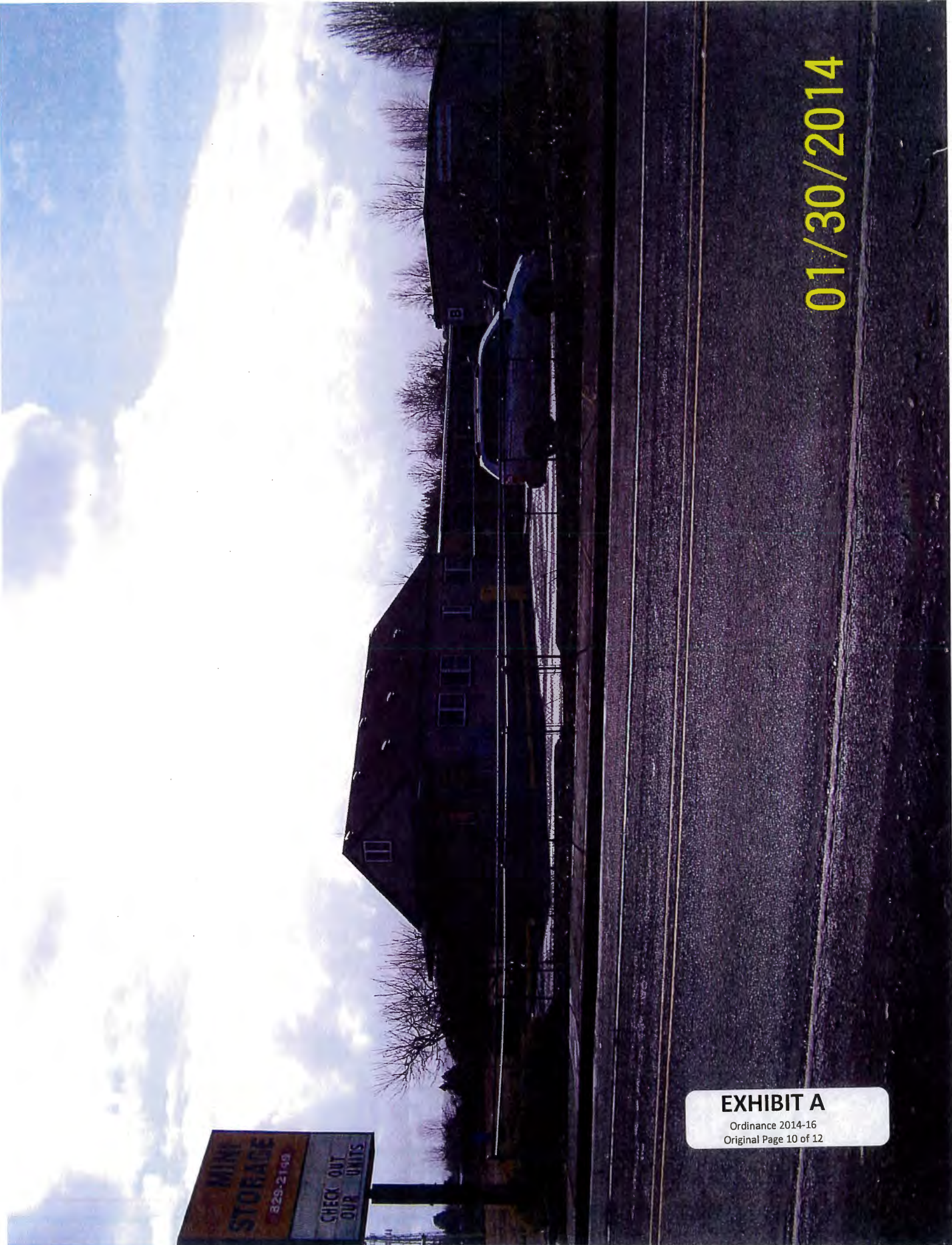
Ordinance 2014-16
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MINI STORAGE
829-2199
CHECK OUT OUR UNITS

EXHIBIT A
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01/30/2014





Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

**BUNNELL DONALD G TRUSTEE
13412 CHOCO RD
APPLE VALLEY, CA 92308**

Site Address: **NO SITUS**
Taxlot Number: **52E08C 00390**
Land Value: **31589**
Building Value: **0**
Total Value: **31589**

Acreage:
Year Built:
Sale Date: **06/25/2009**
Sale Amount: **0**
Sale Type: **X**

Location Map:



Land Class:

100

Building Class:

Neighborhood:

City of Molalla 100, 101

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.48

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Clackamas Co.**

EXHIBIT A

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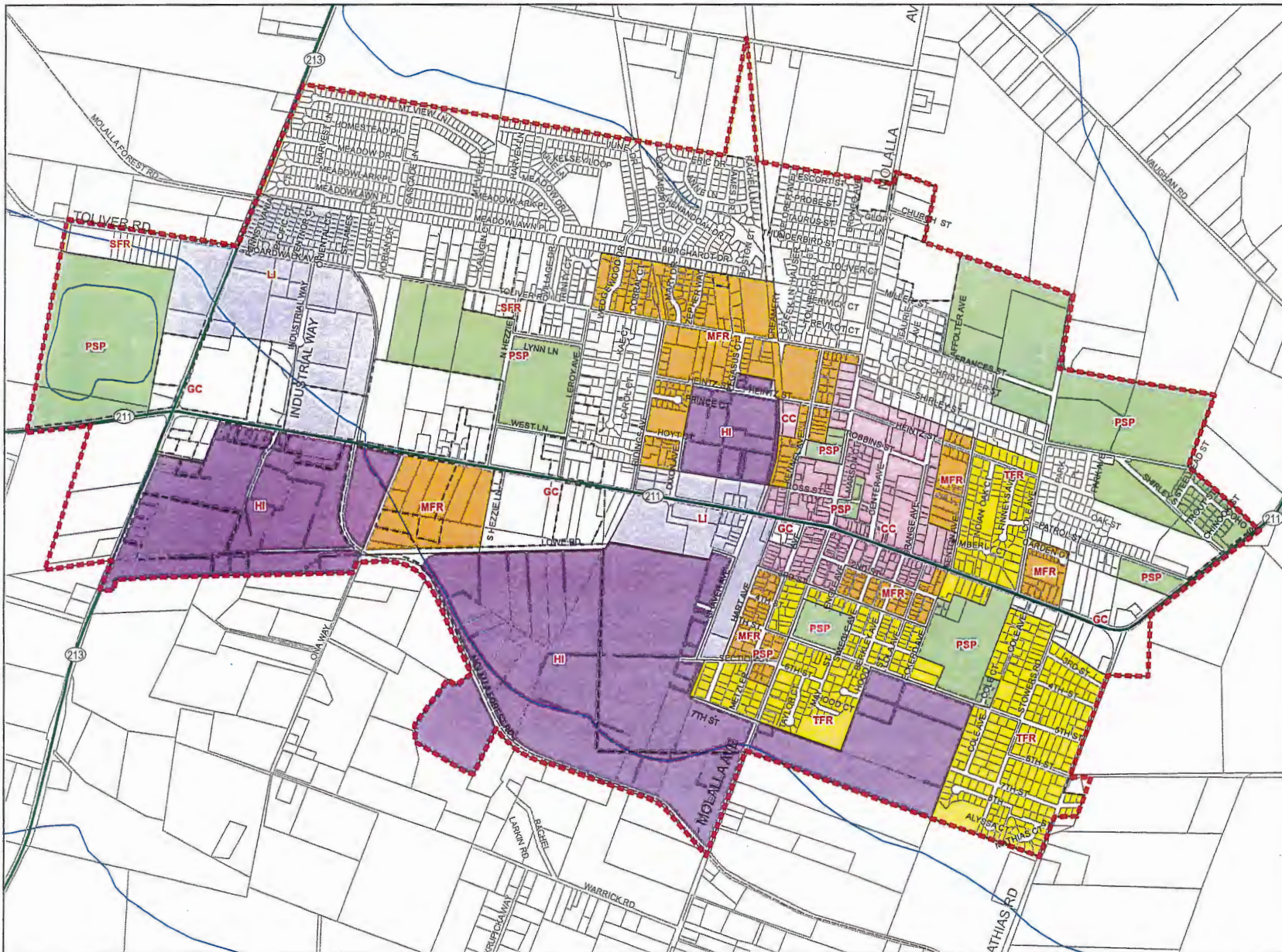
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City of Molalla
 Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 111 SOUTH COST
 OREGON CITY, OREGON 97046

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCDD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

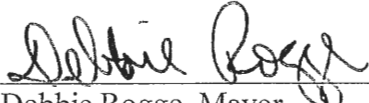
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 17

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being a portion of State Highway 211, and being a portion of a public road described in that deed recorded October 2, 1951 in book 449, page 292, Clackamas County Deed Records, all located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08B 04800

Tax Lot No. 52E08B 04700

Tax Lot No. 52E08B 04600

Tax Lot No. 52E08B 04500

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RC (Rural Commercial), is changed to a City plan designation of GC (General Commercial). This change is supported by maps, attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial). The properties are currently:

Tax Lot No. 52E08B 04800 Commercial – In Use
Tax Lot No. 52E08B 04700 Residential – In Use
Tax Lot No. 52E08B 04600 Residential – In Use
Tax Lot No. 52E08B 04500 Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08B 04700, Tax Lot No. 52E08B 04600, and Tax Lot No. 52E08B 04500 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

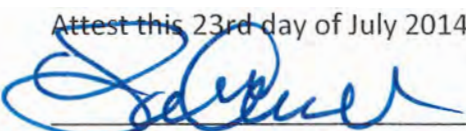
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

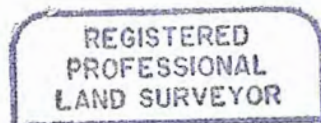
102, 104, 108 & 110 S. Leroy Ave.

Annexation to the City of Molalla

Exhibit A

A Tract of land being a portion of Tract 19 and a portion of Tract 22 of the Plat of "The Shaver Place", and being a portion of State Highway 211, and being a portion of a public road described in that deed recorded October 2, 1951 in book 449, page 292, Clackamas County Deed Records, all located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the intersection of the Northerly right of way line of State Highway 211 (60 feet wide) with the Westerly right of way line of S. Leroy Avenue (60 feet wide), said point being the true point of beginning of the Tract of land herein described; thence South 08°29'40" West, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Southerly right of way line of said Highway 211; thence North 81°30'20" West, along said Southerly right of way line, a distance of 79.93 feet to a point; thence North 08°29'40" East, at right angles to said Highway 211, a distance of 60.00 feet to a point on said Northerly right of way line of said Highway 211, said point also being the Southwesterly corner of that tract of land described in that deed recorded as Document No. 1989-10771, Clackamas County Deed Records; thence North 08°43'32" East, along the Westerly line of said Document No. 1989-10771 tract, a distance of 170.00 feet to a point on the Southerly boundary line of that Tract of land described in that deed recorded as Document No. 1999-076306, Clackamas County Deed Records; thence North 81°30'20" West, along said Southerly boundary line, and parallel with said Highway 211, a distance of 124.92 feet to the Southwesterly corner of said Document No. 1999-076306 Tract; thence North 08°42'48" East, along the Westerly line of said Document No. 1999-076306 tract, and along the Westerly line of that tract of land described in that deed recorded as Document No. 2011-040261, Clackamas County Deed Records, and along the Westerly line of that tract of land described in that deed recorded as Document No. 98-066735, Clackamas County Deed Records, and being parallel with said S. Leroy Avenue, a distance of 265.00 feet to a point on the Southerly right of way line of said public road recorded in Book 449, Page 292; thence North 08°29'40" East, at right angles to said public road, a distance of 60.00 feet to a point on the Northerly right of way line of said public road;



Chris Fischborn

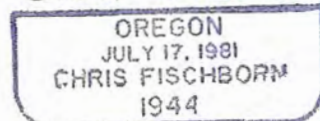


EXHIBIT A

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thence South 81°30'20" East, along said Northerly right of way line, a distance of 204.81 feet to a point; thence South 08°29'40" West, at right angles to said public road, a distance of 60.00 feet to the intersection of said Southerly right of way line of said public road with said Westerly right of way line of said S. Leroy Avenue; thence South 08°42'48" West, along said Westerly right of way line, a distance of 435.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 1.9500 acres (84,943 square feet), more or less.

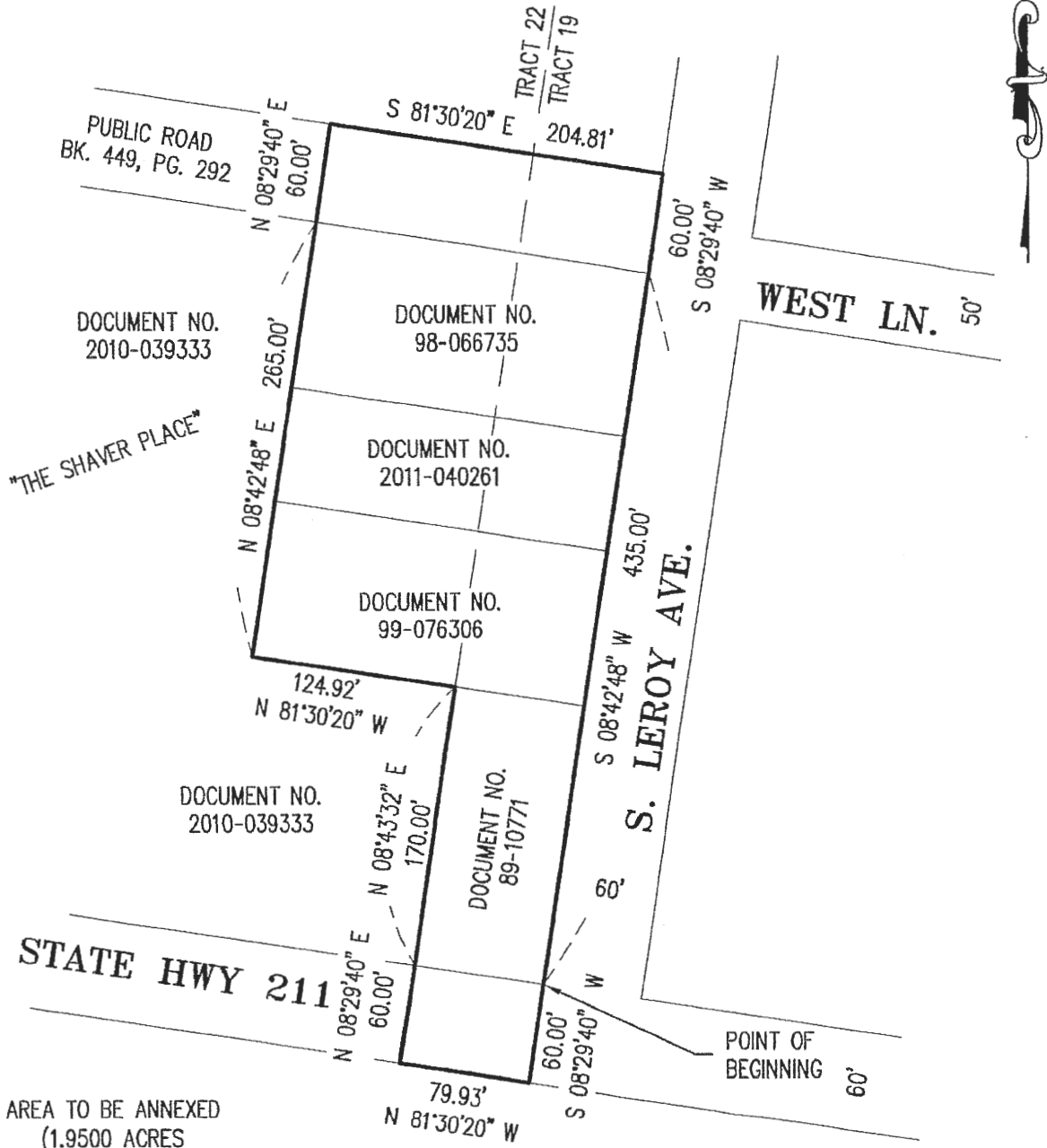
The bearings and distances in this description are based on Clackamas County Survey No. 17274



EXHIBIT A

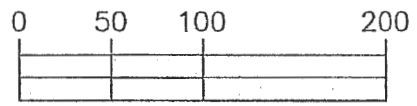
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102, 104, 108, 110 S. LEROY AVE.
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"



AREA TO BE ANNEXED
(1.9500 ACRES
84,943 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
1 INCH = 100 FEET

LOCATED IN THE N.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "B"	
PLOT DATE: 12-2-13	
FILE: W1202-7L1.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795

EXHIBIT A



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

KIM YONG S
PO BOX 2684
WILSONVILLE, OR 97070

Location Map:



Site Address: **102 S LEROY AVE**
 Taxlot Number: **52E08B 04800**
 Land Value: **70063**
 Building Value: **135900**
 Total Value: **205963**

Acreage:
 Year Built:
 Sale Date: **04/29/2013**
 Sale Amount: **0**
 Sale Type: **S**

Land Class:
201
 Building Class:
 Neighborhood:
Area 02 commercial
 Taxcode Districts: **035040**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.39**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

RUIZ EUSEBIO LOPEZ
 106 S LEROY AVE
 MOLALLA, OR 97038

*106 S. LEROY
 IN UGB*

Site Address: 104 S LEROY AVE

Taxlot Number: 52E08B 04700

Land Value: 59006

Building Value: 118930

Total Value: 177936

Acreage:

Year Built: 1971

Sale Date: 07/30/1999

Sale Amount: 136000

Sale Type: M

Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035040

Location Map:



Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.48

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas County

EXHIBIT A

Ordinance 2014-17
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01/29/2014



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

URIBE RICHARD A TRUSTEE
PO BOX 1157
MOLALLA, OR 97038

Location Map:



Site Address: **108 S LEROY AVE**

Taxlot Number: **52E08B 04600**

Land Value: **52872**

Building Value: **83860**

Total Value: **136732**

Acreage:

Year Built: **1910**

Sale Date: **07/12/2011**

Sale Amount: **0**

Sale Type: **S**

Land Class:

101

Building Class:

12

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.35

Fire **Molalla RFPD #73**
 Park **N/A**
 School **SCH 35 MOLALLA RIVER**
 Sewer **N/A**
 Water **N/A**
 Cable **Wave Broadband (Molalla)**
 CPO **Molalla**
 Garb/Recyc **Molalla Sanitary**
 City/County **Clackamas County**

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01/29/2014

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

OKERT DAVID A & DIANNE L
110 S LEROY AVE
MOLALLA, OR 97038

Location Map:



Site Address: **110 S LEROY AVE**

Taxlot Number: **52E08B 04500**

Land Value: **59006**

Building Value: **56820**

Total Value: **115826**

Acreage:

Year Built: **1910**

Sale Date: **07/01/1998**

Sale Amount: **126000**

Sale Type:

Land Class:

101

Building Class:

12

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

0.48

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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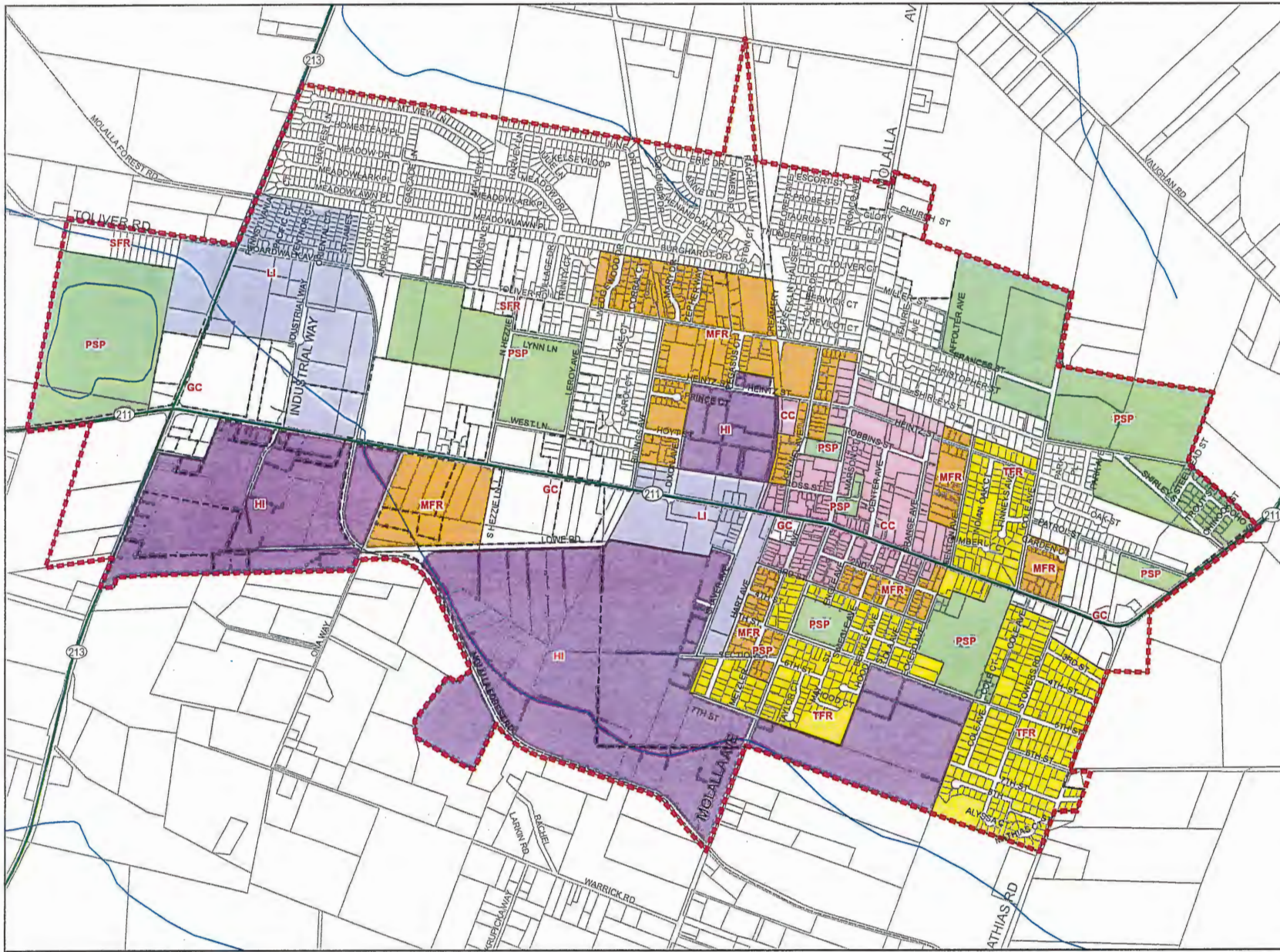


01/29/2014

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City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
151 LIBERTY COURT
OREGON CITY, OREGON 97143

The information on this map was derived from digital data from Clackamas County GIS. Clackamas County is not responsible for any errors, omissions, or unexplained discrepancies and/or limitations. Clackamas County is not responsible for any errors, omissions, or unexplained discrepancies and/or limitations. Clackamas County is not responsible for any errors, omissions, or unexplained discrepancies and/or limitations. Clackamas County is not responsible for any errors, omissions, or unexplained discrepancies and/or limitations.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

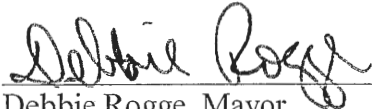
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 18

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla (“City”) initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City’s code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City’s corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City’s code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties’ comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of Lots 1, 2, & 3 of the Plat “Cascade Acres No. 1” (Plat No. 642), and a portion of tract B of the Plat of “The Shave Subdivision” (Plat No. 369), and a portion of S. Leroy Avenue, and a portion of State highway 211, all located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08AC03700

Tax Lot No. 52E08AC03800

Tax Lot No. 52E08AC03900

Tax Lot No. 52E08AC04000

Tax Lot No. 52E08AC04100

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor’s map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to C-2 (General Commercial).

The properties are currently:

Tax Lot No. 52E08AC03700 Residential – In Use
Tax Lot No. 52E08AC03800 Residential – In Use
Tax Lot No. 52E08AC03900 Residential – In Use
Tax Lot No. 52E08AC04000 Residential – In Use
Tax Lot No. 52E08AC04100 Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

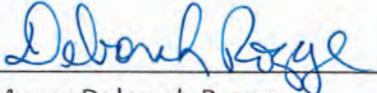
Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

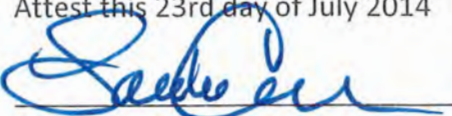
Section 6. The Molalla City Recorder shall:

1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.


Mayor Deborah Rogge

Attest this 23rd day of July 2014


City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

721, 723, 725 & 727 State Highway 211,

107 S. Leroy Ave.

Annexation to the City of Molalla

Exhibit A

A Tract of land being all of Lots 1, 2 & 3 of the Plat "Cascade Acres No. 1" (Plat No. 642), and a portion of Tract B of the Plat of "The Shaver Subdivision" (Plat No. 369), and a portion of S. Leroy Avenue, and a portion of State Highway 211, all located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Southwesterly corner of Clackamas County Partition Plat No. 2011-42, said point being on the Easterly right of way line of S. Leroy Avenue; thence South 82°00'00" East, along the Southerly boundary of said Partition Plat, a distance of 300.25 feet to the Southeasterly corner of said Partition Plat, said point also being on the Westerly boundary line of Lot 1 of the Plat of "Clark Estates"; thence South 08°00'00" West, along said Westerly boundary line, a distance of 40.35 feet to the Southwest corner thereof; thence South 82°11'30" East, along the Southerly boundary line of said "Clark Estates", a distance of 152.00 feet to the Northeasterly corner of that tract of land described in that deed recorded as Document No. 93-41554, Clackamas County Deed Records; thence South 08°00'00" West, along the Easterly line of said Document No. 93-41554 tract, a distance of 294.55 feet to a point on the Northerly right of way line of State Highway 211; thence South 08°30'00" West, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Southerly right of way line of said Highway 211; thence North 81°30'00" West, along said Southerly right of way line, a distance of 512.27 feet to a point; thence North 08°30'00" East, at right angles to said Highway 211, a distance of 60.00 feet to the intersection of said Northerly right of way line of said Highway 211, with the Westerly right of way line of said S. Leroy Avenue; thence North 08°00'00" East, along said Westerly right of way line, a distance of 329.93 feet to a point; thence South 82°00'00" East, at right angles to said S. Leroy Avenue, a distance of 60.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 4.4718 acres (194,791 square feet), more or less.

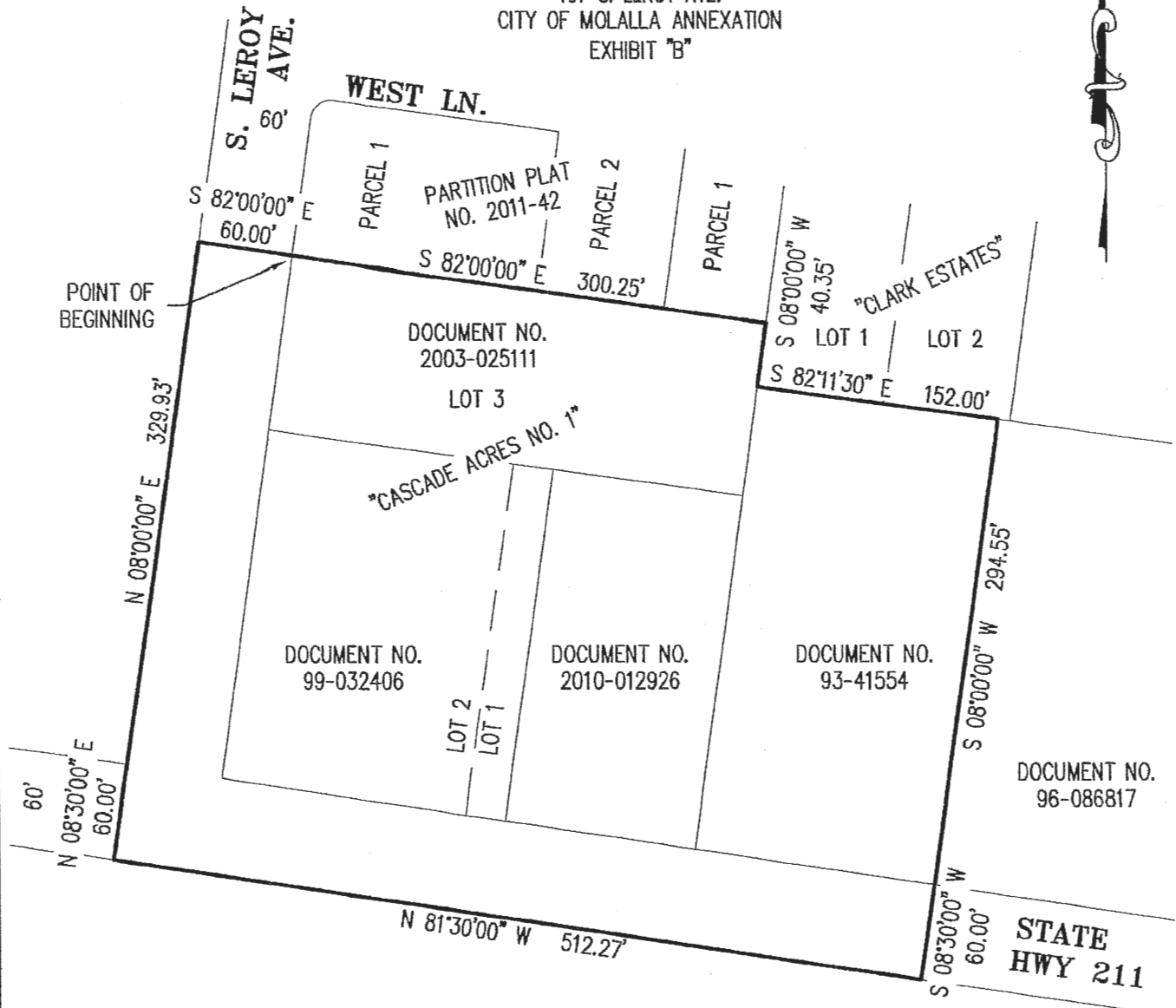
The bearings and distances in this description are based on Partition Plat No. 2011-42, the plat of "Cascade Acres No. 1", and the plat of "Clark Estates".



