

ROGUE VALLEY Council of Governments

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Community Development and Planning

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November 5, 2008

Gretchen Meloth, Planning Secretary
City of Shady Cove
Box 1210
Shady Cove OR 97539

Re: File ZC08-01; 34-1W-16, Tax Lots 101, 201, and 300

Dear Gretchen:

McBee Properties, Inc. is requesting annexation of Tax Lots 101, 201, and 300 and a change from county-zoned OSR (Open Space Reserve) to city-zoned R-1-10 (Single-Family Residential - 10,000 square foot minimum) and R-3 (High Density Residential) for nearly 68 acres located north of Rogue River Drive and east of Sawyer Road. The application includes a future development plan for a planned unit development consisting of single- and multiple-family residential areas and a mixed use development area that include commercial and residential uses. At this time, however, the only action required is a decision regarding the annexation and the comprehensive plan amendment/zone change. Development of the property will require separate review and hearings.

Oregon Revised Statutes (ORS) establish procedures for annexing contiguous land to cities. ORS 222.120(1) states that except when expressly required to do so by the city charter, the legislative body of a city is not required to submit a proposal for annexation of territory to the electors of the city for their approval or rejection. Shady Cove does not require annexation elections.

City Council Resolution 77-03 states that it is the policy of the City to annex an area if the annexation will provide:

- A. *A necessary control for development form and standards of an area adjacent to the City, or*
- B. *A needed solution for existing problems, resulting from insufficient sanitation, water service, or other urban services related problems, or*
- C. *Land needed for development to meet urban needs, or*
- D. *Needed routes for utility and transportation networks.*

In order to assure that the Planning Commission and City Council are fully informed as to the potential impacts of annexation, upon both the city and territory to be annexed, both bodies shall be provided with an impact analysis containing the following information:

1. *A statement of the municipal service needs, if any, including police and fire protection, public sewer and water supply facilities, street improvement or construction and such other municipal services that may reasonably be required.*

2. *A statement of the projected cost of supplying reasonably needed municipal services to the territory proposed to be annexed.*
3. *A statement of the additional revenues, if any, available to the City as a result of the annexation.*
4. *A statement of the foreseeable impact of the proposed annexation upon property within existing city limits, and upon property outside the city limits and contiguous to the property included within the proposed annexation.*
5. *A statement analyzing the impact of the annexation on the growth, development, and future of the City of Shady Cove recognizing that even small area annexations involve implicit policy decisions concerning the long range development and ultimate impacts.*

Finding: Pages 6 to 8 of the application narrative contain the applicant's response to Council Resolution 77-03. The annexation application follows an urban growth boundary amendment jointly approved by the City and County in early 2007. Many of the necessary findings for this request are similar to the findings for the UGB amendment, which relied heavily on assurances of infrastructure improvements, primarily water and streets, for its success. The current effort is a cooperative private/public effort that includes not only water system improvements, but also creation of new streets, satisfying Criterion D of the Resolution. The streets will have the two-fold benefit of providing urban-standard access to residential areas and increasing alternatives to using Highway 62 for north/south travel. At present, there are no continuous north/south streets north of the river, so many of even the shortest car trips require use of the highway. With only Highway 62 or Rogue River Drive as a way in or out of the city, and the bulk of the streets being, cul-de-sacs that do not connect, any event that blocks either the highway or Rogue River Drive can trap residents in an emergency. In late 2007, the City adopted a local street network plan, which included all lands within the urban growth boundary, as amended, including the subject property. The advantages of annexing the land to the City, therefore, are significantly beyond providing water.

The most apparent urban services deficiencies in Shady Cove are the lack of a municipal water system and an inadequate street system. Anticipated development of the property will require a municipal-level water system, and will enhance connectivity of existing and proposed streets, including Oak Ridge Drive. The Local Street Network Plan (LSNP) includes projects to improve Rogue River Drive and thereby enhance access to a portion of Shady Cove poised for growth. Until these projects are completed, however, Rogue River Drive is a narrow road with little ability to accommodate urban levels of housing.

Rogue River Drive accounts for all the short-range priority transportation planning projects in the LSNP. Short range projects are those that should be completed within ten years of plan adoption. Two projects appearing to affect the area to be annexed are a connection from Rogue River Drive to Chaparral (\$133,000 in 2007 costs), and improving Rogue River Drive from Highway 62 to Sawyer Road. Because of topographic challenges, engineers estimated a cost of \$2,653,242 for the Rogue River Drive improvements. Shady Cove and Jackson County do not have adequate funds on hand to construct projects of this magnitude.

The preliminary lot layout is consistent with the LSNP, serving as the southern terminus of a planned north/south street at the western edge of the city, and providing an access alternative to Highway 62. The developer will pay for improving infrastructure, including on-site streets, storm drains, sewer, and water utilities.

