AN ORDINANCE AFFIRMING THE CITY OF LEBANON'S LAND USE DECISION IN ORDINANCE BILL NO. 11 FOR 2003, ORDINANCE 2347; (MID-VALLEY- HEALTHCARE) AND MAKING FURTHER FINDINGS IN SUPPORT OF SUCH))))))))))))))))))))	ORDINANCE BILL NO. 7 For 2004 ORDINANCE NO. 2360
FINDINGS IN SUPPORT OF SUCH DECISION	<i>)</i> *	

WHEREAS; the City Council for the City of Lebanon passed Ordinance Bill Number 11 for 2003, Ordinance 2347, on June 25, 2003 which approved the annexation of that certain property described herein in Exhibit "A", which is incorporated here by this reference, assigning said property certain zoning; and

WHEREAS, said decision of the City Council was appealed to the Land Use Board of Appeals for the State of Oregon by James Just, LUBA Case Number 2003-106; and

WHEREAS, on June 25, 2004 the City of Lebanon filed notice with LUBA that it was withdrawing the decision that is the subject of said appeal for reconsideration for further proceedings by the City Council; and

WHEREAS, the City of Lebanon has received a submission by written request for annexation of real property to the City of Lebanon, signed by more than one-half of the land on the contiguous territory described in Exhibit "A", which real property represents more than one-half of the assessed value of all real property in the contiguous territory to be annexed; and

WHEREAS, the Lebanon City Council has elected to dispense with submitting the question of the proposed annexation to the electors of the City, initiating the annexation of the territory pursuant to ORS 222.120, calling a hearing and directing that notice be given as required by ORS 222.120(3); and

Page I - Ordinance Affirming Annexation

After Recording Please Return To: City of Lebanon Community Development Department 853 Main Street, Lebanon, OR 97355 WHEREAS, after conducting the hearing and considering all objections or remonstrances with reference to the proposed annexation, and further considering the recommendations of the Lebanon Planning Commission, the issues raised in the appeal of this matter in LUBA Case No. 2003-106, the City Council finds that this annexation is in the best interest of the City and of the contiguous territory.

NOW, THEREFORE, the City of Lebanon ordains as follows:

Section 1. Findings. In addition to the findings referred to above, the City Council further adopts and finds those matters contained in Exhibit "B", the findings of the Lebanon Planning Commission, which is incorporated herein by this reference as if fully set forth at this point. In addition thereto, the City Council also adopts and finds those matters contained in Exhibit "C", entitled "Findings" attached hereto and incorporated by this reference.

Section 2. Annexation Area. Based upon the findings contained above and in Exhibit "B", the contiguous territory described in Exhibit "A" and incorporated herein by this reference as if fully set forth at this point is hereby proclaimed, again, to be annexed to the City of Lebanon, Ordinance Bill Number 11 for 2003, Ordinance Number 2347 is hereby affirmed and the subject property is zoned as indicated in accordance with the Lebanon Zoning Ordinance No. 1773, assigned the zoning of Mixed Use (MU).

Section 3 Record. The City Recorder shall submit to the Oregon Secretary of State a copy of this Ordinance. The City Recorder is further ordered to send a description by metes and bounds, or legal subdivision, and a map depicting the new boundaries of the City of Lebanon within ten (10) days of the effective date of this annexation ordinance to the Linn County Assessor, Linn County Clerk and the Oregon State Department of Revenue, if required by said agencies as a result of this ordinance affirming the Council's prior decision. A copy of this ordinance shall also be filed with the Land Use Board of Appeals.

Passed by the Lebanon City Council by a vote of	4	for and	1	_ against and
approved by the Mayor this 27th day of October, 2004.			-	-

Ken Toombs, Mayor

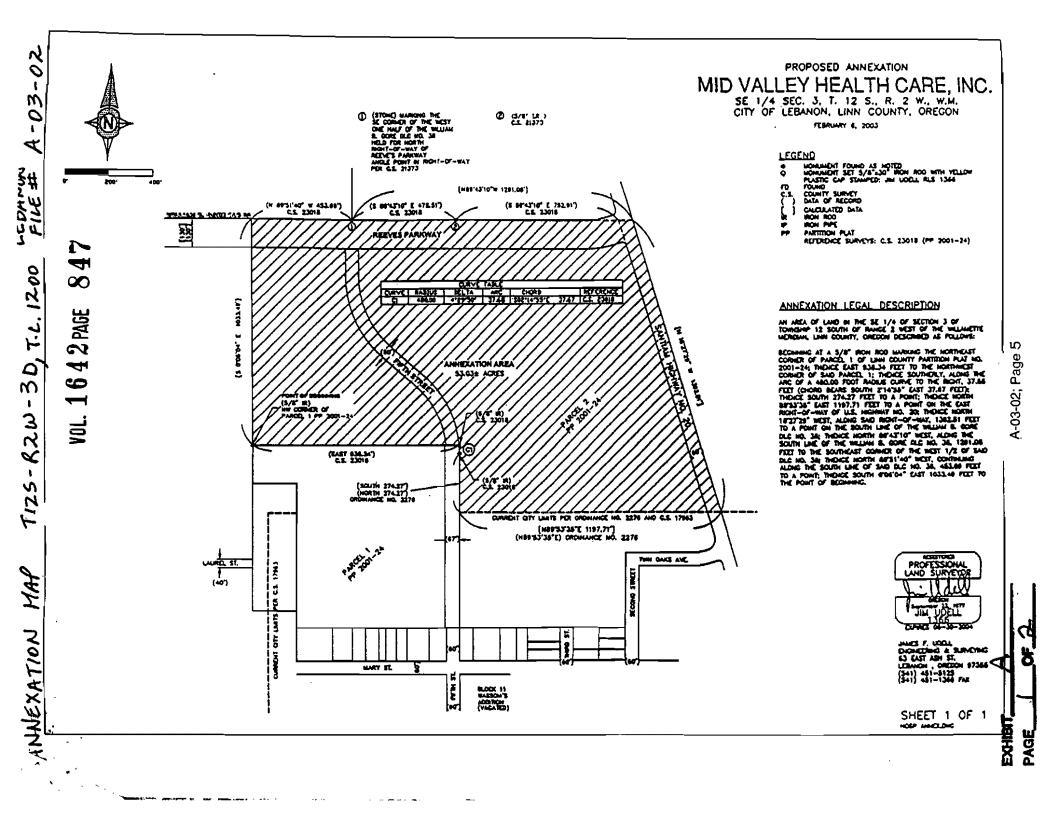
ATTEST:

John E. Hitt, City Recorder

I hereby certify that I am the City Recorder for the City of Lebanon, State of Oregon; that the foregoing is a full, true, correct copy of the original; and the Ken Toombs, whose signature appears on the original document, was at the time of signing the Mayor of the City of Lebanon.

