

1 BEFORE THE LAND USE BOARD OF APPEALS
2 OF THE STATE OF OREGON

3
4 THOMAS P. LINK,
5 *Petitioner,*

6
7 vs.

8
9 CITY OF FLORENCE,
10 *Respondent.*

11
12 LUBA Nos. 2008-145 and 2008-146

13
14 CITIZENS AGAINST ANNEXATION,
15 and DEBBY TODD,
16 *Petitioners,*

17
18 vs.

19
20 CITY OF FLORENCE,
21 *Respondent,*

22
23 and

24
25 ASSOCIATION OF UNIT OWNERS
26 OF DRIFTWOOD SHORES
27 SURFSIDE INN CONDOMINIUM,
28 *Intervenor-Respondent.*

29
30 LUBA No. 2008-147

31
32 FINAL OPINION
33 AND ORDER

34
35 Appeal from City of Florence.

36
37 Zack P. Mittge, Eugene, filed a petition for review and argued on behalf of petitioner
38 Thomas P. Link. With him on the brief were William H. Sherlock and Hutchinson Cox
39 Coons DuPriest Orr & Sherlock PC.

40
41 Ann B. Kneeland, Eugene, filed a petition for review and argued on behalf of
42 petitioners Citizens Against Annexation and Debby Todd.

43
44 Ross M. Williamson, Eugene, filed the response brief and argued on behalf of
45 respondent. With him on the brief were Emily N. Jerome and Harrang Long Gary Rudnick

1 P.C.

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Joel D. Kalberer, Albany, represented intervenor-respondent.

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BASSHAM, Board Chair; HOLSTUN, Board Member, participated in the decision.

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RYAN, Board Member, did not participate in the decision.

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AFFIRMED

02/13/2009

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You are entitled to judicial review of this Order. Judicial review is governed by the provisions of ORS 197.850.

12

NATURE OF THE DECISION

Petitioners appeal adoption of two ordinances approving annexation and rezoning of a parcel developed with a condominium complex and the public rights-of-way connecting the parcel to the city limits.

FACTS

Driftwood Shores Surfside Inn Condominiums (Driftwood Shores) is an 88-unit residential condominium complex that includes a restaurant and conference center. The complex is located approximately 3,300 feet north of the City of Florence city limits, but within the city urban growth boundary (UGB). The property is designated Commercial on the city’s comprehensive plan map. Driftwood Shores is currently served by a private on-site septic system that needs updating and will soon require renewed discharge permits.

The city owns existing sewer facilities located in the Rhododendron Drive right-of-way south of Driftwood Shores, within the current city limits, that are planned for an upgrade. A telecommunications company proposed to the city that it be allowed to bring an undersea cable ashore at the Driftwood Shores property and run it south in a trench along county rights-of-way to the city. On learning of this proposal, the Driftwood Shores condominium owners proposed to the city that their property be annexed into the city, in return for extending the city sewer lines north, with the city, Driftwood Shores and the telecommunications company sharing the costs of trenching and installation.

On March 8, 2008, the Driftwood Shores condominium owners voted to approve annexation to the City of Florence, and submitted to the city consents to annexation. On March 12, 2008, a representative of the Driftwood Shores homeowners association submitted an application to the city proposing annexation of the property and a zone change from a county commercial zone to a city commercial zone. The annexation proposal also included

1 portions of several county rights-of-way connecting to the existing city limits. *See* map in
2 Appendix A, attached to this opinion.

3 The planning commission held a public hearing and recommended approval of the
4 annexation and rezoning. On July 7, 2008, the city council held a public hearing on the
5 matter. On August 4, 2008, the city council voted to approve Ordinance No. 14 and
6 Ordinance No. 15 approving the annexation and rezoning proposals, respectively. These
7 appeals followed.

8 **FIRST ASSIGNMENT OF ERROR (LINK)**

9 Petitioner Link alleges that the challenged decisions were based on undisclosed *ex*
10 *parte* contacts in violation of ORS 227.180(3)¹. The focus of the allegation involves city
11 council member Holman’s statements during the council’s deliberations on July 21, 2008.
12 The minutes of that meeting state:

13 Councilor Holman commented that *the crowd he has been in contact with has*
14 *been very supportive of the annexation.* Most people want to know more
15 about the annexation; they want to know how they can be annexed and when
16 they can hook up to City sewer. He went on to say that there are many people
17 in the Driftwood Shores neighborhood who are interested in hooking up to
18 sewer with the City because they have substandard septic systems. These
19 people are anxious to get the information on how and when they can annex.
20 He said that everyone that he has talked to is really excited about it.” Record
21 at 148 (emphasis added).

¹ ORS 227.180(3) provides that:

“No decision or action of a planning commission or city governing body shall be invalid due to *ex parte* contact or bias resulting from *ex parte* contact with a member of the decision-making body, if the member of the decision-making body receiving the contact:

- “(a) Places on the record the substance of any written or oral *ex parte* communications concerning the decision or action; and
- “(b) Has a public announcement of the content of the communication and of the parties’ right to rebut the substance of the communication made at the first hearing following the communication where action will be considered or taken on the subject to which the communication related.”

1 Citing to that passage, petitioner argues that Councilor Holman apparently had a number of
2 contacts with unidentified persons regarding the proposed annexation, and failed to disclose
3 the substance of those communications and offer an opportunity for rebuttal at the first
4 hearing following the communications, as required by ORS 227.180(3).

5 The city responds that petitioner has not demonstrated that Councilor Holman
6 engaged in undisclosed “*ex parte* contacts” within the meaning of ORS 227.180(3). The city
7 argues that, based on the above-quoted comment, it is unclear that whoever Councilor
8 Holman spoke to said anything about the merits of the annexation that was in front of the city
9 council, other than an expression of general support. According to the city, the gist of
10 whatever communication took place is that many landowners in the area also want their
11 property to be annexed, presumably so that their property can also hook up to city sewer.
12 The city argues that such communications have nothing to do with any of the approval
13 criteria governing the annexation that was before the city council, or any issues related to
14 those approval criteria, and that there is simply nothing for petitioner to rebut.

