

## CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

### Study Session Worksheet

Presentation Date: April 9, 2013                      Time: 2:00pm      Length: 30 minutes

Presentation Title: Urban Services Policy

Department: Water Environment Services

Presenters: Mike Kuenzi, Liz Garcia, Chris Storey

### ACTIONS REQUESTED

Provide direction to staff regarding urban services policy for Clackamas County Service District No. 1 ("CCSD#1") and the Tri-City Service District ("TCSD").

### EXEC SUMMARY

The BCC previously set a policy restricting the provision of urban services to unincorporated areas. The areas were required to annex into a city before receiving certain services, most specifically sewer, from county entities such as CCSD#1. Certain recent events have highlighted that policy, and staff desires to brief the BCC on the policy and receive confirmation that the BCC desires staff to continue implementing this policy.

### FINANCIAL IMPLICATIONS

No direct financial cost or benefit. Indirect costs of the policy include a two-step annexation process by requiring city annexation for development. Indirect benefits include integrating new development into a city service plan that covers all urban services.

### LEGAL/POLICY REQUIREMENTS

At a study session on November 10, 2009 the BCC directed staff to require annexation of new territory into a city before providing urban services such as sewer, excepting infill in existing areas and the NCRA project. CCSD#1 has been following this policy for the last several years, most specifically around the City of Happy Valley and the City of Damascus. Certain property owners in or near Damascus have contacted CCSD#1 regarding their hopes to annex into the district and receive sewer service as a precondition to development without annexing into Damascus. As part of a comprehensive plan review for Happy Valley, legal counsel has indicated that there remains an open question as to whether, if sued by an individual property owner, CCSD#1 would be successful in defending the annexation first policy. Staff requests the BCC consider this policy and give direction on how it wishes staff to proceed in light of the issues raised.

The Tri-City Service District already requires annexation into one of the three member cities before allowing annexation into the district. The member cities manage the connection of new properties to the sewer system and coordinate with TCSD as new customers connect. This arrangement appears to be fully defensible.

### PUBLIC/GOVERNMENT PARTICIPATION

The City of Happy Valley initially led the request on this policy to assist in consistent boundary services and integrated provision of all urban services. The City was experiencing a problem with parcels developing just outside the city limit, paying lower SDCs, then annexing into the city and demanding a higher level of service without paying the difference in SDC values. The City of Damascus requested, and has been codified in an IGA between CCSD#1 and Damascus, that the district not annex territory

in the city's urban growth management area or within the city until it has adopted a comprehensive plan clarifying the permitted uses of those parcels.

**OPTIONS**

1. **Same Policy:** Continue requiring annexation of new properties to the service districts and annexation to a city at the same time. Properties within the current district boundary may develop without additional restriction.
2. **Change Policy:** Allow new properties to annex to the districts to receive service without requiring annexation to a city, and do not alter provision of service terms for existing customers.
3. **Expand Policy:** Require new properties to annex to the nearest city to receive service and seek to create a policy or mechanism that would bring the district's current unincorporated areas within a city for future service provision.

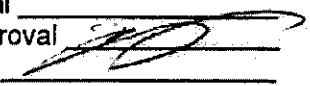
**RECOMMENDATION**

N/A

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

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

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



For information on this issue or copies of attachments, please contact Chris Storey at 503-742-4623.