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John E. Hitt, City Recorder



PROPOSED ANNEXATION

MID VALLEY HEALTH CARE, INC.

SE 1/4 SEC. 3, T. 12 S., R. 2 W., W.M. CITY OF LEBANON, LINN COUNTY, OREGON

FEBRUARY 6, 2003

LEGEND

- MONUMENT FOUND AS NOTED
- O MONUMENT SET 5/8"x30" IRON ROD WITH YELLOW PLASTIC CAP STAMPED: JIM UDELL RLS 1366
- FD FOUND
- C.S. COUNTY SURVEY
- () DATA OF RECORD
- [] CALCULATED DATA
- IR IRON ROD
- IP IRON PIPE
- PP PARTITION PLAT
 - REFERENCE SURVEYS: C.S. 23018 (PP 2001-24)

ANNEXATION LEGAL DESCRIPTION

AN AREA OF LAND IN THE SE 1/4 OF SECTION 3 OF TOWNSHIP 12 SOUTH OF RANGE 2 WEST OF THE WILLAMETTE MERIDIAN, UNN COUNTY, OREGON DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD MARKING THE NORTHEAST CORNER OF PARCEL 1 OF LINN COUNTY PARTITION PLAT NO. 2001-24; THENCE EAST 938.34 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 1: THENCE SOUTHERLY, ALONG THE ARC OF A 480.00 FOOT RADIUS CURVE TO THE RIGHT, 37.68 FEET (CHORD BEARS SOUTH 2'14'55" EAST 37.67 FEET); THENCE SOUTH 274.27 FEET TO A POINT; THENCE NORTH 89'53'35" EAST 1197.71 FEET TO A POINT ON THE EAST RIGHT-OF-WAY OF U.S. HIGHWAY NO. 20: THENCE NORTH 16'27'29" WEST, ALONG SAID RIGHT-OF-WAY, 1392.81 FEET TO A POINT ON THE SOUTH LINE OF THE WILLIAM B. GORE DLC NO. 38: THENCE NORTH 89"43"10" WEST, ALONG THE SOUTH LINE OF THE WILLIAM B. GORE DLC NO. 38, 1291.08 FEET TO THE SOUTHEAST CORNER OF THE WEST 1/2 OF SAID DLC NO. 38; THENCE NORTH 89'51'40" WEST, CONTINUING ALONG THE SOUTH LINE OF SAID DLC NO. 38, 453.69 FEET TO A POINT; THENCE SOUTH 0'06'04" EAST 1033.49 FEET TO THE POINT OF REGINNING.

EXHIBIT A
PAGE 2 OF 2

A-03-02; Page 6

Legal Description and Annexation Map (Page 1 of 2)

PLANNING COMMISSION FINDINGS

The Planning Commission based this recommendation on the following:

Criteria 1:

City Annexation Policy Section 1: Requires proof that urban services are available or can be made available to serve the property considered for annexation and that the additional demands that would be placed on those services will not overburden their present capacities.

Planning Commission Finding # 1:

The proposed annexation complies with City Annexation Policy, Section 1, in that services can be made available to serve the property. The subject site currently has City services available. Sanitary sewer is available via the recently constructed West Side interceptor passing through the southern portion of the property; thus, sewer lines could be extended throughout the subject property. City water service is available from water main lines along Highway 20, Reeves Parkway or Fifth Street. Storm drainage in this area is attended to by the large roadside ditch along Reeves Parkway which drains both to the north and west.

Criteria 2:

City Annexation Policy Section 2: States that public rights of way necessary for the safe and efficient movement of traffic, bicycles and pedestrians shall be provided with the annexation and without obligation to the City of Lebanon.

Planning Commission Finding # 2:

The proposed annexation complies with City Annexation Policy, Section 2, in that appropriate public right-of-way exist for the current use (a farmed field) and additional local street access will be provided as the property actually develops. Recent case law dictates that public right-of-way shall be dedicated at the time or juncture when the nexus or need is established by an actual development proposal. The subject property is bordered by ample rights-of-way to ensure safe and efficient movement of pedestrian and vehicular traffic. A 60-foot right-of-way exists along the entire east side of the property. A 130-foot right-of-way exists along the entire horth side of the property. A 60-foot right-of-way bisects the northwest quadrant of the property. Future public rights-of-way will be dedicated as per the eventual development of the subject property itself.

Criteria 3:

City Annexation Policy, Section 3: Specifies that parties involved in seeking the annexation or who may be included in the annexation shall initiate a program to upgrade any urban services and/or public facilities within the area considered for annexation that do not meet standards as may be established by the City of Lebanon.

Planning Commission Finding # 3:

The proposed annexation complies with City Annexation Policy, Section 3, in that the subject property is currently surrounded by major public infrastructure improvements and additional on-site public (and private) infrastructure improvements will be provided as the property actually develops. Recent case law dictates that such public infrastructure improvements shall be provided at the time or juncture when the nexus or need is established by an actual development proposal. Mitigation cannot be required until the impacts of an actual development proposal have been established.

Criteria 4:

City Annexation Policy, Section 4: States that no annexation shall be considered that does not conform with the Lebanon Comprehensive Plan and its goals and policies.

Planning Commission Finding # 4:

The proposed annexation complies with City Annexation Policy, Section 4, in that the property complies with Zoning Ordinance and Comprehensive Plan policies pertaining to the property and zoning. The submitted conceptual development strategy identifies possible future land uses that conform to the Comprehensive Plan and Zoning Map designations for the property.

EXHIBIT	B	
PAGE	OF	

Criteria 5:

City Annexation Policy, Section 5: States that it shall be the burden of proof of the applicant that a public need exists for the proposed annexation and that the annexation is in the public's interest.