15 The city also argues that the substance of the communications with Councilor
16 Holman simply repeat similar written comments submitted to the city.² The city cites to a
17 number of e-mails in the record from various property owners in the area expressing general
18 support for annexing property in the area and inquiring into how their property could be
19 annexed.

20 We agree with the city that in order to provide a basis for remand based on *ex parte*
21 contacts, there must be some indication that the communication had something to do with the
22 factual determinations or legal standards that govern approval or denial of the application.

² The city suggests that Councilor Holman may have been referring to those e-mails in the record, in saying that the “crowd he had been in contact with has been very supportive of annexation.” Record 148. According to the city, there is no indication that the councilor was referring to persons who contacted the councilor outside the public proceeding. However, there is also no indication to the contrary, and we assume for purposes of this opinion that the councilor was describing contacts with persons outside the public proceeding.

1 The goal of prohibiting undisclosed *ex parte* contacts is to ensure that land use decisions are
2 based on information or evidence the decision makers receive within the public process, and
3 are not based on legal arguments or evidence received outside the public process. *Carrigg v.*
4 *City of Enterprise*, 48 Or LUBA 328, 333 (2004). The correlation is that failure to disclose
5 communications that have no bearing on applicable approval criteria or to issues material to
6 approving or denying the application does not necessarily warrant remand. *Crook v. Curry*
7 *County*, 38 Or LUBA 677, 687 (2000).

8 Here, Councilor Holman disclosed the substance of the communications, but
9 belatedly, following the close of the record and at a meeting at which no public testimony
10 was taken. The city failed to offer participants an opportunity to rebut the substance of that
11 communication. That failure warrants remand, in our view, only if there is some reason to
12 believe those communications had some bearing on applicable approval criteria or otherwise
13 played a material role in the city council’s decision to approve the annexation.

14 As the city notes, the gist of the communications with Councilor Holman is that other
15 persons besides the owners of Driftwood Shores are interested in being annexed into the city.
16 That subject has no obvious bearing on any approval criteria applicable to the proposed
17 Driftwood Shores annexation, and it is difficult to see how such communications could play
18 a material role in the city council’s decision. It is true that the persons who communicated
19 with Councilor Holman also expressed support for the proposed annexation of the Driftwood
20 Shores property, but that expression of support appears to be prompted by the
21 communicants’ desire to have their own property similarly annexed, and not to any assertion
22 that the Driftwood Shores annexation should be approved because it is consistent with
23 applicable approval criteria or any other consideration that is material to the city council’s
24 decision making on the Driftwood Shores annexation.

25 In our view, such general expressions of support for the proposed annexation (or
26 general expressions in opposition, for that matter) are not “*ex parte* contacts” within the

1 meaning of ORS 227.180(3), or to the extent they can be construed as *ex parte* contacts, the
2 failure to timely disclose such contacts and provide an opportunity for rebuttal does not
3 warrant remand. As the city points out, there are no factual or legal assertions in such
4 general expressions of support or opposition that petitioner or any other participant could
5 possibly rebut. Petitioner does not explain what purpose would be served by remanding the
6 decision to provide rebuttal, or describe what petitioner could possibly say in rebuttal. Under
7 these circumstances, the city’s error, if any, in failing to offer petitioner the opportunity to
8 rebut the communications with Councilor Holman does not provide a basis for reversal or
9 remand.

10 The first assignment of error (Link) is denied.

11 **SECOND ASSIGNMENT OF ERROR (LINK)**

12 Petitioner Link argues that the city erred in failing to submit the question of the
13 proposed annexation to the city voters. In addition, petitioner argues that the city erred by
14 annexing property into the city that is not contiguous with city boundaries.³

15 **A. City Election**

16 ORS 222.120(1) and (2) provide that the city is not generally obligated to submit a
17 proposal for annexation to the city electors, and that the city may choose to dispense with an
18 election and instead simply hold a public hearing on the annexation before making a
19 decision.⁴ On April 21, 2008, the city adopted a resolution providing that the city council

³ Petitioner also argues that the annexation is “unreasonable” under the reasoning articulated in *Portland Gen. Elec. Co. v. City of Estacada*, 194 Or 145, 241 P2d 1129 (1952). We address that argument under Citizens’ fifth assignment of error, below.

⁴ ORS 222.120 provides, in relevant part:

- “(1) 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.
- “(2) When the legislative body of the city elects to dispense with submitting the question of the proposed annexation to the electors of the city, the legislative body of the city

1 “hereby elects to dispense with any and all annexation elections * * * and instead will hold a
2 public hearing on all annexations allowing City electors to be heard on the annexation.”
3 Record 374. In the present proceeding, the city cited and relied on that resolution to dispense
4 with an election. Record 19.

5 Petitioner contends, however, that the city cannot simply rely upon the previously
6 adopted resolution as a basis to dispense with an election on this proposed annexation, but
7 must instead adopt separate resolutions with respect to each annexation proposal, in which
8 the city decides whether or not to dispense with an election on that proposal. According to
9 petitioners, ORS 222.120 does not permit the city to rely on a blanket, general waiver of
10 municipal voting rights.

11 We disagree with petitioner that ORS 222.120 prohibits cities from choosing to
12 dispense with an annexation election based on a previously adopted resolution or policy to
13 that effect. Nothing cited to us in the statute suggests an intent to limit a city’s discretion in
14 choosing whether to dispense with an election or the means by which that choice is made.
15 Moreover, even if the statute explicitly required a case-by-case choice, as we understand the
16 findings the city made such a choice in the present case. That the city cited to the previously
17 adopted resolution in support of that choice does not mean that the city failed to properly
18 dispense with the election. This subassignment of error is denied.

19 **B. Non-Contiguous Property**

20 ORS 222.111(1) provides in relevant part that a city may annex territory that is
21 “contiguous to the city or separated from it only by a public right-of-way * * *.”⁵

shall fix a day for a public hearing before the legislative body at which time the
electors of the city may appear and be heard on the question of annexation.”

⁵ ORS 222.111 provides, in relevant part:

“(1) When a proposal containing the terms of annexation is approved in the manner provided by the charter of the annexing city or by ORS 222.111 to 222.180 or 222.840 to 222.915, the boundaries of any city may be extended by the annexation of territory that is not within a city and that is contiguous to the city or separated

1 ORS 222.111(2) provides that an annexation proposal may be initiated “by a petition to the
2 legislative body of the city by owners of real property in the territory to be annexed.”