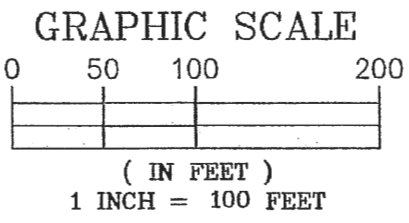
EXHIBIT A

Ordinance 2014-18
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721, 723, 725 & 727 STATE HIGHWAY 211,
 107 S. LEROY AVE.
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



AREA TO BE ANNEXED
 (4.4718 ACRES
 194,791 SQUARE FEET)



LOCATED IN THE N.E. 1/4 SECTION 8,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A
 Ordinance 2014-18
 Original Page 2 of 12

TITLE: EXHIBIT "B"	
PLOT DATE: 11-26-13	
FILE: W1202-7L2.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

GRABER JAMES A
PO BOX 447
MOLALLA, OR 97038

Site Address: **107 S LEROY AVE**
 Taxlot Number: **52E08AC03700**
 Land Value: **75625**
 Building Value: **88110**
 Total Value: **163735**

Acreage:
 Year Built: **1947**
 Sale Date: **02/25/2003**
 Sale Amount: **160000**
 Sale Type: **S**



Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:		Zoning Designation(s):		
UGB:	MOLALLA	<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
Flood Zone:	Not Available	RRFF5		0.76

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HALL HAROLD E & JUDY M
35771 S HWY 213
MOLALLA, OR 97038

Location Map:



Site Address: **727 W MAIN ST**
 Taxlot Number: **52E08AC03800**
 Land Value: **68425**
 Building Value: **60010**
 Total Value: **128435**

Acreage:
 Year Built: **1947**
 Sale Date: **03/01/1999**
 Sale Amount: **34000**
 Sale Type:

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.38**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

FLESKES PAMELA L
725 W MAIN ST
MOLALLA, OR 97038

Site Address: **725 W MAIN ST**
 Taxlot Number: **52E08AC03900**
 Land Value: **69225**
 Building Value: **175420**
 Total Value: **244645**

Acreage:
 Year Built: **1958**
 Sale Date: **02/11/2010**
 Sale Amount: **0**
 Sale Type: **S**

Location Map:



Land Class:
101
 Building Class:
14
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
RRFF5 **0.51**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

FEATHERS DONALD P & ELIZABETH
723 W MAIN ST
MOLALLA, OR 97038

Site Address: **723 W MAIN ST**
 Taxlot Number: **52E08AC04000**
 Land Value: **70025**
 Building Value: **112420**
 Total Value: **182445**

Acreage:
 Year Built: **1959**
 Sale Date: **12/01/1986**
 Sale Amount: **49000**
 Sale Type:

Location Map:



Land Class:

101

Building Class:

13

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.64

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas County

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

NAYLOR MICHAEL G & MARIANNE R
721 W MAIN ST
MOLALLA, OR 97038

Site Address: **721 W MAIN ST**

Taxlot Number: **52E08AC04100**

Land Value: **109494**

Building Value: **146250**

Total Value: **255744**

Acreage:

Year Built: **1950**

Sale Date: **04/01/1993**

Sale Amount: **62500**

Sale Type:

Location Map:



Land Class:

101

Building Class:

14

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

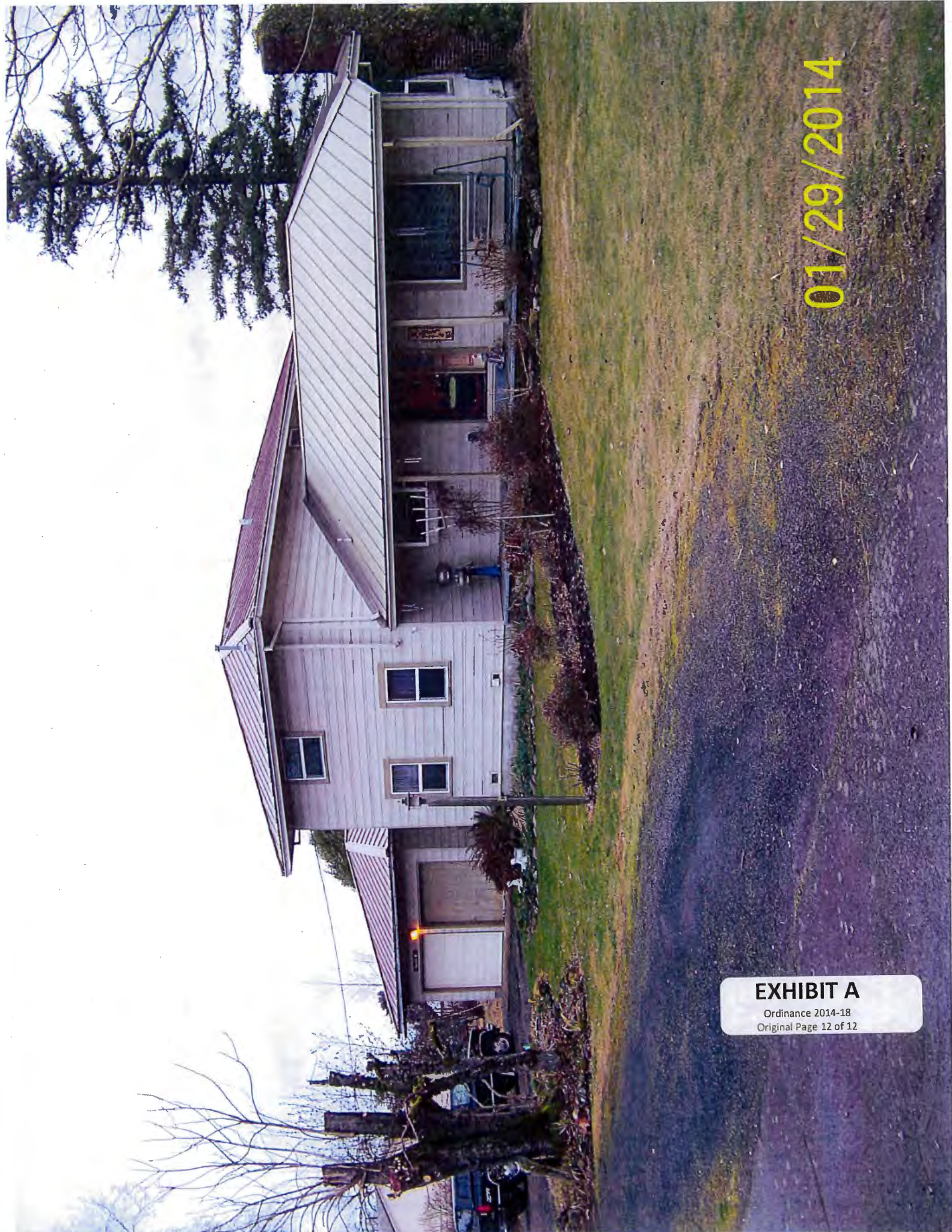
Zone	Overlays:	Acreage:
RRFF5		1.03

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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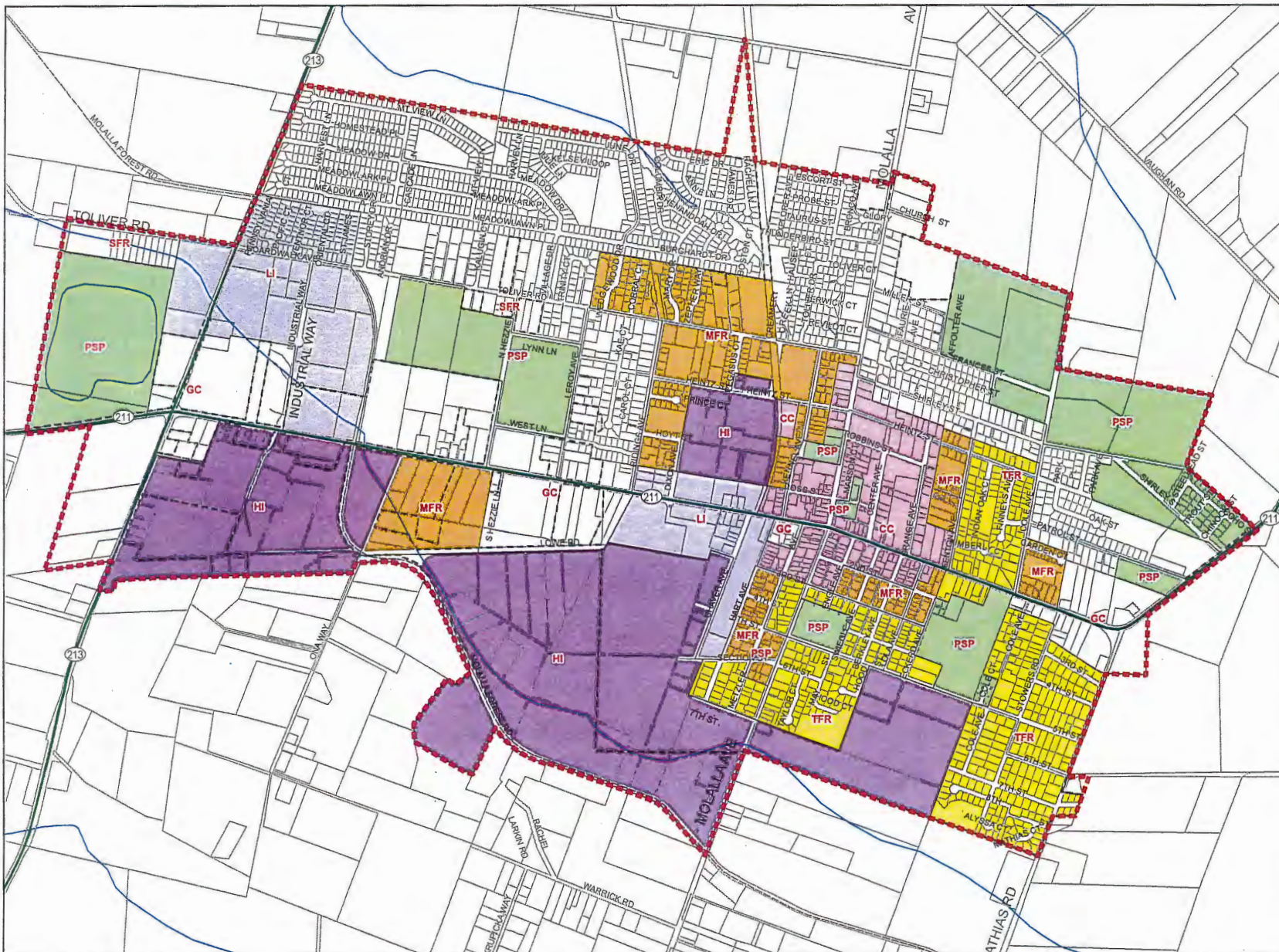


01/29/2014

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City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS
DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
101 LIBERTY COUNTY
SEASIDE CITY, OREGON 97138

The information on this map was derived from digital databases from Clackamas County's GIS. Clackamas County is not responsible for any errors, omissions, or partiality in accuracy and it is advised that users should verify the accuracy of the information shown on this map. Clackamas County is not responsible for any errors, omissions, or partiality in accuracy and it is advised that users should verify the accuracy of the information shown on this map. Clackamas County is not responsible for any errors, omissions, or partiality in accuracy and it is advised that users should verify the accuracy of the information shown on this map.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

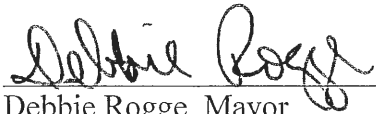
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 19

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of Lots 7 & 8 of the Plat of "Cascade Acres No. 1" (Plat No. 642) and all of Lots 23 & 24 of the Plat of "Hadley Addition" (Plat No. 1777), all located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08AC01900

Tax Lot No. 52E08AC01800

Tax Lot No. 52E08AC02600

Tax Lot No. 52E08AC02590

Tax Lot No. 52E08AC02890

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-1 (Single Family Residential). The properties are currently:

Tax Lot No. 52E08AC01900 Residential – In Use
Tax Lot No. 52E08AC01800 Residential – In Use
Tax Lot No. 52E08AC02600 Residential – In Use
Tax Lot No. 52E08AC02590 Residential – In Use
Tax Lot No. 52E08AC02890 Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

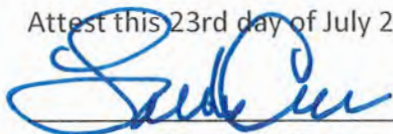
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

312 & 317 S. Leroy Avenue,
402 & 404 Carol Court
Annexation to the City of Molalla

Exhibit A

A Tract of land being all of Lots 7 & 8 of the Plat of "Cascade Acres No. 1" (Plat No. 642) and all of Lots 23 & 24 of the Plat of "Hadley Addition" (Plat No. 1777), all located in the Northeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Northwesterly corner of the Plat of "Clark Estates" (Plat No. 3934), said point being on the Easterly right of way line of S. Leroy Avenue; thence North 82°00'00" West, at right angles to said S. Leroy Avenue, a distance of 60.00 feet to a point on the Westerly right of way line of said S. Leroy Avenue; thence North 08°00'00" East, along said Westerly right of way line, a distance of 219.92 feet to a point; thence South 82°00'00" East, at right angles to said S. Leroy Avenue, a distance of 60.00 feet to a point on said Easterly right of way line, said point also being the Southwesterly corner of Partition Plat No. 2003-049; thence South 82°00'00" East, along the Southerly boundary line of said Partition Plat No. 2003-049, a distance of 300.25 feet to the Southeasterly corner thereof, said point also being on the Westerly line of said Plat of "Hadley Addition"; thence South 08°00'00" West, along said Westerly line, a distance of 81.67 feet to the Northwesterly corner of said Lot 24 of said "Hadley Addition"; thence South 82°00'00" East, along the North line of said Lot 24, a distance of 118.00 feet to the Northeast corner thereof, said point also being on the Westerly right of way line of Carol Court; thence South 08°00'00" West, along said Westerly right of way line, a distance of 52.55 feet to a point of curve; thence continuing along said Westerly right of way line, along a 10.00 foot radius curve to the right, through a central angle of 54°19'00", an arc distance of 9.48 feet (the long chord of said curve bears South 35°09'30" West a distance of 9.13 feet) to a point of reverse curve; thence continuing along said Westerly right of way line, along a 50.00 foot radius curve to the left, through a central angle of 98°41'50", an arc distance of 86.13 feet (the long chord of said curve bears South 12°58'05" West a distance of 75.87 feet to the Southeasterly corner of Lot 23 of said "Hadley Addition";



EXHIBIT A

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thence South 53°37'10" West, along the Southeasterly line of said Lot 23, a distance of 150.08 feet to a point on the boundary line common to said "Hadley Addition" and said "Clark Estates"; thence North 08°00'00" East, along said common line, a distance of 102.97 feet to the Northeasterly corner of said "Clark Estates"; thence North 82°00'00" West, along the Northerly line of said "Clark Estates", a distance of 300.25 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 2.2829 acres (99,444 square feet), more or less.

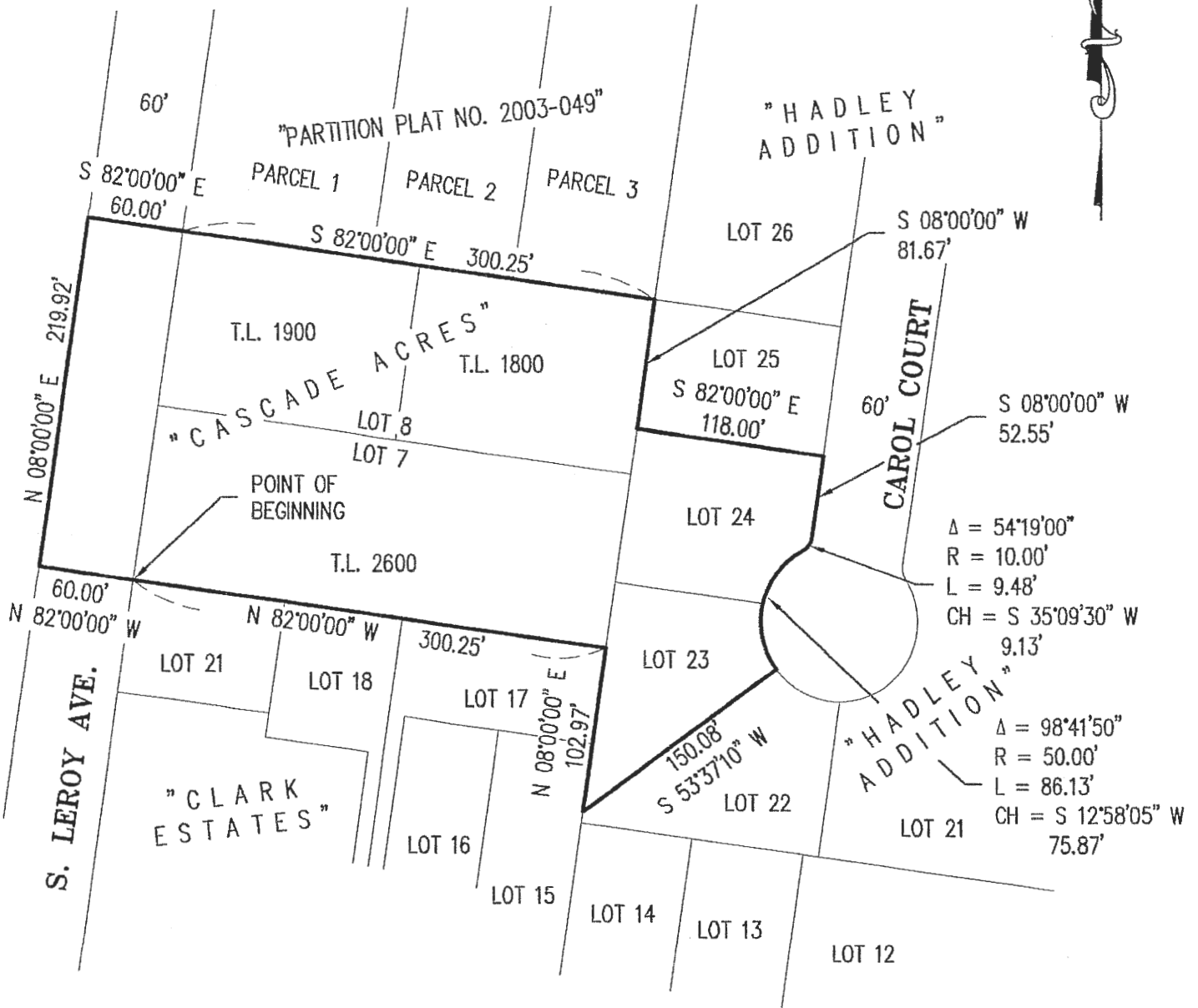
The bearings and distances in this description are based on the Plats of "Clark Estates" and "Hadley Addition", and on Clackamas County Survey No. 2005-119.



EXHIBIT A

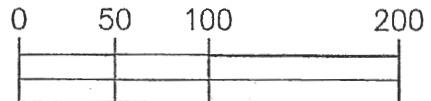
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312 & 317 S. LEROY AVENUE,
 402 & 404 CAROL COURT
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



AREA TO BE ANNEXED
 (2.2829 ACRES
 99,444 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
 1 INCH = 100 FEET

LOCATED IN THE N.E. 1/4 SECTION 8,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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TITLE: EXHIBIT "B"	
PLOT DATE: 12-10-13	
FILE: W1202-7M.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MARSON FRANK J SR
317 S LEROY AVE
MOLALLA, OR 97038

Location Map:



Site Address: **317 S LEROY AVE**
 Taxlot Number: **52E08AC01900**
 Land Value: **68425**
 Building Value: **114960**
 Total Value: **183385**

Acreage:
 Year Built: **1948**
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
101
 Building Class:
14
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.39

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



EXHIBIT A

Ordinance 2014-19
Original Page 5 of 13

01/29/2014



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MARSON FRANK J SR
317A S LEROY AVE
MOLALLA, OR 97038

Location Map:



Site Address: **317A S LEROY AVE**
 Taxlot Number: **52E08AC01800**
 Land Value: **17404**
 Building Value: **1300**
 Total Value: **18704**

Acreage: **0.00**
 Year Built:
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:

101

Building Class:

Neighborhood:

Molalla rural north 100,

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R1		0.00
RRFF5		0.36

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

Ordinance 2014-19
 Original Page 6 of 13

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



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EXHIBIT A

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Original Page 7 of 13



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BLACKBURN WILLIAM ROBERT & GAIL E
312 S LEROY AVE
MOLALLA, OR 97038

Location Map:



Site Address: **312 S LEROY AVE**
 Taxlot Number: **52E08AC02600**
 Land Value: **75625**
 Building Value: **113470**
 Total Value: **189095**

Acreage:
 Year Built: **1948**
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.76

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

EXHIBIT A

Ordinance 2014-19
 Original Page 8 of 13

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EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HETTICK RICHARD K & SHIRLEY
404 CAROL CT
MOLALLA, OR 97038

Site Address: **404 CAROL CT**
 Taxlot Number: **52E08AC02590**
 Land Value: **23988**
 Building Value: **0**
 Total Value: **23988**

Acreage:
 Year Built:
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
City of Molalla 100, 101
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.11

EXHIBIT A

Ordinance 2014-19
 Original Page 10 of 13

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01/29/2014

EXHIBIT A

Ordinance 2014-19
Original Page 11 of 13



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BATTIN I LAUREL
402 CAROL CT
MOLALLA, OR 97038

Site Address: **402 CAROL CT**
 Taxlot Number: **52E08AC02890**
 Land Value: **48913**
 Building Value: **73560**
 Total Value: **122473**

Acreage: **0.00**
 Year Built: **1974**
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
101
 Building Class:
13
 Neighborhood:
City of Molalla 100, 101
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas County**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

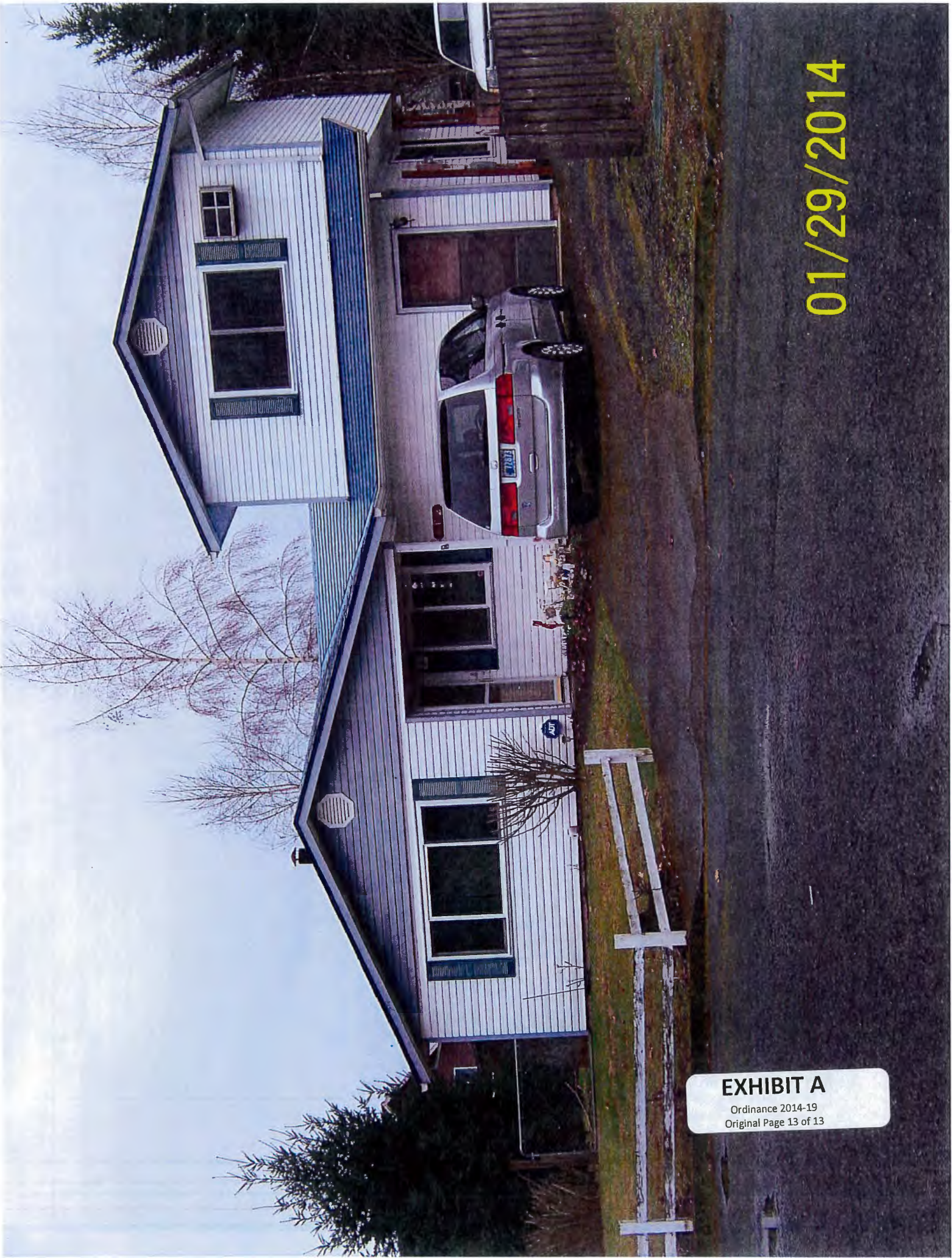
Zoning Designation(s):

Zone	Overlays:	Acreage:
R1		0.00
RRFF5		0.18

EXHIBIT A

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01/29/2014

EXHIBIT A

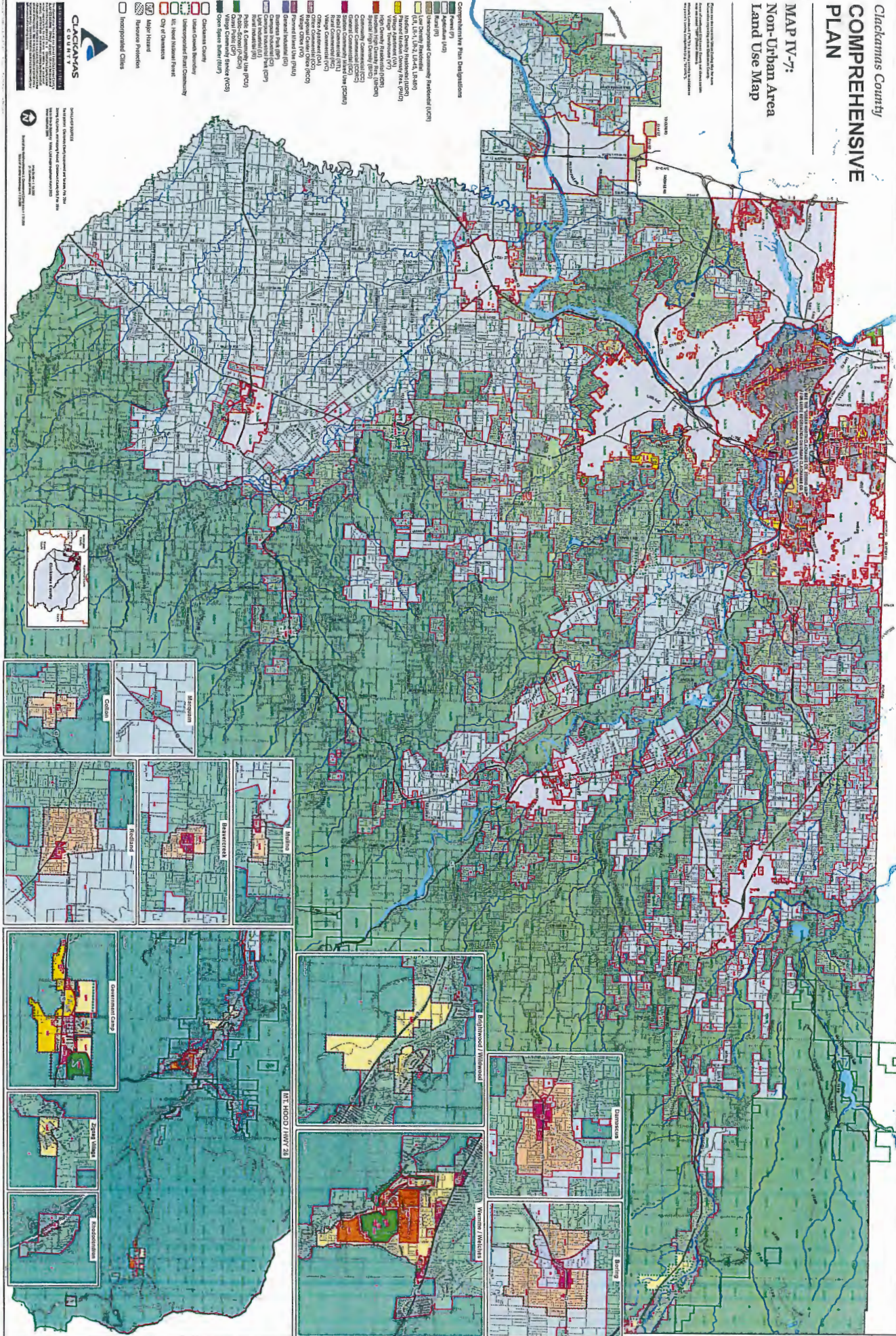
Ordinance 2014-19
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Clackamas County COMPREHENSIVE PLAN

MAP IV-7: Non-Urban Area Land Use Map

Clackamas County, Oregon
 Comprehensive Plan
 Non-Urban Area Land Use Map
 Adopted by the Board of Commissioners on 11/15/2007
 Revised by the Board of Commissioners on 11/15/2011

- Comprehensive Plan Designations**
- 1. Agriculture (A)
 - 2. Forest (F)
 - 3. Forest (F)
 - 4. Forest (F)
 - 5. Forest (F)
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 - 99. Forest (F)
 - 100. Forest (F)



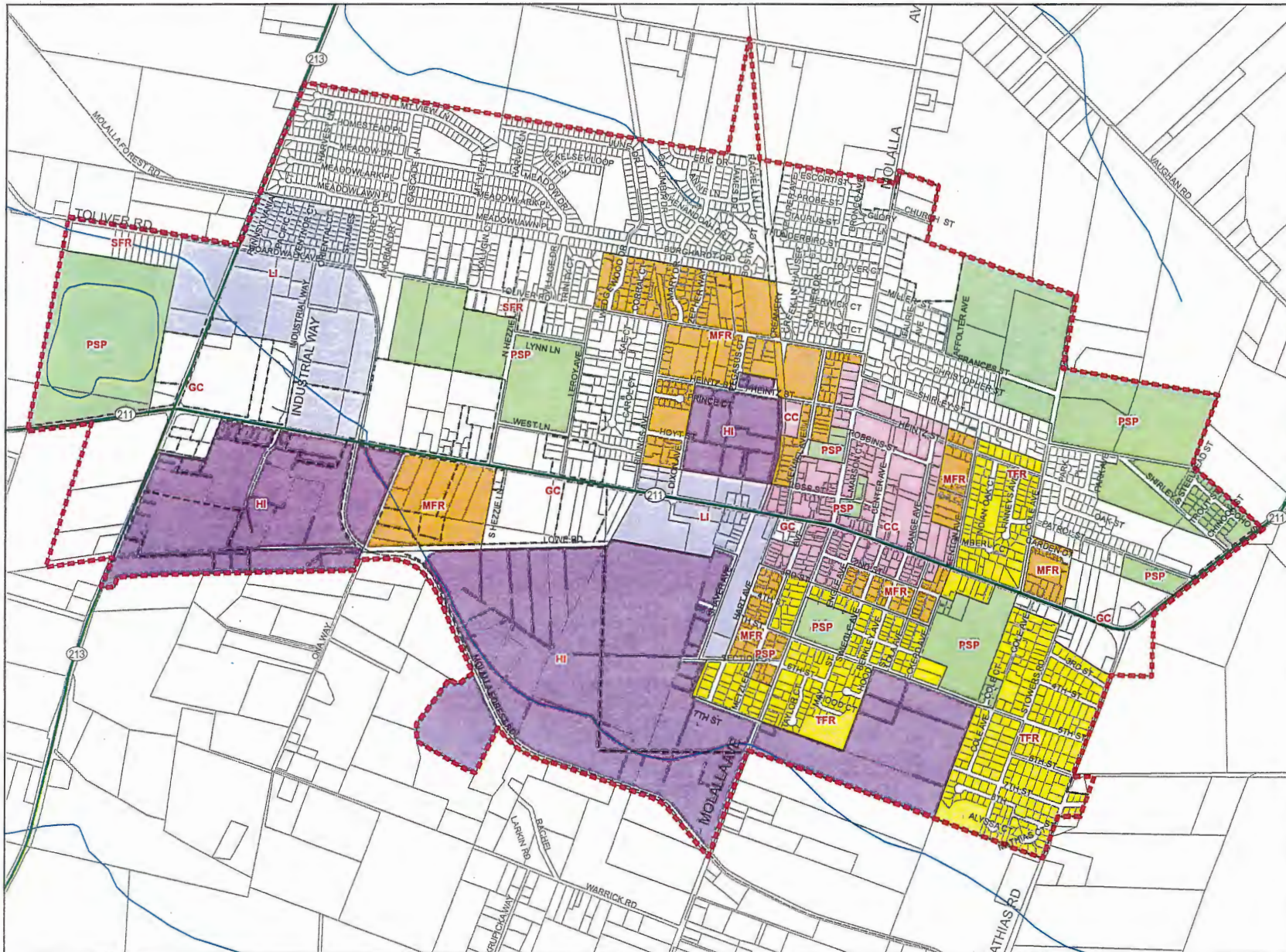
CLACKAMAS COUNTY
 1000 NE Oregon Street, Suite 200
 Clackamas, Oregon 97015
 Phone: 503.263.1100
 Fax: 503.263.1101
 Website: www.clackamas.gov



Scale: 1 inch = 1 mile
 Date: 11/15/2011

City of Molalla Comprehensive Plan

Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

Urban Growth Boundary

City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS
DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
221 LIBRARY COURT
OREGON CITY, OREGON 97143

The information on this map was derived from digital datafiles from Clackamas County's GIS. Care was taken in the creation of this map but it is produced "as is". Clackamas County cannot accept any responsibility for any errors, omissions, or positional accuracy. All information shown on this map was derived from the public domain. All information from Land Surveyors who have been filed in the public domain is provided, in its original form, as received by Clackamas County. There are no warranties or guarantees, in any way, for the product or service provided by Clackamas County. There are no warranties or guarantees, in any way, for the product or service provided by Clackamas County.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

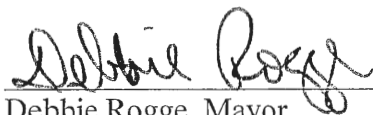
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 20

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla (“City”) initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City’s code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City’s corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City’s code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties’ comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being a portion of the Plat of “Trinity Estates” (Plat No. 4076) located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

- Tax Lot No. 52E08BA00201
- Tax Lot No. 52E08BA00202
- Tax Lot No. 52E08BA00203
- Tax Lot No. 52E08BA00204
- Tax Lot No. 52E08BA00205
- Tax Lot No. 52E08BA00206
- Tax Lot No. 52E08BA00207
- Tax Lot No. 52E08BA00208
- Tax Lot No. 52E08BA00209
- Tax Lot No. 52E08BA00210
- Tax Lot No. 52E08BA00211
- Tax Lot No. 52E08BA00212
- Tax Lot No. 52E08BA00216
- Tax Lot No. 52E08BA00217

Tax Lot No. 52E08BA00218
Tax Lot No. 52E08BA00219
Tax Lot No. 52E08BA00220
Tax Lot No. 52E08BA00221
Tax Lot No. 52E08BA00222
Tax Lot No. 52E08BA00223
Tax Lot No. 52E08BA00224
Tax Lot No. 52E08BA00225

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of SFR (Single Family Residential). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, R-3 (Multi-Family Residential) is changed to R-1 (Single Family Residential). The properties are currently:

Tax Lot No. 52E08BA00201	Residential – In Use
Tax Lot No. 52E08BA00202	Residential – In Use
Tax Lot No. 52E08BA00203	Residential – In Use
Tax Lot No. 52E08BA00204	Residential – In Use
Tax Lot No. 52E08BA00205	Residential – In Use
Tax Lot No. 52E08BA00206	Residential – In Use
Tax Lot No. 52E08BA00207	Residential – In Use
Tax Lot No. 52E08BA00208	Residential – In Use
Tax Lot No. 52E08BA00209	Residential – In Use
Tax Lot No. 52E08BA00210	Residential – In Use
Tax Lot No. 52E08BA00211	Residential – In Use
Tax Lot No. 52E08BA00212	Residential – In Use
Tax Lot No. 52E08BA00216	Residential – In Use
Tax Lot No. 52E08BA00217	Residential – In Use
Tax Lot No. 52E08BA00218	Residential – In Use
Tax Lot No. 52E08BA00219	Residential – In Use
Tax Lot No. 52E08BA00220	Residential – In Use
Tax Lot No. 52E08BA00221	Residential – In Use
Tax Lot No. 52E08BA00222	Residential – In Use
Tax Lot No. 52E08BA00223	Residential – In Use
Tax Lot No. 52E08BA00224	Residential – In Use
Tax Lot No. 52E08BA00225	Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is

supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

Ronald b. Sellards, P.E.

Trinity Estates
Annexation to the City of Molalla

Exhibit A

A Tract of land being a portion of the Plat of "Trinity Estates" (Plat No. 4076) located in the Northwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Southwesterly corner of said Plat of "Trinity Estates", said point being on the Northerly right of way line of S. Toliver Road; thence North $07^{\circ}49'54''$ East, along the Westerly boundary of said Plat, a distance of 633.67 feet to the Northwesterly corner of said Plat; thence South $82^{\circ}29'35''$ East, along the Northerly boundary of said Plat, a distance of 288.92 feet to a point that is 133.00 feet Westerly of, when measured at right angles, the Easterly boundary line of said Plat; thence South $07^{\circ}50'16''$ West, parallel with and 133.00 feet Westerly of, when measured at right angles, said Easterly line of said Plat, a distance of 633.80 feet to a point on said Northerly right of way line of said S. Toliver Road; thence South $07^{\circ}32'00''$ West, at right angles to said S. Toliver Road, a distance of 50.00 feet to a point on the Southerly right of way line of said S. Toliver Road; thence North $82^{\circ}28'00''$ West, along said Southerly right of way line, a distance of 288.85 feet to a point; thence North $07^{\circ}32'00''$ East, at right angles to said S. Toliver Road, a distance of 50.00 feet to the true point of beginning of the Tract of land herein described.

