

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

**Presentation Date:** 10/18/2016    **Approx Start Time:** 10:30 AM    **Approx Length:** 60 min

**Presentation Title:** Annexations

**Department:** Department of Transportation and Development (DTD)

**Presenters:** Dan Johnson – Assist. Director

Mike McCallister – Planning Director

Nate Boderman – County Counsel

**Other Invitees:** Barbara Cartmill – Director, Martha Fritzie – Senior Planner

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

No formal action is requested. Information Only.

EXECUTIVE SUMMARY:

### Annexation Concurrence

On June 28<sup>th</sup> staff met with the Board to discuss a March 11, 2016 decision by the Land Use Board of Appeals (LUBA) remanding an annexation land use decision processed by a city. The grounds for remand was predicated on the use of a portion of County public right-of-way (ROW) to facilitate annexation. LUBA concluded that the County, based on the chosen method for requesting the annexation, had ownership interest in the ROW and that consent was required by the County in order to utilize the ROW in question as a method to facilitate the annexation. In addition, LUBA's opinion found that language within the current Urban Growth Management Agreement (UGMA) with this particular city did not suffice to meet the criteria of overarching consent to any or all annexations of this nature.

Prior to the LUBA opinion, the County had played no formal role except the confirmation that the proposed annexation was located within the respective city's Urban Growth Management Area defined under negotiated Urban Growth Management Agreement.

### Annexations Generally

To date, the County has had little to no role in the process of annexations. As such it is important to not only understand the various processes for annexation but also those most frequently used.

Annexations of territory into cities may or may not require the consent of those within the affected area (area to be annexed). The two most common annexation procedures where consent is not required are "island annexations" and "health hazards annexations."

- Island Annexations (ORS 222.750): This procedure allows a city to annex, subject to a number of provisions, property without consent where the territory to be annexed is
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surrounded entirely by the corporate boundaries of the city, or the boundaries of the city and a body of water or Interstate 5.

- Health Hazard Annexations (ORS 222.840): This procedure permits annexation of property in such circumstances where the Department of Health Services declares that the affected property is a danger to public health. Dangers to public health could include impure or inadequate water systems that expose the public to “communicable or contagious disease-producing organisms” that present a “clear possibility that the public is being exposed to physical suffering or illness”.

There are a number of annexation procedures that do require the consent, to varying degrees, of those within the affected area (area to be annexed). Consent is required for the following types of annexations:

- Voter Approved Annexation (ORS 222.111)
- Area Election (ORS 222.140)
- Consent of Landowner (Industrial land valued greater than \$7 million) (ORS 222.050)
- 100% Consent (ORS 222.125)
- Triple Majority [ORS 222.170(1)]
- Double Majority [ORS 222.170(2)]

#### 100% Consent vs. Double Majority vs. Triple Majority

The pending policy decisions that flow from the LUBA case requires the County to consider when it will provide consent for annexations that require consent of those within the affected area. While there are a number of processes to facilitate an annexation, those most relevant to this topic involve the 100% Consent Annexations, Triple Majority Annexations and Double Majority Annexations. Note that emphasis has been added where there is a reference to consent and public right of way.

- 100% Consent (ORS 222.125): This was the type of procedure specifically at issue in the LUBA case. 100% Consent Annexations eliminate the need for an election when the consent is obtained from 100% of the property owners, and 50% of the electors in the affected territory. Electors for the purposes of these discussion are defined as those registered voters residing within the affected territory. In circumstances where the property or properties are vacant, no electors are required to consent as 50% of zero residents is zero. A county with jurisdiction of *public right of way proposed to be annexed has been deemed to be an “owner” for purposes of this statute*. Any single property owner withholding consent would prohibit a city from using this procedure. As it relates to the County’s participation in annexation requests, the 100% Consent process is the only process whereby the County could unilaterally prevent an annexation from moving forward under the context of the recent LUBA decision. However, this authority does not limit a city’s ability to pursue any one of the other annexation options noted above.
- Triple Majority Annexation [ORS 222.170(1)]: This procedure eliminates the need for an election when consent is obtained from a majority of land owners who own a majority of real property representing a majority of the assessed value of the land within the affected territory. It should be noted that ORS 222.170(4) specifically provides that *public right of way shall not be considered when determining land owners*, area of land or the assessed value for purposes of calculating consent requirements, unless the owner of the right of way files a statement with the city consenting to, or opposing the annexation. Even where the County specifically files a statement with the city regarding its position on a particular consent, the city will only need to obtain County consent