3 As noted, the annexation was initiated by application of the Driftwood Shores
4 homeowners association. Petitioner argues that the territory proposed for annexation under
5 that petition included only the Driftwood Shores property itself, not the half-mile of public
6 roads that connect the Driftwood Shores property to the current city limits. According to
7 petitioner, the public roads were included only later in the proposed annexation, to establish
8 the necessary contiguity. However, petitioner argues that the city cannot simply add
9 property to the annexation territory after the petition is filed in order to establish the required
10 contiguity.

11 The city responds that the original annexation application included a legal description
12 of the public rights-of-way and clearly included those rights-of-way within the proposed
13 annexation territory. Supplemental Record 8-9. Moreover, the application included an
14 engineering drawing depicting the proposed annexation territory, that clearly proposes to
15 annex both the Driftwood Shores property and the rights-of-way connecting that property to
16 the city. Supplemental Record 10. We agree with the city that even if we assume that
17 “contiguity” must be established in the initial annexation petition, as petitioner argues, the
18 annexation petition filed by Driftwood Shores proposed an annexation territory that is
19 contiguous to the city limits. This subassignment of error is denied.

20 The second assignment of error (Link) is denied.

from it only by a public right-of-way or a stream, bay, lake or other body of water.
Such territory may lie either wholly or partially within or without the same county in
which the city lies.

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

1 **THIRD ASSIGNMENT OF ERROR (LINK)**

2 Petitioner contends that the city erred in failing to adopt concurrent amendments to
3 (1) the city comprehensive plan map and (2) the city wastewater facilities plan.

4 **A. Comprehensive Plan Map Amendment**

5 Petitioner argues that, as a result of the annexation, the city boundaries as depicted on
6 the city comprehensive plan map are no longer accurate, and the city is therefore required to
7 amend its comprehensive plan map to reflect the new city boundary. However, petitioner
8 argues, the city failed to adopt the required comprehensive plan map amendment.

9 The city responds, and we agree, that petitioner has not established that the city is
10 required in the course of annexing territory into the city to adopt a concurrent comprehensive
11 plan map reflecting the changed city boundary. Petitioner argues, correctly, that an
12 annexation must be consistent with the city’s acknowledged comprehensive plan. OAR 660-
13 014-0060 (an annexation made in compliance with an acknowledged comprehensive plan
14 that controls the annexation is considered to be consistent with the statewide planning goals).
15 However, petitioner cites no authority for the proposition that if a city fails to adopt a
16 concurrent plan map amendment to reflect a changed city boundary resulting from an
17 annexation, the annexation is thereby “inconsistent” with the existing comprehensive plan
18 map.

19 The city notes that the administrative rules governing post-acknowledgment plan
20 amendments define a “map change” as a “change in the designation of an area as shown on
21 the comprehensive plan map, zoning map or both.” OAR 660-018-0010. Under that
22 definition, a plan map amendment that simply moves a city boundary line to reflect an
23 adopted annexation is not a “map change,” and therefore is not subject to the requirements
24 and procedures governing post-acknowledgment plan amendments. That in turn suggests
25 that an annexation in itself does not trigger the requirement to adopt a concurrent amendment
26 to the city’s comprehensive plan map, to reflect the changed city limits.

1 That suggestion is strengthened by the fact that OAR 660-024-0020(2) requires that
2 the comprehensive plan map show the UGB and amendments to the UGB, but no
3 administrative rule or other authority cited to our attention requires that the plan map show
4 city boundaries or changes to those boundaries. While comprehensive plan maps generally
5 do depict current city boundaries, and there is an obvious jurisdictional significance to such
6 boundaries, the depiction of those boundaries have little to do with the primary purpose of
7 the comprehensive plan map, which is to show the location of city comprehensive plan
8 designations. Pursuant to the intergovernmental agreement the city has with the county, the
9 city comprehensive plan map provides city comprehensive plan designations for urban and
10 urbanizable areas within the urban growth boundary, regardless of the current location of the
11 city limits. Accordingly, petitioner has not demonstrated that in annexing territory the city
12 was required to adopt a concurrent city comprehensive plan map amendment depicting the
13 changed city boundary. This subassignment of error is denied.

14 **B. Wastewater Facilities Plan**

15 Petitioner argues that the city cannot approve the annexation unless it concurrently
16 amends its Wastewater Facilities Plan (Facilities Plan). According to petitioner, OAR 660-
17 011-0010 requires the city to establish and maintain a public facility plan with a list and map
18 of significant public facility projects. The Facilities Plan, adopted in 1997, contemplates that
19 the area including the Driftwood Shores property will eventually be connected to the city
20 sewer system by extension of a series of pressurized lines and pump stations north via the
21 Highway 101 and Heceta Beach Road rights-of-way. Facilities Plan A-1. The Facilities
22 Plan does not contemplate extending the existing sewer line in the Rhododendron Drive
23 right-of-way north to serve the area of the Driftwood Shores site. Petitioner argues that the
24 proposed extension along the Rhododendron Drive right-of-way is inconsistent with the
25 Facilities Plan, and cannot be approved absent an amendment to the Plan.

1 The city rejected that argument below, citing to comprehensive plan text indicating
2 that the route of the trunk line needed to service the north Florence area “has not been finally
3 determined”:

4 “[T]here is no requirement that the sewer project that is contemplated in
5 conjunction with the annexation be first listed in the Wastewater Facilities
6 Plan. Even if there were such a requirement, the proposal does not conflict
7 with the current Wastewater Facilities Plan since long term facilities planning
8 [is] necessarily general and this project meets the goals of the plan by
9 providing sewer service to the northwest UGB area. The text of the
10 Background Section of the sewer provisions in Chapter XI states:

11 “Improvements to the collection system are planned following
12 completion of the treatment plant improvements. The most major of
13 these is a trunk line to be constructed to serve the north Florence area
14 and portions of the UGB, after annexation. *The routing of that trunk
15 line has not been finally determined*, but the goal is to site the line on
16 public property to the extent possible. *Extensive repairs/replacement
17 are also needed on the Rhododendron Street pressure line. Demand
18 and funding will determine which major line is constructed initially.*”

19 “With the City’s current project to replace the Rhododendron pressure line
20 and the economic and engineering wisdom of extending the pressure line from
21 Fawn Ridge to Driftwood Shores, the routing is consistent with the text of the
22 comprehensive plan * * *.” Record 23 (emphasis added).