The property is near the city center, lying just north of Rogue River Drive. White Oak Subdivision is to the east of Tax Lot 300. Residential lands to the east of Tax Lot 101 are served by Mallory Lane and Williams Lane. Residential lands also occupy the area to the south along Rogue River Drive. Walker Study Center lands are to the west, and an undeveloped School District # 9 parcel is to the north.

Section 27 of the Shady Cove Zoning Ordinance establishes the review standards for plan amendments and zone changes. Minor amendments are those that involve one parcel or a small group of parcels and which will not have any significant impact on other lands. Major amendments described in Section 27.4 are those that have widespread and/or significant impact on the neighborhood or community beyond the limits of the specific property. A major amendment may also involve a large area or a large number of properties. Minor amendments described in Section 27.5 are those that involve one parcel or a small group of parcels and which will not have a significant impact on other lands.

The criteria for either amendment are nearly identical. Both require consistency with city goals and all statewide planning goals. While the criteria for major amendments emphasize the need to comply with Goal 14, it is simply one of the statewide planning goals that has to be met, whether the amendment is minor or major. The only other difference is that for major amendments, the criterion includes the City's ability to provide needed public facilities, services, and utilities, as well as the applicant's ability to provide these. The same determination must be made for minor amendments as well, although it includes the City as an "other provider." The application could be considered a minor amendment because only three parcels are involved, but the size of the property and the intensification of use could be considered major. The urban growth boundary amendment serving as the foundation for the annexation request was a major amendment. The staff report for this proposal will therefore use the major amendment criteria of Section 27.4, while recognizing that they differ very little from the minor amendment criteria and review procedures.

Section 27.4 requires at least one public hearing before the Planning Commission. If the Commission approves the request, the City Council will also conduct at least one hearing prior to making the final decision. If the Planning Commission denies the request, the City Council will review it only on appeal.

Section 27.4(C) establishes the following criteria:

1. *The proposal shall be consistent with the City's adopted goals and policies pertaining to land use, growth, and development.*

Pertinent policies identified by staff are as follows:

F. Public Facilities and Services

Policy #1: *The City of Shady Cove will continue improving its wastewater disposal system, consistent with recommendations in the June 1998 Wastewater Collection and Treatment System Facility Update Plan prepared by Carollo Engineers.*

Finding: The City completed updates to its wastewater treatment plant and collection system. These improvements will accommodate future growth. The Public Works Director provided a calculation of the number of EDUs (Equivalent Dwelling Units) that the present treatment plant can accommodate. The capacity of the plant is 2,597 EDUs, which is nearly 1,200 more than the present usage of 1,502 EDUs. Annexing the subject property would add approximately 368 EDUs, for a total of approximately 588 EDUS that could be accommodated in the city limits. At that point, there would still be a potential for 500 additional EDUs from other lands in the UGB.

Policy #2: *The City of Shady Cove will support any plans or projects that provide viable, reliable, and enduring remedies to the needs for community-wide water for domestic and fire suppression purposes.*

Finding: Shady Cove Waterworks LLC is developing a private water system to serve parts of Shady Cove. The project is on hold until the developer can finance its completion. The subject property was included in the UGB amendment because it is strategically located to permit implementation of the proposed system. Decisions regarding applications to divide the property will require assurances that the water system will be installed to serve the development.

The Jackson County Hazard Mitigation Plan adopted in January 2006 identifies all of Shady Cove in a Wildfire Hazard area. Fire danger is an obvious threat from midsummer until the autumn rains begin because of dry grass and ladder fuels. The recent urban growth boundary amendment permits a water system that will have adequate supply and pressure to provide urban-level fire protection, improving safety for all city residents from encroaching fires and helping to ensure that urban fires do not spread to surrounding forestland.

Policy #3: *The availability and quality of public services, especially streets, sewers, and water, will be considered in approval or denial of comprehensive plan amendments, zoning map changes, and land partitioning.*

Finding: The Buildable Lands Inventory completed in January 2000 and updated in 2005 anticipated that areas now zoned for larger lots would over time be converted to R-1-10 and denser zones, helping to increase residential densities to urban levels and offset the costs of providing public services. The UGB amendment anticipated that the

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subject property would serve as the southern anchor for a north-south street parallel to Highway 62. The conceptual plan the applicants submitted shows extension of Oak Ridge Drive and connections to Sawyer Road and a future extension of School House Lane. The lane will likely need to be improved to urban street standards before the subdivision can be completed to permit alternatives to use of Rogue River Drive. Full development of the property will require municipal water.