Planning Commission Finding # 5:

The proposed annexation complies with City Annexation Policy, Section 5, in that a public need exists for land development opportunities that can take advantage of nearby major community facilities. The conceptual development strategy identifies single-family and multi-family residential developments to be developed adjacent to a new K-8 school and associated city park on vacant land currently in farm use. These residential developments also represent housing opportunities in immediate proximity to the hospital and affiliated medical offices and the nearby LBCC East Linn campus- all of these facilities being significant employment centers within walking distance of the residential development area. The conceptual development strategy identifies an area for professional offices that will complement the existing nearby hospital and medical offices. The conceptual development strategy identifies an area to be developed as independent senior housing that is well served being in proximity to the hospital, medical offices, and future commercial retail development. The conceptual development strategy identified commercial retail areas will serve existing nearby area businesses and employees (thus reducing needed travel on Highway 20) and will also likely provide shopping opportunities on the north end of town that currently do not exist again thereby reducing the demand on primary travel routes (Highway 20) into and through the downtown and middle of the city. Other benefits include: Bringing Reeves Parkway and 5th Street, both city streets, into the City limits; Bringing city waterlines along Highway 20, Reeves Parkway and 5th Street into the City Limits; Creating the opportunity for the full city standard improvement of 5th Street north of Mary Street as the subject property/ annexation territory subsequently develops.

Criteria 6:

Urbanization Element of the Comprehensive Plan, Phased Growth Program, Policy #1 (page 4-P-1): States that . . . the City shall maintain a compact growth pattern that expands the City limits incrementally in an orderly and efficient manner within the service capabilities of the City.

Planning Commission Finding # 6:

The proposed annexation complies with Comprehensive Plan Urbanization Element, Phased Growth Program, Policy #1, (page 4-P-1) in that it would be an orderly and efficient expansion of City limits within City service capabilities. The properties immediately south, southwest, and east southeast are all within the current City limits. Most of the area to the west and northwest is within the City limits including the whole northwest quadrant of the City's Urban Growth Boundary. This annexation is immediately adjacent to or near three major community facilities, namely the hospital, Pioneer School and the LBCC East Linn campus. Therefore, this annexation represents a timely infill opportunity that will result in a compact growth pattern that expands the City limits incrementally in this area of the City while complementing adjacent major community facilities.

Criteria 7:

Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2): States that...the City shall annex land only within the Urban Growth Boundary on the basis of findings that support the need for additional developable land in order to maintain an orderly, compact growth pattern within the City's service capability.

Planning Commission Finding # 7:

The proposed annexation complies with Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2) in that a public need exists for land development opportunities that can take advantage of nearby major community facilities. The conceptual development strategy identifies single-family and multi-family residential developments to be developed adjacent to a new K-8 school and associated city park on vacant land currently in farm use. These residential developments also represent housing opportunities in immediate proximity to the hospital and affiliated medical offices and the nearby LBCC East Linn campus- all of these facilities being significant employment centers within walking distance of the residential development area. The conceptual development strategy identifies an area for professional offices that will complement the existing nearby hospital and medical offices. The conceptual development strategy identifies an area to be developed as independent senior housing that is well served being in proximity to the hospital, medical offices, and future commercial retail development. The conceptual development strategy identified commercial retail areas will serve existing nearby area businesses and employees (thus reducing needed travel on Highway 20) and will also likely provide shopping opportunities on the north end of town that currently do not exist again thereby reducing the demand on primary travel routes (Highway 20) into and through the downtown and middle of the city.

The proposed annexation also complies with Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2) based on the following factors:

- First, the proposed annexation is within the City's Urban Growth Boundary.
- Second, the need exists for land that can be developed for a wide range of uses, including commercial and light industrial uses. Particularly these later two uses will bring much needed opportunities to the community for new jobs. The additional land that may also be allocated to residential development would help ensure that need for residential land is met (as per the 1995 "Periodic Review Work Program - Multi-Family Residential"). Other benefits include:
 - Bringing Reeves Parkway and 5th Street, both city streets, into the City limits;
 - Bringing city waterlines along Highway 20, Reeves Parkway and 5th Street into the City Limits;
 - Creating the opportunity for the full city standard improvement of 5th Street north of Mary Street as the subject property/ annexation territory subsequently develops.
- Third, the proposed annexation promotes an orderly, compact growth pattern in that the areas immediately south, southwest, and east southeast are all within the current City limits. Most of the area to the west and northwest is also within the City limits, including the whole northwest quadrant of the City's Urban Growth Boundary.

Fourth, the proposed annexation territory uniquely represents a supply of strategically located vacant in an area developed with major community facilities thereby satisfying the need for additional developable land near these facilities in order to maintain an orderly, compact growth pattern within the City's service capability.

Criteria 8:

Urbanization Element of the Comprehensive Plan, Annexation Policy #3 (page 4-P-2): States that Unless otherwise approved by the City, specific development proposals shall be required for annexation requests on vacant land adjacent to the City to insure completion within a reasonable time limit in conformance with a plan approved by the City.

Planning Commission Finding # 8:

The proposed annexation complies with Urbanization Element of the Comprehensive Plan, Annexation Policy #3 (page 4-P-2). The applicant has provided a conceptual development strategy or plan for the development of subject property. Possible developments identified by the applicant as part of a conceptual development strategy include commercial/retail, professional offices, single-family and multifamily housing, independent senior housing, and open space areas, as well as interconnecting streets (& corresponding right-of-ways) and infrastructure improvements. The conceptual development strategy identifies uses that comply with the Comprehensive Plan and Zoning Ordinance and that can be served by existing and proposed public and private infrastructure improvements in the area.

Criteria 9:

Public Facilities and Services Element of the Comprehensive Plan, General Policy #2 (page 8-P-1): States that the City shall consider impacts on community facilities before ... annexation requests are approved.

Planning Commission Finding # 9:

The proposed annexation complies with Comp. Plan Public Facilities and Services Element, General Policy #2, (page 8-P-1) in that the annexation will not result in an adverse impact on community facilities.

Criteria 10:

Zoning Ordinance Section 3.050 – Zoning of Annexed Areas: All areas annexed to the City shall be placed in a zoning classification in accordance with the adopted Comprehensive Plan. If a zoning designation other than one in accordance with the Comprehensive Plan is requested by an applicant, the zoning requested shall not be granted until the plan is amended to reflect concurrence.

Planning Commission Finding # 10:

This proposed Annexation is in compliance with Zoning Ordinance Section 3.050. Currently the subject property does not have a City zoning designation because it is not within the City limits. However, since the property is within the City's Urban Growth Boundary, the current Comprehensive Plan designation on the subject property is Special Development District. The corresponding City zoning designation for a Comprehensive Plan designation of Special Development District is Mixed Use (MU). The applicant is requesting a Mixed Use (MU) zoning designation for the subject property.