23 In addition, on appeal the city argues that OAR 660-011-0030(1), part of the
24 administrative rule that requires adoption of public facilities plans, does not require the plan
25 to specify the precise location of long-term projects, and further contemplates that public
26 facility descriptions, locations and service areas will necessarily change over time.⁶ Further,

⁶ OAR 660-011-0030, entitled “Location of Public Facility Projects,” provides:

- “(1) The public facility plan shall identify the general location of the public facility project in specificity appropriate for the facility. Locations of projects anticipated to be carried out in the short term can be specified more precisely than the locations of projects anticipated for development in the long term.
- “(2) Anticipated locations for public facilities may require modifications based on subsequent environmental impact studies, design studies, facility master plans, capital improvement programs, or land availability. The public facility plan should anticipate those changes as specified in OAR 660-011-0045.”

1 the city notes, OAR 660-011-0045(2)(a) provides that the rule is not intended to “prohibit
2 projects not included in the public facility plans for which unanticipated funding has been
3 obtained[.]”⁷

⁷ OAR 660-011-0045 is entitled “Adoption and Amendment Procedures for Public Facility Plans, and provides, in relevant part:

- “(1) The governing body of the city or county responsible for development of the public facility plan shall adopt the plan as a supporting document to the jurisdiction’s comprehensive plan and shall also adopt as part of the comprehensive plan:
 - “(a) The list of public facility project titles, excluding (if the jurisdiction so chooses) the descriptions or specifications of those projects;
 - “(b) A map or written description of the public facility projects’ locations or service areas as specified in sections (2) and (3) of this rule; and
 - “(c) The policy(ies) or urban growth management agreement designating the provider of each public facility system. * * *
- “(2) Certain public facility project descriptions, location or service area designations will necessarily change as a result of subsequent design studies, capital improvement programs, environmental impact studies, and changes in potential sources of funding. It is not the intent of this division to:
 - “(a) Either prohibit projects not included in the public facility plans for which unanticipated funding has been obtained;
 - “(b) Preclude project specification and location decisions made according to the National Environmental Policy Act; or
 - “(c) Subject administrative and technical changes to the facility plan to ORS 197.610(1) and (2) or 197.835(4).
- “(3) The public facility plan may allow for the following modifications to projects without amendment to the public facility plan:
 - “(a) Administrative changes are those modifications to a public facility project which are minor in nature and do not significantly impact the project’s general description, location, sizing, capacity, or other general characteristic of the project;
 - “(b) Technical and environmental changes are those modifications to a public facility project which are made pursuant to ‘final engineering’ on a project or those that result from the findings of an Environmental Assessment or Environmental Impact Statement * * *.

“* * * * *

1 As the city notes, OAR 660-011-0045(2)(a) clearly contemplates that a city may
2 approve a new public facility project that is not included in its public facility plan without
3 thereby requiring an amendment to the public facility plan. The annexation decision in the
4 present case approves a new project not included in the Facilities Plan, to extend the sewer
5 line in Rhododendron Road to the north Florence UGB area. To that extent, the city’s
6 decision does not require an amendment to the Facilities Plan. The more difficult question is
7 whether the decision also “modifies” a project listed in the Facilities Plan: the contemplated
8 extension of a sewer line along the Highway 101/Heceta Beach Road alignment. If so,
9 OAR 660-011-0045(4) appears to require that that modification be accomplished by means
10 of an amendment to the Facilities Plan.

11 As we understand the effect of the city’s annexation decision, it makes no final
12 determinations one way or another regarding the fate of the proposed sewer line along the
13 Highway 101/Heceta Beach Road alignment. It may be that once the Rhododendron Road
14 line is built, there will no longer be a need to extend the contemplated Highway 101/Heceta
15 Beach Road sewer line all the way to the Driftwood Shores area, to serve properties in that
16 area that are annexed into the city and developed. If that is the case, the city may well have
17 to modify the Facilities Plan to provide for a shorter or less extensive sewer trunk line along
18 the Highway 101/Heceta Beach Road alignment, and perhaps will even decide to abandon
19 that project altogether. However, we agree with the city that the present decision does not
20 make that decision, and does not “modify” that project within the meaning of OAR 660-011-
21 0045. Therefore, the city is not required to modify the Facilities Plan, and the decision to

“(4) Land use amendments are those modifications or amendments to the list, location or provider of, public facility projects, which significantly impact a public facility project identified in the comprehensive plan and which do not qualify under subsection (3)(a) or (b) of this rule. Amendments made pursuant to this subsection are subject to the administrative procedures and review and appeal provisions accorded ‘land use decisions’ in ORS Chapter 197 and those set forth in OAR Chapter 660 Division 18.”

1 authorize an extension of the existing sewer line in the Rhododendron Road alignment is
2 neither inconsistent with the Facilities Plan nor requires an amendment to the plan.

3 This subassignment of error is denied.

4 The third assignment of error (Link) is denied.

5 **FOURTH ASSIGNMENT OF ERROR (LINK)**

6 The city apparently has two applicable comprehensive plans, the original 1988 City
7 of Florence Comprehensive Plan (1988 FCP), and the 2020 Realization Comprehensive Plan
8 (2020 RCP), adopted by the city in 2002, but not co-adopted by the county as of the date of
9 the challenged decisions. Under this assignment of error, petitioner argues that the
10 annexation is inconsistent with several 1988 FCP and 2020 RCP policies.

11 **A. 2020 RCP Urbanization Policy 1(a) and (b)**

12 The 2020 RCP Urbanization Goal is to “provide for an orderly and efficient transition
13 from County/rural land uses to City/urban land uses.” Policy 1 requires that “[c]onversion of
14 lands within the UGB outside City limits shall be based on consideration of:

- 15 “a) orderly, economic provision for public facilities and services.
- 16 “b) availability of sufficient land for the various uses to insure choices in
17 the market place.
- 18 “c) conformance with the acknowledged City of Florence Comprehensive
19 Plan.
- 20 “d) encouragement of development within urban areas before conversion
21 of urbanizable areas; and
- 22 “e) consistency with state law.”