where it is necessary to meet the minimum requirements set forth under the statute in order to process annexations under this particular procedure.

- Double Majority Annexation [ORS 222.170(2)]: This procedure eliminates the need for an election when consent is obtained of a majority of the electors that own a majority of the land within the affected territory. Although Counsel is aware of no authority that has applied ORS 222.170(4), *stating public right of way shall not be considered when determining land owners*, to Double Majority Annexations, it appears reasonable to assume that provision would be equally applicable to annexations processed under ORS 222.170(2). As is the case with Triple Majority Annexations, the city will only need to obtain County consent where it is necessary to meet the minimum requirements set forth under the statute in order to process annexations under this particular procedure.

### Urban Growth Management Agreements (UGMA's)

Of the seventeen (17) cities located in or abutting the County, there are fifteen (15) that currently have active UGMA agreements. See Attachment A for summary of UGMA agreements. These agreements generally spell out how the City and County will coordinate in areas which are of mutual interest to both the jurisdictions. While these agreements are generally consistent to form, they can vary greatly as it relates to specific items of concern to the particular city.

The County has negotiated terms of its UGMAs with each of the cities. The language contained in these agreements varies, and some agreements contain specific requirements regarding annexation consent while others do not. Those cities with current UGMA's referencing specific annexation requirements include Canby, Lake Oswego, Oregon City, Sherwood, and West Linn.

### City Coordination

At the request of the County Administrator, staff met with city partners on September 28<sup>th</sup> to discuss the topic of annexation. More specifically, an opportunity for information sharing and forum to discuss concerns. Attendees included representatives from Sandy, Wilsonville, Oregon City, Gladstone, Milwaukie, Lake Oswego, and Happy Valley. The following is a summary of comments and concerns raised:

- Applicability of LUBA Decision: Only applies to Double Majority annexation requests.
- Role of Service Districts: While a more phased adjacent annexation plan may make sense for those cities providing a complete compliment of services, a large area of the County's urban area is served by independent service districts. As such, any concern of service provision confusion is minimized as there would be no change for a large number of the services currently provided.
- Annexation Patterns: Majority of cities have Cherry Stems (irregular extensions of city jurisdictions) and Islands (areas which have not chosen to annex yet).
- Growth Management Policies: Some cities, those that generally do not rely on districts for service provision, do have policies recommending against irregular extensions (aka Cherry Stems) annexations.
- Reasons for Annexation vary by Jurisdiction: While private property owner wishes may be a catalyst for a large number of annexation requests, annexations for necessity, in

the case of provision of sanitary sewer for health hazard abatement, are common. Health hazard abatements tend to require irregular extensions.

- Purpose of UGMA agreements: Identifies areas of interest for the cities. Where the city has interest in developing growth management policies allowing an opportunity to participate in planning, coordinating and provision of service.
- Role of County Policy Discussion: If the Urban Services Policy to date has been to support transfer of Urban Services to Cities, should Annexation Policy direction make it easier or harder for willing property owners to annex.
- General Request: Request the County not impose additional requirements for annexation beyond those already prescribed by state law, or make other procedural changes that would add uncertainty to the annexation process for property owners or the city.