Criteria 11 and 12:

City of Lebanon/Linn County - Urban Growth Management Agreement

- 11. Section 2: Delineation of Authority in the Urban Growth Area (UGA), 2nd paragraph:

 The Lebanon Comprehensive Plan designates the future city zoning UGA lands will receive upon annexation to the City.
- 12. Section 5: Annexations

The UGA identifies land that may be subject to future City annexation. The City may annex land using its own procedures in accordance with state law. Only land within the UGA will be considered for annexation. The City will notify the County of any proposed annexations. Upon annexation, the City assumes all jurisdiction for land use actions.

Planning Commission Finding # 11:

The City's annexation review procedures on annexation request File # A-03-02 have complied with the City of Lebanon/Linn County Urban Growth Management Agreement, Sections 2 and 5 regarding city authority to annex lands within the urban growth area and assign city zoning in accordance with the Lebanon Comprehensive Plan Map.

FINDINGS

Findings Applicable to all Criteria

In previous Lebanon annexation proceedings, the Land Use Board of Appeals (LUBA) stated that a specific development proposal is necessary to determine if the annexation will comply with the Comprehensive Plan and whether there is a general ability to serve the subject property with the City infrastructure. There is no requirement in the City's ordinances or policies for an annexation applicant to submit a specific development proposal. Such a proposal is only necessary in delayed annexations. The opponents in the previous annexation proceedings incorrectly cited this requirement, which was adopted by LUBA. The differences between a delayed annexation and the normal annexation process were submitted into this record so that no confusion will result in this annexation. A delayed annexation involves an agreement between the City and County to annex property in the future and permits urban uses prior to actual annexation. That is the purpose in approving a site development plan. A regular annexation does not address site development because no development will occur until after annexation.

While the City does not require the submission of a specific development proposal, applicant has submitted such a proposal in case there is continued confusion during this annexation. The specific development plan itself is non-binding and has no relevance with regard to the development that will actually occur on the site. A site development process flow chart was submitted into the record to show the process that will be followed when the property is developed. That procedure will address all impacts and necessary improvements to address those impacts at the time of development. Because impacts will not be known until the time of development, the City cannot require improvements at the time of annexation.

In addition to the findings contained herein and the evidence presented during this proceeding, the City relies on those findings made when this application was previously considered in June 2003.

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Criterion 1:

City Annexation Policy Section 1: Requires proof that urban services are available or can be made available to serve the property considered for annexation and that the additional demands that would be placed on those services will not overburden their present capacities.

Findings #1:

The proposed annexation complies with City Annexation Policy, Section 1, in that urban services can be made available to serve the property. The subject site currently has urban services available, but not connected. Sanitary sewer is available via the recently constructed West Side interceptor passing through the southern portion of the property; thus, sewer lines could be extended throughout the subject property. City water service is available from water main lines along Highway 20, Reeves Parkway or Fifth Street. The specific development plan would add only a relatively small increase to the total community need for such services as solid waste removal, communications, and electricity. The private vendors of such services have indicated that they can provide services to the subject property.

Improvements planned for Reeves Parkway and Highway 20, abutting the subject property, will be able to accommodate the transportation demands from the annexation and the subsequent development. In July of 2002, the Oregon Department of Transportation ("ODOT") approved, and the City of Lebanon later signed, an agreement to make improvements to Highway 20 between Reeves Parkway and the railroad tracks near Industrial Way. The City Council takes official notice of that agreement, which was an official act of the City. A newspaper article from the Lebanon Express outlines the project and was submitted by Applicant. Also considered was the Project Identification & Summary for the Highway 20 improvements provided by the City staff. Highway 20 and Reeves Parkway are major roadways that abut the property to the east and north respectively. These improvements are stated to occur in 2005.

The proposed project will include turn lanes, sidewalks, and highway shoulders suitable for bicycle use on both Highway 20 and Reeves Parkway. It also will improve potential traffic congestions along Highway 20 and Reeves Parkway and improve safety conditions, including safety for pedestrian and bicycle uses.

According to City of Lebanon meeting notes with ODOT conducted on January 31, 2003, the purpose of the project is to improve many urban services. Among them, the project will construct an urban section, including a center-turn lane at Reeves Parkway and curbs, sidewalks, shoulders and storm drainage improvements between Reeves Parkway and Santiam Railroad in Lebanon.

Applicant has been working with ODOT to ensure that all transportation concerns are addressed. Applicant has already determined to relocate primary access to its facilities to minimize impacts on Highway 20 and enhance highway operations. One of the proposed improvements to Highway 20 includes a traffic signal to allow safe pedestrian traffic across Highway 20, which is a current concern, and improve access to the highway. This signal will also act as a partial solution to other traffic problems; both north and south of the signal, by managing traffic flow.

The ODOT project will require Applicant to dedicate additional right of way along the west side of Highway 20 to allow room for improvements. Applicant has indicated a willingness to make such a dedication. ODOT has made it clear, via a letter that is in the record, that this annexation will not have a significant impact on Highway 20 capacity and that the improvement project will be adequate for any additional burden. In fact, ODOT states that the annexation will facilitate coordinated development of the subject property and the Highway 20 improvement project. ODOT's determination was specifically based on a review of applicants' specific development proposal.

The City engineer submitted transportation information and testimony into the record. That evidence, submitted by a certified, qualified professional, shows that City streets will be adequate to meet increased demand. The evidence shows specific traffic projections for 5th Street and Reeves Parkway, which show peak traffic at well below capacity. In addition, no consideration was given to the reduction in traffic on other burdened roads that may result from the location of this potential development and resulting services that may now be provided on the north side of the City.

No evidence was submitted that contradicted the expert testimony and documentary evidence that was submitted into the record. The only opponent, Jim Just, provided no evidence or facts supporting his allegations that the City has failed to adequately address impacts of the annexed property. Mr. Just repeatedly states that he just wants all impacts to be addressed. However, not all impacts can be shown in detail because applicant has not applied for any approvals for permits. In fact, Applicant's architect made it clear in the Conceptual Campus Development Plan that there must be further discussions with the City to ascertain a clear direction for the development, to ensure it maximizes benefits to the community. Mr. Just provided no qualifications or expertise that qualified him to question the City's transportation plan or other expert data in the record. Mr. Just provided no data that he was relying on and did not indicate where any of his data was obtained, despite repeated requests by the Mayor for such information. It was determined that Mr. Just's testimony was not credible.