23 **1. Urbanization Policy 1(a)**

24 With respect to Policy 1(a), petitioner argues first that the proposed sewer extension
25 along the Rhododendron Road right-of-way is inconsistent with the city’s Facilities Plan, for
26 the reasons set out in his third assignment of error, and therefore fails to provide an orderly
27 and economic provision for public services, under Policy 1(a). However, re-routing the main

1 sewer trunk from the route initially contemplated in the Facilities Plan does not necessarily
2 mean that the proposed sewer extension does not provide for an orderly and economic
3 provision of public services. The locations of both sewer extensions might well be consistent
4 with an orderly and economic provision of public services.

5 Second, petitioner argues that the city failed to consider the impacts of abandoning or
6 postponing the Highway 101/Heceta Beach sewer extension route on the city’s groundwater
7 supply. According to petitioner, the 2020 RCP recognizes that failing on-site septic tanks
8 within the UGB is one of the primary risks to the city’s groundwater drinking supply.
9 Consequently, the 2020 RCP recommends pursuing annexation in areas with failing septic
10 systems. Petitioner argues that the city failed to consider the impact of rerouting the new
11 main sewer trunk line away from the densely populated Highway 101/Heceta Beach Road to
12 the Rhododendron Road right-of-way, with respect to prioritizing annexation of areas with
13 failing septic systems.

14 The city responds that its findings adequately explain why re-routing the main sewer
15 trunk is consistent with Policy 1(a), as it might apply to prioritizing annexation of lands with
16 failing septic systems. The city found:

17 “Extending sewer service to Driftwood Shores in this way does not result in
18 leapfrogging over other areas in need of sewer service. In fact, the sewer
19 extension plan creates the sewer backbone needed to serve these closer-in
20 properties. Further, the city does not force annexation on properties, so the
21 City is not in a position at this time to force closer-in properties to annex in
22 order to solve any potential individual septic problems.

23 “* * * * *

24 “Additionally, the sewer extension plan creating a new sewer backbone for
25 the northwest UGB area serves to address future water quality issues. By
26 providing a means for individual land owners to economically hook up to City
27 sewer, the annexation creates the means to economically respond to any
28 groundwater issues created by failed or failing individual septic systems.
29 Without the backbone infrastructure created by the Driftwood Shores sewer
30 extension plan, resolving individual property groundwater issues would be
31 prohibitively expensive and likely an engineering impossibility.” Record 13-
32 14.

1 Petitioner does not challenge the above findings or explain why they are inadequate.
2 Absent a more developed argument, petitioner’s contentions on this point do not provide a
3 basis for remand.

4 Third, petitioner challenges the lack of findings addressing water service in the north
5 Florence area, noting that the city does not provide water service in that area and instead
6 relies on the Heceta Water District to supply water. However, petitioner explains, the city
7 has no urban service agreement with the water district, which has opposed the county’s co-
8 adoption of the 2020 RCP due to the city’s failure to enter into such an agreement. Petitioner
9 argues that the city’s findings are deficient in failing to address this dispute between the city
10 and the water district.

11 The city found that the Heceta Water District currently serves the Driftwood Shores
12 site and that “allowing Heceta Water District to continue to provide service is the most
13 economic and orderly approach to water service and in accordance with” a city resolution
14 regarding water service cooperation with the water district. Record 14. Petitioner is correct
15 that the city’s findings do not address the current absence of an urban service agreement with
16 the district, or any dispute between the city and the water district regarding adoption of the
17 2020 RCP. However, petitioner does not explain why those issues are material to the city’s
18 consideration under Policy 1(a). The city found that maintaining the status quo is the most
19 orderly and economic approach to water service in the area. Petitioner does not dispute that
20 finding, as far as it goes, or argue that the status quo will change if the city and district
21 cannot reach an agreement. Absent a more developed argument from petitioner, we cannot
22 say that the city’s findings on this point are inadequate. This subassignment of error is
23 denied.

24 **2. Urbanization Policy 1(b)**

25 Petitioner challenges the city’s findings that consider the “[a]vailability of sufficient
26 land for the various uses to insure choices in the market place.” Because the Driftwood

1 Shores site is already developed, petitioner argues, the site will do nothing to ensure that
2 there is sufficient land available to provide choices in the market place.

3 The city found that the proposal is consistent with Policy 1(b) because

4 “the annexation of this Commercial property will not affect the availability of
5 vacant land in the City limits or urban growth boundary because the property
6 is developed, not vacant. The annexation will create the only beachfront
7 property within Florence and thus the only option for Oceanside
8 accommodations and dining in the City. * * *” Record 15-16.

9 Policy 1(b) does not, as petitioner seems to believe, require that annexed properties be vacant
10 or create new development sites. The city found, and there appears to be no dispute, that
11 annexing the Driftwood Shores site does not reduce the availability of vacant or developable
12 land in the UGB. The city also found that annexing Driftwood Shores would introduce a
13 new or unique type of use into the city. Petitioner has not explained why those
14 considerations are inappropriate or insufficient for purposes of Policy 1(b).

15 This subassignment of error is denied.

16 **3. Urbanization Policy 1(d)**

17 Urbanization Policy 1(d) requires the city to consider “[e]ncouragement of
18 development within urban areas before conversion of urbanizable lands.” The city found, in
19 relevant part:

20 “The proposal is consistent with this policy because the City encourages
21 development within urban areas by adopting Medium and High Density
22 Residential Plan designations and applying these designations and associated
23 zoning to numerous properties within and annexing to the City within the
24 UGB. This annexation and the resulting connection to City sewer service will
25 further encourage development within urban areas before the conversion of
26 urbanizable areas.

27 “* * * * *

28 “This policy is not a requirement that all areas inside the City must be
29 developed prior to annexation. The policy ‘encourages’ urban development
30 within the City over conversion of lands outside the City to urban land uses.
31 Annexation is the appropriate and orderly method for encouraging infill

1 development within the City over allowing rural development to occur at rural
2 densities outside the City. * * *” Record 16.