Staff has attached correspondence submitted from cities. See Attachment B – Comments from City of Lake Oswego dated October 7, 2016, Attachment C – Comments from City of Happy Valley dated October 10, 2016, and Attachment D - Comments from Beery Elsner & Hammond (City of Happy Valley contract counsel) dated October 11, 2016. In addition, the City of Milwaukie provided a summary of Comprehensive Plan provisions related to growth included as Attachment E. Other cities did provide e-mails with general summary of annexation requests and comments which were incorporated into the comments above.

### Summary

With the issuance of the aforementioned LUBA decision, development of a new process for issuing consent is required. Though staff is advancing development of such a process, it is important to note the following:

- The requirement that the County consent to annexation is limited to 100% Consent Annexations, and to a lesser extent Double Majority Annexations and Triple Majority Annexations; therefore, the ability to control irregular extensions (aka Cherry Stems) is limited;
- The County has negotiated terms of its UGMAs with each of the cities. The language contained in these agreements varies, and some agreements contain specific requirements regarding annexation consent while others do not;
- Discussions with the cities suggests a desire to continue to support the transfer of urban services from the County to the cities and a desire to not complicate the annexation process any more than currently required by state law;
- Furthermore, majority of those cities represented in the discussion believe irregular annexations are legitimate and, in some instances, required; and
- Note that this discussion relates to annexations only- transfer of roadway jurisdiction is a separate, but related, discussion.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?  YES  NO

What is the cost? N/A

What is the funding source? N/A

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with the County’s Performance Clackamas goals?
  - Building Trust Through Good Government

**LEGAL/POLICY REQUIREMENTS:** N/A

**PUBLIC/GOVERNMENTAL PARTICIPATION:** Where applicable, staff has informed city representatives of the on-going discussion with the Board related to this new direction from LUBA.

**OPTIONS:**

Informational purposes only. No options or recommendations are presented for consideration.

**RECOMMENDATION:** N/A

**ATTACHMENTS:**

Attachment A: Urban Growth Management Agreement Summary dated October 12, 2016

Attachment B: October 7, 2016 comments from City of Lake Oswego

Attachment C: October 10, 2016 comments from City of Happy Valley

Attachment D: October 11, 2016 comments from Berry, Elsner, & Hammond LLP

Attachment E: City of Milwaukie – Comprehensive Plan Growth Elements Summary

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Dan Johnson @ 503-742-4325.
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# Clackamas County Urban Growth Management Agreements (UGMA) Summary

October 12, 2016

The following table is a list of current UGMA's the County is currently party to and a broad summary of elements directly related to annexation and road transfers.

City	Executed	Consent Language*	Road Transfer Provisions (County Roads)**	Road Improvement Stipulation	Termination Notice
Barlow	1989	No	City shall accept annexation roads.	County shall pay for 2" overlay.	120 day notice
Canby	1992	Yes	City shall accept annexation roads.	County shall pay for 2" overlay.	120 day notice
Estacada	1999	No	City shall accept annexation roads.	City and County shall execute separate road transfer agreement. Improvement costs negotiable.	120 day notice
Gladstone	1986	No	Not Applicable	Not Applicable	90 day notice
Happy Valley	2013	No	City must accept annexation roads.	County shall upgrade or pay to a PQI***of 8.	90 day notice
Johnson City	1980 -C	No	Not Applicable	Not Applicable	Not Applicable
Lake Oswego	1997	Yes	City shall accept annexation roads.	City and County shall execute separate road transfer agreement. Improvement costs negotiable.	Mutual
Milwaukie	1990	No	City shall accept annexation roads.	County shall pay for overlay (2"? - undesignated).	Mutual, unless under review.
Molalla	1988 -C	No	City shall accept annexation roads.	City and County shall execute separate road transfer agreement. Improvement costs negotiable.	120 day notice
Oregon City	1990	Yes	City shall accept annexation roads.	County shall pay for 2" overlay.	Mutual
Portland	N/A	N/A	N/A	N/A	N/A
Rivergrove	1989	No	City shall accept annexation roads.	County shall pay for 2" overlay.	120 day notice
Sandy	2001	No	City shall accept annexation roads.	City and County shall execute separate road transfer agreement. Improvement costs negotiable.	Mutual
Sherwood	2008	Yes	City shall accept annexation roads.	County shall pay for 2" overlay.	120 day notice
Tualatin	1992	No	City shall accept annexation roads.	County shall pay for 2" overlay.	Mutual, unless under review.
West Linn	1992	Yes	City shall accept annexation roads.	County shall pay for 2" overlay.	120 day notice
Wilsonville	1986	No	City shall accept annexation roads.	County shall pay for 2" overlay.	Mutual, unless under review.