The state Transportation Planning Rule (TPR) does not apply to a project identified by ODOT, which shall occur in a manner pursuant to ODOT statutes. OAR 660-012-0050. The Highway 20 project is already being planned and takes into consideration the proposed annexation and potential development. Therefore, there are no issues for the City to determine with regard to state transportation as it effects this annexation, because any such issues have been addressed by ODOT.

Further, the TPR must be addressed only if the City makes amendments to functional plans, its Comprehensive Plan, or land use regulations which significantly affect a transportation facility. OAR 660-012-0060. Such amendments shall assure that the allowed land uses are consistent with identified function, capacity, and performance standards. This annexation is not making any amendments to the City's functional plans, Comprehensive Plan; or land use regulations: In addition, this annexation will have no significant effect on any transportation facility. There can be no such effect until there is an application for development permits. Nowhere do the administrative rules mention annexation as implicating the transportation planning rule. In fact, the TPR clearly encourages the type of mixed use, pedestrian friendly development shown in the non-binding development plan. OAR 660-012-0060(5). Because the TPR does not apply to

this annexation, there is no purpose in setting conditions on the annexation that will ensure compliance with the rule, despite the unqualified urgings of Mr. Just.

Even were Mr. Just correct, that the TPR must be addressed for an annexation, the expert testimony clearly indicates that the annexation of the subject property will have no significant effect on the community's traffic burden. Based on this evidence, no further analysis is required under the TPR. Taking the analysis of significant effect one step further, the City has repeatedly made clear that approval of any development on the subject property will be granted only upon finding at that time that transportation facilities are adequate or will be made adequate in a timely manner. Any allowed development must be consistent with the function, capacity and performance standards of the effected transportation facilities. Land use case law has made it clear that restricting development that will impact a transportation facility until the facility is improved is sufficient to ensure compliance with the TPR. Again, there can be no development on the subject property, even after annexation, until the impacts of the specific development are addressed.

Storm drainage in this area is attended to by the large roadside ditch along Reeves Parkway which drains both to the north and west. The ODOT project contemplates future improvements to the City drainage system along Highway 20 and Reeves Parkway. The modernization project will include significant storm drainage improvements that will serve the Applicant's property

The previous City engineer, Allen Dannen, noted in the public hearing before the Lebanon City Council in 2003 that, in his professional opinion, urban drainage facilities may be made available to accommodate the annexation and future development of the site. Jim Ruef, Public Work's Director, makes it clear that the drainage ditch located on the south side of Reeves Parkway has capacity to carry off runoff from the subject property. City engineers previously identified that the hospital and subject property have "a well-developed drainage system" to accommodate further development. The Applicant's engineer stated that the existing storm drainage system on the hospital property is adequate to serve the subject property, as is the City infrastructure, and there is sufficient fall between the subject property and hospital property to allow drainage to utilize the existing system. Doug Parker, the Community Development Manager, also discussed the hospital's onsite system, its ability to handle storm water from the subject property, and the requirement for the subject property to show that discharge of storm water will not be at a higher rate if development of the property is approved.

The only opponent to the application, Jim Just, claims there is a problem with drainage on the subject property. Mr. Just acknowledged that there is a feasible solution. This admission means that this criterion would be met even without the professional opinions and evidence showing that there are adequate drainage facilities for the subject property. If there is a problem, and a feasible solution, the proper time to require such a solution is at the time development permits are sought. In fact, Mr. Just stated that the City only need find that urban services can be provided. He acknowledged that such services do not need to be provided now. There is no dispute on that matter. No case law exists addressing the requirement of such tools as drainage easements at the time of annexation. In fact, such drainage easements, when necessary and when addressed in cases, are required at the time of development.

Jim Just testified in favor of another annexation proposal the same evening as the current application. One of the issues addressed in that application was that development of the property will provide the means to correct and increase drainage capacity. There is no such drainage problem in this application or with the subject property, yet Mr. Just does not speak in favor of the application on this issue. Mr. Just provides no evidence contradicting the professional testimony and the City Council finds that his testimony is not credible.

Additionally, in a January 31, 2003 meeting between the City's Administrator, Public Works Director, Engineer and ODOT, the option to transmit drainage across the east side of the City of Albany's water-supply and power canal that runs east of the property to a slough called "Hospital Slough" east of the canal was outlined. In addition, in October 2004 meetings between the City, ODOT and Applicant, the possibility of using the hospital's drainage system to assist in carrying drainage from Highway 20 on behalf of ODOT was discussed. These options demonstrate that the urban drainage system are or can be made available to serve the annexed property.

The police and fire departments have confirmed that they will be able to provide services for this annexation territory. Library services can accommodate the proposed annexation and conceptual development. It should be added that City police, fire, and library services already serve the property. Therefore, the annexation of the property has no adverse impact on these City urban services and community facilities. A new K-8 school with a City park is adjacent to the subject property and will be able to serve educational and recreational needs of potential future residents of this annexation area.

As stated by City staff, the City Council, and the attorney for Applicant, it is not possible to address all of the specific impacts on drainage, traffic, or any other urban services, until the exact development that will occur on the annexed property is known. Calculating these impacts is a specific mathematical process that cannot be undertaken until the time of development when the variables will be better known. That is the purpose of the multi-level approval process followed by the City of Lebanon. It is enough to show that the services can be made available and will not overburden the facilities.

Criterion 2:

City Annexation Policy Section 2: States that public rights of way necessary for the safe and efficient movement of traffic, bicycles and pedestrians shall be provided with the annexation and without obligation to the City of Lebanon.

Findings # 2:

The proposed annexation complies with City Annexation Policy, Section 2, in that appropriate public right-of-way exists for the current use (a farmed field) and additional local street access will be provided as the property actually develops. There will be no impact as a result of this annexation itself. Case law dictates that public right-of-way shall be dedicated at the time or juncture when the nexus or need is established by an actual development proposal. The development proposal required by LUBA in this annexation is a non-binding proposal.

The subject property is bordered by ample rights-of-way to ensure safe and efficient movement of pedestrian and vehicular traffic. A 60-foot right-of-way exists along the entire east side of the property. A 130-foot right-of-way exists along the entire north side of the property. A 60-foot right-of-way bisects the northwest quadrant of the property. Future public rights-of-way will be dedicated as per the eventual development of the subject property itself. Such dedications are already being discussed with ODOT and plans are being made by ODOT for necessary improvements.

Public rights of way serving the annexed property will provide for the safe and efficient movement of traffic, bicycles and pedestrians. Improvements to Hwy 20, paid for by ODOT, will include sidewalks, dedicated turn lanes, and shoulders large enough to accommodate bicycles. The modernization project is designed specifically to improve safety conditions for vehicles, bicycles, and pedestrian while relieving traffic congestion. Improvements to 5th Street will be required, and include concrete sidewalks for safe pedestrian travel. This is important for schools and employers.