3 “This annexation will encourage the development of urban areas prior to
4 urbanizable areas. By adding the annexing area to the City limits, the
5 surrounding neighborhoods, and the City as a whole, will benefit from the
6 extension of the City sewer system. Therefore, the annexation request is
7 consistent with this policy.” Record 17.

8 Petitioner argues that, while the city is correct that Policy 1(d) does not mandate that
9 all urban areas be developed prior to annexing new territory, it does require that the city
10 consider whether it has encouraged development within the urban area before converting
11 urbanizable lands, and the city failed to do so.

12 We note that both the decision and petitioner appear to view all land inside the city
13 limits as *ipso facto* “urban land” and by default all land outside the city limits but within the
14 UGB is “urbanizable land.” However, those terms are defined for purposes of the statewide
15 planning goals without regard to city limits. “Urban land” is defined as “[l]and inside an
16 urban growth boundary.” “Urbanizable land” is defined as urban land that due to the present
17 unavailability of urban facilities and services, or for other reasons, either retains the zone
18 designation assigned prior to inclusion in the UGB, or is subject to an interim zoning
19 designation intended to limit development “until appropriate public facilities and services are
20 available or planned.” Under those definitions, it is the *zoning* that is the critical distinction
21 between urban and urbanizable land. It is not at all clear that the Driftwood Shores property
22 or other developed property in the vicinity that is outside the city limits but within the UGB
23 necessarily constitutes “urbanizable land” as opposed to urban land. The Driftwood Shores
24 property, for example, is intensively and fully developed, and we do not understand it to be
25 subject to either a rural zone or interim county zone intended to limit its development
26 potential pending the planning or availability of public facilities and services. In short, it is
27 not clear to us how Policy 1(d) applies to a proposed annexation of land that is already zoned
28 for and fully developed with what appears to be an urban-level use.

1 That point aside, Policy 1(d) appears to require that the city identify measures it has
2 taken to encourage infill development in urban areas, prior to converting urbanizable land to
3 urban uses. The city finds that it has applied medium and high-density plan designations and
4 zoning to urban areas, which encourages urban development of those areas. The city also
5 appears to conclude that it is consistent with Policy 1(d) to annex and provide city services to
6 properties like Driftwood Shores that are already fully developed with intensive uses.
7 Petitioner has not demonstrated that those explanations are insufficient considerations for
8 purposes of Policy 1(d).

9 This subassignment of error is denied.

10 **4. Consistency with State Law**

11 Petitioner repeats his argument that state law requires an election on the annexation
12 proposal, and argues that because the city failed to provide an election it therefore violated
13 Policy 1(e). We rejected that argument above, and therefore the derivative arguments under
14 this subassignment of error do not provide a basis for remand.

15 **B. 2020 RCP Goal 6 Policies**

16 Petitioner argues that the city's findings fail to address 2020 RCP Goal 6, Policies 5
17 and 9, which provide:

18 "5. Solid, liquid, gaseous and industrial waste discharges and/or disposal
19 from septic tanks and/or sewers shall not contaminate land, air, and
20 water resources."

21 "9. The City shall meet all applicable standards relating to air quality,
22 water quality and noise pollution."

23 However, petitioner does not why explain either policy is applicable to the proposed
24 annexation and sewer extension. The closest petitioner comes is to repeat their argument that
25 by re-routing the sewer trunk line from Highway 101/Heceta Beach Road alignment to the
26 Rhododendron Road alignment the city has bypassed property owners who may have
27 inadequate septic systems. However, as explained above we do not understand the city's

1 decision to decide, one way or another, the fate of the contemplated sewer line in the
2 Highway 101/Heceta Beach Road alignment.

3 **C. 2020 RCP Housing Policy 3**

4 Petitioner contends that the city failed to address 2020 RCP Housing Policy 3, which
5 provides that “[s]ufficient land within the Florence area shall be made available for high
6 density housing development where public services are adequate and where high densities
7 and traffic levels will be compatible with the surrounding area.” According to petitioner, the
8 annexation will add 80 condominium units to the city, but the findings do not address how
9 those high densities and the traffic they generate will be compatible with the surrounding
10 area.

11 The city responds, and we agree, that petitioner has not established that Policy 3 is an
12 applicable plan policy. By its terms, the policy is a directive to the city to provide sufficient
13 land for high density housing developments. The policy has no apparent applicability to an
14 annexation proposal that would bring an already developed commercial-zoned property into
15 the city. This subassignment of error is denied.

16 **D. 2020 RCP Policies on Citizen Involvement**

17 Petitioner repeats his earlier argument that the city erred in failing to conduct an
18 election on the annexation proposal, arguing that the choice to waive an election is
19 inconsistent with two comprehensive plan policies generally requiring citizen involvement in
20 the planning process.⁸ As the city notes, however, both of the cited plan policies are general

⁸ Petitioners cite to Policies 3 and 4 at I-1 of the 2020 RCP:

- “3. The City Council shall ensure that a cross-section of Florence citizens is involved in the planning process, primarily through their appointments to the Planning Commission, Design Review Board, Citizen Advisory Committee and other special committees.
- “4. Official City meetings shall be well publicized and held at regular times. Agendas will provide the opportunity for citizen comment.”

1 directives to the city that have no obvious bearing on the choice of whether to hold an
2 election on an annexation proposal or on the opportunity for public participation that must be
3 provided on that proposal. Petitioner’s arguments under this subassignment of error do not
4 provide a basis for remand.

5 **E. 1988 FCP Policies**

6 The 1988 FCP sets out the following criteria for annexation approval:

- 7 “a. The land is contiguous with the City limits and within the [UGB].
- 8 “b. The development of the property is compatible with the rational and
9 logical extension of utilities and roads to the surrounding area.
- 10 “c. The City is capable of providing and maintaining urban services
11 without negatively impacting existing systems and the City’s ability to
12 adequately serve all areas within the existing City limits.
- 13 “d. Public facilities and services can be provided in an orderly and
14 economic manner.
- 15 “e. Sufficient land for the various uses is available to [e]nsure choices in
16 the marketplace.
- 17 “f. The annexation is in conformance with this Comprehensive Plan.
- 18 “g. Development within urban areas has been encouraged before
19 conversion of urbanizable areas.” 1988 FCP 33.