\* Consent Language: The language contained in these agreements varies, those identified include specific language regarding consent.

\*\* Road Transfer Provisions (County Roads): All other roads (Local Access Roads) are automatically transferable.

\*\* PQI = Pavement Quality Index

C - denotes need to confirm execution date.



## PLANNING AND BUILDING SERVICES

October 7, 2016

Mr. Dan Johnson, Deputy Director  
Clackamas County  
Transportation and Development  
150 Beavercreek Rd.  
Oregon City, OR 97045

Dear Dan:

As requested in last week's meeting with planning directors from Clackamas County cities, I am providing the following background on annexations in Lake Oswego. This information is to assist in your discussions with the County Board of Commissioners, which I understand is scheduled for October 18.

The Lake Oswego Comprehensive Plan and the Lake Oswego-Clackamas County Urban Growth Management Agreement (UGMA) both assert Lake Oswego's right to annex properties within the Dual Interest Area/ Urban Services Boundary (USB), pursuant to state law. The UGMA specifically states that Clackamas County shall not oppose annexations by Lake Oswego within the USB. The UGMA also specifically provides for City annexation of rights-of-way adjacent to properties proposed for annexation.

Typically, property owners apply for annexation to Lake Oswego for one of two reasons: to connect a residence or other existing development to city sewer, or to develop their property. As requested, we have analyzed recent annexations into Lake Oswego; this information is detailed in the attached table. In summary, during the past two years (2015-16) the City approved the following:

- 26 annexations, of which 11 were for development and 15 for sewer connection only.
- 29 properties, comprising 19 acres, with 21 existing residences and one existing commercial building; approximately three acres of right-of-way.

- 100% consent of property owners, consistent with the current City Council policy on voluntary annexation of residential properties.
- Annexations met ORS 222.125, or ORS 222.170.
- No "cherry stem" annexations, meaning annexations that were non-contiguous with the city limits but for the annexed right-of-way.
- Six annexations consisting of portions of unincorporated islands; and one annexation, a small commercial lot on Boones Ferry Rd., which was formerly an island unto itself.
- Estimated development potential on newly annexed property: 39 dwellings. For context, the City approves 80-100 new single family building permits each year.

In summary, property owners annex into Lake Oswego because they either want/need to connect to sewer (e.g., failing septic system), or they want to develop their property. Typically, the annexed properties, including annexed rights-of-way, are small due to existing parcelization in the county. Lake Oswego annexes these properties pursuant to its Comprehensive Plan and UGMA, which clearly establishes Lake Oswego's authority to annex them along with the adjacent rights-of-way. While the city has annexed cherry stem rights of way before, it has primarily been to extend sewer to properties with failing septic systems.

We ask that the County not impose additional requirements for annexation beyond those already prescribed by state law, or make other procedural changes that would add uncertainty to the annexation process for property owners or the city.

I hope this information is helpful. Based on the City-County UGMA, we believe that County consent for Lake Oswego annexing right-of-way already exists. We will continue to send notices to the County Planning Division for hearings on pending annexation ordinances.

Please let me know if we can be of further assistance.