No evidence or testimony was submitted in opposition to these findings and no argument was made that Criterion 2 was not met.

Criterion 3:

City Annexation Policy, Section 3: Specifies that parties involved in seeking the annexation or who may be included in the annexation shall initiate a program to upgrade any urban services and/or public facilities within the area considered for annexation that do not meet standards as may be established by the City of Lebanon.

Findings # 3:

The proposed annexation complies with City Annexation Policy, Section 3, in that the subject property is currently surrounded by major public infrastructure improvements and additional on-site public (and private) infrastructure improvements will be provided as the property actually develops. Case law dictates that such public infrastructure improvements shall be provided at the time or juncture when the nexus or need is established by application for development permits. Currently, the available urban services and public facilities available to serve the property are sufficient to meet the needs of the proposed development plan. As the plan is implemented, the applicant will be required to improve the urban services and public facilities on site to City standards prior to any development. At that time, the actual development of the property will be clear and the impacts can be addressed in specific detail.

The city also relies upon the findings under Criterion 1 in support of this criterion. No credible evidence was submitted to contradict the testimony and evidence submitted by qualified professionals.

Criterion 4:

City Annexation Policy, Section 4: States that no annexation shall be considered that does not conform with the Lebanon Comprehensive Plan and its goals and policies.

Findings # 4:

The proposed annexation complies with City Annexation Policy, Section 4, in that the property complies with Zoning Ordinance and Comprehensive Plan policies pertaining to

the property and zoning. The submitted conceptual development plan identifies possible future land uses that conform to the Comprehensive Plan and Zoning Map designations for the property. This annexation is in conformity with all Comprehensive Plan policies and goals applicable to this annexation and is not in conflict with any other Comprehensive Plan goal or policy. The findings under Criterion 7 are also applicable to some extent to this criterion.

LUBA has previously stated that if all other criteria are met, Criterion 4 is also met. The City has found that all other criteria were met.

Criterion 5:

City Annexation Policy, Section 5: States that it shall be the burden of proof of the applicant that a public need exists for the proposed annexation and that the annexation is in the public's interest.

Findinas # 5:

The proposed annexation complies with City Annexation Policy, Section 5, in that a public need exists for land development opportunities that can take advantage of nearby major community facilities and provide needed facilities and services on the north side of the City. The proposed development plan identifies single family and multi-family residential developments, adjacent to a new K-8 school and an associated city park. residential developments would present housing opportunities in immediate proximity to the hospital, affiliated medical offices, the nearby LBCC East Linn campus (all of these facilities being significant employment centers within walking distance of the residential development area), and future commercial development. The development plan provides for professional offices that will complement the existing nearby hospital and medical offices, as well as senior housing that will be in proximity to the hospital, medical offices, and future commercial retail development. The future commercial retail development will serve existing nearby area businesses and employees, thus reducing travel that is currently necessary on Highway 20, and will provide shopping opportunities on the north end of town that do not currently exist, again thereby reducing the demand on primary travel routes into and through the downtown area and middle portion of the City.

Other benefits include:

- Bringing Reeves Parkway and 5th Street, both city streets, and Hwy. 20 into the City limits;
- Bringing city waterlines along Highway 20, Reeves Parkway and 5th Street into the Gity Limita;
- Creating the opportunity for the full city standard improvement of 5th Street north of Mary Street as the subject property/ annexation territory subsequently develops.

The architect for Applicant made it clear that the current site of the hospital cannot house all ongoing operations and services, along with expansion of training and offices, without additional property. Not annexing this property, and thereby denying the hospital the opportunity to provide expanded, state-of-the-art healthcare to the community is a threat to the economic welfare of the community and the availability of healthcare to local citizens.

The findings under Criterion 7 are also applicable to this criterion.

Critterion 6:

Urbanization Element of the Comprehensive Plan, Phased Growth Program, Policy #1 (page 4-P-1): States that . . . the City shall maintain a compact growth pattern that expands the City limits incrementally in an orderly and efficient manner within the service capabilities of the City.

Findings #6:

The proposed annexation complies with Comprehensive Plan Urbanization Element, Phased Growth Program, Policy #1, (page 4-P-1) in that it would be an orderly and efficient expansion of City limits within City service capabilities. A compact growth pattern means to expand the boundaries of the City in a rational, incremental manner that will allow the development of annexed property to urban standards within the limits of City services. In other words, if Criterion 1 is met, the application goes a long way towards meeting this criterion.

The properties immediately south, southwest, and east southeast are all within the current City limits. Most of the area farther beyond the immediately abutting properties to the west and northwest is within the City limits including the whole northwest quadrant of the City's Urban Growth Boundary. This annexation is immediately adjacent to or near three major community facilities, namely the hospital, Pioneer School and the LBCC East Linn campus. Therefore, this annexation represents a timely infill opportunity that will result in a compact growth pattern that expands the City limits incrementally in this area of the City while complementing adjacent major community facilities. The findings under Criterion 7 are also applicable to this criterion.

Criterion 7:

Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2): States that...the City shall annex land only within the Urban Growth Boundary on the basis of findings that support the need for additional developable land in order to maintain an orderly, compact growth pattern within the City's service capability.

Findings # 7:

The proposed annexation complies with the Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2) in that a public need exists for land development opportunities that can take advantage of nearby major community facilities. The conceptual development plan identifies single-family and multi-family residential developments to be developed adjacent to a new K-8 school and associated city park on vacant land currently in farm use. These residential developments also represent housing opportunities in immediate proximity to the hospital and affiliated medical offices and the nearby LBCC East Linn campus, all of these facilities being significant employment centers within walking distance of the residential development area. The conceptual

development plan identifies an area for professional offices that will complement the existing nearby hospital and medical offices. The conceptual development strategy identifies an area to be developed as independent senior housing that is well served being in proximity to the hospital, medical offices, and future commercial retail development. The conceptual development plan identified commercial retail areas that will serve existing nearby area businesses and employees (thus reducing needed travel on Highway 20) and will also likely provide shopping opportunities on the north end of town that currently do not exist, again thereby reducing the demand on primary travel routes (Highway 20) into and through the downtown and middle of the city.