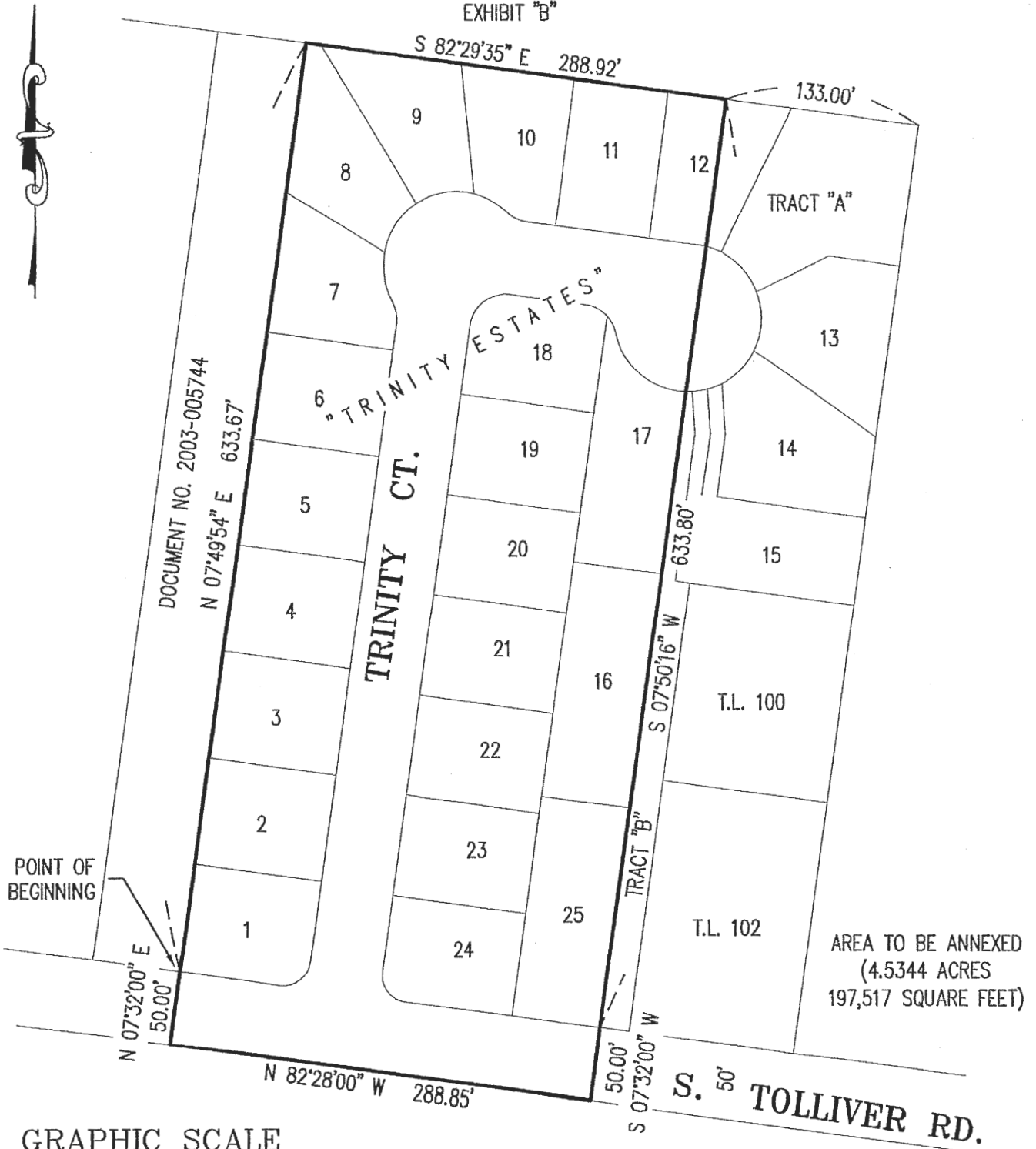
Said Tract of land contains an area of 4.5344 acres (197,517 square feet), more or less.



EXHIBIT A

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TRINITY ESTATES
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"



DOCUMENT NO. 2003-005744
N 07°49'54" E 633.67'

TRINITY CT.

S 82°29'35" E 288.92'

133.00'

TRACT "A"

"TRINITY ESTATES"

TRACT "B"

T.L. 100

T.L. 102

AREA TO BE ANNEXED
(4.5344 ACRES
197,517 SQUARE FEET)

POINT OF BEGINNING

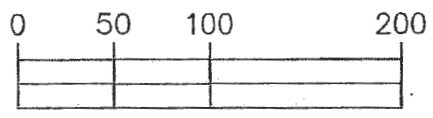
N 07°32'00" E
50.00'

N 82°28'00" W 288.85'

S 07°32'00" W
50.00'

S. 50' TOLLIVER RD.

GRAPHIC SCALE



(IN FEET)
1 INCH = 100 FEET

LOCATED IN THE N.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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TITLE: EXHIBIT "B"		ZTec ENGINEERS, INC. 3737 S.E. 8TH AVE. PORTLAND, OREGON 97202 (503) 235-8795
PLOT DATE: 11-19-13		
FILE: W1202-7N.DWG		
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1	



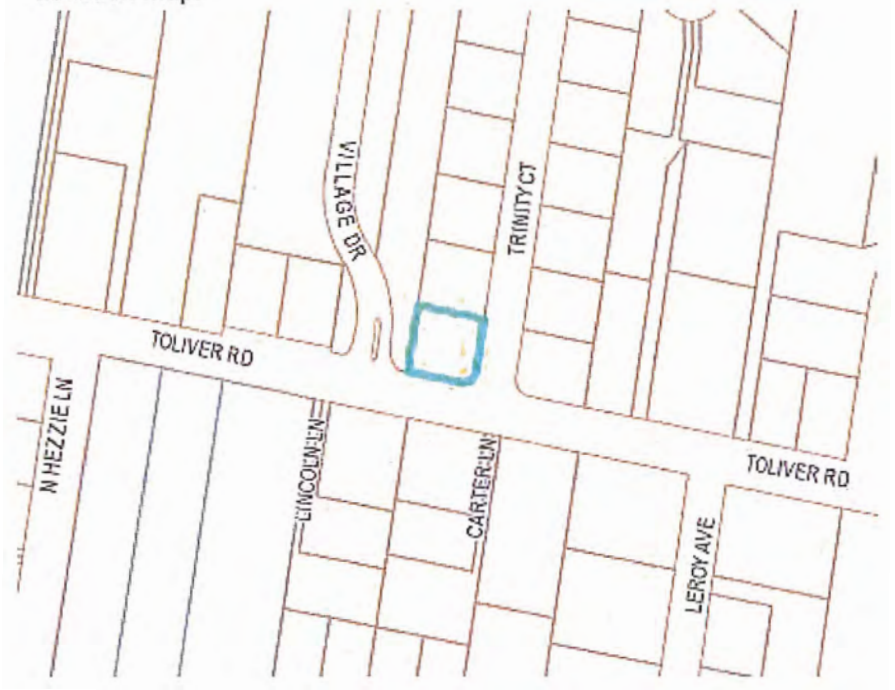
Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

MURRELL ZACH & TESSA
646 TRINITY CT
MOLALLA, OR 97038

Site Address: **646 TRINITY CT**
 Taxlot Number: **52E08BA00201**
 Land Value: **69834**
 Building Value: **104970**
 Total Value: **174804**
 Acreage:
 Year Built: **2011**
 Sale Date: **08/02/2011**
 Sale Amount: **180000**
 Sale Type: **S**

Location Map:



Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
R3 **0.14**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/28/2014

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

JOHNSON TERESA LYNN
660 TRINITY CT
MOLALLA, OR 97038

Site Address: **660 TRINITY CT**
 Taxlot Number: **52E08BA00202**
 Land Value: **69834**
 Building Value: **111120**
 Total Value: **180954**

Acreage: **0.14**
 Year Built: **2008**
 Sale Date: **07/20/2012**
 Sale Amount: **0**
 Sale Type: **S**

Land Class: **101**
 Building Class: **14**
 Neighborhood: **City of Molalla newer**
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

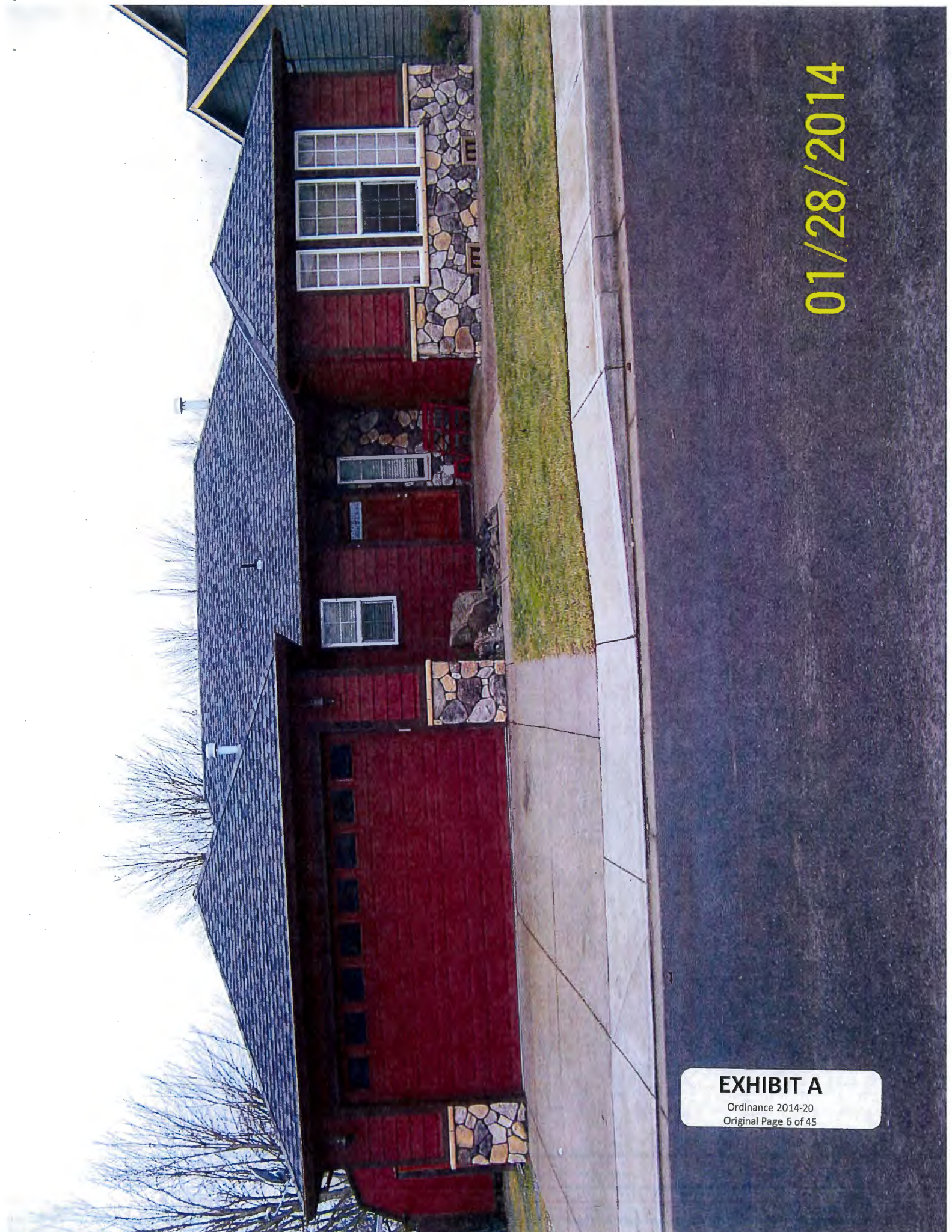
Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.14

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/28/2014

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

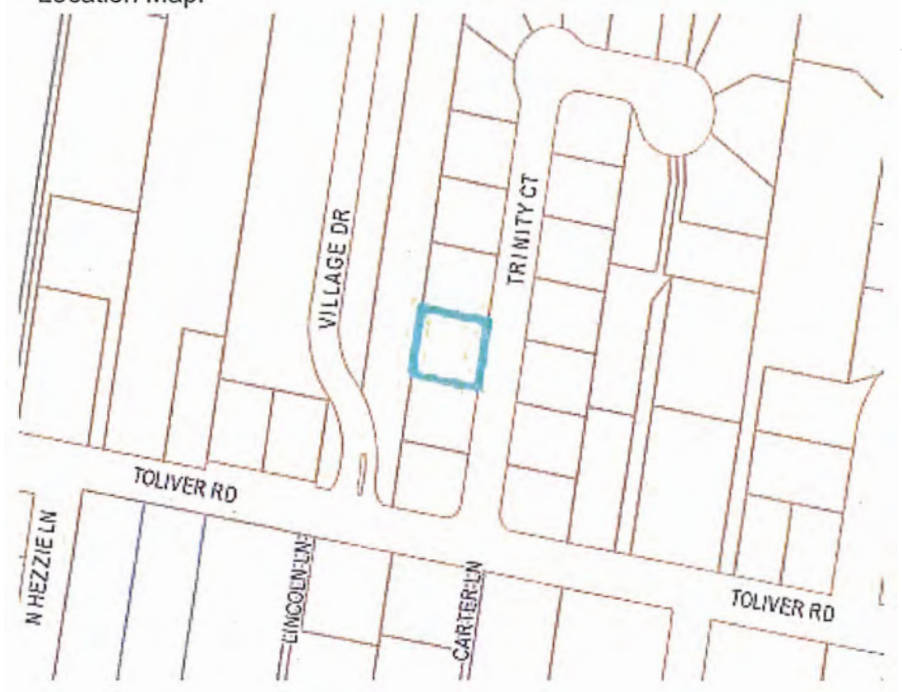
Property Report

**VANNICE MARY
 682 TRINITY CT
 MOLALLA, OR 97038**

Site Address: **682 TRINITY CT**
 Taxlot Number: **52E08BA00203**
 Land Value: **69834**
 Building Value: **139340**
 Total Value: **209174**

Acreage:
 Year Built: **2007**
 Sale Date: **05/20/2009**
 Sale Amount: **255000**
 Sale Type: **S**

Location Map:



Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):
Zone Overlays: Acreage:
R3 **0.14**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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Geographic Information Systems
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 Oregon City, OR 97045

Property Report

KUTCHER LANI & BECKY
692 TRINITY CT
MOLALLA, OR 97038

Location Map:



Site Address: **692 TRINITY CT**
 Taxlot Number: **52E08BA00204**
 Land Value: **69834**
 Building Value: **110430**
 Total Value: **180264**

Acreage:
 Year Built: **2006**
 Sale Date: **01/30/2012**
 Sale Amount: **199950**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.14

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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Property Report

**SANTOS CARLOS S
 700 TRINITY CT
 MOLALLA, OR 97038**

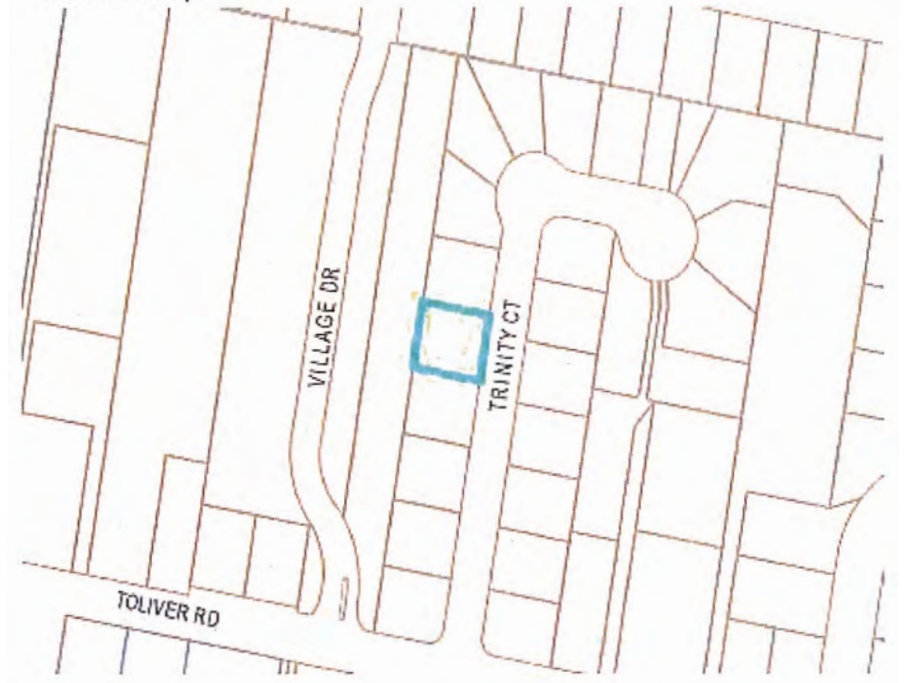
Site Address: **700 TRINITY CT**
 Taxlot Number: **52E08BA00205**
 Land Value: **69834**
 Building Value: **114000**
 Total Value: **183834**

Acreage: **0.14**
 Year Built: **2006**
 Sale Date: **09/17/2012**
 Sale Amount: **183000**
 Sale Type: **S**

Land Class: **101**
 Building Class: **14**
 Neighborhood: **City of Molalla newer**
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.14

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Property Report

OLSEN MATT & JENNIFER
706 TRINITY CT
MOLALLA, OR 97038

Site Address: **706 TRINITY CT**
Taxlot Number: **52E08BA00206**
Land Value: **69834**
Building Value: **110480**
Total Value: **180314**

Acreage:
Year Built: **2006**
Sale Date: **04/18/2007**
Sale Amount: **269000**
Sale Type: **S**



Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

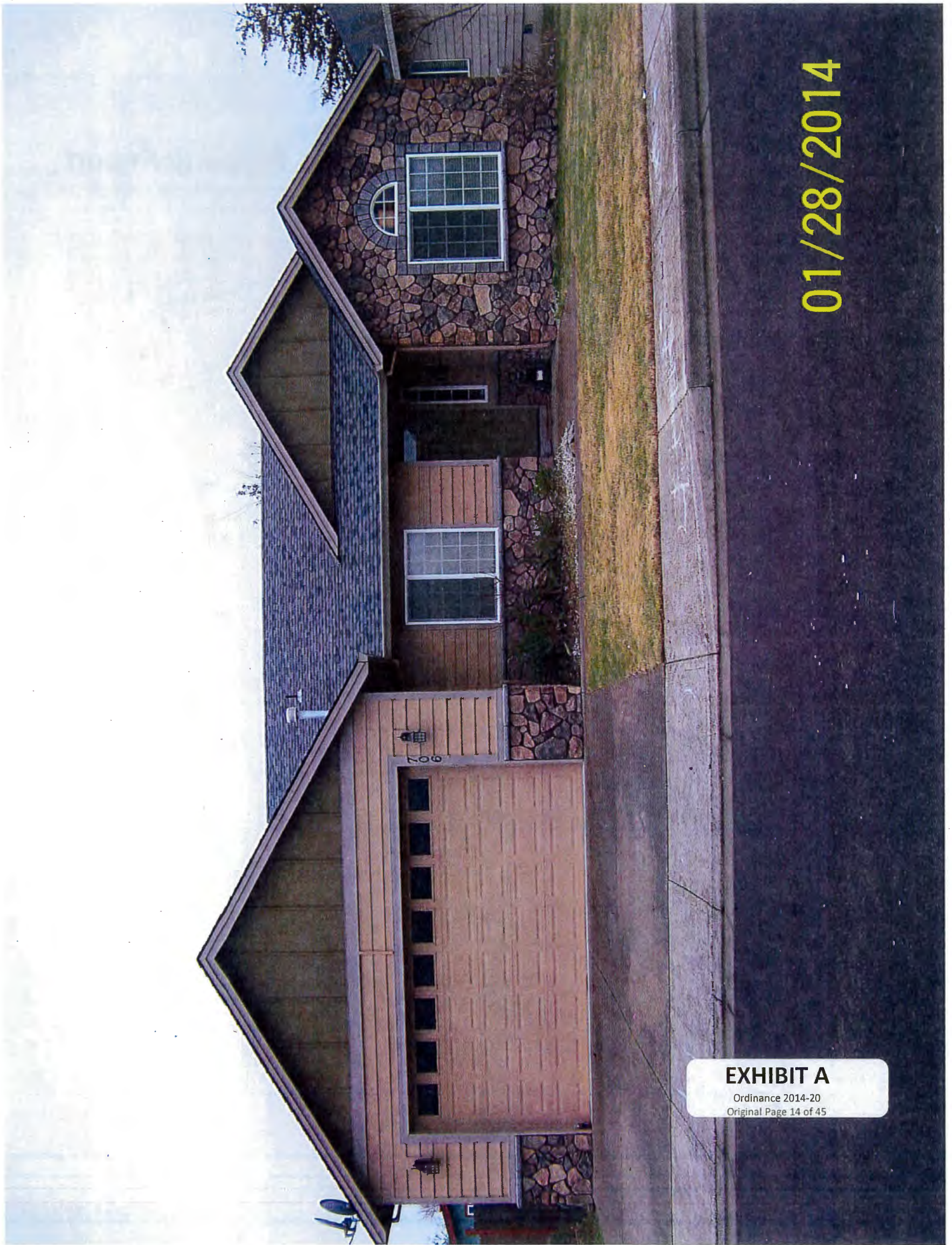
Zoning Designation(s):
Zone Overlays: Acreage:
R3 **0.14**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

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Property Report

**RUTLEDGE TOM & JANICE L
712 TRINITY CT
MOLALLA, OR 97038**

Location Map:



Site Address: 712 TRINITY CT
Taxlot Number: 52E08BA00207
Land Value: 69834
Building Value: 108200
Total Value: 178034

Acreage:
Year Built: 2010
Sale Date: 07/27/2010
Sale Amount: 219000
Sale Type: S

Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Site Characteristics:
UGB: MOLALLA
Flood Zone: Not Available

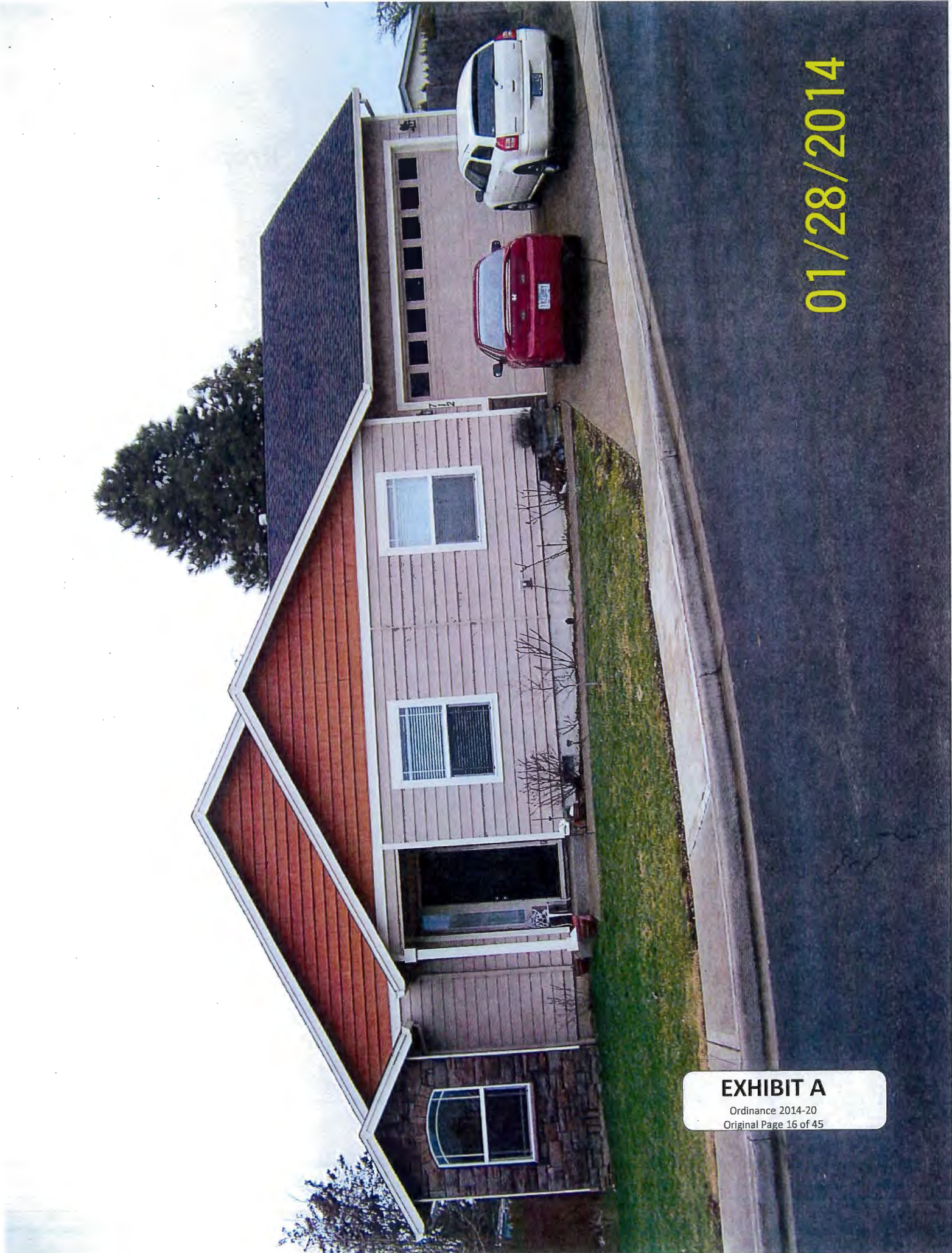
Zoning Designation(s):
Zone Overlays: Acreage:
R3 0.14

Fire: Molalla RFPD #73
Park: N/A
School: SCH 35 MOLALLA RIVER
Sewer: N/A
Water: N/A
Cable: City
CPO: City
Garb/Recyc: Molalla Sanitary
City/County: Molalla

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Property Report

SCHULTZ GARY R & LYLA J
718 TRINITY CT
MOLALLA, OR 97038

Site Address: **718 TRINITY CT**
 Taxlot Number: **52E08BA00208**
 Land Value: **69834**
 Building Value: **112800**
 Total Value: **182634**

Acreage:
 Year Built: **2010**
 Sale Date: **04/15/2011**
 Sale Amount: **200000**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.15

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Property Report

STRAUB JESSIE J & BREAL C
724 TRINITY CT
MOLALLA, OR 97038

Site Address: **724 TRINITY CT**
 Taxlot Number: **52E08BA00209**
 Land Value: **69834**
 Building Value: **106080**
 Total Value: **175914**

Acreage:
 Year Built: **2010**
 Sale Date: **06/28/2010**
 Sale Amount: **204900**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.15

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Property Report

LIMBECK PAUL A & TRACY E
730 TRINITY CT
MOLALLA, OR 97038

Site Address: **730 TRINITY CT**
 Taxlot Number: **52E08BA00210**
 Land Value: **69834**
 Building Value: **112450**
 Total Value: **182284**
 Acreage:
 Year Built: **2008**
 Sale Date: **11/11/2009**
 Sale Amount: **235000**
 Sale Type: **S**

Location Map:



Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

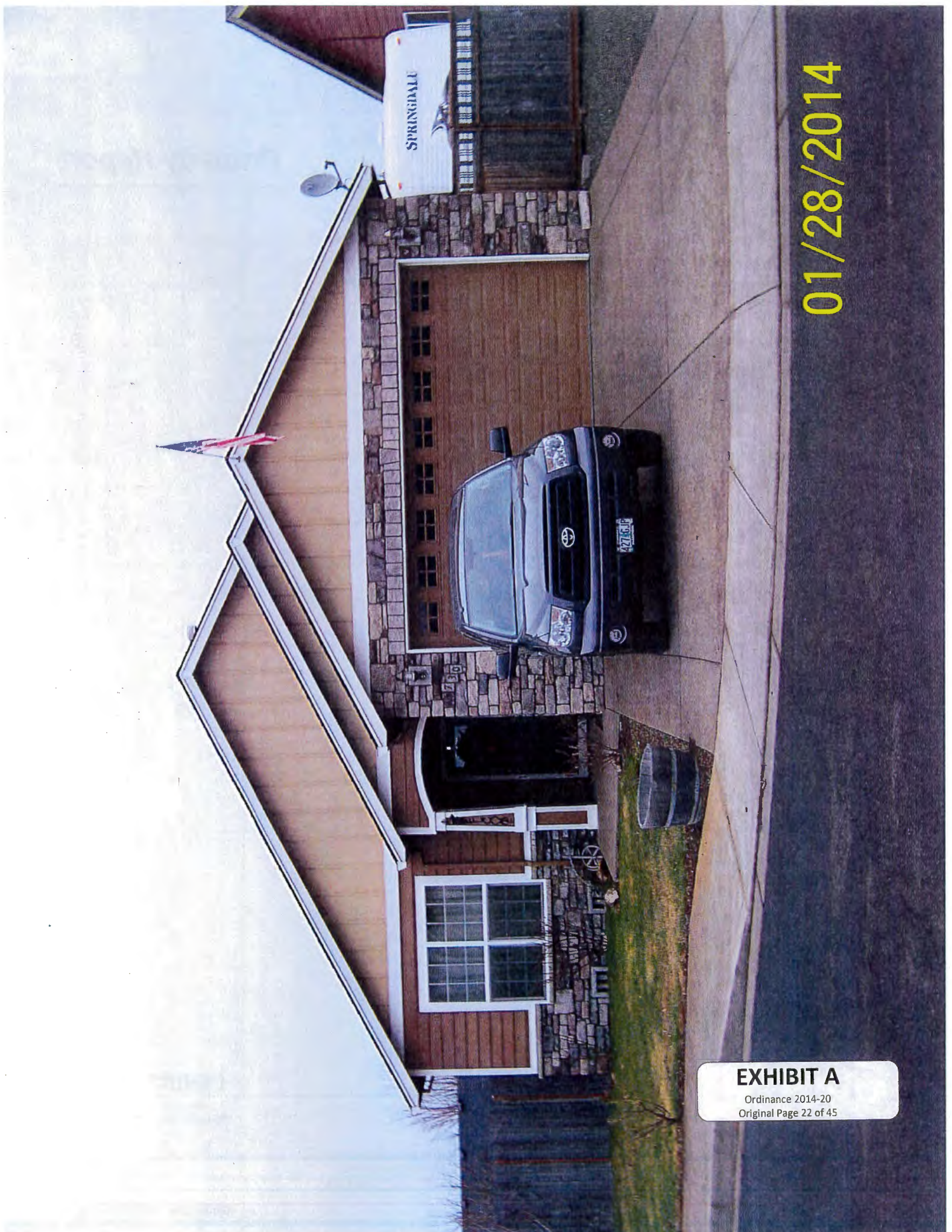
Zoning Designation(s):
Zone Overlays: Acreage:
 R3 0.15

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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Property Report

SMITH LESLIE A
736 TRINITY CT
MOLALLA, OR 97038

Site Address: **736 TRINITY CT**
Taxlot Number: **52E08BA00211**
Land Value: **69834**
Building Value: **140770**
Total Value: **210604**

Acreage:
Year Built: **2007**
Sale Date: **10/12/2007**
Sale Amount: **326000**
Sale Type: **S**

Land Class: **101**
Building Class: **14**
Neighborhood: **City of Molalla newer**
Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.15

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Property Report

RENARD JOSEPH F
742 TRINITY CT
MOLALLA, OR 97038

Site Address: **742 TRINITY CT**
 Taxlot Number: **52E08BA00212**
 Land Value: **46699**
 Building Value: **116620**
 Total Value: **163319**
 Acreage:
 Year Built: **2008**
 Sale Date: **09/23/2009**
 Sale Amount: **259000**
 Sale Type: **M**

Location Map:



Land Class:

101

Building Class:

14

Neighborhood:

City of Molalla newer

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

R3

0.09

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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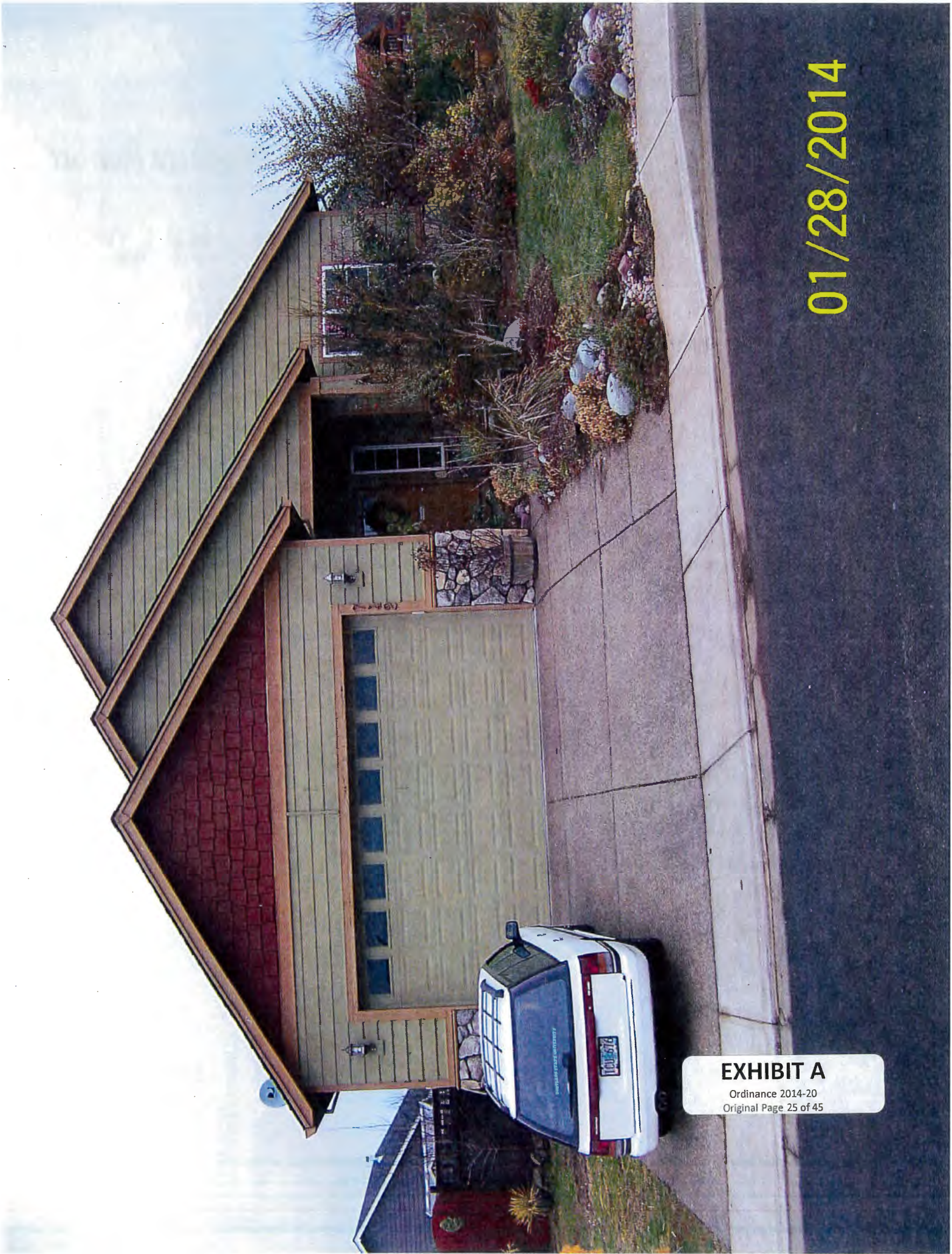


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Property Report

BEHRENS MARILYN S
737 TRINITY CT
MOLALLA, OR 97038

Location Map:



Site Address: **737 TRINITY CT**
 Taxlot Number: **52E08BA00217**
 Land Value: **73477**
 Building Value: **121050**
 Total Value: **194527**

Acreage:
 Year Built: **2007**
 Sale Date: **04/23/2008**
 Sale Amount: **275000**
 Sale Type: **S**

Land Class: **101**
 Building Class: **14**
 Neighborhood: **City of Molalla newer**
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.19

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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Property Report

**BRITTINGHAM THOMAS J & NICOLE R
741 TRINITY CT
MOLALLA, OR 97038**

Location Map:



Site Address: **741 TRINITY CT**
Taxlot Number: **52E08BA00216**
Land Value: **75298**
Building Value: **160330**
Total Value: **235628**

Acreage: **0.22**
Year Built: **2011**
Sale Date: **05/31/2011**
Sale Amount: **233000**
Sale Type: **S**

Land Class:

101

Building Class:

15

Neighborhood:

City of Molalla newer

Taxcode Districts: **035013**

Site Characteristics:

UGB: **MOLALLA**

Flood Zone: **Not Available**

Zoning Designation(s):

Zone Overlays: Acreage:

R3 0.22

R3 0.03

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

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Property Report

ALYEA HAROLD E & MARY L
805 TOLIVER RD
MOLALLA, OR 97038

Site Address: **800 TRINITY CT**
 Taxlot Number: **52E08BA00225**
 Land Value: **73477**
 Building Value: **145690**
 Total Value: **219167**

Acreage:
 Year Built: **2006**
 Sale Date: **02/21/2008**
 Sale Amount: **292000**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Location Map:



Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.21

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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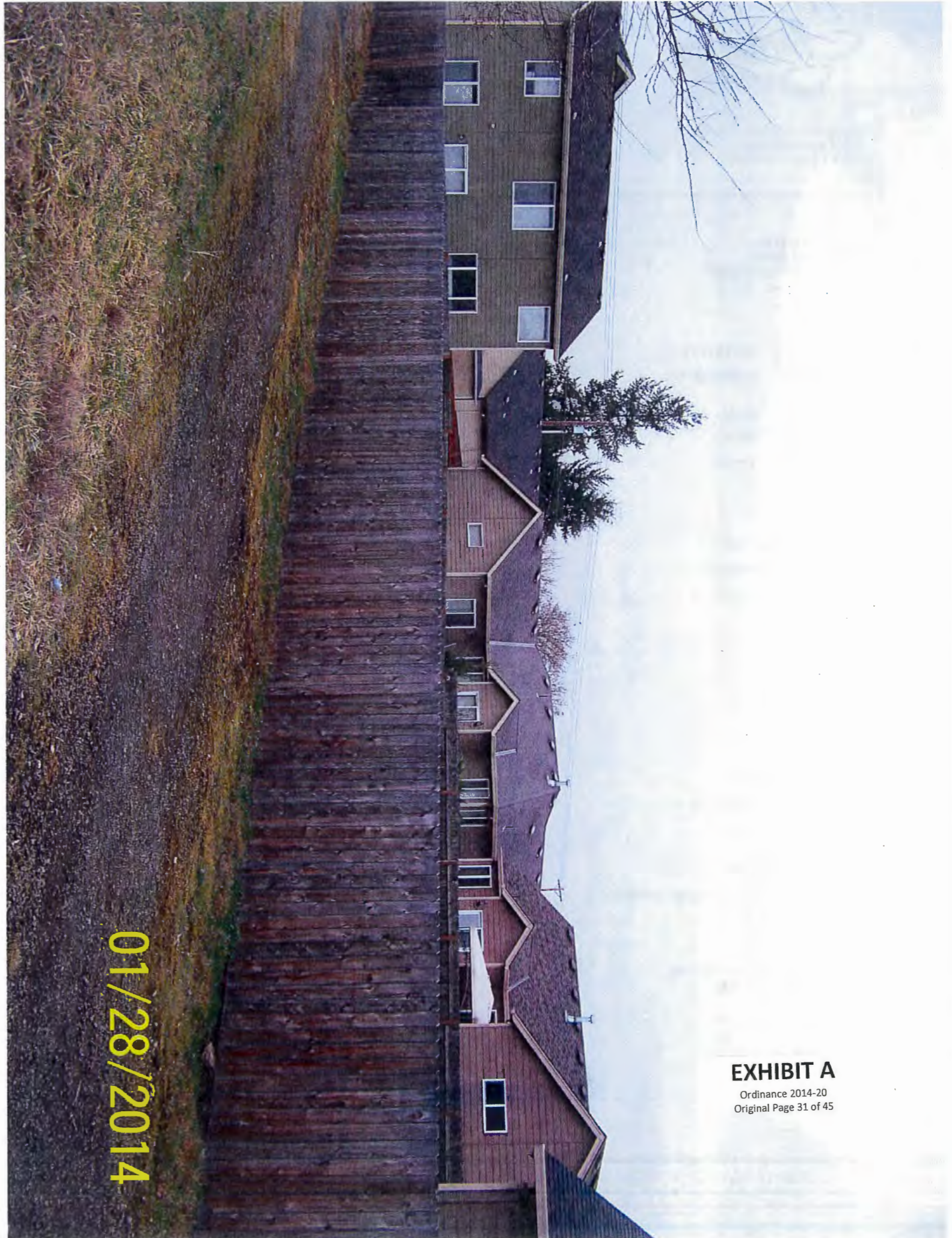


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Geographic Information Systems
 168 Warner-Milne Rd
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Property Report

ABLES JERRY D
19302 ROLLINS ST
OREGON CITY, OR 97045

Location Map:



Site Address: **709 TRINITY CT**
 Taxlot Number: **52E08BA00218**
 Land Value: **69834**
 Building Value: **109950**
 Total Value: **179784**

Acreage:
 Year Built: **2010**
 Sale Date: **06/04/2010**
 Sale Amount: **219000**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.15

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

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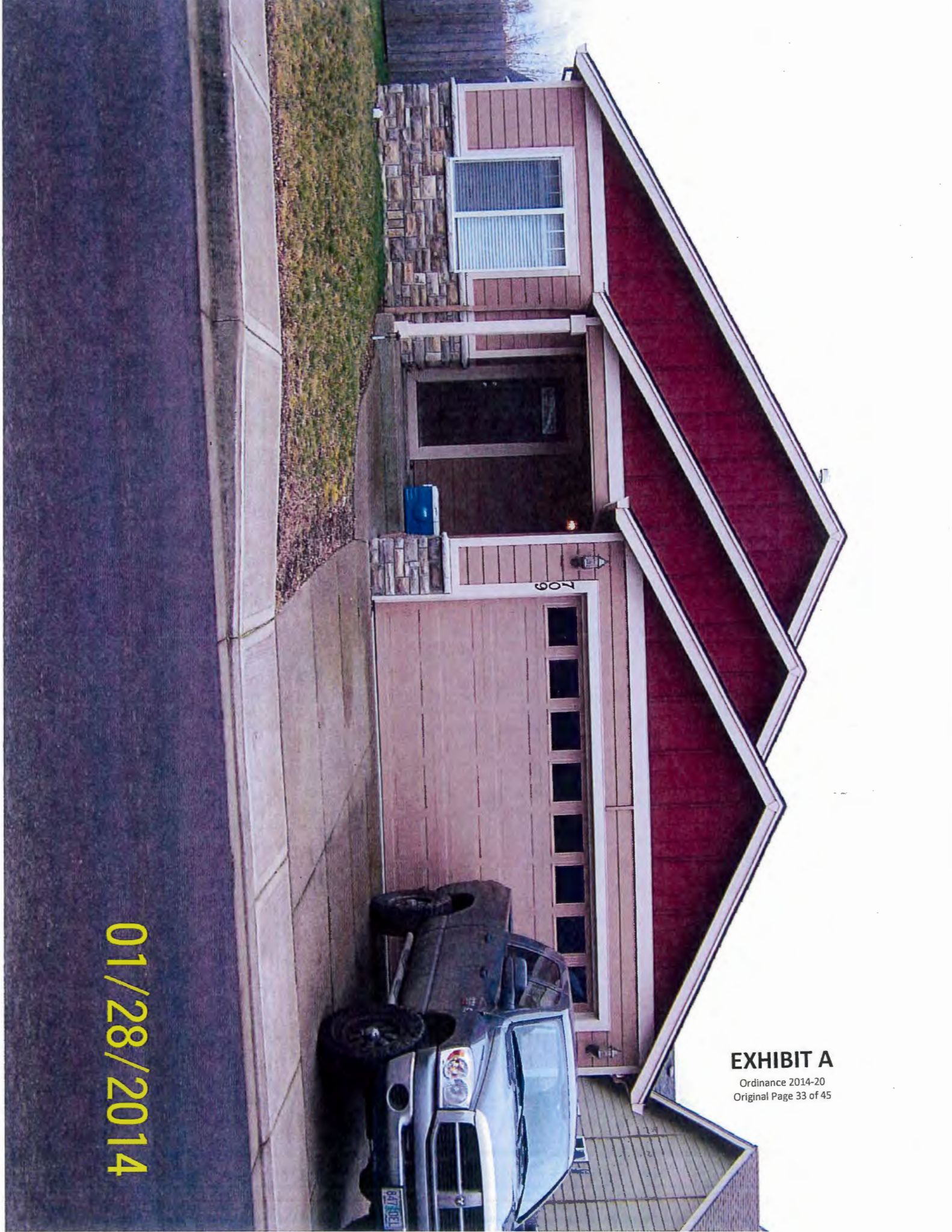


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168 Warner-Milne Rd
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Property Report

BLACKMAN CAROL J
703 TRINITY CT
MOLALLA, OR 97038

Site Address: **703 TRINITY CT**
Taxlot Number: **52E08BA00219**
Land Value: **69834**
Building Value: **136110**
Total Value: **205944**

Acreage:
Year Built: **2006**
Sale Date: **10/23/2012**
Sale Amount: **0**
Sale Type: **S**

Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):

<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
R3		0.14

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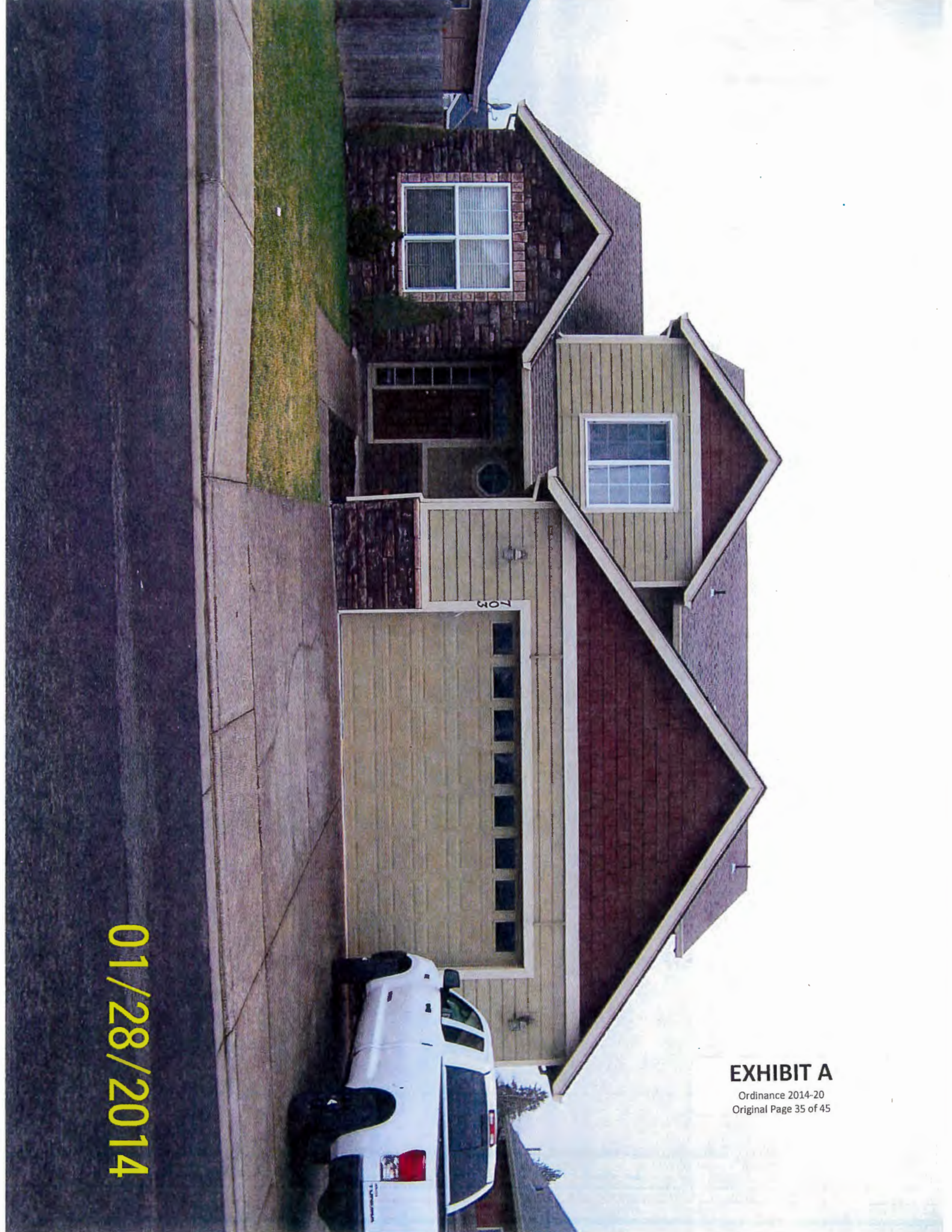


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Property Report

ANDERSON DANIEL & AMY
697 TRINITY CT
MOLALLA, OR 97038

Site Address: **697 TRINITY CT**
Taxlot Number: **52E08BA00220**
Land Value: **69834**
Building Value: **110830**
Total Value: **180664**

Acreage:
Year Built: **2006**
Sale Date: **06/26/2007**
Sale Amount: **265000**
Sale Type: **S**

Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**



Site Characteristics:	Zoning Designation(s):		
UGB: MOLALLA	<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
Flood Zone: Not Available	R3		0.14

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Property Report

BAKER JOHN E & BARBARA S
687 TRINITY CT
MOLALLA, OR 97038

Site Address: **687 TRINITY CT**
 Taxlot Number: **52E08BA00221**
 Land Value: **69834**
 Building Value: **110830**
 Total Value: **180664**

Acreage:
 Year Built: **2006**
 Sale Date: **08/08/2007**
 Sale Amount: **265000**
 Sale Type: **S**

Land Class:
101
 Building Class:
14
 Neighborhood:
City of Molalla newer
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **City**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
R3		0.14

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/28/2014

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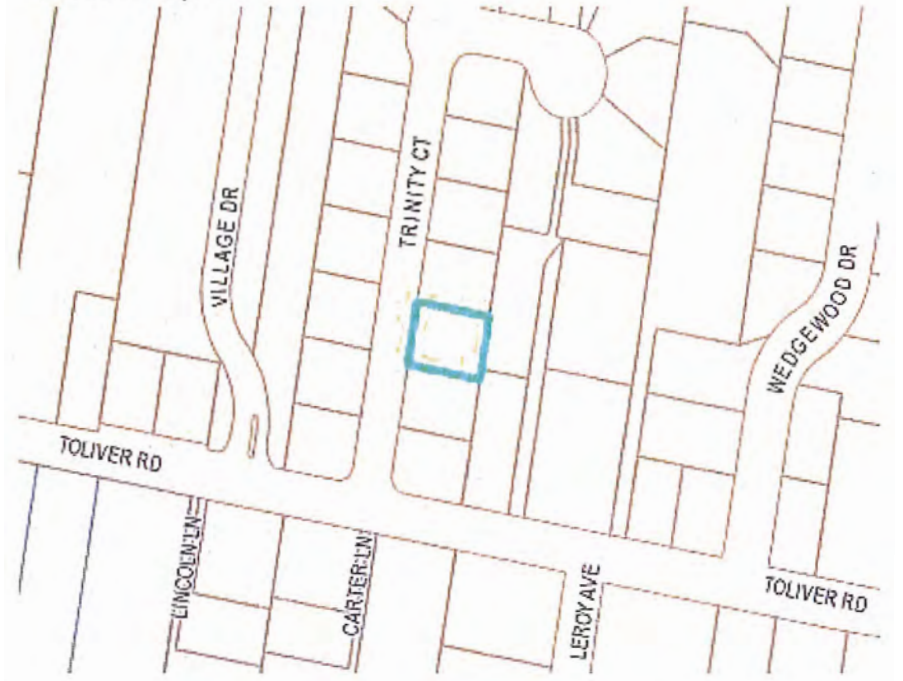


Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

DUFFY PATRICK M & SUSAN L
677 TRINITY CT
MOLALLA, OR 97038

Location Map:



Site Address: **677 TRINITY CT**
Taxlot Number: **52E08BA00222**
Land Value: **69834**
Building Value: **113670**
Total Value: **183504**

Acreage: **0.14**
Year Built: **2008**
Sale Date: **04/29/2008**
Sale Amount: **278671**
Sale Type: **S**

Land Class: **101**
Building Class: **14**
Neighborhood: **City of Molalla newer**
Taxcode Districts: **035013**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone **Overlays:** **Acreage:**
R3 **0.14**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

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01/28/2014

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Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

PATTISON RICHARD C & CILIA A
657 TRINITY CT
MOLALLA, OR 97038

Site Address: **657 TRINITY CT**
Taxlot Number: **52E08BA00223**
Land Value: **69834**
Building Value: **113320**
Total Value: **183154**

Acreage:
Year Built: **2007**
Sale Date: **03/19/2008**
Sale Amount: **265000**
Sale Type: **S**

Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

Location Map:



Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

Zoning Designation(s):
Zone **Overlays:** **Acreage:**
R3 **0.14**

EXHIBIT A

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01/28/2014

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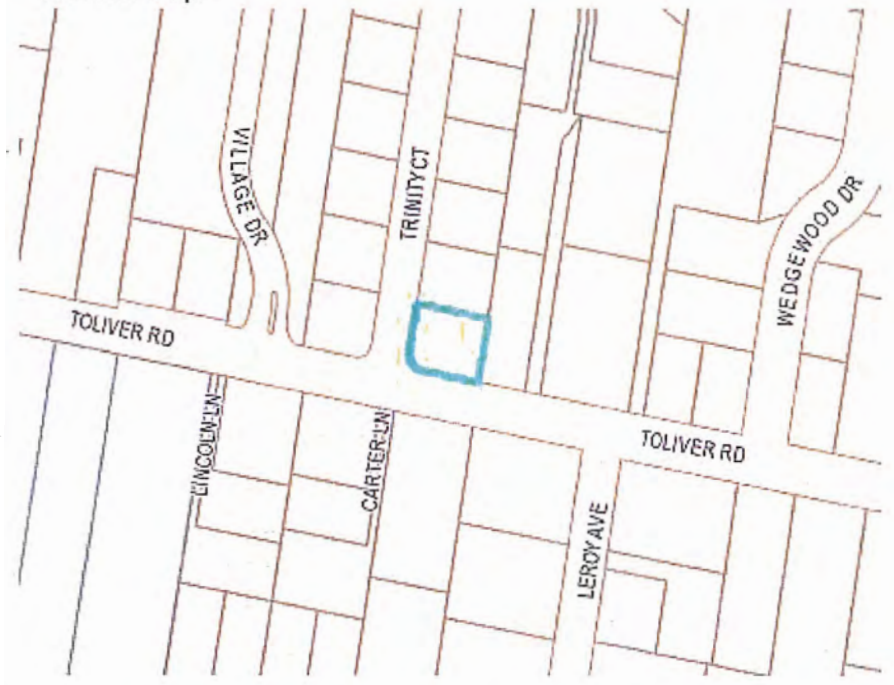


Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

GOMEZ MARTIMIANO & IRENE CAMACHO
899 E MAIN ST #9
MOLALLA, OR 97038

Location Map:



Site Address: **647 TRINITY CT**
Taxlot Number: **52E08BA00224**
Land Value: **69834**
Building Value: **107820**
Total Value: **177654**

Acreage:
Year Built: **2009**
Sale Date: **12/21/2009**
Sale Amount: **208000**
Sale Type: **S**

Land Class:
101
Building Class:
14
Neighborhood:
City of Molalla newer
Taxcode Districts: **035013**

Site Characteristics:
UGB: **MOLALLA**
Flood Zone: **Not Available**

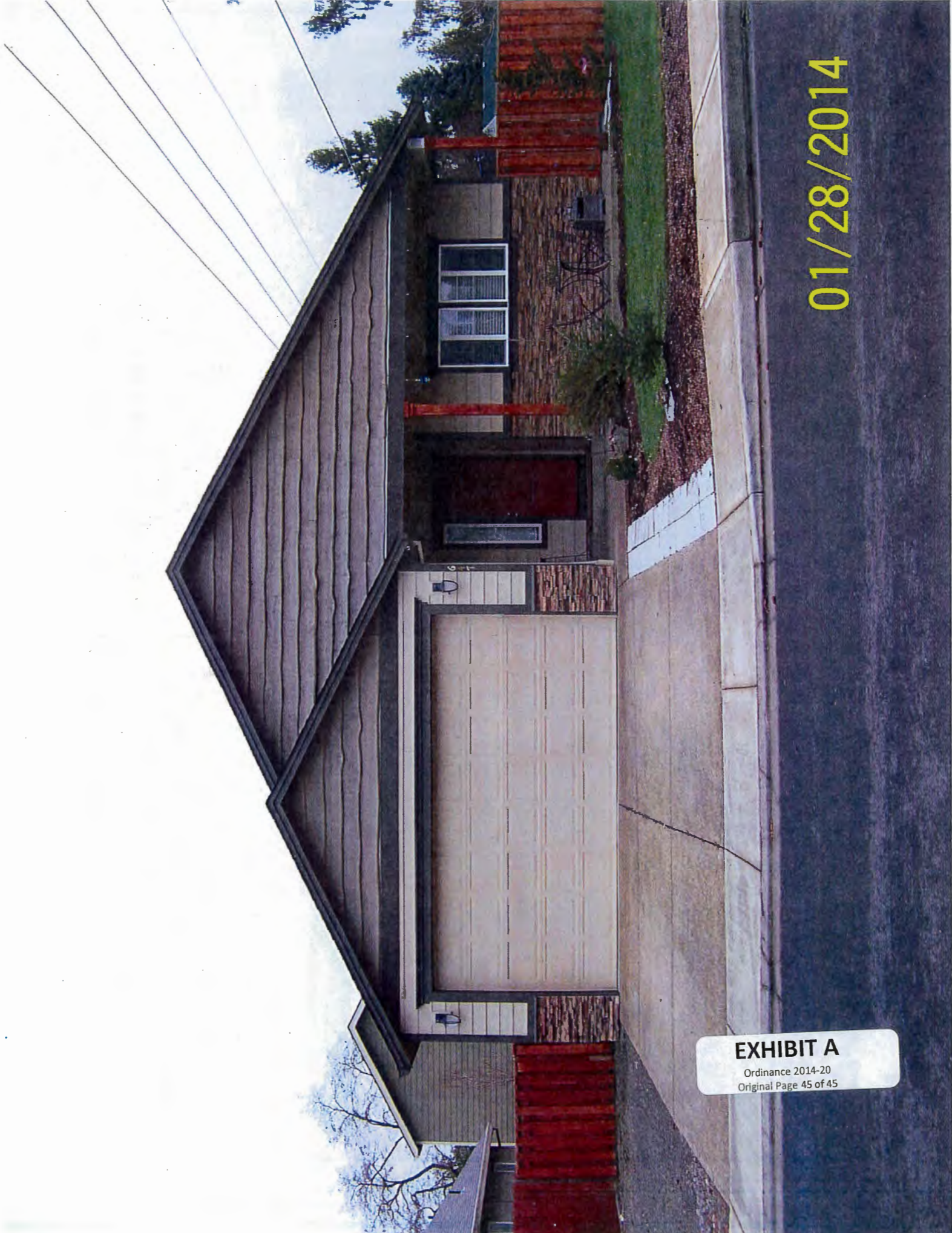
Zoning Designation(s):
Zone Overlays: Acreage:
R3 **0.15**

Fire: **Molalla RFPD #73**
Park: **N/A**
School: **SCH 35 MOLALLA RIVER**
Sewer: **N/A**
Water: **N/A**
Cable: **City**
CPO: **City**
Garb/Recyc: **Molalla Sanitary**
City/County: **Molalla**

EXHIBIT A

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01/28/2014

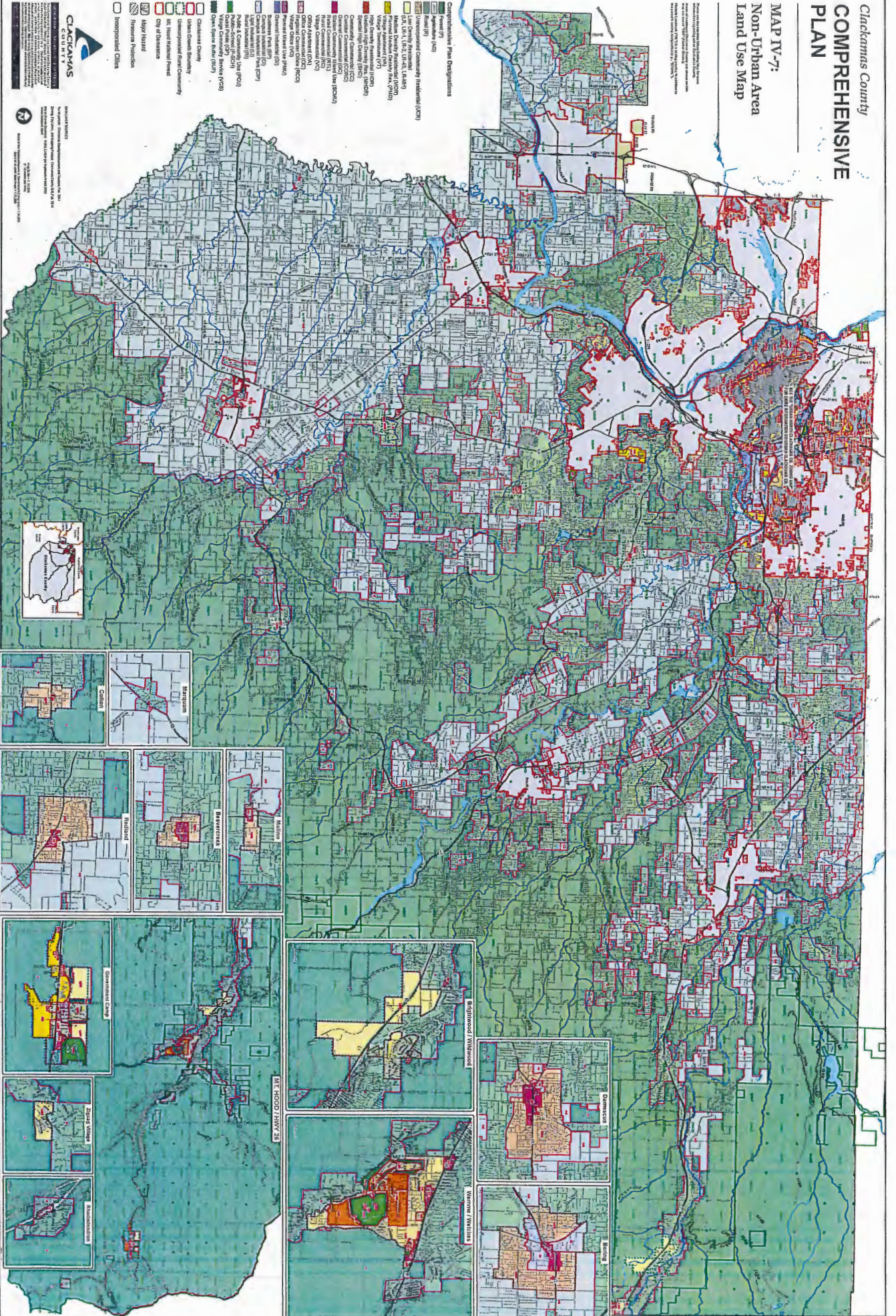
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Clackamas County COMPREHENSIVE PLAN

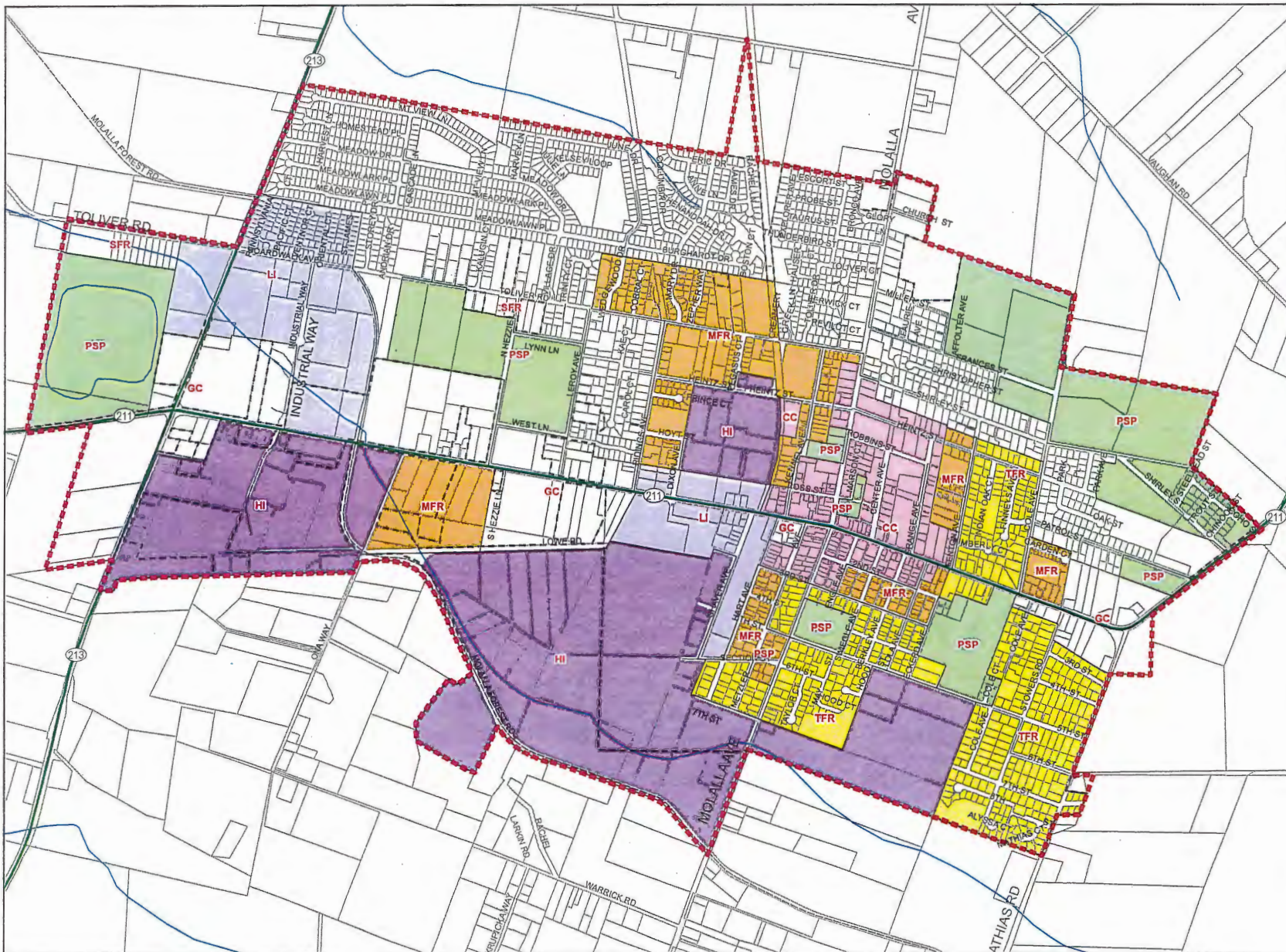
MAP IV-7: Non-Urban Area Land Use Map

Map IV-7: Non-Urban Area Land Use Map
 This map shows the land use designations for the non-urban areas of Clackamas County. The designations are based on the Comprehensive Plan and are intended to guide future development and land use decisions.



City of Molalla Comprehensive Plan

Adopted 1980



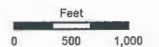
Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
333 LIBRARY COURT
OREGON CITY, OREGON 97046

The information on this map was derived from digital databases from Clackamas County's GIS. The user takes full responsibility for the use of this map as a product. Clackamas County cannot accept any responsibility for any errors, omissions, or outdated accuracy of information. Users are responsible for verifying the product. Although information from Lidar Surveys may have been used in the creation of this product, it is not being presented or available as Lidar Surveys. Users are encouraged to find verify information on this product before making any decisions.

EXHIBIT B

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
 Ed Campy, 724 W. Main
 Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City’s treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

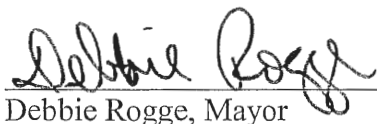
DECISION

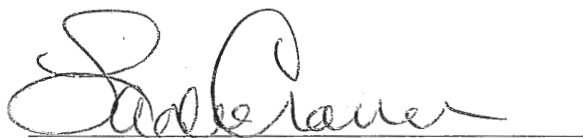
The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.


Debbie Rogge, Mayor


Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 21

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real property that is the subject of this ordinance is located in a tract of land being all of that tract of land described as Parcel 2 of that deed recorded as Document No. 2011-048874, Clackamas County Deed Records, and being a portion of State Highway No. 211, and being a portion of S. Ona Way, and being a portion of Molalla Forest Road, all located in the Southeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07D 00102

This property is annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RI (Rural Industrial), is changed to a City plan designation of HI (Heavy Industrial). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to M-2 (Heavy Industrial). The property is currently vacant and undeveloped. Therefore, In accordance with ORS 222.750,

the properties listed in this ordinance are annexed into the City of Molalla immediately upon the effective date of this ordinance. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

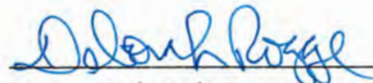
Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
4. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

Tax Lot 102 on Tax Map 5S2E07D

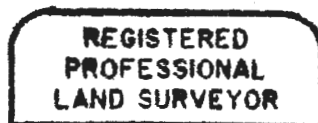
Annexation to the City of Molalla

A Tract of land being all of that tract of land described as Parcel 2 of that deed recorded as Document No. 2011-048874, Clackamas County Deed Records, and being a portion of State Highway No. 211, and being a portion of S. Ona Way, and being a portion of Molalla Forest Road, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Commencing at a 3 ¼ inch bronze disc in a monument box found at the Northeast corner of the B. B. Jackson Donation Land Claim No. 41; thence South 80°59'27" East, along the centerline of said State Highway No. 211, a distance of 17.87 feet to a point on the Northerly extension of the Easterly right of way line of said S. Ona Way; thence North 20°40'30" East, along said Northerly extension, a distance of 30.63 feet to a point on the Northerly right of way line of said Highway 211 and the true point of beginning of the Tract of land herein described; thence South 20°40'30" West, along said Northerly extension of said Easterly right of way line, and along said Easterly right of way line, a distance of 1294.90 feet to a point; thence North 69°19'30" West, at right angles to said S. Ona Way, a distance of 17.50 feet to a point at the intersection of the centerline of said S. One Way with the Southwesterly right of way line of said Molalla forest Road; thence along said Southwesterly right of way line, along a 507.47 foot radius curve to the right, through a central angle of 71°50'27", an arc distance of 636.30 feet (the long chord of said curve bears North 26°45'10" West a distance of 595.43 feet) to a point of tangency on the Westerly right of way line of said Molalla Forest Road; thence North 09°10'03" East, along said Westerly right of way line, a distance of 721.46 feet to a point on the Southerly right of way line of said Highway 211, thence North 09°00'33" East, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Northerly right of way line of said Highway 211; thence South 80°59'27" East, along said Northerly right of way line, a distance of 624.96 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 13.3606 acres (581,986 square feet) more or less.