Sincerely,



Scot Siegel  
Planning and Building Services Director

Cc: Mike McCallister, Clackamas County Planning Director  
Scott Lazenby, City Manager  
David Powell, City Attorney  
Paul Espe, Associate Planner

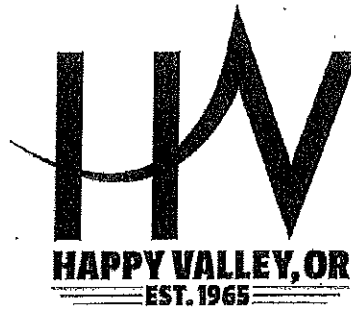


Lake Oswego Annexation Cases 2015-16

Case	NA	Zoning	Lots	Houses	Lot Area	ROW	Reason	Cherry Stem?	Potential	
									New DU	Other
AN15-0007	Rosewood	R-10		3	1	0.75	0 Develop	No		2
AN16-0006	Forest Highlands	R-10		1	1	0.75	0 Develop	No		2
AN16-0005	Rosewood	R-7.5		1	1	0.25	0.7 Sewer	No		0
AN16-0004	Rosewood	R-7.5		1	1	0.29	0.2 Sewer	No		0 Was part of an island
AN16-0003	Rosewood	R-7.5		1	1	0.22	0.61 Sewer	No		0 Was part of an island
AN16-0002	Lake Forest	R-7.5		1	0	0.56	0.27 Develop	No		2
AN16-0001	Lake Grove	R-7.5		1	1	0.44	0 Develop	No		1 Was part of an island
AN15-0023	Lake Forest	R-7.5		1	1	0.36	0.11 Sewer	No		1 Was part of an island
AN15-0021	LGVC	GC		1	0	0.65	0 Sewer	No		0 Commercial building, was island
AN15-0020	Rosewood	R-10		1	1	0.24	0 Sewer	No		0
AN15-0019	Rosewood	R-7.5		1	1	0.23	0 Sewer	No		0
AN15-0018	Forest Highlands	R-7.5		1	1	0.87	0 Sewer	No		0
AN15-0017	Lake Forest	R-7.5		1	1	0.25	0 Sewer	No		3
AN15-0016	Forest Highlands	R-7.5		1	1	0.75	0 Sewer	No		0 Was part of an island
AN15-0015	Birdshill	R-10, WRGM		1	1	0.34	0 Sewer	No		4
AN15-0014	Forest Highlands	R-10		2	1	1.35	0 Develop	No		0 Willamette River shoreline
AN15-0013	Forest Highlands	R-7.5, RP and RC		1	0	4	0.34 Develop	No		4 Includes 0.3 acre for extension of Amber Pl
AN15-0012	Rosewood	R-10		1	1	0.27	0.32 Sewer	No		7
AN15-0010	Forest Highlands	R-7.5, RP and RC		1	1	2.5	0 Develop	No		0 Prior Annex Agreement for septic failure
AN15-0009	Rosewood	R-10		1	1	0.41	0 Sewer	No		7 Was part of an island
AN15-0008	Hallinan	R-15		1	1	0.95	0.24 Sewer	No		0
AN15-0007	Forest Highlands	R-7.5		1	0	0.98	0.01 Develop	No		1
AN15-0005	Rosewood	R-10		1	1	0.54	0 Develop	No		5 Add to Highlands Sub, completes cul de sac
AN15-0004	Forest Highlands	R-7.5		1	0	0.37	0.33 Develop	No		1
AN15-0003	Lake Grove	R-7.5		1	1	0.29	0 Sewer	No		0
AN15-0002	Birdshill	R-10		1	1	0.42	0.09 Develop	No		0
Totals			Lots	Houses	Lot Area	ROW	Pot. DU			
			29	21	19.03	3.22				

\*Case file numbers out of sequence due to withdrawn application. Three cases were withdrawn due to timeliness or lack of consistency with criteria

Mayor  
Honorable Lori DeRemer



City Manager  
Jason A. Tuck, ICMA-CM

October 10, 2016

Board of County Commissioners  
2051 Kaen Road  
Oregon City, OR 97045

Dear Chair Ludlow and BCC Members,

Thank you for accepting this letter with a brief history of annexations within the City of Happy Valley. While many property owners chose to annex (by petition) to the City of Happy Valley in the 1980's and 1990's, the current rapid expansion of the city boundary began in the early 2000's and continues with annexation of a large number of properties to the east following the dis-incorporation of the City of Damascus.