The proposed annexation also complies with Urbanization Element of the Comprehensive Plan, Annexation Policy #1 (page 4-P-2) based on the following factors:

- First, the proposed annexation is within the City's Urban Growth Boundary.
- Second, the need exists for land that can be developed for a wide range of uses, including commercial and light industrial uses. Particularly these latter two uses will bring much needed opportunities to the community for new jobs. The additional land that may also be allocated to residential development would help ensure that need for residential land is met (as per the 1995 "Periodic Review Work Program Multi-Family Residential").
- Third, the proposed annexation promotes an orderly, compact growth pattern in that
 the areas immediately south, southwest, and east southeast are all within the current
 City limits. Most of the area farther beyond the immediately abutting properties to the
 west and northwest is also within the City limits, including the whole northwest
 quadrant of the City's Urban Growth Boundary.
- Fourth, the proposed annexation territory uniquely represents a supply of strategically located vacant land in an area developed with major community facilities thereby satisfying the need for additional developable land near these facilities in order to maintain an orderly, compact growth pattern within the City's service capability.
- Fifth, other benefits include:
 - Bringing Reeves Parkway and 5th Street, both city streets, into the City limits;
 - Bringing city waterlines along Highway 20, Reeves Parkway and 5th Street into the City Limits;
 - Creating the opportunity for the full city standard improvement of 5th Street north of Mary Street as the subject property/ annexation territory subsequently develops.

in its Commercial Lands Study and Highway Access Plans prepared by the City in 1995 ("1995 Study") as part of its periodic review process for its Comprehensive Plan, the City identified the subject property as suitable for annexation. The City adopted the proposed amendments to the Comprehensive Plan contained in the 1995 Study. The 1995 Study was submitted into the Record and considered by the City Council.

In the 1995 Study, the City recognized that this property "has been in a 'holding pattern' waiting for development." As early as 1995, the City recognized that the applicant's property is ideal as a mixed use zone development potential. The site was chosen as an ideal site for development because, among other things, (1) there are very few large

commercial sites currently available for development or re-development in the City, (2) that the site is ideal for commercial development because of its proximity to the highway and transportation facilities, and (3) because of its proximity to the highway, hospital, and nearby industrial areas make it ideal for the placement of both commercial and residential uses. Consequently, the 1995 Study already demonstrates that annexation of the property is in the public interest.

Additionally, the 1995 Study demonstrates that mixed use zoning and future annexation of the subject property are consistent with the goals and policies of the Lebanon Comprehensive Plan ("LCP"). The City found the zoning and development of the property is consistent with the LCP under the following policies:

- 1. LCP, Land Use Element, Residential Land Use Section, Policy #1
- 2. LCP, Land Use Element, Residential Land Use Section; Policy #5:
- 3. LCP, Land Use Element, Commercial Land Use Section, Policy #8
- 4. LCP, Land Use Element, Commercial Land Use Section, Policy #10
- 5. LCP, Land Use Element, Transportation Element, Streets & Highways Section, Policy #9.

The zoning and development goals of the property were adopted into the LCP in 1995. No objections or challenges were made to these findings at that time and they cannot be challenged now. Those findings are adopted by the City Council. The annexation of the subject property is wholly consistent with these prior findings because annexation enables the City to actualize the goals and policies outlined in the 1995 Study.

The Study found that the zoning furthered the LCP, Land Use Element, Residential Land Use Section, Policy #1, in that it provided for "compact residential development to provide more efficient land utilization and to reduce the cost of housing, public facilities, and services." The Study also found that the zoning furthered LCP, Land Use Element, Commercial Land Use Section, Policy #10, in that the commercial development would be constructed: "as: compact centers: rather than: scattered: along: roadways: or mixed: in: with: noncommercial uses that would conflict." Therefore, the annexation of the subject property is wholly consistent with these prior findings:

The Community Development Manager gave his professional opinion that it is not just what is in the land's inventory that allows the City to determine its needs. It is clear that there is a need for additional residential housing and commercial property for development. In the local multiple listing service, there were only 3.25 acres of residential land on the market in July of 2004. At that same time, there were 3.55 acres of commercial property available. None of these properties would be sufficient to allow a development similar to what is proposed by the applicant. This annexation application is a unique opportunity to serve the needs of expanding the hospital; educational services and opportunities, and provide for the healthcare needs of the community.

The Applicant has had great success with its training programs, to the point that it is turning qualified applicants away due to space constraints. It is necessary to provide additional physical space to allow the training programs to continue to grow. This will assist in recruiting healthcare workers and educators to Lebanon, and will also contribute to the local economy. The additional space for the healthcare facilities will also provide many jobs; in addition to the training facilities; and those jobs pay a wage higher than the average in Linn County. It ensures that those wages are kept local, rather than having to be sent to another location in the Williamette Valley. The well-trained work force helps to broaden the economic base of the community, as well as filling a need for professions that are currently suffering labor shortages. As a corollary, it also ensures accessible healthcare to local residents, rather than forcing them to travel for necessary care.

This annexation and resulting development will allow for educational opportunities beyond high school for local residents. It will also result in an increased need for an educated work force, as a result of the employment opportunities. This development does not merely provide post high school jobs, but provides local career opportunities. The increased quality of the workforce and available training, along with expanded facilities, will also assist in recruiting professionals; particularly doctors. There has been a significant loss of specialty physicians in the area over the last fifteen years. This hurts the services provided to local residents and is financially damaging to the hospital because it eliminates surgical capabilities. A loss of financial resources also means there is less money available for senior care due to cutbacks in government services. This annexation will allow additional sources of income for the hospital so that it may continue providing services to those in needs.

There will be a conference center as part of the proposed development, which has a strong link to growth potential for the City of Lebanon. A conference center can be the focal point in attracting new business and income to the community, including hotels and tourists. It will be available for public use without any City funding for construction.

The Lebanon Hospital has seen significant expansion and updating of services during the past five years. This expansion and updating of the level of service must continue to ensure competitiveness in healthcare, educational opportunities, and recruiting. Failure to do so will result in an inability to attract quality employees and provide adequate service to the community. As stated by applicant's architect, it is clear that the available property will not hold all ongoing services, training, and offices based on necessary expansion. The projected population growth of 28% over the next 20 years requires substantial expansion of hospital facilities. The existing hospital space of 121,150 square feet must grow to over 200,000 square feet over the next 40 years. These projects for expansion have already been planned by the hospital, but cannot move forward without this annexation. Failure to move forward at this time will result in losing all of the benefits of the expansion and will permanently drive those jobs, opportunities, and services to other locations in the Willamette Valley.