The bearings and distances in this description are based on Clackamas County Partition Plat No. 2007-147



Chris Fischborn

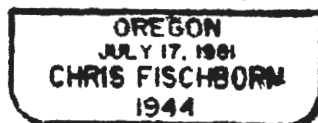


EXHIBIT A

Ordinance 2014-21
Original Page 1 of 4

TAX LOT 102 ON TAX MAP
5S 2E 07D
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

STATE HWY 211

N 09°00'33" E
60.00'

S 80°59'27" E 624.96'

S 80°59'27" E 17.87'

N 20°40'30" E 30.63'

POINT OF BEGINNING

60'

N 09°10'03" E 721.46'
MOLALLA FOREST RD.

N.E. CORNER B.B.
JACKSON D.L.C. #41
FD. 3-1/4" BRONZE DISC
IN MONUMENT BOX
POINT OF COMMENCEMENT

PARCEL 7
PARTITION PLAT
NO. 2007-147

T.L. 102
DOCUMENT NO.
2011-048874

S. ONA WAY CO. RD. NO. 1303
S 20°40'30" W 1294.90'

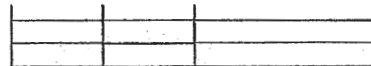
$\Delta = 71^{\circ}50'27''$
 $R = 507.47'$
 $L = 636.30'$
CH = N 26°45'10" W
595.43'

AREA TO BE ANNEXED
(13.3606 ACRES
581,986 SQUARE FEET)

N 69°19'30" W
17.50'

GRAPHIC SCALE

0 100 200 400



(IN FEET)

1 INCH = 200 FEET

LOCATED IN THE S.E. 1/4 SECTION 7,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "A"

PLOT DATE: 12-17-13

FILE: W1202-7R.DWG

CLIENT: CITY OF MOLALLA

SHEET: 1 OF 1

ZTec ENGINEERS, INC.

3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795

EXHIBIT A

Ordinance 2014-21
Original Page 2 of 4



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BENTLEY BROOKS ANN TRUSTEE
PO BOX 1257
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E07D 00102**
 Land Value: **107819**
 Building Value: **0**
 Total Value: **107819**

Acreage:
 Year Built:
 Sale Date: **08/18/2011**
 Sale Amount: **0**
 Sale Type: **M**

Land Class:
400
 Building Class:
 Neighborhood:
Molalla rural north all
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		9.77

EXHIBIT A

Ordinance 2014-21
 Original Page 3 of 4

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

S ONA HWY
DEAD END

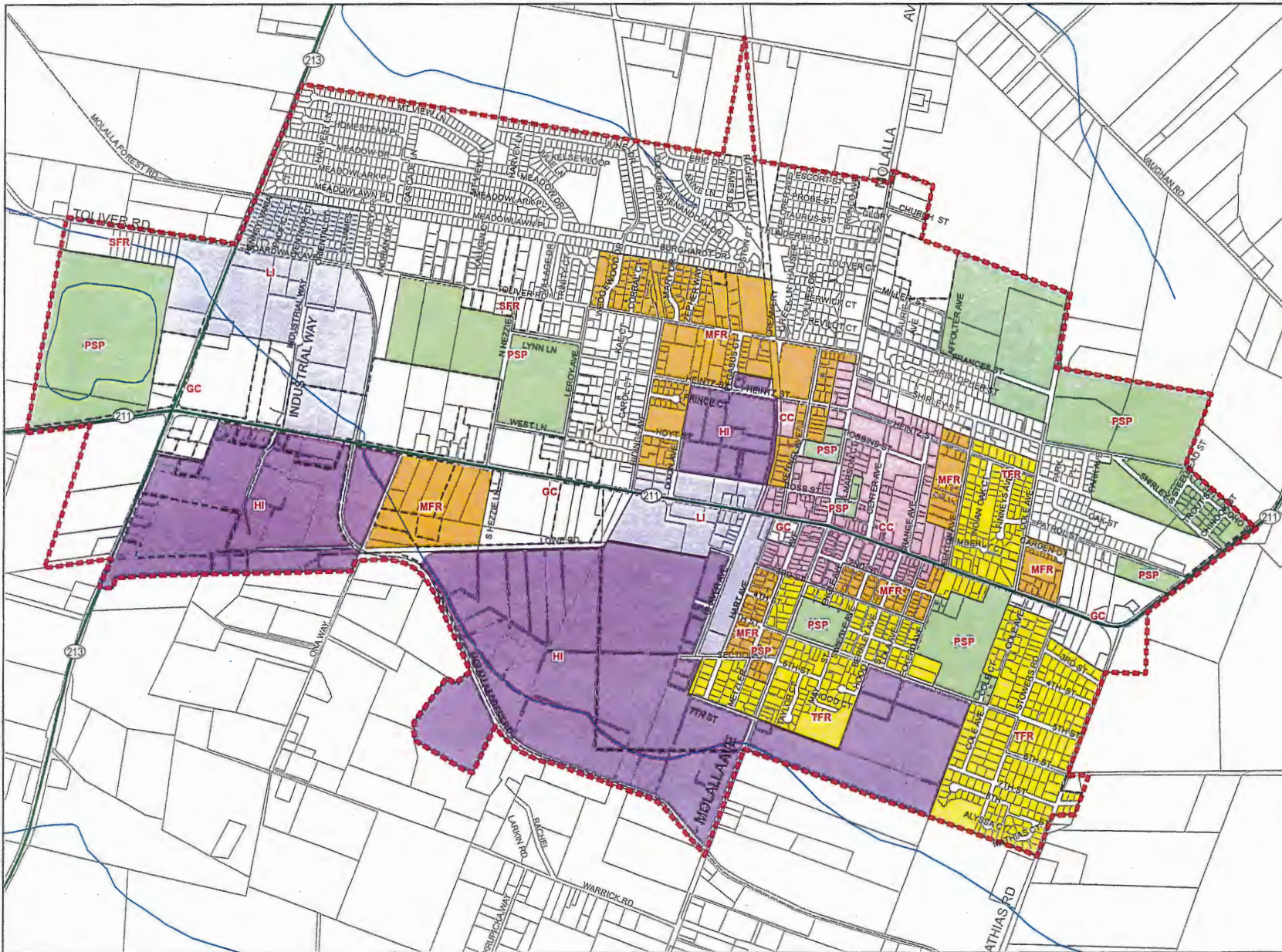


01/29/2014

EXHIBIT A

Ordinance 2014-21
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City of Molalla
Comprehensive Plan
 Adopted 1980



Legend

Comp. Plan Designations

- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Public or Semi-Public
- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial

- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES GEOGRAPHIC INFORMATION SYSTEMS
 211 LIBERTY COURT
 OREGON CITY, OREGON 97041

The information on this map was derived from digital databases from Clackamas County's GIS. Care was taken in the creation of this map but it is provided "as is". Clackamas County cannot accept any responsibility for any errors, omissions, or technical inaccuracies. All trademarks, trade names or other similar designations are the property of their respective owners. All trademarks and trade names have been used in the creation of this product, in no way does the product represent or constitute a Land Survey. Users are cautioned to field verify information as they proceed before making any decisions.

**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
 1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City’s treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

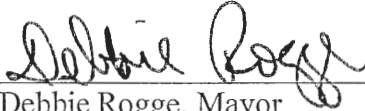
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:


1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 22

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being a portion of the "B.B. Jackson Donation Land Claim No. 41", located in the Southeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07D 00600

Tax Lot No. 52E07D 00701

Tax Lot No. 52E07D 00500

Tax Lot No. 52E07D 00400

Tax Lot No. 52E07D 00200

Tax Lot No. 52E07D 00300

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RI (Rural Industrial), is changed to a City plan designation of HI (Heavy Industrial). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to M-2 (Heavy Industrial), except Tax Lot No. 52E07D 00600 and Tax Lot No. 52E07S 00701 is changed to PSP (Public or semi-Public). The properties are currently:

Tax Lot No. 52E07D 00600	Undeveloped
Tax Lot No. 52E07D 00701	Undeveloped
Tax Lot No. 52E07D 00500	Undeveloped
Tax Lot No. 52E07D 00400	Undeveloped
Tax Lot No. 52E07D 00200	Residential - In Use
Tax Lot No. 52E07D 00300	Undeveloped

In accordance with ORD 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E07D 00200 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of the property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

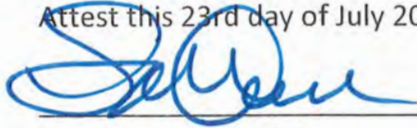
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 20:14



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

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FAX: 503-233-7889

Email: chris@ztecengineers.com

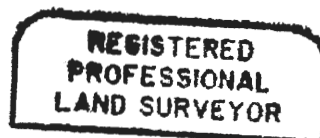
12930, 12940, 12966 & 12968 State Highway 211, &
Tax Lots 600 & 701 on Map 5S2E07D
Annexation to the City of Molalla

A Tract of land being a portion of the "B.B. Jackson Donation Land Claim No. 41", located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the Northeasterly corner of Parcel 4 of Partition Plat No. 2007-129; thence North 80°59'27" West, along the Northerly line of said Parcel 4 and its Westerly extension, a distance of 320.85 feet to a point on the Easterly right of way line of Commercial Parkway; thence North 20°02' 05" East, along said Easterly right of way line, a distance of 209.11 feet to a point on the Southerly right of way line of State Highway 211; thence North 09°00'33" East, at angles to said State Highway 211, a distance of 60.00 feet to a point on the Northeasterly right of way line of said State Highway 211; thence South 80°59'27" East, along said Northerly right of way line, a distance of 772.32 feet to a point; thence South 09°00'33" West, at right angles to said State Highway 211, a distance of 60.00 feet to a point on said South right of way line of said State Highway 211, said point also being on the Northerly extension of a boundary line of Parcel 7 of Partition Plat No. 2007-147, thence South 20°25'50" West, along said Northerly extension of said Parcel 7 boundary line and along said Parcel 7 boundary line, a distance of 309.40 feet to an angle point in said Parcel 7 boundary line; thence continuing along said Parcel 7 boundary line, North 80°59'27" West a distance of 450.00 feet to an angle point in the Easterly boundary line of said Parcel 4 of said Partition Plat No. 2007-129; thence North 20°25'50" East, along said Easterly boundary line, a distance of 100.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 5.7120 acres (248,816 square feet) more or less.

The bearings and distances in this description are based on Clackamas County Partition Plats 1994-160 and 2007-129.



Chris Fischborn

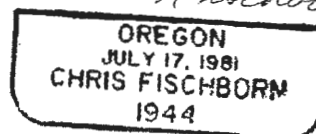
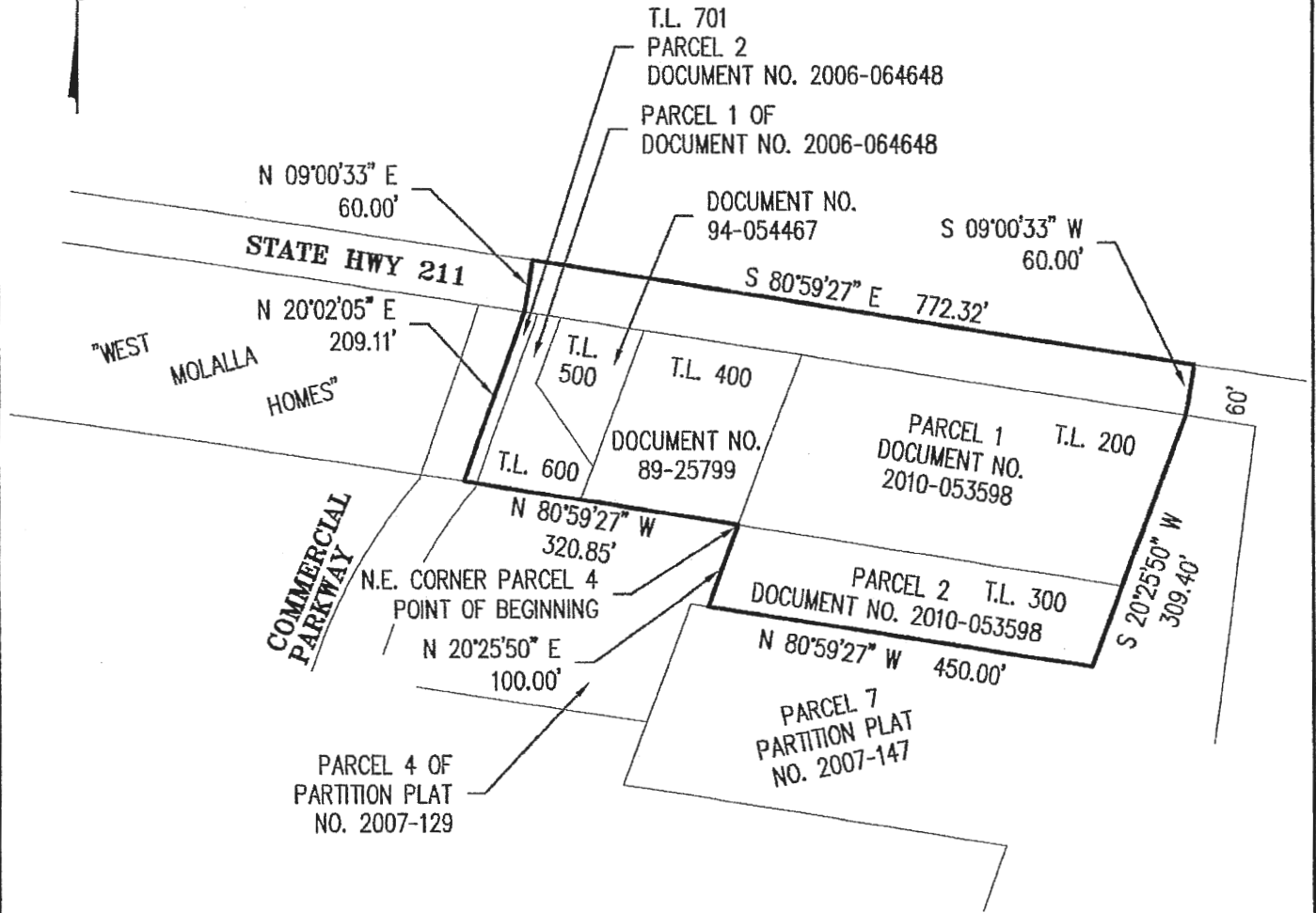


EXHIBIT A

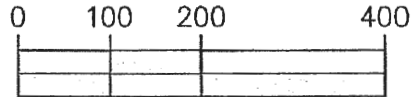
Ordinance 2014-22
Original Page 1 of 14

12930, 12940, 12968 STATE HWY 211, & TAX
 LOTS 600 & 701 ON MAP 5S 2E 07D
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



AREA TO BE ANNEXED
 (5.7120 ACRES
 248,816 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
 1 INCH = 200 FEET

LOCATED IN THE S.E. 1/4 SECTION 7,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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 Original Page 2 of 14

TITLE: EXHIBIT "A"	
PLOT DATE: 12-13-13	
FILE: W1202-7P.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CITY OF MOLALLA
PO BOX 248
MOLALLA, OR 97038

Location Map:



Site Address: **NO SITUS**
 Taxlot Number: **52E07D 00600**
 Land Value: **23468**
 Building Value: **0**
 Total Value: **23468**

Acreage:
 Year Built:
 Sale Date: **07/13/2006**
 Sale Amount: **35109**
 Sale Type: **X**

Land Class:
100

Building Class:

Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
PSP		0.30

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CITY OF MOLALLA
PO BOX 248
MOLALLA, OR 97038

Site Address: **NO SITUS**
 Taxlot Number: **52E07D 00701**
 Land Value: **1333**
 Building Value: **0**
 Total Value: **1333**

Acreage:
 Year Built:
 Sale Date: **07/13/2006**
 Sale Amount: **35109**
 Sale Type: **M**

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

Location Map:



Site Characteristics:	Zoning Designation(s):		
UGB: MOLALLA	<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
Flood Zone: Not Available	PSP		0.05

EXHIBIT A

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COMMERCIAL PKWY



01/29/2014

mds

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

VALOV WILLIAM F
2339 MONTERA DR
HACIENDA HEIGHTS, CA 91745

Site Address: **12930 S HWY 211**
 Taxlot Number: **52E07D 00500**
 Land Value: **38669**
 Building Value: **0**
 Total Value: **38669**

Acreage:
 Year Built:
 Sale Date: **06/01/1994**
 Sale Amount: **10000**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



Site Characteristics:		Zoning Designation(s):		
UGB:	MOLALLA	<u>Zone</u>	<u>Overlays:</u>	<u>Acreage:</u>
Flood Zone:	Not Available	M2		0.32

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **City**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Molalla**

EXHIBIT A

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EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

VALOV WILLIAM P
2339 MONTERA
HACIENDA HEIGHTS, CA 91745

Site Address: **12940 S HWY 211**
 Taxlot Number: **52E07D 00400**
 Land Value: **46936**
 Building Value: **0**
 Total Value: **46936**

Acreage:
 Year Built:
 Sale Date: **06/01/1989**
 Sale Amount: **18000**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>
Flood Zone: Not Available	RRFF5 0.85

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

SCHOENBORN KATHY D TRUSTEE
 12966 S HWY 211
 MOLALLA, OR 97038

Site Address: 12966 S HWY 211
 Taxlot Number: 52E07D 00200
 Land Value: 92485
 Building Value: 357600
 Total Value: 450085

Acreage:
 Year Built: 1954
 Sale Date: 08/30/2010
 Sale Amount: 0
 Sale Type: M

Land Class:
101
 Building Class:
 15
 Neighborhood:
 Molalla rural north 100,
 Taxcode Districts: 035040

Location Map:



Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	Zone Overlays: Acreage:
Flood Zone: Not Available	RRFF5 2.13

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

SCHOENBORN KATHY D TRUSTEE
12966 S HWY 211
MOLALLA, OR 97038

Site Address: **12968 S HWY 211**
 Taxlot Number: **52E07D 00300**
 Land Value: **64394**
 Building Value: **50450**
 Total Value: **114844**

Acreage:
 Year Built: **1954**
 Sale Date: **08/30/2010**
 Sale Amount: **0**
 Sale Type: **X**

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



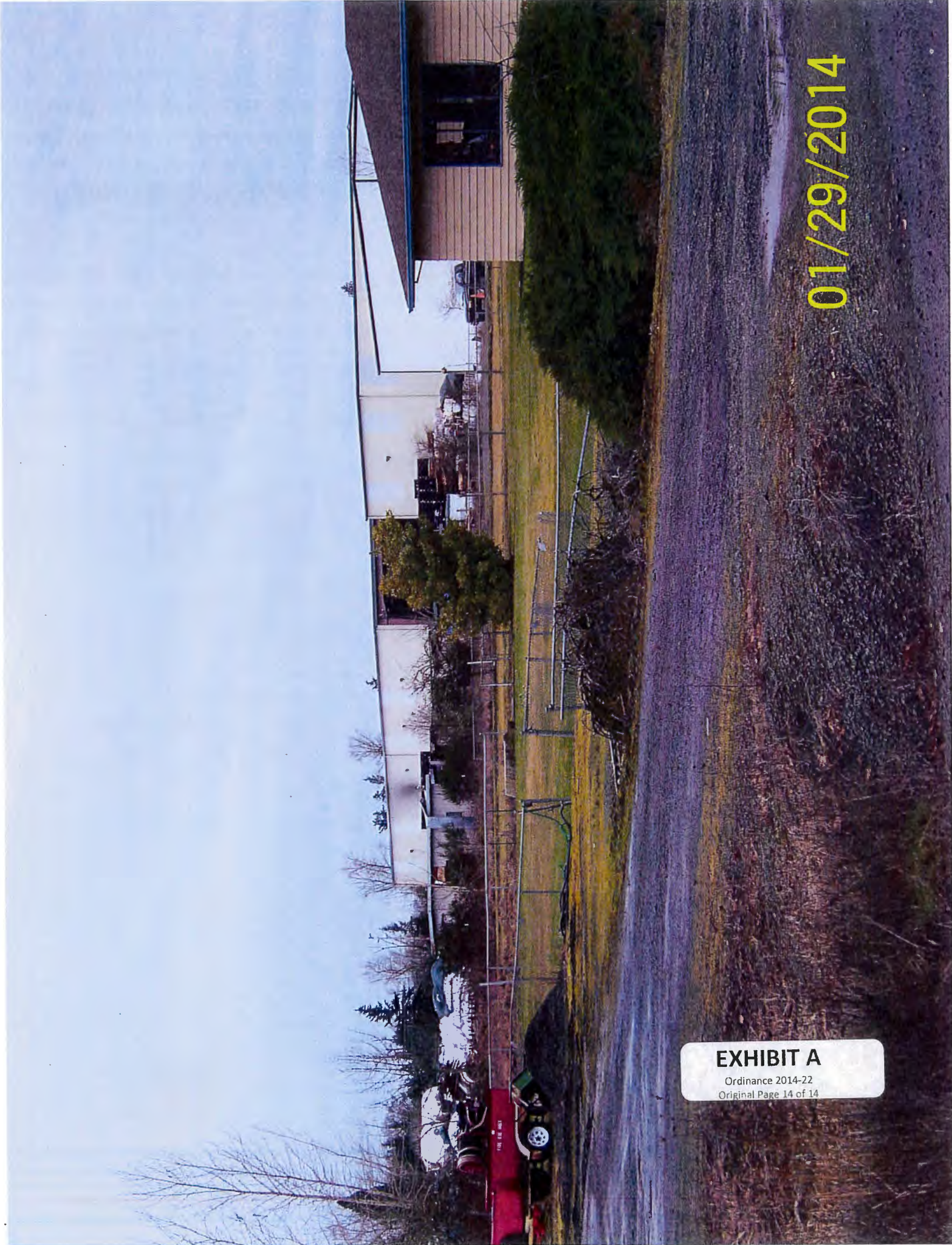
Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>
Flood Zone: Not Available	RRFF5 1.01

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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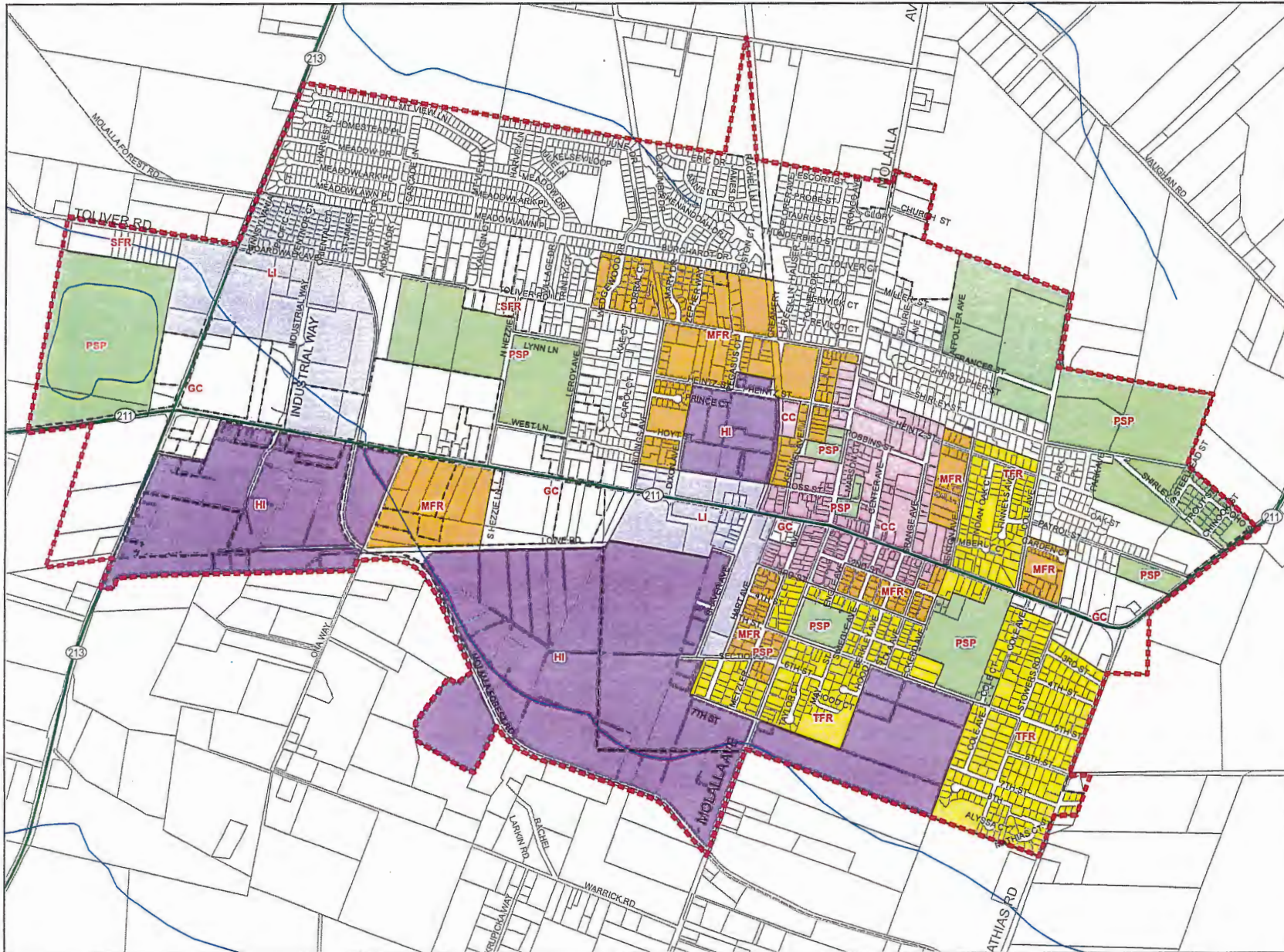
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City of Molalla
 Comprehensive Plan
 Adopted 1980



- Legend**
- Comp. Plan Designations**
- Single-Family Residential
 - Two-Family Residential
 - Multi-Family Residential
 - Public or Semi-Public
 - General Commercial
 - Central Commercial
 - Light Industrial
 - Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY
 GEOGRAPHIC INFORMATION SYSTEMS
 DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 1211 BURNING CREEK ROAD
 OREGON CITY, OREGON 97146

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City’s Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

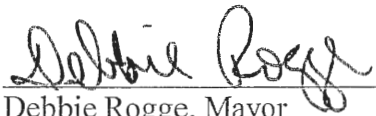
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
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4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



Debbie Rogge, Mayor



Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 23

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of Lots 4, 5, 6, 7, 8, 9 and 10 of the Plat of "West Molalla Homes" (Plat No. 675), and a portion of State Highway 211, and a portion of Commercial Parkway, all located in the Southeast one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07D 01200

Tax Lot No. 52E07D 01100

Tax Lot No. 52E07D 01000

Tax Lot No. 52E07D 00900

Tax Lot No. 52E07D 00800

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RI (Rural Industrial), is changed to a City plan designation of HI (Heavy Industrial). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to M-2 (Heavy Industrial).

The properties are currently:

Tax Lot No. 52E07D 01200	Undeveloped
Tax Lot No. 52E07D 01100	Residential – In Use
Tax Lot No. 52E07D 01000	Residential – In Use
Tax Lot No. 52E07D 00900	Residential – In Use
Tax Lot No. 52E07D 00800	Residential – In Use

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E07D 01100, Tax Lot No. 52E07D 01000, Tax Lot No. 52E07D 00900 and, Tax Lot No. 52E07D 00800 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

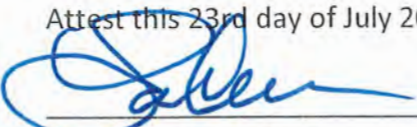
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

John McL. Middleton, P.E.

Civil ♦ Structural ♦ Surveying

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

12810, 12852, 12874 & 12888 State Highway 211
& Tax Lot 1200 on Map 5S 2E 07D
Annexation to the City of Molalla

Exhibit A

A Tract of land being all of Lots 4, 5, 6, 7, 8, 9 and 10 of the Plat of "West Molalla Homes" (Plat No. 675), and a portion of State Highway 211, and a portion of Commercial Parkway, all located in the Southeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the intersection of the Westerly line of said Lot 4 of said "West Molalla Homes" with the Southerly right of way line of said State Highway 211; thence North 08°30'00" East, at right angles to said Highway 211, a distance of 60.00 feet to a point on the Northerly right of way line of said Highway 211; thence South 81°30'00" East, along said Northerly right of way line, a distance of 536.93 feet to a point; thence South 08°30'00" West, at right angles to said Highway 211, a distance of 60.00 feet to the intersection of said Southerly right of way line of said Highway 211 with the Easterly right of way line of said Commercial Parkway; thence South 18°58'15" West, along said Easterly right of way line of said Commercial Parkway, a distance of 208.68 feet to a point; thence North 81°30'00" West, along the Easterly extension of the Southerly line of said "West Molalla Homes" Plat, and along said Southerly boundary line, a distance of 538.40 feet to the Southwesterly corner of said Lot 4 of said "West Molalla Homes", thence North 19°22'00" East, along the Westerly line of said Lot 4, a distance of 208.96 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 3.2725 acres (142,551 square feet), more or less.

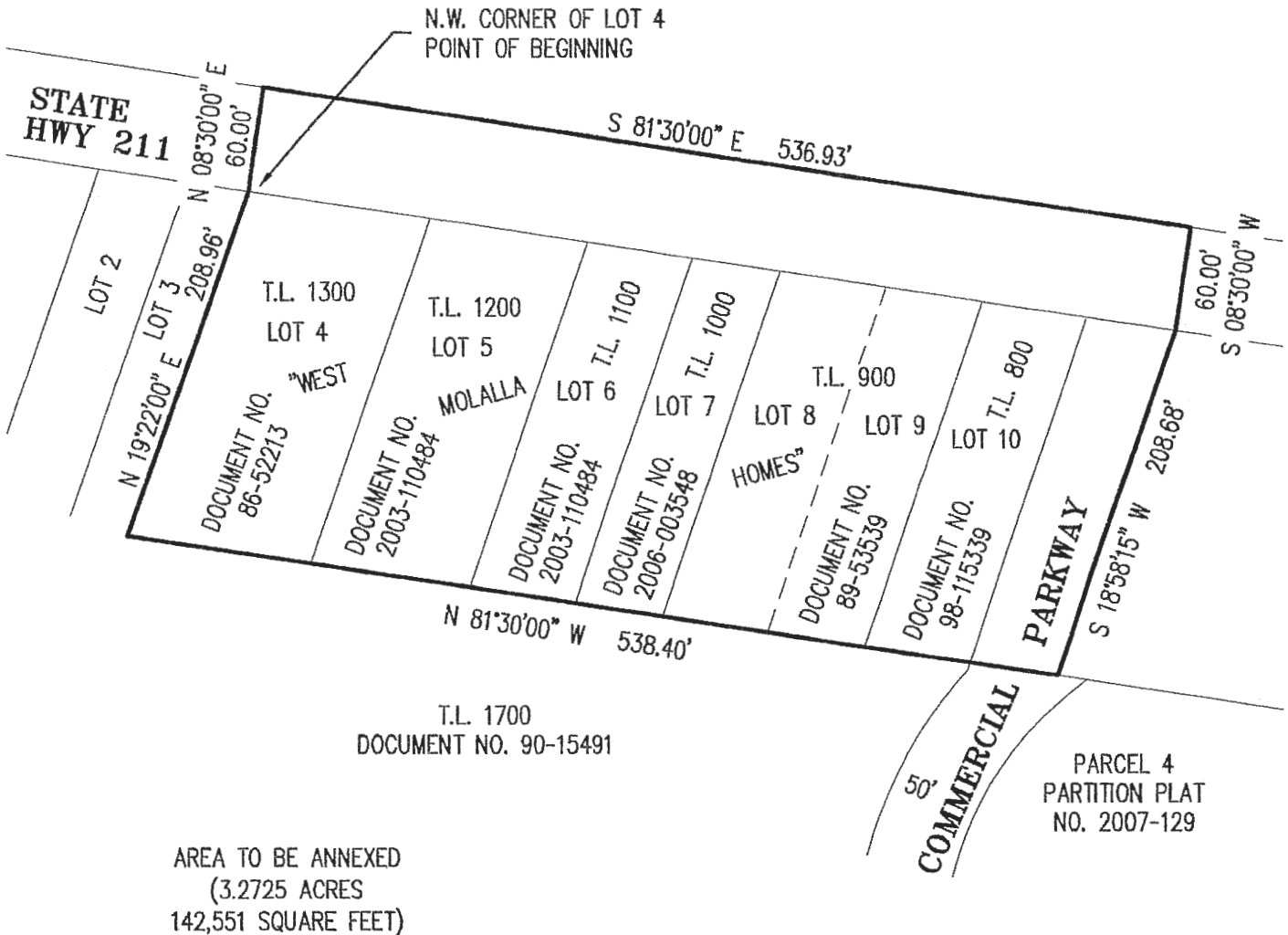
The bearings and distances in this description are based on Clackamas County Plat of "West Mollala Homes" and Clackamas County Partition Plat No. 2007-129.