Chapter 7 of the LSNP includes several policies and strategies for improving transportation systems in Shady Cove.

Policy 1.1 Develop a street network plan interconnecting existing and planned streets and bicycle and pedestrian paths.

Implementation Strategy 1.1.A Existing streets, bicycle and pedestrian paths shall be linked to and from local community and business centers, tourist attractions, schools, and residential areas, in conjunction with transportation improvement projects.

Implementation Strategy 1.1.B Select routes and funding availability for a route along the western portion of Shady Cove connecting Rogue River Drive to Highway 62 in the north part of the city.

Implementation Strategy 1.1.C Produce a plan and investigate funding for north/south street connections paralleling Highway 62 north of the bridge and west of the highway.

Policy 2.1 Require, at a minimum, collector and arterial street improvement projects to include bicycle and pedestrian facility improvements.

Implementation Strategy 2.1.A Improvement projects on arterial and collector roadways shall include six-foot shoulders to accommodate bicycle and pedestrian travel. Cooperate with Jackson County and the State of Oregon to achieve these improvements on Rogue River Drive and Highway 62.

- 1) The City shall negotiate for improvement of Rogue River Drive by the County to a quality consistent with the cross-section for a collector adopted by the City. Upon improvement of the road, the City will consider accepting jurisdiction of Rogue River Drive.

Policy 2.3 Promote the safe and attractive design of pedestrian and bicycle paths through the layout of a network of local streets to provide for direct and convenient bike and pedestrian circulation.

Implementation Strategy 2.3.A Consider topography and the needs of the commuter, recreational user, tourist, transportation disadvantaged and all age groups when designing bicycle and pedestrian routes.

Implementation Strategy 2.3.B Create travel corridors and promote land use patterns that minimize travel distance for all transportation modes between residential areas and local destinations.

Implementation Strategy 2.3.C Implement local ordinances that minimize the length between intersecting streets or access ways. Recommended minimum length between blocks for pedestrian access is 500 feet.

Implementation Strategy 2.3.D Identify and minimize conflict points between transportation modes (pedestrians, bicycles and vehicles) and vehicle purposes (commercial vehicles, traffic operating on residential streets and through traffic).

Implementation Strategy 2.3.E. Where possible place bicycle and pedestrian paths in aesthetically pleasing settings or provide vegetation near paths.

Implementation Strategy 2.3.F Incorporate safety measures into the construction of bicycle and pedestrian paths.

Implementation Strategy 2.3.I Work with the County and State to provide bikeways along Rogue River Drive and Highway 62 during reconstruction projects.

Policy 4.4 Protect current transportation systems and accommodate future transportation needs by balancing transportation systems with land uses. Land use ordinances and zoning codes shall reflect the purpose of the adjoining transportation system.

Implementation Strategy 4.4.A Ensure that development proposals to assess and mitigate the direct and cumulative impacts of a project on the transportation system.

Finding: The property was included in the urban growth boundary partly because of its ability to provide improved north-south street connectivity.

G. Housing

Policy #1: The City of Shady Cove will encourage and provide for the availability of a diversity of housing as to type, location, density, and cost.

Finding: The proposed annexation and zone change would permit submission of a subdivisions and planned developments creating single-family residential lots of 10,000 square feet, and multiple-family developments mixed with commercial uses. Many of the new developments in Shady Cove have relied on river access or scenic views to promote sales; the anticipated subdivision would provide full urban amenities, and be in proximity to the city center. If developed as anticipated in the conceptual plan, the area will provide a wide variety of housing opportunities. The applicant anticipates approximately 38.5 acres of single-family residential, 15.5 acres of medium density residential, 12 acres of mixed high-density and commercial uses, and 3 acres of park/open space.

Policy #2: The City of Shady Cove will seek to minimize housing costs while maintaining the City's livability.

Finding: One of the commonly accepted methods of minimizing housing costs is to increase density, permitting more cost-effective provision of services. In past strategic planning efforts, residents have resisted significant increases in residential densities. The R-1-10 zone exists in other parts of Shady Cove, and while it is among the denser zones in the city, it is not considered high density. R-3 zoning and the proposed mixed-use PUD permit higher densities that are appropriate near the city center.

Policy #4: The City of Shady Cove will seek to ensure the City accommodates its share of the regional housing needs considering housing types, densities, and prices.

Finding: Shady Cove has a relatively large number of lots adjacent to the Rogue River, many of which are occupied by higher-end homes. Of the twelve cities in Jackson County (White City being considered a separate jurisdiction for census purposes), Shady Cove recorded the third highest median house value in the 2000 census. At the other end of the spectrum, however, the city also had the second highest percentage of mobile homes, trailing only White City. This percentage has likely dropped as more “stick-built” homes have been added since 2000, but it still points to the variety of housing in Shady Cove.