There is currently a shortage of development on the north side of the City. The proposed development can address this shortage and will allow people to eat or shop without

driving from the hospital area. This will reduce the traffic load through the downtown area to the south side of the City.

Jim Just stated that the multiple listing methodology used by the City to show a need for residential property is unacceptable, without an explanation of why it is not a proper consideration. Mr. Just agreed that there is a need for an expansion of the hospital facilities, but determined that Applicant must further develop the facts relied upon. When asked what needs were not addressed, Mr. Just merely stated that "we" are not satisfied. He did not address any particular shortcomings. Based on Mr. Just's testimony, it is clear that there is a need for this annexation and he failed to clarify any particular details that were inadequate to show this need. Mr. Just provided no information to contradict the expert testimony and evidence in the record and the City Council finds that his testimony is not credible.

The findings under Criterion 5 are also applicable to this criterion.

Criterion 8:

Urbanization Element of the Comprehensive Plan, Annexation Policy #3 (page 4-P-2): States that Unless otherwise approved by the City, specific development proposals shall be required for annexation requests on vacant land adjacent to the City to insure completion within a reasonable time limit in conformance with a plan approved by the City.

Findings # 8:

The proposed annexation complies with Urbanization Element of the Comprehensive Plan, Annexation Policy #3 (page 4-P-2), in that the applicant has provided a non-binding specific development strategy or plan for the development of the subject property, as required by LUBA. The City once again finds that there is no requirement pursuant to the criteria for such a development plan and this is purely a LUBA created criterion. Such a plan is only required if the City deems it so for conventional annexations, although such a plan is always required for delayed annexations. Possible developments identified by the applicant as part of a conceptual development strategy include commercial/retail, professional offices, single-family and multi-family housing, independent senior housing, and open space areas, as well as interconnecting streets (& corresponding right-of-ways) and infrastructure improvements. The conceptual development strategy identifies uses that comply with the Comprehensive Plan and Zoning Ordinance and that can be served by existing and proposed public and private infrastructure improvements in the area. Any additional details regarding the proposed development plan will be properly addressed during the permitting phases of development, pursuant to the City's two-phase process for annexation and development. The adequacy of urban services was determined by referring to the proposed development plan.

Criterion 9:

Public Facilities and Services Element of the Comprehensive Plan; General Policy #2 (page 8-P-1): States that the City shall consider impacts on community facilities before ... annexation requests are approved:

Findinas #9:

The proposed annexation complies with Comprehensive Plan Public Facilities and Services Element, General Policy #2, (page 8-P-1) in that the annexation will not result in an adverse impact on community facilities, as the property is currently vacant and therefore will not have an impact upon community facilities until developed. It has been determined that, upon development, the street, water, sewer, and storm drainage infrastructure improvements to support the types of development identified for the site are feasible. The types of proposed development, identified in Finding #8 above, are typical of developments in the Mixed Use zone, and hence these uses have long been anticipated in the City's land use and infrastructure planning activities. It should be added that City police, fire, and library services already serve the property. Therefore, the annexation of the property has no adverse impact on these City urban and community facilities. The findings under Criterion 1 are also relied upon to satisfy this criterion, considering the specific development plan submitted by applicant.

Criterion 10:

Zoning Ordinance Section 3.050 – Zoning of Annexed Areas: All areas annexed to the City shall be placed in a zoning classification in accordance with the adopted Comprehensive Plan. If a zoning designation other than one in accordance with the Comprehensive Plan is requested by an applicant, the zoning requested shall not be granted until the plan is amended to reflect concurrence.

Findings # 10:

This proposed Annexation is in compliance with Zoning Ordinance Section 3.050. Currently the subject property does not have a City zoning designation because it is not within the City limits. However, since the property is within the City's Urban Growth Boundary, the current Comprehensive Plan designation on the subject property is Special Development District. The corresponding City zoning designation for a Comprehensive Plan designation of Special Development District is Mixed Use (MU). The applicant is requesting a Mixed Use (MU) zoning designation for the subject property.

Jim Just testified in opposition to this application. He stated that the act of annexation is not a concern to hirn or his organization. It is the assignment of the zoning that is his concern. However, LUBA has already decided in <u>Just v. Cornell Family Trust</u>, Or. LUBA No. 2003-044 (<u>Just 1</u>) that the City's process in applying zoning to the annexed property is proper.

Criteria 11 and 12:

City of Lebanon/Linn County - Urban Growth Management Agreement

- 11. Section 2: Delineation of Authority in the Urban Growth Area (UGA), 2nd paragraph:

 The Lebenon Comprehensive Plan designates the future city zoning UGA lands will receive upon annexation to the City.
- 12. Section 5: Annexations

The UGA identifies fand that may be subject to future City annexation. The City may annex land using its own procedures in accordance with state law. Only land within the UGA will be considered for annexation. The City will notify the County of any proposed annexations. Upon annexation, the City assumes all jurisdiction for land use actions.

Findings # 11 & 12:

The City's annexation review procedures on annexation request File # A-03-02 have complied with the City of Lebanon/Linn County Urban Growth Management Agreement, Sections 2 and 5 regarding city authority to annex lands within the urban growth area and assign city zoning in accordance with the Lebanon Comprehensive Plan Map. The City has conducted an advertised and noticed public hearing regarding the annexation of the property into the City and the assigning of the Comprehensive Plan Map designated City zoning classification of Mixed Use. Accordingly, the Mixed Use Zone is consistent with the Comprehensive Plan, and by authority of the UGMA this is the appropriate zoning for this property. This process is in accordance with the established annexation policies as noted under the heading RELEVANT CRITERIA on pages 7-9 of the A-03-02 Staff Report dated October 13, 2004, and again listed above before each finding. In summary, these Relevant Criteria include the City Annexation Policy (City of Lebanon Resolution #11 for 1982), as well as relevant Comprehensive Plan Policies and Zoning Ordinance Section 3.050. No argument was presented that these criteria were not met.

ADDITIONAL CRITERIA

Additional land use policies are listed on pages 8 and 9 of the staff report, under the heading RELEVANT CRITERIA. However, these policies are NOT criteria for annexation and no findings are necessary to address those policies. Those policies argue for annexation to maintain the supply of industrial and residential land, economic expansion, and employment opportunities. They are considered evidence in support of the above findings.

STATE OF OREGON
County of Linn

I hereby certify that the attached was received and duly recorded by me in Linn County records.

STEVE DRUCKENMILLER

MF 1642

B

Deputy PAGE 844