It is important to note that most of these owner-initiated annexations were within the area defined as the City's Urban Planning Area (UPA) in the City/County Urban Growth Management Agreement (UGMA) and property in the UPA is specifically intended for eventual annexation into the City of Happy Valley. Many of these annexations occurred by extending the city limits via public right-of-way, often referred to as "cherry-stem" annexations. State law clearly provides for annexation vis-à-vis public right-of-way and does not require a property to be directly adjacent to the city limit. Although the issue of County consent to annex county right-of-way is not expressly detailed in the UGMA, the City notes that the clear majority of the language in the UGMA certainly suggests that facilitating the annexation of property within the UPA to Happy Valley is a primary purpose of the UGMA.

To that end, the City of Happy Valley respectfully requests that the Board of County Commissioners continue to facilitate annexation consistent with the UGMA and not prohibit or otherwise delay owner-initiated annexation.

Sincerely,

Jason A. Tuck, City Manager

cc: Mayor and City Council (via e-mail)  
Michael D. Walter, Economic & Community Dev. Director (via e-mail)  
Chris Crean, City Attorney (via e-mail)

{00545079; 1}16000 SE Misty Drive, Happy Valley, Oregon 97086-4288  
Telephone: (503) 783-3800 Fax: (503) 658-5174  
happyvalleyor.gov

*Preserving and enhancing the safety, livability and character of our community .*

**Attachment C**

October 11, 2016

**VIA HAND-DELIVERY**

John Ludlow, Chair  
Clackamas County Board of Commissioners  
Public Services Building  
2051 Kaen Road  
Oregon City, Oregon 97045

Re. County Annexation Policy

Dear Chair Ludlow and Board Members:

This firm represents the City of Happy Valley. Thank you for the opportunity to submit these comments regarding County annexation policy. Please accept this letter on the City's behalf.

The laws regarding annexation are complicated and frequently changing. We provide this summary of the existing laws and the recent LUBA decision in the hope that it may assist the Board determine appropriate County policy.

Annexation Law

The general rule is that an annexation must be approved by the City Council, then referred to the ballot and ratified by the voters in the city as well as the voters in the territory to be annexed. ORS 222.111(5). However, over the years, the legislature has created a number of exceptions to the general rule that an annexation must be approved by the voters. The most common of these are the "double majority" provisions of ORS 222.125 and 222.170(2), and the "triple majority" provisions of ORS 222.170(1).

Under ORS 222.125, a city may forego an election if the annexation is requested by 100 percent of the property owners in the territory to be annexed and not less than 50 percent of any electors residing in the territory. This is often referred to as a "100 percent" annexation and is the most frequent type of annexation in Happy Valley, where annexation is usually sought by the property owner.

Even without consent from 100 percent of the property owners, a city may approve an annexation without an election if it receives written consent from the owners of more than half of the area to be annexed and a majority of electors living in the area. ORS 222.170(2). This is the second type of "double majority" which allows a city to approve an annexation that is requested by fewer than 100 percent of the property owners.

Finally, a city may approve an annexation without an election under the "triple-majority" requirements of ORS 222.170(1). Under this provision, the city may approve the annexation if it has written consent from more than half of the landowners in the area to be annexed, who own more than half of the land, and their land represents more than half of the assessed value of the area.