H. Land Use

Policy # 6: The availability and quality of public services, especially streets, sewers, and water, will be considered in approval or denial of comprehensive plan amendments, zoning map changes.

Finding: The property has access from Oak Ridge Drive, a fully improved city street. It also has indirect access to Sawyer Road. Both streets connect to Rogue River Drive, which has been identified as a road in need of significant improvement to accommodate increasing urbanization. According to the LSNP, the Rogue River Drive intersection with Highway 62 is the most congested of all intersections in Shady Cove. Plans call for eventual connection of Rogue River Drive with Chaparral Drive, where traffic lights could be installed to regulate traffic. Lights are not possible at the current intersection because of its proximity to the highway bridge. As an interim measure, a right turn lane is proposed from Rogue River Drive to Highway 62.

Sewer is available; storm water drainage will need to be designed to connect to the existing system.

Policy #9: Zoning regulations will provide for residential zones at several densities and for a variety of housing types.

Finding: The conceptual plan submitted with the application shows a mix of R-1-10 (single-family) and R-3 (multiple-family) zoning, with a core area designated as a mixed-use PUD and park. PUDs permit a variety of uses, including commercial.

Policy #14: When practical, through streets will be required.

Finding: The future development plan conforms to the circulation plan depicted in the LSNP. Streets connect to Oak Ridge Drive, Sawyer Road, and a westward extension of School House Lane.

2. *The proposal shall be consistent with all applicable statewide planning goals, including the urbanization factors of Goal #14.*

- A. Goal 6: Air, Water and Land Resources Quality: The purpose of this goal is to ensure that discharges from development do not 1) exceed the carrying capacity of air, water and land resources; 2) degrade such resources; or 3) threaten the availability of such resources.

Finding: Because the property will be served by water, sewers and storm drainage, the environmental threat is minimal.

- B. Goal 10: Housing: Guidelines A (2) and (3) require that plans ensure the provision of appropriate types and amounts of land within urban growth boundaries. Plans should provide for the appropriate type, location and phasing of public facilities and services to support housing development in areas presently developed or undergoing development or redevelopment.

Finding: The property is designated for both single-family and multiple-family residential use. The purpose of the R-1 district is to provide within the community for the development and enhancement of quiet, family-oriented residential neighborhoods that are characteristic of Shady Cove's small town semi-rural atmosphere and which will accommodate primarily single-family dwellings on individual lots. The purpose of the R-3 district is to provide suitable areas for the development of residential neighborhoods that are most efficient and cost-effective when developed at a higher density.

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

Finding: Lack of municipal water has been the primary impediment to urban development. The subject property was included in the UGB amendment application because its elevation contributes to the proposed water distribution system. Other services appear capable of sustaining the proposed increase in density.

3. *There shall be at least a conceptual plan for the subject property that is the subject of a request for a zoning or Plan amendment and that plan shall demonstrate the City's and property owner's ability to provide all needed public facilities, services, and utilities to the site, including streets.*

Finding: The applicants submitted a conceptual plan showing street circulation, a mix of single-family and multiple-family residential zoning on the perimeter of the property. The southwest area of the plan shows a potential lot layout. Near the property center is an area designated as a mixed use PUD surrounding a small neighborhood park.

Conclusion

Annexation of the subject property is the next step in providing urban density development. The proposal is clearly consistent with the policies in the Comprehensive Plan to increase residential single-family densities where conditions permit. It also is critical to the eventual development a north-south street alternative and provision of a city-wide water system. There are, however, two major areas of concern that remain to be resolved before urban development can proceed. Public Facilities Policy #3 states that the availability and quality of public services, especially streets, sewers, and water, will be considered in approval or denial of comprehensive plan amendments and zoning map changes. Creation of urban-density lots will depend of connection to a municipal water system, which although under construction, has not been completed.

The second concern is the adequacy of the road system. As envisioned, the property will support the north-south street connections outlined in the Local Street Network Plan; however, the LSNP cited Rogue River Drive as a top priority for improvements to accommodate urban development. The application does not include a traffic impact analysis to determine the effect of annexing the property to the city and zoning it for residential and mixed use developments. Some communities permit annexation without a traffic analysis, but require the analysis before zones are changed. This may be appropriate in this case. Another option is to continue the hearing until the analysis can be completed.

The property represents an opportunity to provide innovative development in proximity to the center of Shady Cove. Its development can be an asset to the long-term health of the community, providing diversified housing, commercial, and recreational uses. The primary question at this point is one of timing, particularly with respect to Rogue River Drive and provision of municipal-level water.

Feel free to contact me if you have any questions.

Sincerely,

Dick Converse
Principal Planner