20 For those criteria that are identical or similar to those in the 2020 RCP, petitioner
21 incorporates the arguments set out above and argues that for the same reasons the annexation
22 and sewer extension is also inconsistent with the 1988 FCP criteria. We rejected those
23 arguments above, and reject them again here.

24 In addition, petitioner cites several 1988 FCP policies and argues that the annexation
25 proposal is inconsistent with those policies, and thus the annexation does not conform to the
26 1988 FCP, as required under criterion f. We address each of these policies below.

27 **1. Sewerage Extension Plan**

28 The 1988 FCP includes a policy providing that:

1 “Upon completion of a regional sewerage treatment facility, sewers may be
2 extended to land within the Urban Service Area to allow property to be
3 developed to urban density prior to annexation. Any extension shall be based
4 upon an adopted sewerage extension plan for the area. * * *” 1988 FCP 27.

5 Petitioner argues that there is no “adopted sewerage extension plan” for the area around
6 Driftwood Shores and, in fact, extending the sewer trunk line to that area via Rhododendron
7 Road is inconsistent with the city’s Facilities Plan.

8 However, we note that this policy applies by its terms to proposals to extend sewers
9 to land within the urban service area so the property can be developed “prior to annexation.”
10 The policy does not appear to speak to sewer extensions that follow or are concurrent with
11 annexation, and it is not clear why it applies in the present case. The city found that the
12 annexation is consistent with this policy because the city is not extending sewers to land
13 within the urban service area, outside the city. Record 29. Absent a more developed
14 challenge to the city’s findings, petitioner’s arguments directed at this policy do not provide
15 a basis for remand.

16 **2. Priority Sewer Service**

17 The 1988 FCP includes a policy that:

18 “The first priority in the provision of public water and sanitary sewer is to
19 furnish all residents of Florence with an adequate level of water for domestic
20 use and fire protection, and sewerage services which complies with prevailing
21 health regulations.” 1988 FCP 35.

22 Petitioner argues that the city Facilities Plan identifies several defects in the existing
23 sewage collection system, but that the city’s findings fail to explain why extending sewer
24 service to a condominium association with a functioning private sewage system is consistent
25 with the policy to assign “first priority” to providing sewage service to city residents that
26 complies with prevailing health regulations. We understand petitioner to argue that the city
27 must instead assign “first priority” to fixing all defects in the city sewage collection system,
28 before it can annex new territory and provide new sewage service to the annexed lands. In
29 support of that position, petitioner cites a different 1988 FCP passage, stating that the

1 extension of systems “outside the City limits should occur only after the service needs within
2 the limits of the City can be met.” Petition for Review 28 (Link). Finally, petitioner
3 questions whether there is sufficient capacity in the city system if the city places the sewer
4 trunk line in Rhododendron Road to serve in the northwestern part of the UGB, rather than in
5 the Highway 101/Heceta Beach Road alignment, which would serve properties in the
6 northeastern part of the UGB.

7 The city responds that the “first priority” policy is a general directive to the city, not
8 an approval criterion under which the city must deny any annexation request that involves a
9 sewer extension until the city has fixed every defect in its existing collection system. We
10 agree with the city that, to the extent the first priority policy is a relevant plan policy,
11 petitioner has not established that it prohibits the city from annexing land and providing city
12 sewer service to that land until all identified defects in the city’s current collection system are
13 fixed.

14 With respect to the policy that extension of systems “outside the City limits should
15 occur only after the service needs within limits of the City can be met,” the city found that
16 the policy does not apply to a proposal to annex land into the city and provide it with city
17 sewer. Record 29-30. Petitioner does not acknowledge that finding or explain why it is
18 erroneous.

19 With respect to capacity, the city found that the existing wastewater facility has
20 significant excess capacity, far more than needed to serve the Driftwood Shores property
21 without negatively affecting existing city residents. Record 13. Petitioner speculates that
22 there may not be sufficient capacity to also serve non-city residents that might be served by
23 the Highway 101/Heceta Beach Road trunk line, when and if that line is built. However,
24 petitioner cites to no evidence to support that speculation. This subassignment of error is
25 denied.

1 **3. Cost of Sewer Extension**

2 Another provision of the 1988 FCP provides that “[t]otal costs of the extension of
3 service shall be borne by the benefited property owners * * *.” The city found:

4 “Per the Sewer Service Connection Agreement, Driftwood Shores will be
5 paying \$172,258 toward the construction of a sanitary sewer line from [the
6 current city limits] to Driftwood Shores and a regional pumping station. This
7 amount is the total cost of their portion of those public facilities. The sewer
8 line and pump station are sized to serve the whole north end of the UGB and
9 the City will cover the cost to provide the additional capacity needed to serve
10 other properties in the area and will be paid back as other properties pay
11 system development charges when they connect to the city’s sewer system.”
12 Record 30.

13 Petitioner appears to argue that this policy requires Driftwood Shores to pay for the
14 entire sewer extension, even that portion of the cost that reflects excess size or capacity
15 intended to serve other properties in the UGB that in the future may request annexation and
16 connection to the city system. If that is petitioner’s view, we reject it. The city clearly
17 understood this policy to require the benefited property owner to pay the full cost of the
18 sewer extension, to the extent it benefits the property owner, but not to require the property
19 owner to pay for oversize pipes or additional capacity needed to service other properties.
20 Petitioner has not established that that understanding is inconsistent with the text of the
21 policy or otherwise erroneous. This subassignment of error is denied.

22 **4. Urban Service Area Policies**

23 According to petitioner, the 1988 FCP includes a number of policies directed at the
24 city’s Urban Services Area that are “related to beaches and dunes protection, transportation,
25 water services/fire protection, topography, geology, soils and slopes protection, and
26 intergovernmental planning requirements.” Petition for Review 28.⁹ Many of these policies
27 apparently apply when “development” is proposed in the urban services area. The city
28 adopted a general finding that 1988 FCP policies directed at “development” proposals do not

⁹ Petitioner does not identify any particular 1988 FCP policies that the city did not address.