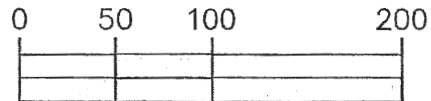
EXHIBIT A

Ordinance 2014-23
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12810, 12852, 12860, 12874 & 12888 STATE
 HIGHWAY 211 & TAX LOT 1200
 ON MAP 5S 2E 07D
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



GRAPHIC SCALE



(IN FEET)
 1 INCH = 100 FEET

LOCATED IN THE S.E. 1/4 SECTION 7,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

EXHIBIT A

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TITLE: EXHIBIT "B"	
PLOT DATE: 12-10-13	
FILE: W1202-70.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CARROLL RICHARD & ROXANNE
7011 SE BAILEY ST
LACEY, WA 98513

Site Address: **NO SITUS**
 Taxlot Number: **52E07D 01200**
 Land Value: **9334**
 Building Value: **0**
 Total Value: **9334**

Acreage:
 Year Built:
 Sale Date: **10/28/2005**
 Sale Amount: **0**
 Sale Type: **S**

Land Class:
101
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



Site Characteristics:	Zoning Designation(s):	
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>	
Flood Zone: Not Available	RRFF5	0.43

Fire **Molalla RFPD #73**
 Park **N/A**
 School **SCH 35 MOLALLA RIVER**
 Sewer **N/A**
 Water **N/A**
 Cable **Wave Broadband (Molalla)**
 CPO **Molalla**
 Garb/Recyc **Molalla Sanitary**
 City/County **Clackamas Co.**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CARROLL RICHARD & ROXANNE
7011 SE BAILEY ST
LACEY, WA 98513

Location Map:



Site Address: 12852 S HWY 211
 Taxlot Number: 52E07D 01100
 Land Value: 59371
 Building Value: 81860
 Total Value: 141231

Acreage:
 Year Built: 1920
 Sale Date: 10/28/2005
 Sale Amount: 0
 Sale Type: S

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: 035040

Site Characteristics:
 UGB: MOLALLA
 Flood Zone: Not Available

Zoning Designation(s):
Zone Overlays: Acreage:
 RRF5 0.28

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

EXHIBIT A

Ordinance 2014-23
 Original Page 5 of 12

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

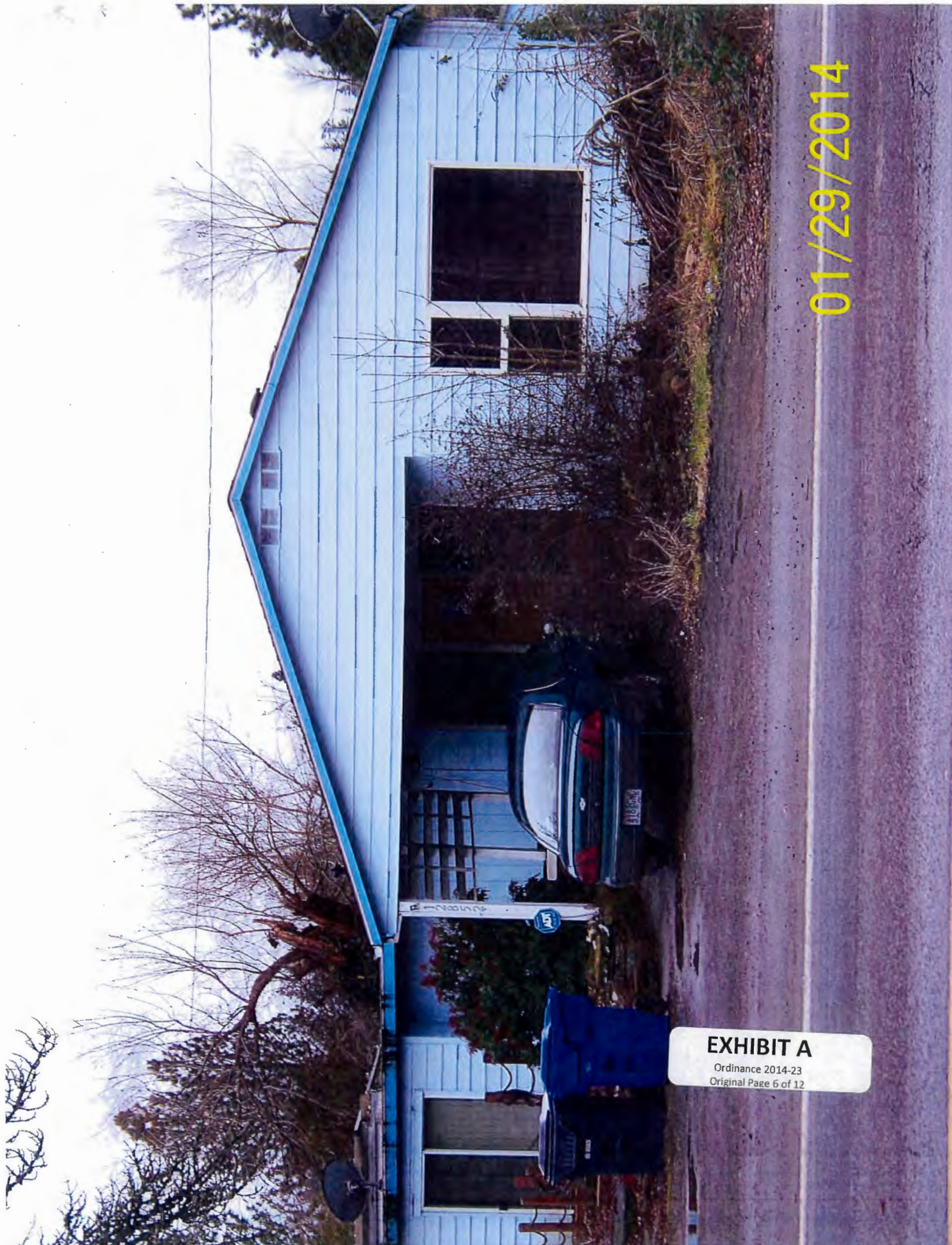


EXHIBIT A

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01/29/2014



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

PHILPOT FRED
12860 S HWY 211
MOLALLA, OR 97038

Site Address: **12860 S HWY 211**
 Taxlot Number: **52E07D 01000**
 Land Value: **60171**
 Building Value: **58360**
 Total Value: **118531**

Acreage:
 Year Built: **1920**
 Sale Date: **01/12/2006**
 Sale Amount: **0**
 Sale Type: **S**

Land Class:
101
 Building Class:
12
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Location Map:



Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

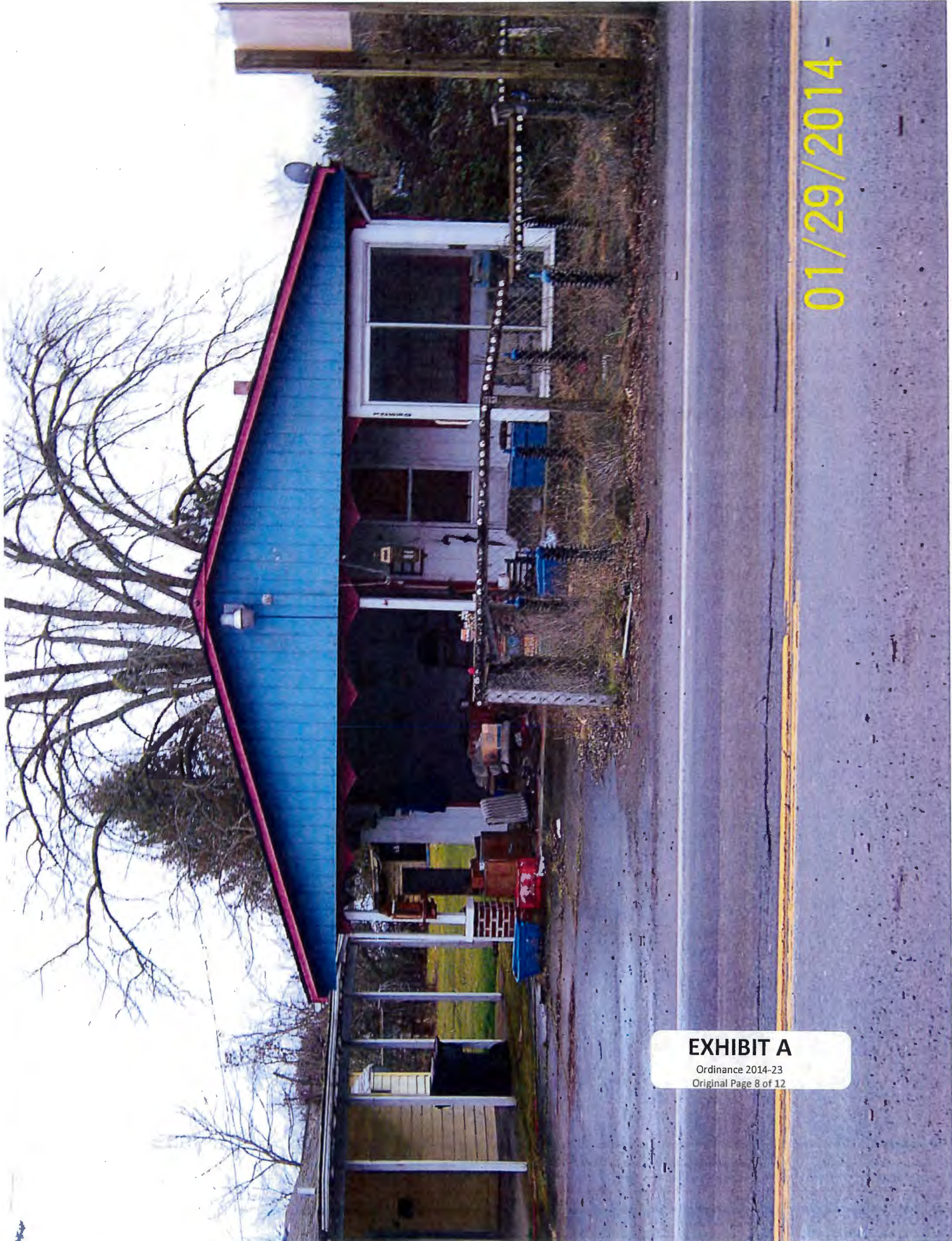
Zoning Designation(s):		
Zone	Overlays:	Acreage:
RRFF5		0.35

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/29/2014

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

KIRBY RUTH L-EST
12874 S HWY 211
MOLALLA, OR 97038

Site Address: **12874 S HWY 211**
 Taxlot Number: **52E07D 00900**
 Land Value: **65505**
 Building Value: **75250**
 Total Value: **140755**

Acreage:
 Year Built: **1920**
 Sale Date: **11/01/1989**
 Sale Amount: **0**
 Sale Type:

Land Class:
101
 Building Class:
13
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

Location Map:



Site Characteristics:	Zoning Designation(s):
UGB: MOLALLA	<u>Zone</u> <u>Overlays:</u> <u>Acreage:</u>
Flood Zone: Not Available	RRFF5 0.45

EXHIBIT A

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01/29/2014



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

PRICE WILLARD T
12605 S GRONSHONG RD
MOLALLA, OR 97038

Location Map:



Site Address: 12888 S HWY 211
 Taxlot Number: 52E07D 00800
 Land Value: 50237
 Building Value: 55040
 Total Value: 105277

Acreage:
 Year Built: 1920
 Sale Date: 12/01/1998
 Sale Amount: 72000
 Sale Type:

Land Class:
101
 Building Class:
12
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035040**

Site Characteristics:
 UGB: MOLALLA
 Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		0.33

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

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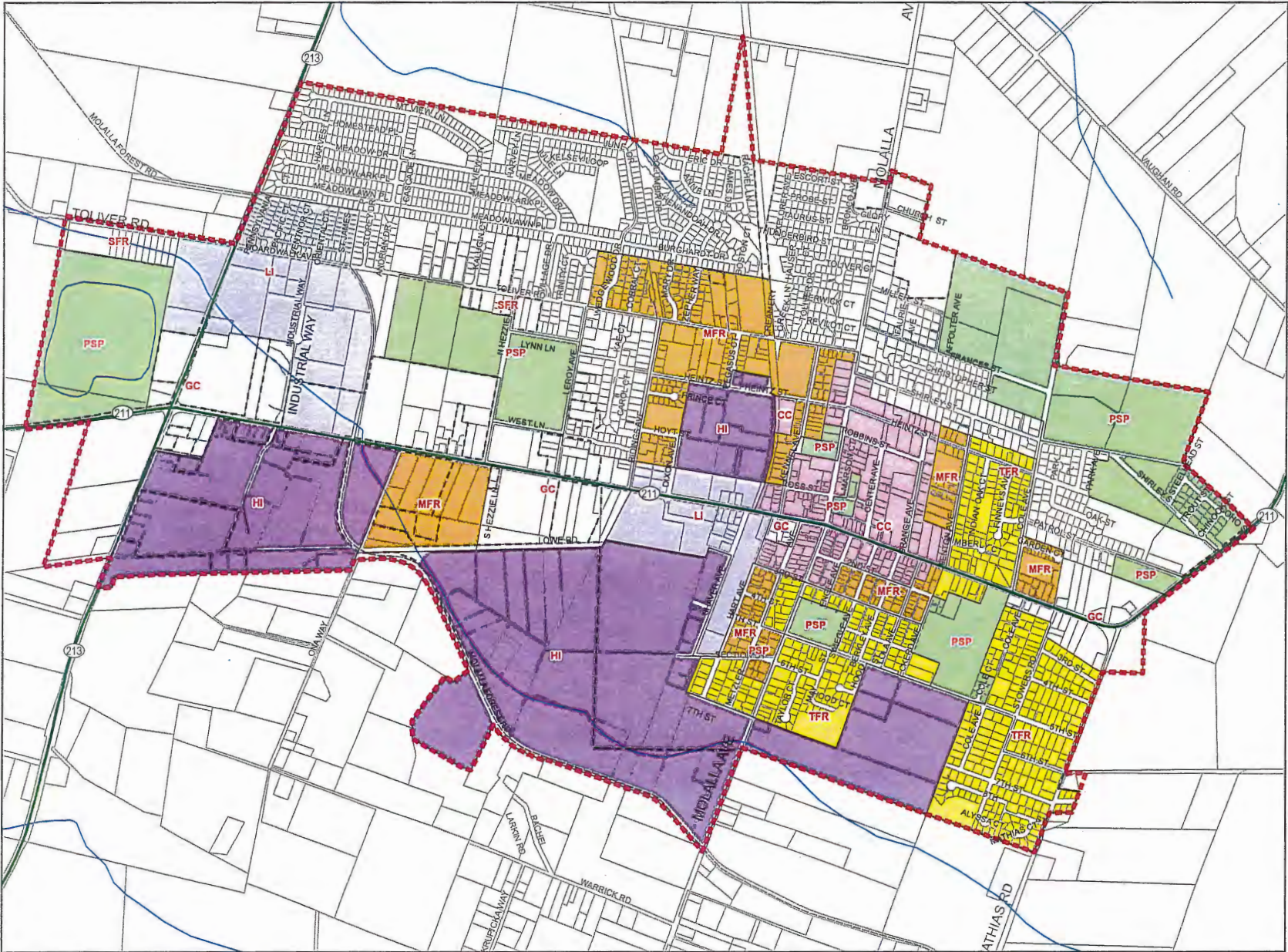
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EXHIBIT A

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01/29/2014

City of Molalla
Comprehensive Plan
 Adopted 1980



- Legend**
- Comp. Plan Designations**
- Single-Family Residential
 - Two-Family Residential
 - Multi-Family Residential
 - Public or Semi-Public
 - General Commercial
 - Central Commercial
 - Light Industrial
 - Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY

GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
 OREGON CITY, OREGON 97146

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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCDD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
 Ed Campy, 724 W. Main
 Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

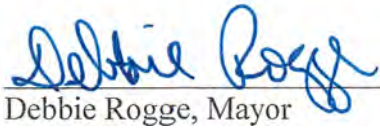
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.


Debbie Rogge, Mayor


Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 24

AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA, WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE COMPREHENSIVE PLAN AND REZONING PROPERTY.

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of those tracts of land described in Document No's 2013-043135, 96-041122, 2013-054991 and 87-14806 and being all of that tract of land described in that Deed recorded April 29, 1957 in Book 525, Page 37 and being all of that Tract of land described in that Deed recorded in Book "U", Page 233, Clackamas County Deed Records, and being a portion of State Highway 211, all located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E08C 01600

Tax Lot No. 52E08C 01700

Tax Lot No. 52E08C 01500

Tax Lot No. 52E08C 01400

Tax Lot No. 52E08C 01900

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, R (Rural Residential), is changed to a City plan designation of MFR (Multi-Family Residential). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) is changed to R-3 (Multi-Family Residential), except for Tax Lot No. 52E08C 01900 is changed to PSP (Public or Semi-Public).

The properties are currently:

Tax Lot No. 52E08C 01600	Residential – In Use
Tax Lot No. 52E08C 01700	Undeveloped
Tax Lot No. 52E08C 01500	Residential – In Use
Tax Lot No. 52E08C 01400	Commercial/Church – In Use
Tax Lot No. 52E08C 01900	Pioneer Cemetery

In accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately, except for Tax Lot No. 52E08C 01600 and Tax Lot No. 52E08C 01500 will have an effective date of annexation three (3) years from the effective date of this ordinance, unless ownership of property changes. Annexation is effective immediately upon any change in ownership. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

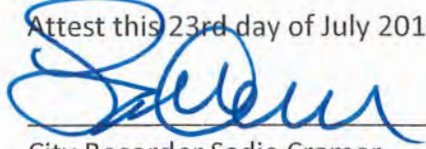
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Record this ordinance with Clackamas County within sixty days of the effective date of this ordinance;
4. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
5. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

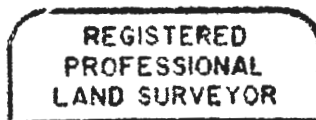
FAX: 503-233-7889

Email: chris@ztecengineers.com

13210, 13250, 13288 & 13322 State Highway 211
31600 S. Ona Way, Tax Lot's 1700 & 1900 on Tax Map 5S2E08B
Annexation to the City of Molalla

A Tract of land being all of those tracts of land described in Document No's 2013-043135, 96-041122, 2013-054991 and 87-14806 and being all of that tract of land described in that Deed recorded April 29, 1957 in Book 525, Page 37 and being all of that Tract of land described in that Deed recorded in Book "U", Page 233, Clackamas County Deed Records, and being a portion of State Highway 211, all located in the Southwest one-quarter of Section 8, Township 5 South, Range 2 East of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at the intersection of the Southerly right of way line of State Highway 211 (60 feet wide) with the Easterly line of said Document No. 2013-043135 tract, said point of beginning being South 81°30'00" East a distance of 924.40 feet and South 08°30'00" West a distance of 30.00 feet from 3 ¼ inch bronze disc in a Monument box found at the Northwest corner of the Rachel Larkin Donation land Claim No. 43; thence South 20°41'03" East, along the Easterly line of said Document No. 2013-043135 tract, a distance of 668.77 feet to the Southeasterly corner thereof; thence North 81°30'00" West, along the Southerly line of said Document No. 2013-043135 tract, and parallel with said State Highway 211, a distance of 199.82 feet to the Northeasterly corner of said Book "U", Page 233 tract, thence South 11 30' 00" West, along the Easterly line of said Book "U", Page 233 tract a distance of 264.00 feet to the Southeasterly corner thereof; thence North 78°30'00" West, along the Southerly line of Said Book "U", Page 233 tract, a distance of 267.30 feet to the Southwesterly corner thereof; thence North 11°30'00" East, along the Westerly line of said Book "U", Page 233 tract, a distance of 249.99 feet to the Northwesterly corner thereof, said point also being on the Southerly line of said Book 525, Page 37 tract; thence North 81°30'00" West, along said Southerly line, and along the Southerly line of said Document No. 96-041122 tract, and along the Southerly line of that Tract of land described as Parcel II in said Document No. 87-14806, a distance of 439.01 feet to the Southwest corner of said Parcel II, said point being on the Easterly right of way line of South Ona Way;



Chris Fischborn

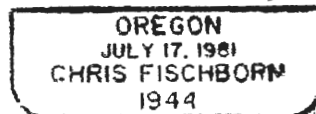


EXHIBIT A

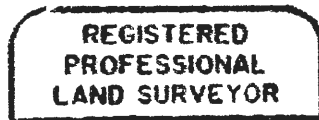
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13210, 13250, 13288 & 13322 State Highway 211 - 31600 S. Ona Way, Tax Lot's 1700 & 1900 on Tax Map 5S2E08B - Annexation to the City of Molalla, cont.,

thence North 20°41'03" East, along said Easterly right of way line and its Northerly extension, a distance of 730.15 feet to a point on the Northerly right of way line of said State Highway 211; thence South 81°30'00" East, along said Northerly right of way line, a distance of 893.54 feet to a point; thence South 08°30'00" West, at right angles to said State Highway 211, a distance of 60.00 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 16.4205 acres (715,278 square feet) more or less.

The bearings and distances in this description are based on Clackamas County Survey No. 2008-324.



Chris Fischborn

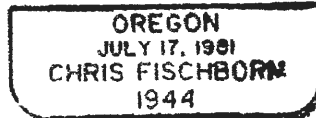


EXHIBIT A

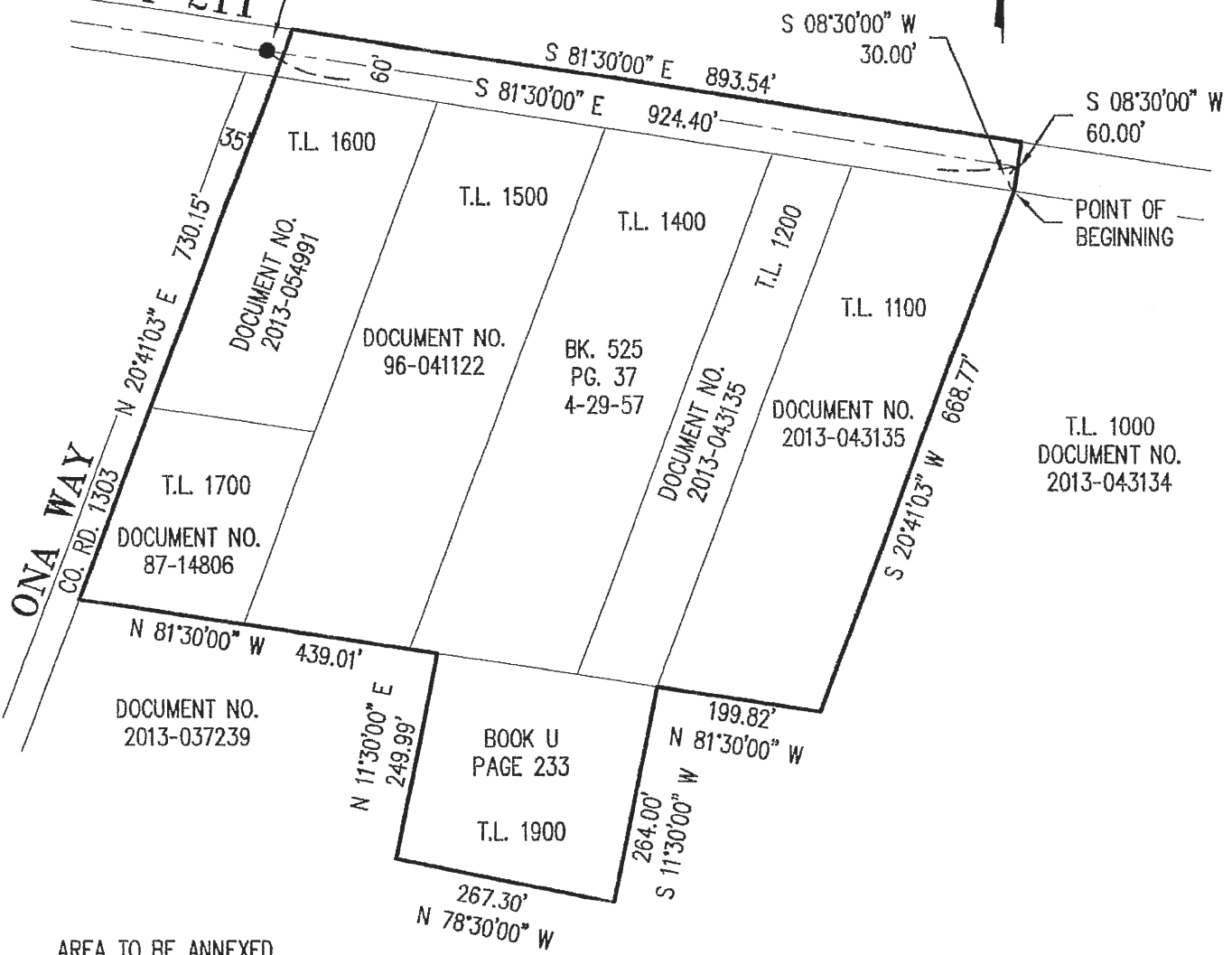
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N.W. CORNER RACHEL
LARKIN D.L.C. NO. 43
FD. 3-1/4" BRONZE DISC
IN MONUMENT BOX

13210, 13250, 13288 & 13322 STATE
HWY 211, 31600 S. ONA WAY, TAX
LOTS 1700 & 1900 ON TAX MAP
5S 2E 08C
CITY OF MOLALLA ANNEXATION
EXHIBIT "B"

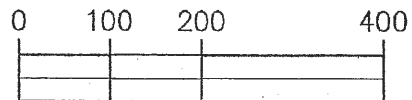


**STATE
HWY 211**



AREA TO BE ANNEXED
(16.4205 ACRES
715,278 SQUARE FEET)

GRAPHIC SCALE



(IN FEET)
1 INCH = 200 FEET

EXHIBIT A

Ordinance 2014-24
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LOCATED IN THE S.W. 1/4 SECTION 8,
T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "A"	
PLOT DATE: 1-17-14	
FILE: W1202-7Q.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

ZTec ENGINEERS, INC.
3737 S.E. 8TH AVE.
PORTLAND, OREGON 97202
(503) 235-8795



Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

HOLMES KATIE R & MICHAEL J
31600 S ONA WAY
MOLALLA, OR 97038

Site Address: 31600 S ONA WAY

Taxlot Number: 52E08C 01600

Land Value: 90944

Building Value: 315260

Total Value: 406204

Acreage:

Year Built: 1958

Sale Date: 08/02/2013

Sale Amount: 300000

Sale Type: S

Location Map:



Land Class:

101

Building Class:

15

Neighborhood:

Molalla rural north 100,

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		1.96

RRFF5

1.96

Fire	Molalla RFPD #73
Park	N/A
School	SCH 35 MOLALLA RIVER
Sewer	N/A
Water	N/A
Cable	Wave Broadband (Molalla)
CPO	Molalla
Garb/Recyc	Molalla Sanitary
City/County	Clackamas Co.

EXHIBIT A

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This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



EXHIBIT A

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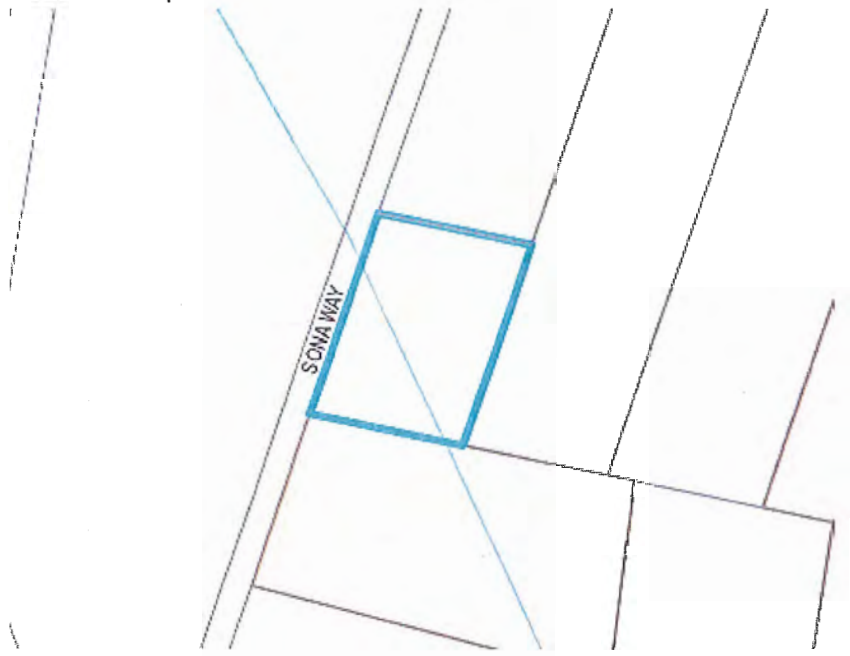


Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

BURGHARDT JEANIE P
PO BOX 363
CANBY, OR 97013

Location Map:



Site Address: **NO SITUS**
 Taxlot Number: **52E08C 01700**
 Land Value: **41768**
 Building Value: **0**
 Total Value: **41768**

Acreage:
 Year Built:
 Sale Date: **04/01/1987**
 Sale Amount: **0**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

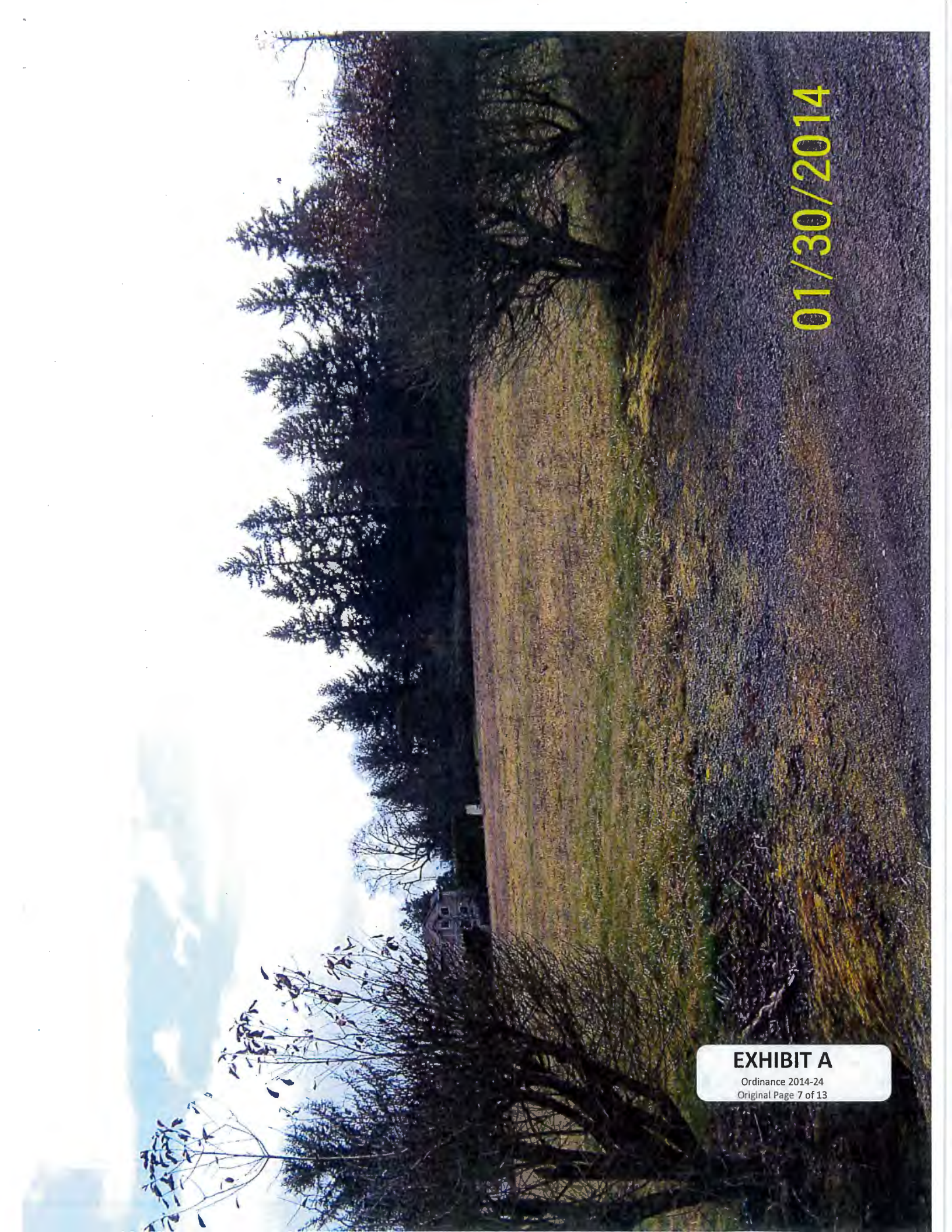
Zone	Overlays:	Acreage:
RRFF5		1.12

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

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01/30/2014

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

PUHLMAN ROY D & FAYE L
13210 S HWY 211
MOLALLA, OR 97038

Site Address: 13210 S HWY 211

Taxlot Number: 52E08C 01500

Land Value: 100312

Building Value: 272300

Total Value: 372612

Acreage:

Year Built: 1958

Sale Date: 05/01/1996

Sale Amount: 75000

Sale Type:

Land Class:

401

Building Class:

15

Neighborhood:

Molalla rural north all

Taxcode Districts: 035013

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

Location Map:



Site Characteristics:

UGB: MOLALLA
 Flood Zone: Not Available

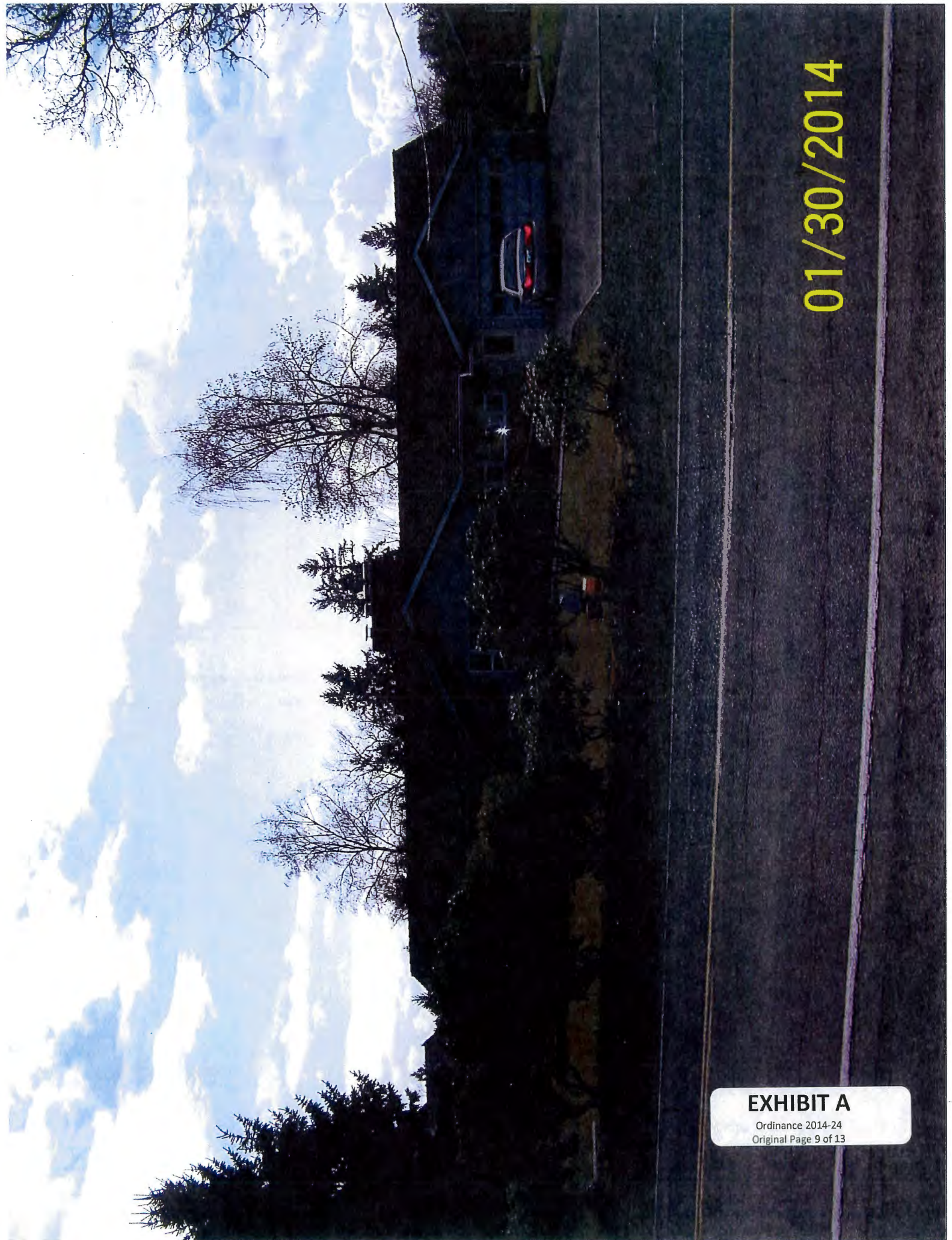
Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		2.94

EXHIBIT A

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01/30/2014

EXHIBIT A
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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CORP PRES BSHP CH JESUS CHRIST LDS
50 E NORTH TEMPLE ST 22 FLR
SALT LAKE CITY, UT 84150

Location Map:



Site Address: 13250 S HWY 211

Taxlot Number: 52E08C 01400

Land Value: 102687

Building Value: 1013540

Total Value: 1116227

Acreage:

Year Built:

Sale Date:

Sale Amount: 0

Sale Type:

Land Class:

401

Building Class:

Neighborhood:

Molalla rural north all

Taxcode Districts: 035013

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

RRFF5

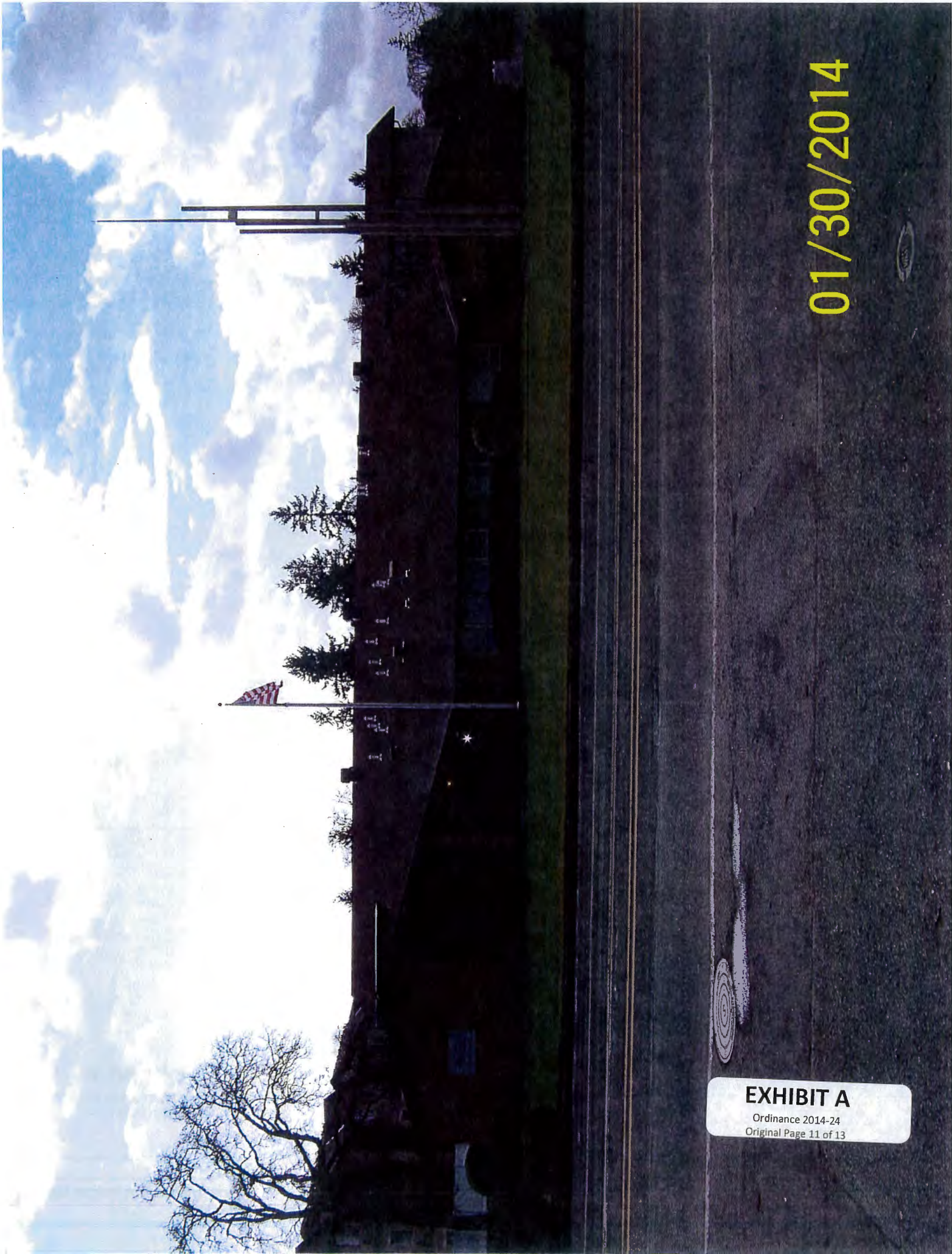
3.15

Fire: Molalla RFPD #73
 Park: N/A
 School: SCH 35 MOLALLA RIVER
 Sewer: N/A
 Water: N/A
 Cable: Wave Broadband (Molalla)
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

EXHIBIT A

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01/30/2014

EXHIBIT A

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Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

CEMETERY PUBLIC
150 BEAVERCREEK RD
OREGON CITY, OR 97045

Site Address: **NO SITUS**
 Taxlot Number: **52E08C 01900**
 Land Value: **64109**
 Building Value: **0**
 Total Value: **64109**

Acreage:
 Year Built:
 Sale Date:
 Sale Amount: **0**
 Sale Type:

Land Class:
100
 Building Class:
 Neighborhood:
Molalla rural north 100,
 Taxcode Districts: **035013**

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

Location Map:



Site Characteristics:

UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

Zone	Overlays:	Acreage:
RRFF5		1.57

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

EXHIBIT A

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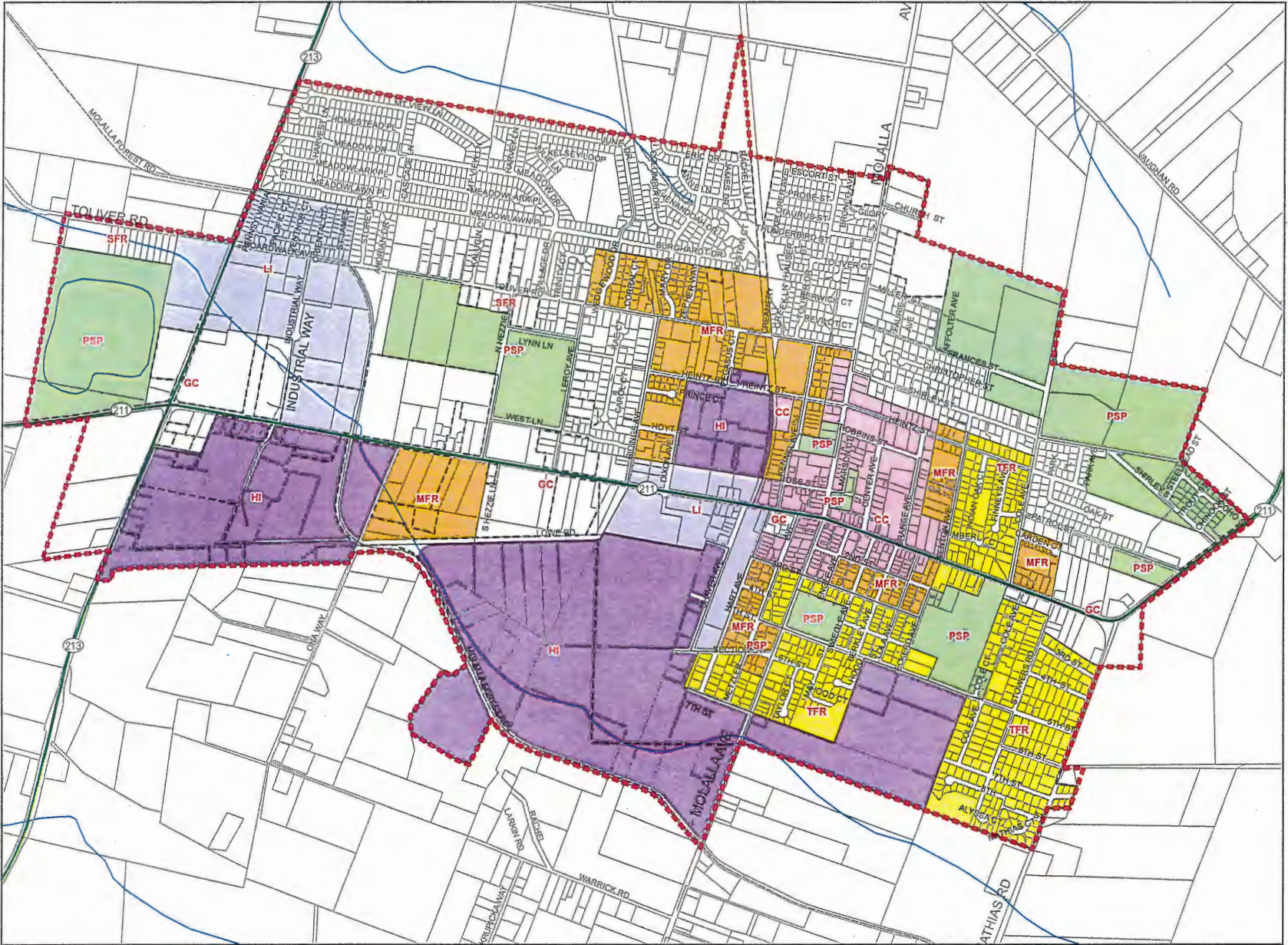


01/30/2014

EXHIBIT A
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City of Molalla Comprehensive Plan

Adopted 1980



- Legend**
- Comp. Plan Designations**
- Single-Family Residential
 - Two-Family Residential
 - Multi-Family Residential
 - Public or Semi-Public
 - General Commercial
 - Central Commercial
 - Light Industrial
 - Heavy Industrial
- Urban Growth Boundary
- City Boundary

1:12,800



CLACKAMAS COUNTY

GEOGRAPHIC INFORMATION SYSTEMS

DEPARTMENT OF INFORMATION SERVICES/GEOGRAPHIC INFORMATION SYSTEMS
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**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

Patricia Torsen	31615 S. Hezzie Lane
Carol Maloy Et Al	14550 S. Claim Road
Harry Russell	13053 S. Highway 211 (Represented by John Henrickson)
Dale Newcomb	P.O. Box 2579, Lebanon, OR 97355
Cedric Hansen	13325 S. Highway 211
Curtis Cruikshank	13303 S. Highway 211
Pam Fleskes	725 W. Main Street
Randy Burley	12763 S. Crompton Lane
John Hekala	12754 S. Highway 211
Nancy Butler	133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

Susan Hansen	33381 S. Sawtell Road
Jim Taylor	29480 S. Holt Road, Colton OR
Gayla Hansen	38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

Carol Maloy, 14550 S. Claim Rd
Ed Campy, 724 W. Main
Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

A. It is the City's policy to encourage and support annexation where:

1. The annexation complies with the provisions of this Chapter;
2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that “*A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.*”

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor's Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City's tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla's acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

- (a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or
- (b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or
- (c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria # 3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

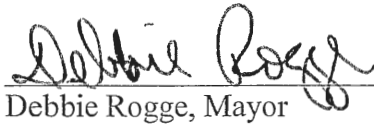
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner’s property line.
4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.


Debbie Rogge, Mayor


Sadie Cramer, City Recorder

CITY OF MOLALLA

ORDINANCE No. 2014 - 25

**AN ORDINANCE ANNEXING ISLAND TERRITORY INTO THE CITY OF MOLALLA,
WITHDRAWING THE TERRITORY FROM SPECIAL DISTRICTS, AMENDING THE
COMPREHENSIVE PLAN AND REZONING PROPERTY.**

WHEREAS, pursuant to ORS 222.750, the City of Molalla ("City") initiated annexation of territory surrounded by the corporate boundaries of the City (Case File No. P-6-2014);

WHEREAS, the City notified affected property owners and others entitled to notice under the City's code and notified the state of its intent to annex such territory;

WHEREAS, on June 4, 2014, the Molalla Planning Commission held a duly noticed public hearing to consider the annexation of several islands surrounded by the City's corporate boundaries;

WHEREAS, the planning commission recommended the Molalla City Council annex the islands in accordance with the City's code and state law; and

WHEREAS, the city council held a public hearing on July 9, 2014 and decided to annex the islands, withdraw the islands from certain districts, amend the properties' comprehensive plan designations and change the zoning on the properties from county to city zoning.

NOW, THEREFORE, the City of Molalla ordains:

Section 1. The real properties that are the subject of this ordinance are located in a tract of land being all of that tract of land described in that deed recorded as Document No 2006-119513, Clackamas County Deed records, all of that tract of land described in that deed recorded as Document No, 2003-082940, Clackamas County Deed Records, all of that tract of land described in that deed recorded as Document No. 88-51498, all being a portion of Tract 39 of the Plat of "The Shave Place", located in the Northeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon:

Tax Lot No. 52E07A 02700

Tax Lot No. 52E07A 02601

Tax Lot No. 52E07A 02600

These properties are annexed into the City of Molalla. A meets and bounds legal description, surveyor's map, current Clackamas County Property Report and a time stamped photo of the property are attached and incorporated as Exhibit A.

Section 2. The existing Clackamas County comprehensive plan designation, RC (Rural Commercial), is changed to a City plan designation of GC (General Commercial). This change is supported by maps attached and incorporated as Exhibit B.

Section 3. The existing Clackamas County zoning for the affected property, RRFF5 (Rural, Residential, Farm/Forest, 5-acre Minimum Lot Size) and C-2 (Central Commercial) is changed to C-2 (Central Commercial). The properties are currently:

Tax Lot No. 52E07A 02700 Commercial – In Use
Tax Lot No. 52E07A 02601 Commercial – In Use
Tax Lot No. 52E07A 02600 Commercial – In Use

Therefore, in accordance with ORS 222.750, the properties listed in this ordinance are annexed into the City of Molalla immediately upon the effective date of this ordinance. The annexation is supported by findings entitled "CITY OF MOLALLA CITY COUNCIL FINDING OF FACT AND DECISION DOCUMENT" attached as Exhibit C.

Section 4. The territory is withdrawn from the following service/special districts: None noted.

Section 5. Lawfully established land uses occurring on or within the annexed territory may continue and will be treated as nonconforming uses after the effective date of annexation to the City.

Section 6. The Molalla City Recorder shall:

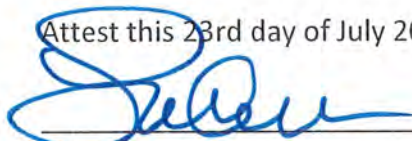
1. Mail a copy of this ordinance and attachments to the Oregon Department of Revenue;
2. Mail a copy of this ordinance to Clackamas County and all affected service districts;
3. Mail a copy of this ordinance to the Oregon Department of Land Conservation and Development, together with the appropriate forms required by the department; and
4. Mail a notice summarizing this ordinance and describing the procedures to appeal this decision to those persons who appeared before the planning commission or city council.

Adopted this 23rd day of July by the City Council of the City of Molalla on a vote of 7 ayes and 0 nays.



Mayor Deborah Rogge

Attest this 23rd day of July 2014



City Recorder Sadie Cramer

ZTec Engineers, Inc.

Civil ♦ Structural ♦ Surveying

John McL. Middleton, P.E.

Chris C. Fischborn, P.L.S.

Ronald b. Sellards, P.E.

3737 SE 8th Ave.

Portland, OR 97202

503-235-8795

FAX: 503-233-7889

Email: chris@ztecengineers.com

31361, 31459 & 31465 State Highway 213
Annexation to the City of Molalla

Exhibit A

A Tract of land being all of that tract of land described in that deed recorded as Document No. 2006-119513, Clackamas County Deed Records, all of that tract of land described in that deed recorded as Document No. 2003-082940, Clackamas County Deed Records, all of that tract of land described in that deed recorded as Document No. 88-51498, Clackamas County Deed Records, and a portion of State Highway 211, and a portion of State Highway 213, all being a portion of Tract 39 of the Plat of "The Shaver Place", located in the Northeast one-quarter of Section 7, Township 5 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon. Said Tract of land being more particularly described as follows:

Beginning at 1/2 inch iron pipe found at the Southwesterly corner of said Tract 39 of said Plat of "The Shaver Place"; thence North 08°00'00" East, along the Westerly line of said Tract 39, a distance of 883.72 feet to the Northwesterly corner of said Document No. 2006-119513 tract; thence South 82°00'00" East, along the Northerly line of said Document No. 2006-119513 tract, a distance of 411.96 feet to a point on the Westerly right of way line of said State Highway 213; thence South 71°36'15" East, at right angles to said State Highway 213, a distance of 60.00 feet to a point on the Easterly right of way line of said State Highway 213; thence South 18°23'45" West, along said Easterly right of way line, and its Southerly extension, a distance of 913.57 feet to a point on the Easterly extension of the Southerly right of way line of said State Highway 211; thence South 79°30'00" West, along said Easterly extension, and along said Southerly right of way line, a distance of 302.73 feet to a point; thence North 10°30'00" West, at right angles to said State Highway 211, a distance of 60.00 feet to a point on the Northerly right of way line of said State Highway 211, said point also being on the Southerly extension of said Westerly line of said Tract 39 of said "The Shaver Place"; thence North 08°00'00" East, along said Southerly extension, a distance of 64.84 feet to the true point of beginning of the Tract of land herein described.

Said Tract of land contains an area of 8.4710 acres (368,995 square feet), more or less.

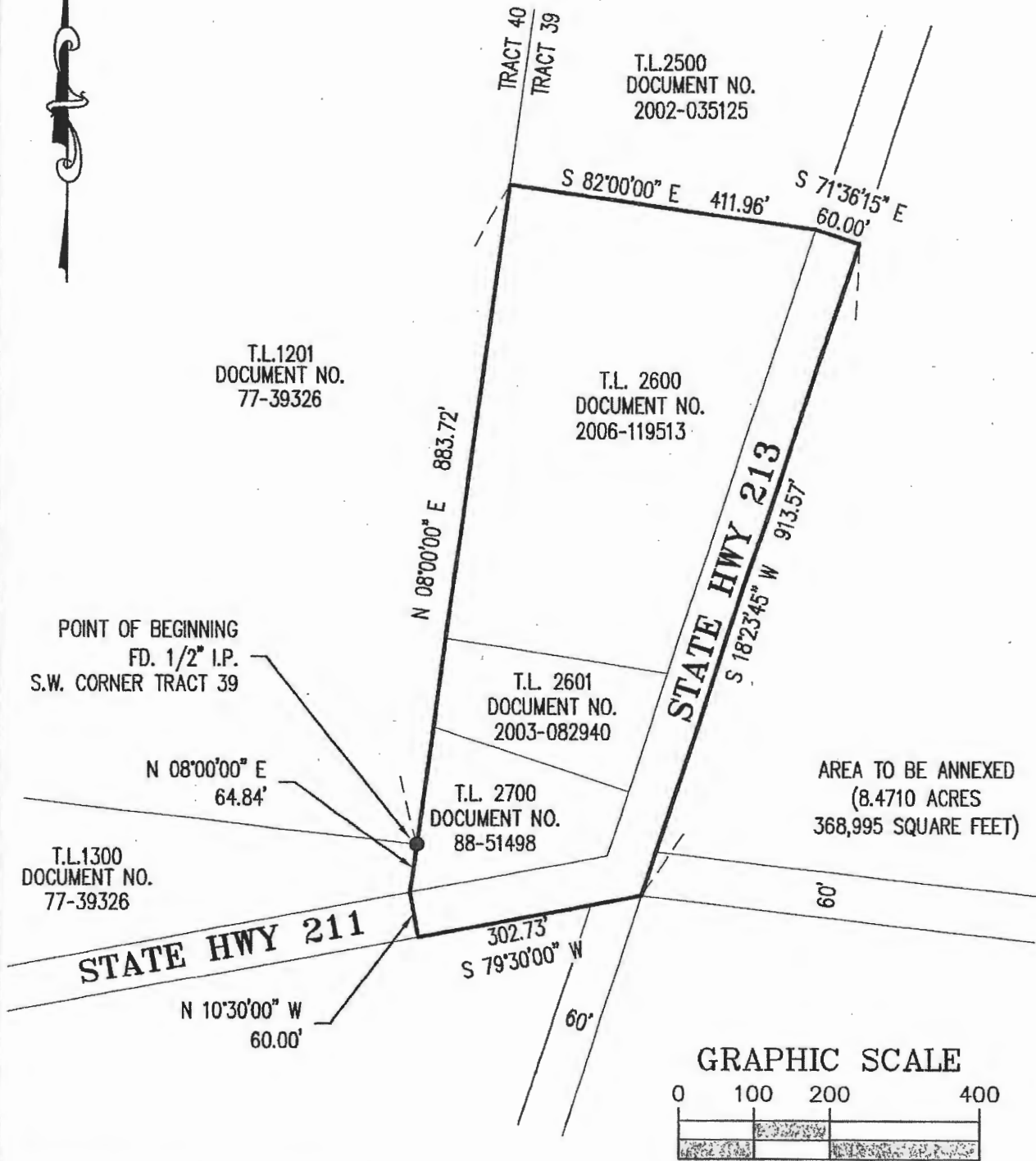
The bearings and distances in this description are based on Clackamas County Surveys 5498 and 11709.



EXHIBIT A

Ordinance 2014-25
Original Page 1 of 9

31361, 31459 & 31465 STATE HIGHWAY 213
 CITY OF MOLALLA ANNEXATION
 EXHIBIT "B"



LOCATED IN THE N.E. 1/4 SECTION 7,
 T.5S., R.2E., W.M., CLACKAMAS CO., OR

TITLE: EXHIBIT "A"	
PLOT DATE: 1-31-14	
FILE: W1202-7T.DWG	
CLIENT: CITY OF MOLALLA	SHEET: 1 OF 1

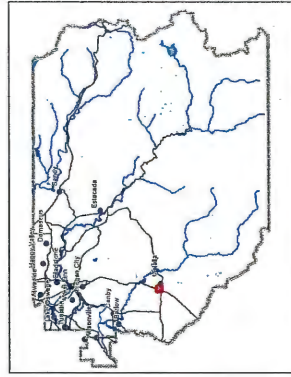
ZTec ENGINEERS, INC.
 3737 S.E. 8TH AVE.
 PORTLAND, OREGON 97202
 (503) 235-8795

EXHIBIT A

Cancelled Taxlots

- 100
- 101
- 200
- 201
- 300
- 301
- 400
- 401
- 500
- 501
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- 2700
- 2701

- Parcel Boundary
- Private Road ROW
- Historical Boundary
- Railroad Centerline
- Tax Code Lines
- Map Index
- Water Lines
- Land Use Zoning
- Plats
- Water
- Corner
- Section Corner
- 116th Line
- Govt. Lot Line
- DLC Line
- Meander Line
- PLSS Section Line
- Historic Corridor 40'
- Historic Corridor 20'



THIS MAP IS FOR ASSESSMENT
PURPOSES ONLY

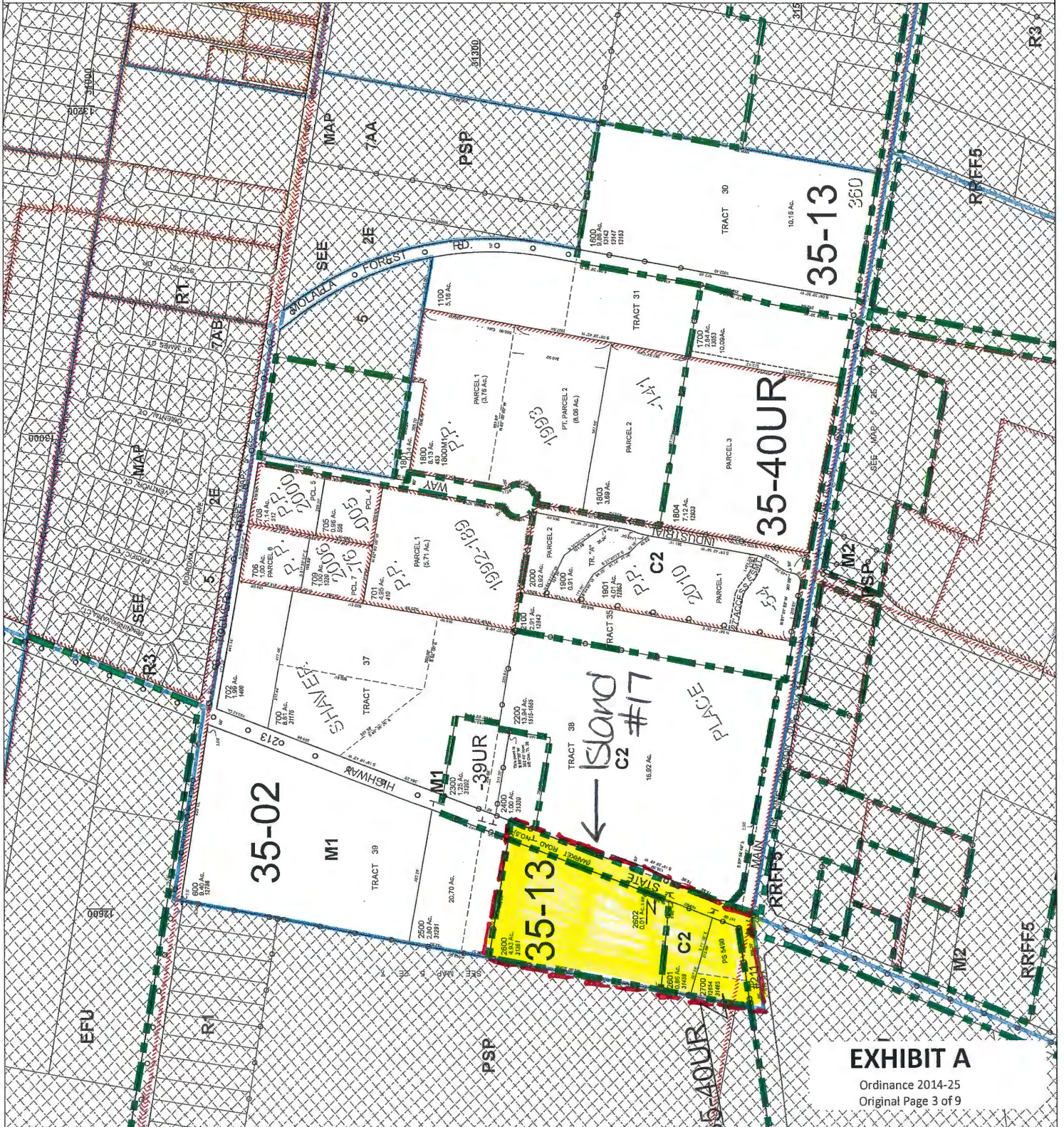


EXHIBIT A
Ordinance 2014-25
Original Page 3 of 9



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

DEARDORFF ALAN C
PO BOX 26
COLTON, OR 97017

Site Address: 31465 S HWY 213

Taxlot Number: 52E07A 02700

Land Value: 228883

Building Value: 109690

Total Value: 338573

Acreage:

Year Built:

Sale Date: 12/01/1988

Sale Amount: 0

Sale Type:

Land Class:

201

Building Class:

Neighborhood:

Area 02 commercial

Taxcode Districts: 035040

Fire: Molalla RFPD #73
Park: N/A
School: SCH 35 MOLALLA RIVER
Sewer: N/A
Water: N/A
Cable: Wave Broadband (Molalla)
CPO: City
Garb/Recyc: Molalla Sanitary
City/County: Molalla

Location Map:



Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

C2

0.94

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

EXHIBIT A

Ordinance 2014-25
Original Page 4 of 9



01/30/2014

EXHIBIT A

Ordinance 2014-25
Original Page 5 of 9



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

Property Report

**HERIGSTAD GORDON
128 SHIRLEY ST
MOLALLA, OR 97038**

Location Map:



Site Address: 31459 S HWY 213

Taxlot Number: 52E07A 02601

Land Value: 175762

Building Value: 46580

Total Value: 222342

Acreage:

Year Built:

Sale Date: 06/30/2003

Sale Amount: 225000

Sale Type: S

Land Class:

201

Building Class:

Neighborhood:

Area 02 commercial

Taxcode Districts: 035040

Site Characteristics:

UGB: MOLALLA

Flood Zone: Not Available

Zoning Designation(s):

Zone Overlays: Acreage:

C2

0.87

Fire: Molalla RFPD #73
Park: N/A
School: SCH 35 MOLALLA RIVER
Sewer: N/A
Water: N/A
Cable: Wave Broadband (Molalla)
CPO: City
Garb/Recyc: Molalla Sanitary
City/County: Molalla

EXHIBIT A

Ordinance 2014-25
Original Page 6 of 9

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

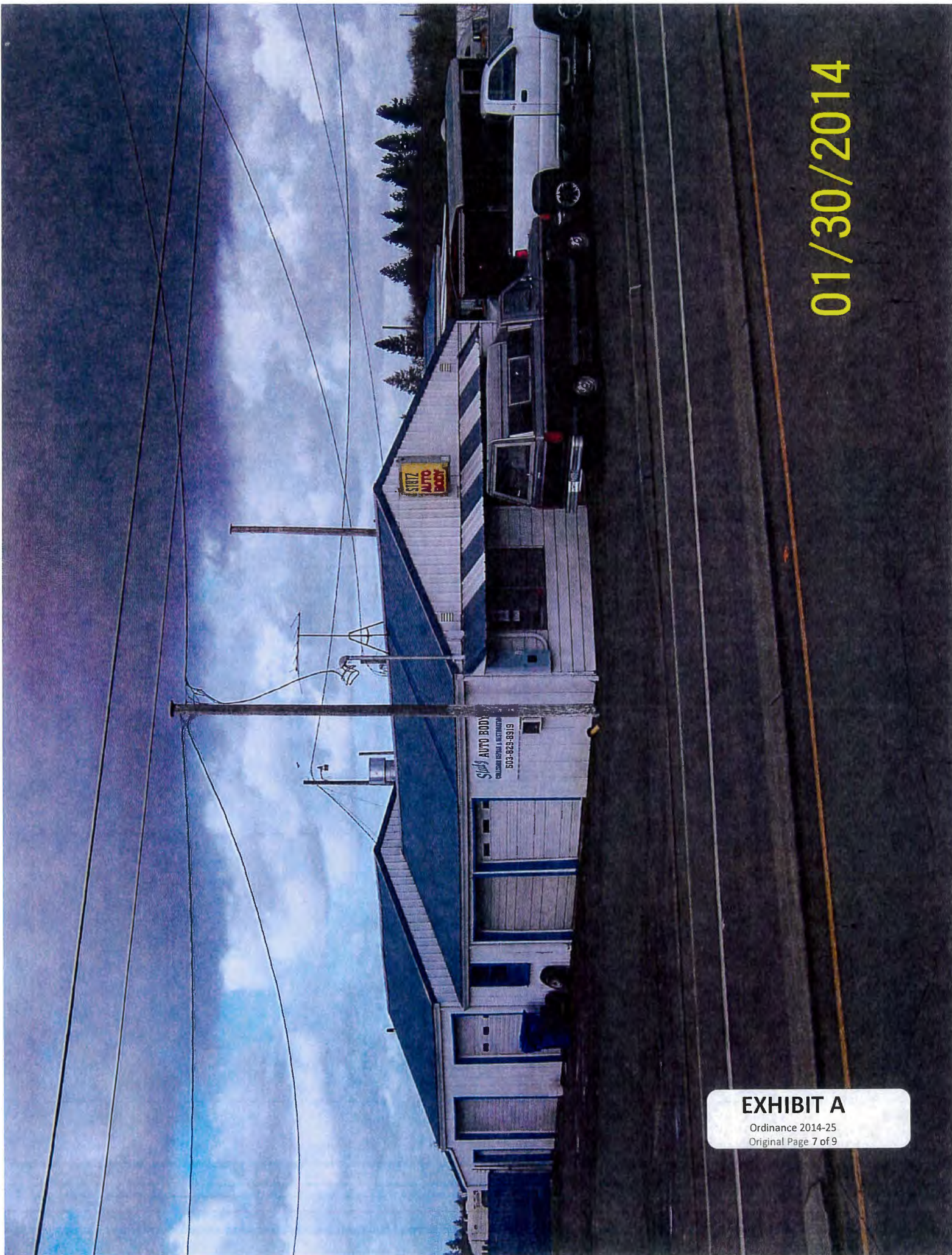


EXHIBIT A

Ordinance 2014-25
Original Page 7 of 9

01/30/2014

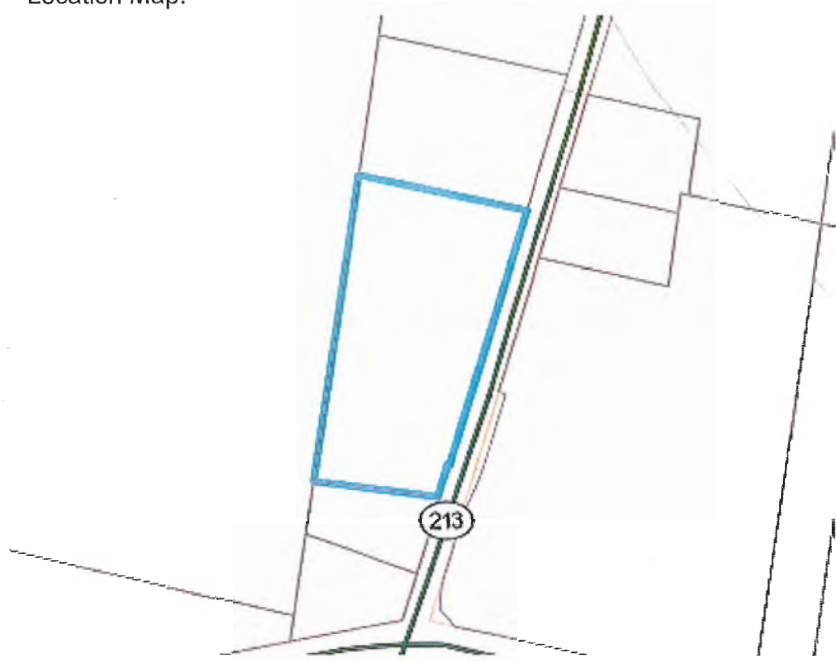


Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

LMRK GROUP LLC
PO BOX 601
WOODBURN, OR 97071

Location Map:



Site Address: **31361 S HWY 213**
 Taxlot Number: **52E07A 02600**
 Land Value: **209917**
 Building Value: **246040**
 Total Value: **455957**

Acreage:
 Year Built:
 Sale Date: **12/30/2009**
 Sale Amount: **0**
 Sale Type: **S**

Land Class:
201
 Building Class:
 Neighborhood:
Area 02 commercial
 Taxcode Districts: **035013**

Site Characteristics:
 UGB: **MOLALLA**
 Flood Zone: **Not Available**

Zoning Designation(s):

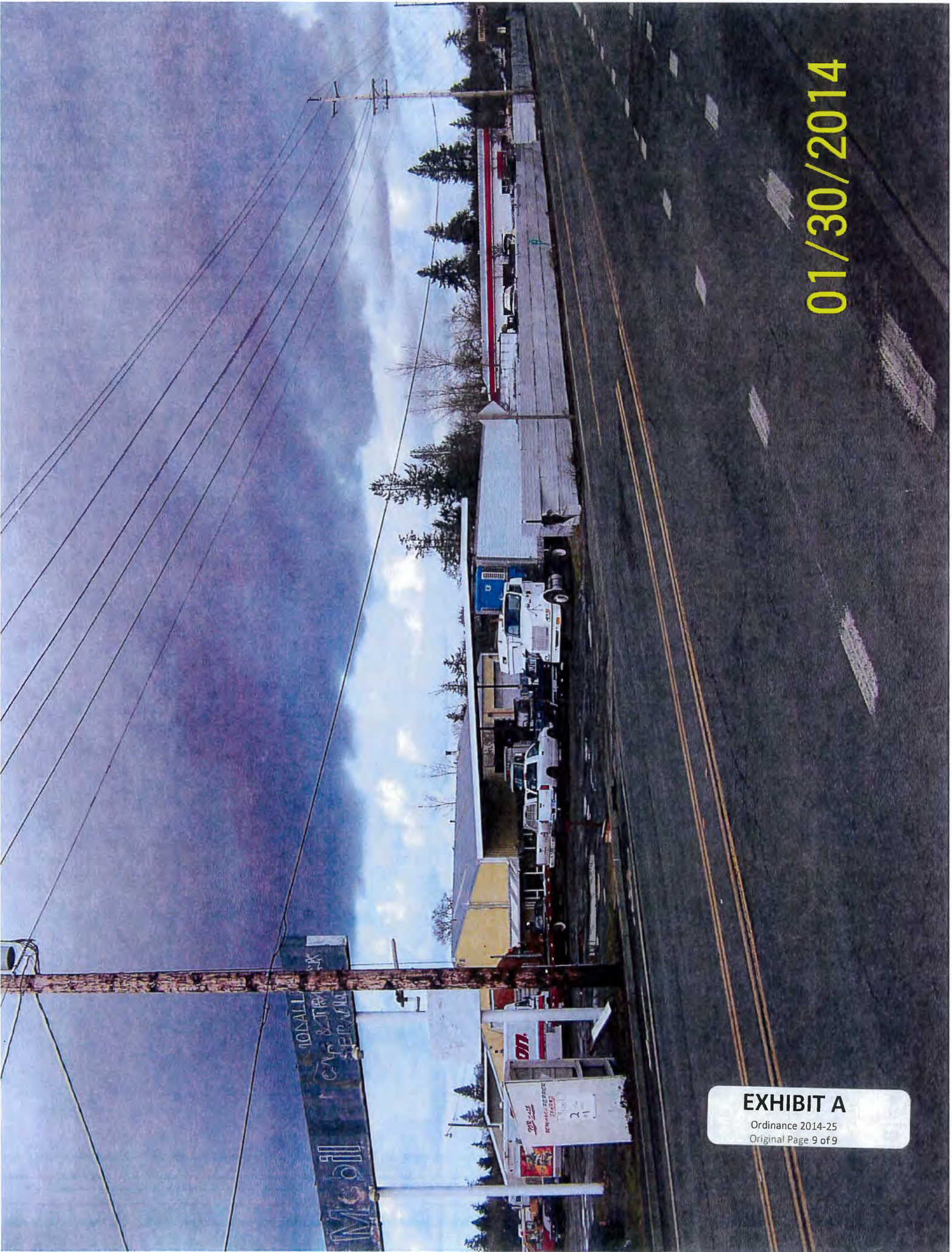
Zone	Overlays:	Acreage:
RRFF5		4.85

Fire: **Molalla RFPD #73**
 Park: **N/A**
 School: **SCH 35 MOLALLA RIVER**
 Sewer: **N/A**
 Water: **N/A**
 Cable: **Wave Broadband (Molalla)**
 CPO: **Molalla**
 Garb/Recyc: **Molalla Sanitary**
 City/County: **Clackamas Co.**

EXHIBIT A

Ordinance 2014-25
 Original Page 8 of 9

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.