When determining a double- or triple-majority under ORS 222.170, it is important to keep in mind a significant limitation. Under ORS 222.170(4): "Real property that is publicly owned, is the right of way for a public utility, telecommunications carrier as defined in ORS 133.721 or railroad or is exempt from ad valorem taxation shall not be considered when determining the number of owners, the area of land or the assessed valuation required to grant consent to annexation under this section." (Emphasis added.) Accordingly, public property, public rights-of-way, utility easements and rail lines, and tax exempt properties are not counted when determining the number of properties or assessed value of the area to be annexed. Significantly, this limitation does not apply to a "100 percent" annexation under ORS 222.120.

While not directly relevant to the Board's current deliberations, it is worth noting that health hazard" annexation under ORS 222.855 and "island" annexation under ORS 222.750 allow a city to annex territory without the property owner's consent. Happy Valley approved an island annexation in 2012, and has never approved a health hazard annexation.

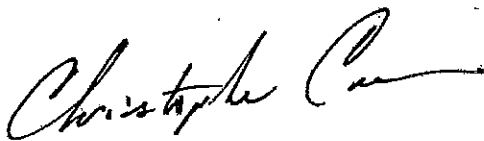
#### LUBA Decision

As you know, the Land Use Board of Appeals (LUBA) recently remanded to Happy Valley a decision that approved the annexation and zone change of property that is connected to the City by a portion of the Johnson Creek Boulevard right-of-way. (*Altamont Homeowners' Association, Inc. v. City of Happy Valley*.) In this case, the property owner of the property sought annexation under the 100 percent provisions of ORS 222.125. (The property in this case is undeveloped, so there are no electors.) Although the County received notice and reviewed the annexation application, LUBA held that because Johnson Creek Boulevard is a county road, approving the annexation under the statute requires express written consent from the County.

As a result of the Altamont decision, approving an annexation under the 100 percent requirements of ORS 222.125 now requires County consent when the annexation will include County right of way. Conversely, County consent is not required for the double- and triple-majority requirements of ORS 222.170.

On behalf of the City of Happy Valley, thank you for your time and consideration of these comments. Please let us know if you have any questions.

Sincerely,



Christopher Crean  
Of Attorney for City of Happy Valley

## MILWAUKIE COMPREHENSIVE PLAN

### **CITY GROWTH ELEMENT**

**GOAL STATEMENT:** To identify the City's future planning and service area, establish the respective responsibilities for reviewing and coordinating land use regulations and actions within the area, and determine the most cost-effective means to provide the full range of urban services within the area.

#### OBJECTIVE #2 — URBAN SERVICES AREA

To establish an area within which the City will participate in planning, coordinating, and providing services.

##### Policies

2. The City will plan for the eventual delivery of urban services in the City's urban service planning area. Until annexation, services are to be provided by service districts providing service to the area. Upon annexation, delivery of services will be provided by the City or by service districts.

#### OBJECTIVE #3 — ANNEXATION

To ensure that City annexation policies conform to urban service and growth management policies.

##### Policies

1. Areas within the City's urban service planning area shall remain unincorporated until annexed to the City. The City shall plan for eventual annexation of all areas within the City's urban service planning area.
2. The City will only support annexation requests from properties within the City's urban service planning area.

#### OBJECTIVE #4 — COORDINATING LAND USE AND DEVELOPMENT

To establish, in conjunction with the County, a method for coordinating land use and development decisions within the unincorporated area adjacent to the City.

##### Policies

1. The 1990 Urban Growth Management Agreement between the City of Milwaukie and Clackamas County is incorporated in the Milwaukie Comprehensive Plan. The City will continue to work with the County to amend this agreement consistent with the policies in this chapter.
2. The County's Comprehensive Plan will apply to unincorporated areas until annexation or development of intergovernmental agreements giving the City authority for planning. The City will seek agreement for transfer of planning authority, both long-term and current, to the City for areas within the City's urban service planning area.