01/30/2014

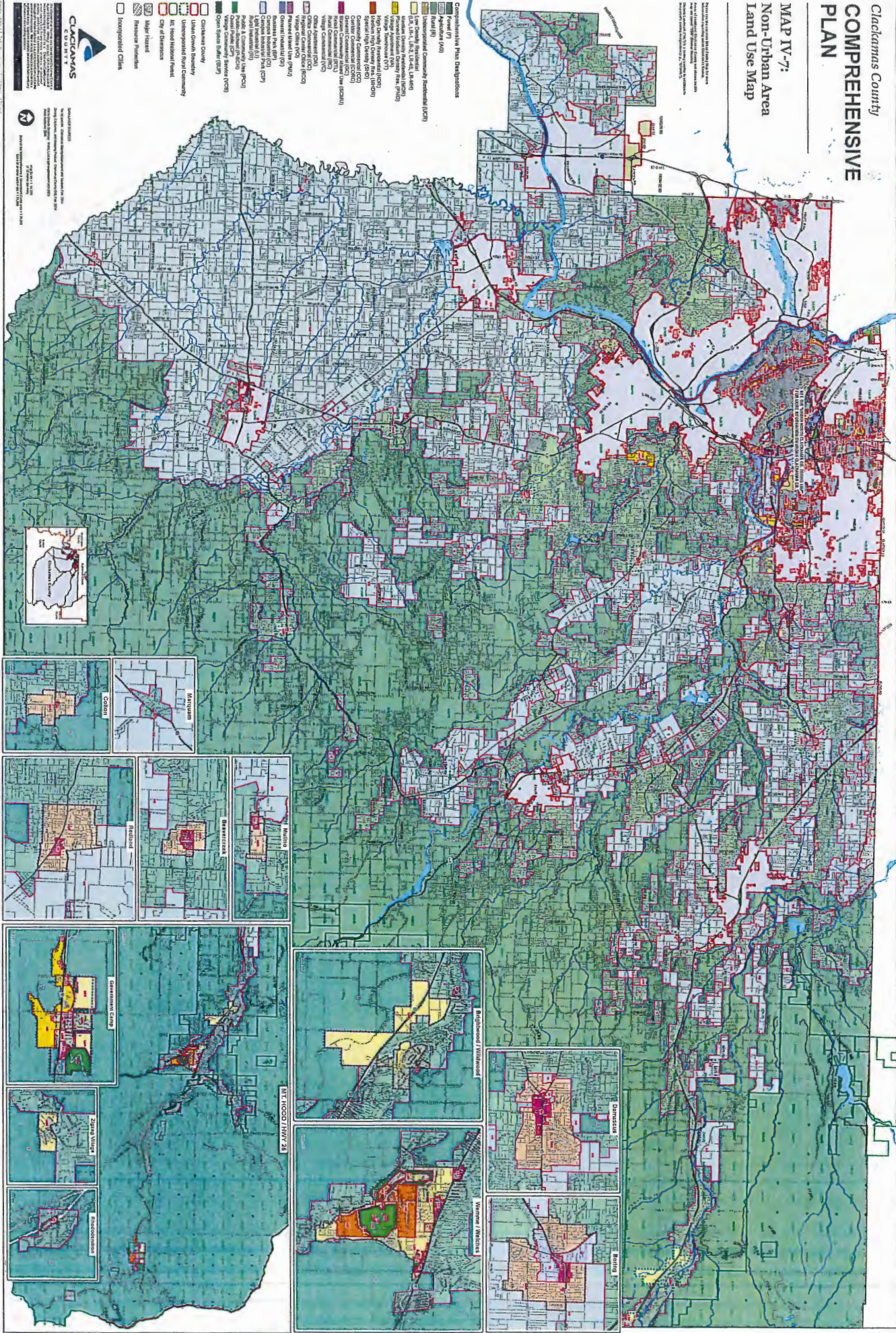
EXHIBIT A

Ordinance 2014-25
Original Page 9 of 9

Clackamas County COMPREHENSIVE PLAN

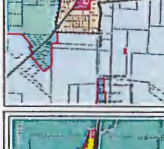
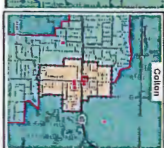
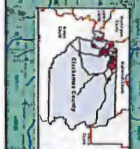
MAP IV-7: Non-Urban Area Land Use Map

DATE: 11/15/2011
 PROJECT: CLACKAMAS COUNTY COMPREHENSIVE PLAN
 MAP IV-7: NON-URBAN AREA LAND USE MAP
 PREPARED BY: CLACKAMAS COUNTY PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT



- Comprehensive Plan Designations**
- AG (Agriculture)
 - AG-1 (Agriculture - 1)
 - AG-2 (Agriculture - 2)
 - AG-3 (Agriculture - 3)
 - AG-4 (Agriculture - 4)
 - AG-5 (Agriculture - 5)
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 - AG-100 (Agriculture - 100)

CLACKAMAS COUNTY
 PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT



**CITY OF MOLALLA CITY COUNCIL
FINDINGS OF FACT AND DECISION DOCUMENT**

**LEGISLATIVE ISLAND ANNEXATIONS, COMPREHENSIVE PLAN
AMENDMENTS AND ZONE CHANGES**

In the Matter of a City initiated	)	File No. P-6-14
Legislative island annexation and	)	Island Annexation,
Zone change of 96 proerties	)	Zone Change and
Located within the Molalla Urban	)	Comprehensive Plan
Growth Boundary.	)	Amendment

A. SUMMARY

This Findings of Fact and Decision Document is in regards to a legislative city initiated island annexations, plan amendments and zone changes that requires the Molalla Planning Commission to make certain land use decisions and recommendations to the Molalla City Council prior to a final Council ordinance adoption. This particular action involves 96 properties located within the Molalla Urban Growth Area (UGA) that meet statutory definitions of islands that can be annexed by the City of Molalla without the owner’s consent. The islands are identified in Exhibit A. The Council found that by examining the water and sewer connection map and property spreadsheet (Exhibits C & D) that 42 of the identified properties are fully served by the City of Molalla with water and sewer service and 18 have partial city services.

B. GENERAL INFORMATION

Based on the attached map(s) (Exhibits A, B and C) and spreadsheet (Exhibit D) the City Council’s deliberation of this matter affects 96 individual properties throughout the west portion of the City of Molalla Urban Growth Area. All properties were mailed an individual public notice (Exhibit E) and provided a map (Exhibit A) to identify their individual ownership. Public notice was provided in the Molalla Pioneer and posted on the City website. Notice to the Department of Land Conservation and Development (DLCD) was also provided within the required notification timeframe.

The subject properties are “islands” as defined in ORS 222.750 (Exhibit F). That is, each is either fully surrounded by Molalla’s corporate boundary or by the boundary and a body of water. No participant in the process claimed any of the 96 properties did not meet the definition of an “island” under ORS 222.750.

Each of these properties will receive the appropriate city zoning designation and comprehensive plan designation each in compliance with the Comprehensive Plan as shown on the spreadsheet.

Based on the following Findings, Council finds that the island annexation and accompanying land use changes comply with applicable approval criteria.

C. PROCEDURES

This action is specific to the identified 96 properties and will not affect other properties not shown nor shall approve development of the properties identified. This is a legislative action but because the City is annexing properties with the owners' consent, utilizing a quasi judicial hearing process is warranted. During their respective hearings, the Planning Commission and City Council received the staff report, took written and verbal testimony, considered facts and criteria and rendered a decision based on the information available.

D. PARTY STATUS

The following affected property owners within the island boundaries requested and were granted party status during the June 4, 2014 Planning Commission proceeding:

- Patricia Torsen 31615 S. Hezzie Lane
- Carol Maloy Et Al 14550 S. Claim Road
- Harry Russell 13053 S. Highway 211 (Represented by John Henrickson)
- Dale Newcomb P.O. Box 2579, Lebanon, OR 97355
- Cedric Hansen 13325 S. Highway 211
- Curtis Cruikshank 13303 S. Highway 211
- Pam Fleskes 725 W. Main Street
- Randy Burley 12763 S. Crompton Lane
- John Hekala 12754 S. Highway 211
- Nancy Butler 133 NW Trinity Place #4, Portland, OR 97209

The following people addressed the Commission but did not request nor were they granted Party Status:

- Susan Hansen 33381 S. Sawtell Road
- Jim Taylor 29480 S. Holt Road, Colton OR
- Gayla Hansen 38973 S. Sawtell Road

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in favor of the proposal:

- Carol Maloy, 14550 S. Claim Rd
- Ed Campy, 724 W. Main
- Nancy Butler, 718 W. Main

The following affected property owners within the island boundaries requested and were granted party status during the July 9, 2014 City Council proceeding and spoke in opposition of the proposal:

Dale Newcomb, 12843 S. Hwy 211
 Rudy Baurer, 823 Toliver Rd
 Harry Russell, 13053 S. Hwy 211
 Curtis Cruikshank, 13303 S. Hwy 211

E. PROCEDURAL FINDINGS

1. The City of Molalla is initiating the annexation of 96 individual properties located within the Molalla Urban Growth Area. The process will also include zone changes and comprehensive plan amendments for all 96 properties from Clackamas County zoning and comprehensive plan designations to a compliant City of Molalla zoning district and comprehensive plan designation as detailed on the attached zoning map (Exhibit B) and property attribute spreadsheet (Exhibit D).
2. Notice of Proposed Land Use Regulation Amendment (DLCD Form 1) was electronically mailed to the Department of Land of Conservation and Development (DLCD) on April 25, 2014.
3. The City Council finds that on April 29, 2014 Notice of Public Hearing before the Molalla Planning Commission and City Council was mailed to all record owners of the property proposed to be annexed and rezoned. The Notice was published in the Molalla Pioneer on May 14, 2014 and posted on the City of Molalla Website.
4. The City of Molalla received two letters of written testimony or correspondence from property owners concerning the proposed annexation and zone change.
5. This matter came before the Molalla Planning Commission for consideration on June 4, 2014 and the City Council on July 9, 2014. The Planning Commission and City Council received the staff report, and heard public testimony.

Conclusion: The procedural findings noted above are adequate to support the City Council's decision on the annexation, comprehensive plan amendment and zone changes.

F. DECISION CRITERIA AND SUBSTANTIVE FINDINGS OF FACT

Chapter 222.750 of the Oregon Revised Statutes (ORS) provides procedures for annexation of unincorporated territory surrounded by Cities. In addition, state statute requires that proposed amendments to Molalla's Comprehensive Plan Map and Zoning Map be consistent with the Statewide Planning Goals. Finally, the City's Development Code contains criteria governing annexations, comprehensive plan amendments and zone changes at Sections 19.22.030 and 19.28.030(B), respectively.

The annexation, comprehensive plan amendment and zone changes are measured here against these state and local criteria. The results of this analysis are presented as proposed Findings of Fact below.

COMPLIANCE WITH MUNICIPAL CODE CHAPTER 19.22 (ANNEXATIONS)

The city's code states a policy governing when annexations are appropriate. Molalla Municipal Code Section 19.22.020 states as follows:

It is the policy of the City that annexation decisions should be made consistent with the procedures set forth in this Chapter and other ordinances of the City and the policies and regulations of affected agencies' jurisdictions and special districts.

- A. It is the City's policy to encourage and support annexation where:
1. The annexation complies with the provisions of this Chapter;
 2. The annexation will provide a logical service area, straighten boundaries, eliminate or preclude islands of unincorporated property, and contribute to a clear identification of the City;
 3. The annexation would benefit the City by addition to its revenues of an amount that would be at least equal to the cost of providing services to the area;
 4. The annexation will be clearly to the City's advantage in controlling the growth and development plans for the area

The Council finds that the proposed island annexations comply with this policy as follows. The annexations comply with Chapter 19.22 as more fully discussed below. The annexations will necessarily and intentionally "eliminate . . . islands of unincorporated property, and contribute to a clear identification of the City." The annexations will also permit the City to control development on the properties being annexed, as the City's development regulations will now apply to them. While precise revenue figures are not available, the City's revenues will increase as a result of the annexations. Because the City is currently serving almost half of the properties being annexed, the annexations will greatly reduce the costs of serving such properties as they will eventually pay property taxes to the City at the City's rate.

The criteria contained in 19.22.030 may apply to these annexations. The reason it is not clear is that the City's code at 19.22.100 separately addresses island annexations such as these, and simply requires island annexations to comply with state law. For island annexations, the Council interprets its code to require compliance only with state law and not the criteria identified at 19.22.030. The Council believes that state law clearly places a priority on cities serving such islands, given that a city may forcibly annex islands without the property owner's consent. This is sound policy because such islands create confusion with respect to service delivery and undermine a land use system that encourages cities to provide urban services to property.

However, if it were determined that the criteria at 19.22.030 did apply to these annexations, the Council finds the proposal satisfies those criteria regardless. The code at 19.22.030 states as follows:

- A. The following criteria shall apply to all annexations whether initiated by property owners or the City:
1. The subject site must be located within the Molalla Urban Growth Boundary.
 2. The subject site must be contiguous to the existing Molalla City limits.
 3. The requirements set forth in the Oregon Revised Statutes for the initiation of the annexation process must have been met.
 4. The proposed use for the site must comply with the designation on the Molalla Comprehensive Plan map. If a re-designation of the Plan map is requested concurrent with annexation, the applicant must apply for and the City must use the procedures for an amendment to the Comprehensive Plan as provided in Chapter 19.28 of this code.
 5. An adequate level of infrastructure for sewer, water, roads and parks must be available or made available within three years of annexation.
 6. An adequate level of police and fire services must be available to serve the subject site.

The Council finds the proposed annexations satisfy each of the above criteria as follows. All of the properties are within the Molalla Urban Growth Boundary and are necessarily contiguous to the City limits because the City's corporate boundary surrounds the properties. As discussed throughout these findings, the City has satisfied state law with respect to the initiation of this process.

There are no "proposed" uses for the properties because the uses that currently occur on the properties will continue to occur once annexed into the City. The ordinances the Council adopts expressly recognize that the City will permit the existing uses to persist as non-conforming in accordance with the City's non-conforming use standards. Regardless, the ordinances amend the properties' comprehensive plan designations consistent with the City's conceptual designations and in accordance with the City's criteria governing comprehensive plan amendments.

The Council finds the City has an adequate level of infrastructure for sewer, water, roads and parks to serve the properties and no evidence or testimony undermines this finding. Each property is already served with existing roads and parks and annexing the properties will ensure that the property owners pay their fair share for the maintenance of such roads and parks in the future. The City already serves many properties with sewer and water. For those that are not connected to sewer and water, the record demonstrates that it is currently feasible for each of the properties to connect to those services. However, the Planning Commission and City Council received testimony from some property owners concerned about the cost of connecting to sewer and/or water. Many of these property owners reside along Highway 211 and would likely need to bore underneath the highway in order to connect to these utilities. The Council received testimony that such costs could reach \$15,000.

In order to lessen the financial burden on such property owners, the Council determined that the annexed properties would have five years to connect to water and sewer. In order to encourage property owners to connect to these services as soon as possible, and as discussed further below, the Council determined it would waive or reduce water and sewer SDCs for the annexed properties depending on how quickly a property connected to the service. Again, the Council finds there is currently an adequate level of sewer and water infrastructure to serve the annexed properties. The City has excess capacity to process the additional sewage the currently unserved properties will create and it has plenty of water to serve those properties that do not currently receive it. The requirement that individual properties connect to the available infrastructure in five years does not undermine this finding. It merely recognizes the financial impact of doing so and grants the property owners a fair amount of time to save for that cost, and the City encourages such owners to connect as soon as possible through waived or reduced SDCs if they connect within the first three years.

Finally, the Council finds there is an adequate level of police and fire services to protect the properties. The Molalla Fire District will continue to serve the properties after annexation and the Molalla Police Department has historically responded to service calls to the annexed properties.

To the extent the criteria in 19.22.030(A) are applicable to these island annexations, the Council finds that this proposal meets them.

COMPLIANCE WITH ANNEXATION PROCEDURES OF ORS CHAPTER 222.750

Chapter 222.750 of the Oregon Revised Statutes provides the procedures for annexing unincorporated territory to the City of Molalla (Exhibit F).

The findings in Section B, above, describe why each of the properties being annexed is an “island” as that term is defined in ORS 222.750(2). The statute expressly permits a city to annex such islands “without the consent” of an island’s property owner, unless its charter requires the owner’s consent. ORS 222.750(4). Molalla’s charter does not require an owner of island property to consent to the City’s annexation of such property.

The statute also requires a city to delay the effective date of an island annexation for no less than three years and no more than 10 if the property is “zoned for, and in, residential use when annexation is initiated by the city.” ORS 222.750(5). The record reveals that the City took great care in determining which of the 96 properties are entitled to a delayed effective date of annexation. Ultimately, the ordinances the Council adopts to annex the islands establishes a three year effective date for those properties entitled to a delay, unless ownership of the property changes hands, in which case the islands are immediately annexed to the City. ORS 222.750(6).

Finally, ORS 222.750(8) states that a city must hold an election on the annexations if its charter or an ordinance or resolution require a vote. The City’s charter at Chapter X expressly states that a vote is only required for annexations “that are initiated by property owners.” The City’s code at 19.22.010 and 19.22.080 clarify that an election is not required for any City initiated annexations. Because the City initiated these island annexations, neither its charter nor its code

requires an election. Therefore, in accordance with ORS 222.750(8), the City is not required to hold an election on the island annexations.

Finding: The subject annexation and zone change complies with ORS 222.750 and has been reviewed by legal counsel for legal and case law purposes.

ORS 222.111(2) provides that *“A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.”*

Finding: The City Council of the City of Molalla by its own motion has initiated this action as a legislative body and the action complies with statutory requirements.

Conclusion: The annexation and zone change proposal conforms to the procedures provided by ORS Chapter 222.750 for annexation of unincorporated territory surrounded by the City of Molalla.

CONSISTENCY WITH THE STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement. To provide for widespread citizen involvement in the planning process, and to allow citizens the opportunity to review and comment on proposed changes to comprehensive land use plans prior to any formal public hearing to consider the proposed changes.

Findings: Statewide Planning Goal 1 requires cities and counties to create and use a citizen involvement process designed to include affected area residents in planning activities and decision-making. On April 29, 2014, City staff mailed copies of a Notice of Public Hearing and map to all owners affected by this action (Exhibit E). The same notice was published in the Molalla Pioneer on May 14, 2014. Written information and/or Staff Report was available seven days prior to the June 4, 2014 public hearing at Molalla City Hall. Moreover, the City gave notice of and held a hearing before the City Council on July 9, 2014.

Conclusion: Statewide goal of citizen involvement has been met through the mechanisms described above.

Goal 2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to land use and to ensure a factual base for such decisions and actions.

Finding: Molalla’s acknowledged Comprehensive Plan and implementing ordinances provide a State-approved process for land use decision making, and a policy framework derived from a proper factual base. The City's Comprehensive Plan, implementing ordinances and State Law provide criteria by which the proposed island annexation

will be processed. All of the subject properties are within the Molalla Urban Growth Area.

Goal 2 also requires local governments to coordinate their respective planning activities. The City notified Clackamas County of the proposed island annexations and has worked closely with the Clackamas County Assessor’s Office to develop the ordinances approving the annexations in order to ensure the properties are placed on the City’s tax rolls in accordance with County policy and relevant law.

Conclusion: Statewide goal of land use planning has been met through the use of Molalla’s acknowledged Comprehensive Plan, implementing ordinances, its coordination with Clackamas County and State Law

Statewide Planning Goals 3 and 4 have been combined for the purposes of this Staff Report as follows:

Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.

Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land....

Finding: Neither Goal 3 or 4 apply to this action because all properties are within the Molalla UGA and none of the properties have agricultural or forest Comprehensive Plan designations.

Conclusion: The proposed zone changes will not adversely impact agricultural lands as defined by Statewide Planning Goal 3, or forest lands as defined by Goal 4 nor do either of these Goals apply.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources. To protect natural resources and conserve scenic and historic areas and open spaces.

Finding: Statewide Planning Goal 5 requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Goal 5 requires local governments to inventory natural resources such as wetlands, riparian corridors, and wildlife habitat. In addition, Goal 5 encourages local governments to maintain current inventories of open spaces, scenic views and sites, and historic resources. Significant sites must be identified and protected according to Goal 5 rules contained in the Oregon Administrative Rules, Chapter 660, Division 23.

Goal 5 resources within the Molalla UGA have previously been inventoried and evaluated. The subject properties except one are all designated for urban development

and many of these properties are currently developed at an urban level. The one exception is the Pioneer Cemetery currently owned and under the jurisdiction of Clackamas County. The annexation and zone change will not affect ownership or jurisdictional responsibility of the Pioneer Cemetery.

Conclusion: The island annexation and zone changes will not conflict with or adversely impact Goal 5 and are consistent with Goal 5.

Goal 6: Air, Water, and Land Resource Quality. To maintain and improve the quality of air, water and land resources of the State.

Finding: Statewide Planning Goal 6 requires that waste and process discharges from future development, combined with that of existing development, do not violate State or Federal environmental quality regulations. The annexation and rezoning does not approve development activity and the current uses of the property will not generate waste streams that are significantly more adverse to the environment and the City's treatment capacity than would be the case if the property remained unincorporated.

The City has regulations in place to control the generation and disposal of wastes, and the properties are or either can be served by City water and sewer service once annexed. Therefore, the proposed annexation and rezoning is not expected to have any deleterious effects on the quality of the air, water, or land resources of the State. Existing state, federal, and local land use and environmental standards will be sufficient to ensure that subsequent land use activities regarding current and future development will be conducted in a manner that is consistent with, and will achieve the purpose of Goal 6.

Conclusion: The requested annexation and zone changes are consistent with Statewide Planning Goal 6.

Goal 7: Areas Subject to Natural Disasters and Hazards. To protect life and property from natural disasters and hazards.

Finding: The subject properties contain relatively flat topography similar to the balance of Molalla and are not within a special overlay zone or in an area that is designated as susceptible to flooding or other natural hazards. Any new development on any of the properties will be required to comply with development standards, building codes and public safety requirements. These existing regulations serve to ensure the protection of life and property.

Conclusion: Based on the above findings, the requested map amendments will be consistent with Goal 7.

Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the citing of necessary recreational facilities including destination resorts.

Finding: The subject property has not been designated by the City of Molalla or Clackamas County as land needed to meet the recreational needs of the citizens of, or visitors to, the state of Oregon. The property is currently zoned by the City and Clackamas County for urban development with no special geographic or natural advantages for recreational use.

Conclusion: The requested annexation and zone change will not adversely affect recreational opportunities within the City limits or urban growth boundary. The proposal is consistent with Goal 8.

Goal 9: Economy of the State. To provide adequate opportunities throughout the State for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

OAR 660-009-0010(4) applies to this decision. That rule states:

For a post-acknowledgement plan amendment under OAR chapter 660, division 18, that changes the plan designation of land in excess of two acres within an existing urban growth boundary from an industrial use designation to a non-industrial use designation, or another employment use designation to any other use designation, a city or county must address all applicable planning requirements, and:

(a) Demonstrate that the proposed amendment is consistent with its most recent economic opportunities analysis and the parts of its acknowledged comprehensive plan which address the requirements of this division; or

(b) Amend its comprehensive plan to incorporate the proposed amendment, consistent with the requirements of this division; or

(c) Adopt a combination of the above, consistent with the requirements of this division.

In this instance, the City is not changing the plan designation of land greater than two acres in size from an industrial use designation to a non-industrial use designation or another employment use designation to any other use designation. Therefore, the decision complies with OAR Chapter 660, division 9.

Finding: The subject properties are located inside the City's UGB, and planned for urban development. Annexation and compliant zoning does not approve development but will have the effect of allowing future urban development pursuant to current

development standards and regulatory compliance of these properties within the city limits of Molalla.

Conclusion: The Statewide goal of providing adequate economic opportunities will be met by approving the request.

Goal 10: Housing. To provide for the housing needs of citizens of the State.

Finding: The proposed annexation and zone change includes a variety of fully developed, partially developed, nonconforming developed and vacant residential, commercial and industrial land. For example, Trinity Estates is a fully served and developed city standard subdivision. Each of these properties is within the UGB and the residential land is included within the current Buildable Lands Inventory as developable and urbanizable land.

Conclusion: The proposed annexation and zone changes are therefore consistent with Goal 10.

Goal 11: Public Facilities and Services. To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding: Most of the properties are currently served or partially served with urban levels of water and sewer service from the City of Molalla (Exhibit C & D). Specifically, the 96 properties are served with water and sewer as follows:

Fully served with water and sewer	42
Partially served with one service	18
Developed with no service	16
Vacant or undeveloped	20 (Includes Pioneer Cemetery)

Currently, there are water and sewer mains located within a reasonable distance from all properties identified as part of this action. All properties are located within the infrastructure planning areas for the City of Molalla.

Conclusion: Based on the above findings, Staff concludes that the proposal is consistent with Statewide Planning Goal 11.

Goal 12: Transportation. To provide and encourage a safe, convenient, and economic transportation system.

OAR 660-012-0060 states as follows:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

The Council finds the island annexations will not “significantly affect” any transportation facilities. The decision neither changes the functional classification of a transportation facility nor does it change any standards implementing a functional classification system. This decision does not affect or amend the City’s TSP or any code provisions implementing the TSP. Therefore, if the decision does significantly affect a transportation system, it would mean the decision would either: (i) result in types or levels of travel or access that are inconsistent with a facility’s classification; (ii) result in the degradation of the performance of a facility projected to meet performance standards during the planning period; or (iii) result in the degradation of the performance of a facility not projected to meet performance standards during the planning period.

The City's TSP accounts for the islands and their development potential under City zoning. Therefore, the Council finds no inconsistency between the type of travel that will result from the islands and the classifications of the City's streets. In addition, the TSP did not predict that the islands, when annexed to the City and developed pursuant to City zoning, would degrade any transportation facility. Therefore, the Council finds the decision does not violate OAR 660-012-0060.

Finding: This action is not for the purpose of approving development activity and only includes the annexation and zone change to compliant zones for each of these properties. All properties are located within the UGB and have been included within the current Transportation System Plan as well as the unacknowledged Downtown Molalla Development and OR 211 Streetscape Plan. This action alone will not lead to a change in the existing level of service or otherwise have a significant impact on the transportation system.

Conclusion: Future development that includes providing access to the properties will be addressed by the City at the time a specific development proposal is reviewed. Based on the above finding, the annexation and zone change are consistent with Statewide Planning Goal 12.

Goal 13: Energy Conservation. To conserve energy.

Finding: Statewide Planning Goal 13 requires that land uses shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Properties included in this action are either currently or partially served with all forms of energy available within the Molalla UGB. The proposal is consistent with principles of efficient land use and energy efficiency.

Conclusion: The annexation and zone changes are consistent with Goal 13.

Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land use.

Finding: The 96 properties are all "urbanizable land" and located within the Molalla UGB and do not include any rural designated land based on Goal 14 language. Provisions of this Goal have been previously met through the acknowledgment of the City's UGA certifying compliance with Goal 14 and the ability to provide urban services

Conclusion: The annexation and zone changes are consistent with the purposes and intent of Statewide Planning Goal 14.

G. COMPLIANCE WITH CITY OF MOLALLA ZONE CHANGE CRITERIA

Section 19.7.300 (B) of the Molalla development Code (*Zone Changes*) provides the following criteria for approving a zone change:

1. *Approval of the request is consistent with the Statewide Planning Goals;*
2. *Approval of the request is consistent with the Comprehensive Plan;*
3. *The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*
4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding property which is the subject of the application; and*
5. *The amendment conforms to applicable administrative rules of the Oregon Land Conservation and Development Commission, including the transportation planning rules.*

The Council recognizes that this action is a Legislative Action and does not necessarily have specific criteria. However, quasi-judicial zone changes require the process as detailed above and provide guidance for a fully processed decision. Much of the criteria has been discussed previously and to reduce redundancy this document will refer to previous statements when applicable.

Criteria #1 Statewide Planning Goals: See Section II.

Criteria #2 Comprehensive Plan Consistency: The proposed zone changes conform to the Molalla Comprehensive Plan including both the map and written policies by virtue of the map amendments and zone changes occurring as part of this action. Each of these properties has been located within the Molalla UGB since the creation of the boundary and have been included as part of all full build out plans throughout the planning period.

Criteria #3 Public Facilities: The discussion under Section II Statewide Planning Goal 11 highlights this criteria as part of the Statewide Planning Goal section. But to reiterate the properties identified as part of this action are either fully served or partially served with existing city services including water, sewer, streets and storm drainage. The annexation and zone change by itself will not create any additional need for public facilities and services, subsequent development almost certainly will. However, the extent to which additional public facilities and services is required to serve the property will be determined at the time of development.

Criteria #4 Public Interest: The public interest regarding this matter is in the form of development consistency and equity. Highway 211/Main Street is the gateway to Molalla and varying development standards, enforcement and taxation has created an inconsistency for current city residents. This action will apply uniform development standards, enforcement and taxation throughout the developed City of Molalla.

Criteria #5 OAR Compliance: See Section II

Finding: The proposed annexation and zone changes for the 96 properties comply with provisions identified in the Molalla Development Code.

H. CONCLUSION

The City Council recognizes that the Planning Commissions found this proposal to be in compliance with the following decision criteria:

1. This proposal complies with Oregon Statewide Planning Goals.
2. Properties affected by this proposal can be adequately served by urban services.
3. This proposal complies with the Comprehensive Plan.
4. This proposal complies with applicable Oregon Administrative Rules.

Based on the foregoing findings the City Council concurs with the Planning Commission that the proposed action complies with the Statewide Planning Goals, can be served with urban levels of service, complies with the Molalla Comprehensive Plan and complies with applicable OAR's.

However, the City Council has chosen to modify the Planning Commission's recommendation to Council of the following:

1. **That Council GRANT a 10-year timeframe to connect to water and waste water services for those properties without water or sewer service and properties with one facility connection.**
2. **That Council consider a 10-year city property tax ramp-up period for residential properties without city water and sewer service and those residential properties with only one service.**

Following deliberation Council amended the Planning Commission's recommendations to reflect the following:

1. **Graduated taxes** – Based on legal information from the Clackamas County Assessor as well as Molalla legal counsel, variable graduated tax rates are not allowable. All properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.

4. **Fees** – The following fee scale shall be used for new water or sewer SDC hook-ups within the annexed area:
 - a. 0 months to 12 months from the date connections are available – No SDC fee
 - b. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - c. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.
5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure.

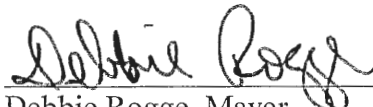
DECISION

The Molalla City Council **APPROVES** Island Annexation, Comprehensive Plan Amendment and Zone Changes identified in File No. P-6-14 and includes the following as part of their decision:

1. **Graduated taxes** – That all properties will fall into the statutory rate increase, if any, based on zoning and usage. Therefore, all properties will annex immediately and will be on the 2015 tax rolls with the exception of those zoned residential and in use as a residence, those properties will annex in 3 years (by State statute) unless the property sells and then it will annex immediately.
2. **Water and Sanitary Sewer hook-ups** – The City will require that properties without one or both water and sanitary sewer service have the hook-up to those services completed within five (5) years of the service becoming available.
3. **Available Service definition** – Available service will be defined as water and sewer service to the property owner's property line.
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 - d. 0 months to 12 months from the date connections are available – No SDC fee
 - e. 13 months to 36 months from the date connections are available – 50% of the SDC fee rate adopted by City Council at time of connection.
 - f. 37 months to 60 months from the date connections are available – 100% SDC fee rate adopted by City Council at time of connection.

5. **Utility Connection fees** (currently \$600 per utility) will not be waived. This fee is subject to change and the property owner will be assessed the adopted fee at time of connection.
6. **Well or Septic Failure** – Property owners will be required to hook-up to the respective water or sanitary sewer service upon individual well or septic system failure

DATED this 9th Day of July, 2014.



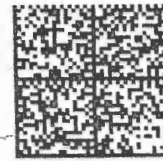
Debbie Rogge, Mayor



Sadie Cramer, City Recorder



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