1 apply to the proposed annexation of Driftwood Shores, because that property is already fully
2 developed.¹⁰ Notwithstanding that interpretation, the city’s findings in fact address a number
3 of policies that are focused on “development.” *See, e.g.* Record 38 (finding compliance with
4 an annexation policy requiring that “[t]he development of the property is compatible with the
5 rational and logical extension of utilities and roads to the surrounding area”).

6 Petitioner disputes the city’s general interpretation, arguing first that the dictionary
7 definition of the term “develop” that the city cited is narrower than the expansive definition
8 provided by the 1988 FCP itself. According to petitioner, one of the meanings the 1988 FCP
9 assigns to “develop” is “[t]o bring about growth or availability.”¹¹ That definition is broad
10 enough, petitioner contends, to include annexation and rezoning of already developed
11 property, particularly where the proposal involves extension of sewer service that is sized
12 and intended to provide sewer service to the entire northern part of the UGB. Therefore,
13 petitioner argues, the city erred in declining to evaluate all 1988 FCP policies that are
14 concerned with “development.”

¹⁰ The city found, in relevant part:

“The Council finds that the annexation proposal is not a development proposal under the 1988 Plan, as the terms ‘develop’ and ‘development’ are used and defined in the 1988 Plan. As a result, 1988 Plan policies that speak specifically to development proposals, apart from other types of proposals governed by the 1988 Plan, are not applicable here. The Council’s conclusion is based upon an interpretation of the terms develop and development to mean a different type of proposal than the annexation of land as proposed here. This interpretation fits with how the terms are used in the 1988 Plan and with the dictionary meaning of the terms. Webster’s defines the term ‘develop,’ in relevant part, to mean ‘to convert (as in raw land) into an area suitable for residential or business purposes. . . to alter raw land into (an area suitable for building).’ *Webster’s Third New International Dictionary, Unabridged* 618 (2002). This definition fits with the Council’s conclusion that the annexation proposal here is not an action that converts or alters, or proposes to convert or alter, the annexation territory. First, the proposal simply incorporates the territory the territory into the City. Second, the annexation territory is already built-up and occupied by a commercial development or set aside as open space. As a result, the annexation proposal is not one that proposes to develop the annexation territory.” Record 24.

¹¹ The 1988 FCP defines “develop” to mean “[t]o bring about growth or availability; to construct or alter a structure, to make a physical change in the use or appearance of land, to divide land into parcels, or to create or terminate rights of access.” 1988 FCP 60.

1 The city responds that the city’s general interpretation of “develop” is consistent with
2 both the dictionary and plan definitions of that term, and that the city’s interpretation should
3 be affirmed under ORS 197.829(1).¹² We agree with the city that petitioner has not
4 established that the city council interpretation is reversible under ORS 197.829(1). Read in
5 full, the plan definition of “develop” generally supports the city’s view that that term does
6 not include proposals to annex fully developed land. The extension of the sewer system is a
7 closer question, as that is clearly intended to facilitate future development and for that reason
8 arguably falls within the definition. However, to the extent the proposed sewer extension
9 simply services the existing Driftwood Shores property, the city could reasonably conclude
10 that the sewer extension does not constitute “development.” Petitioner does not explain why
11 the city must apply general plan policies that are concerned with “development” in the
12 context of an annexation and zone change that do not propose development, simply because
13 the city chooses to construct an oversized sewer extension, in anticipation of future
14 annexations and development. The obvious time to apply such policies is when those future
15 annexations and development are proposed. Petitioner identifies no specific 1988 FCP
16 policies that the city failed to apply that are written in a manner that makes them applicable
17 to the proposed sewer extension in this case.

18 This subassignment of error is denied.

19 The fourth assignment of error (Link) is denied.

¹² ORS 197.829(1) provides:

“[LUBA] shall affirm a local government’s interpretation of its comprehensive plan and land use regulations, unless the board determines that the local government’s interpretation:

- “(a) Is inconsistent with the express language of the comprehensive plan or land use regulation;
- “(b) Is inconsistent with the purpose for the comprehensive plan or land use regulation;
- “(c) Is inconsistent with the underlying policy that provides the basis for the comprehensive plan or land use regulation[.]”

1 **FIFTH ASSIGNMENT OF ERROR (LINK)**

2 Petitioner incorporates by reference his arguments above that the city’s annexation
3 process was flawed, the city failed to adopt a necessary comprehensive plan map
4 amendment, and the city has no urban services agreement to provide water in the area.
5 Based on those incorporated arguments, petitioner argues that the annexation fails and
6 therefore the city lacks authority to rezone the property to commercial.

7 However, we rejected above petitioner’s arguments that are incorporated by reference
8 into this assignment of error, and therefore the derivative arguments under this assignment of
9 error do not provide a basis for reversal or remand.

10 The fifth assignment of error (Link) is denied.

11 **FIRST ASSIGNMENT OF ERROR (CITIZENS)**

12 Petitioners Citizens *et al.* argue that the city failed to “initiate” annexation of the
13 public rights-of-way, and therefore the annexation of those rights-of-way fails.

14 ORS 222.111(2) provides that a “proposal for annexation of territory to a city may be
15 initiated by the legislative body of the city, on its own motion, or by a petition to the
16 legislative body of the city by the owners of real property in the territory to be annexed.”
17 Petitioners contend that the proposed annexation involves two separate territories, the
18 Driftwood Shores property and the public rights-of-way, and that neither the city nor the
19 county, the owner of the public roads initiated any annexation with respect to the roadways.

20 However, the city responds, and we agree, that the annexation involved a single
21 territory comprised of multiple properties with multiple owners, not two separate territories.
22 Under the annexation statutes, a set of property owners may petition for annexation of
23 territory that includes property they do not own, as the statutory provisions for double and
24 triple majorities suggests. ORS 222.170. Here, the annexation application filed by the
25 representative of the Driftwood Shores homeowners association proposed the annexation of

1 both the Driftwood Shores property and the public roads, and thus “initiated” the annexation
2 of those properties for purposes of ORS 222.111(2).

3 The first assignment of error (Citizens) is denied.

4 **SECOND ASSIGNMENT OF ERROR (CITIZENS)**

5 **A. Contiguity**

6 Citizens argues that if the annexation of the public roads was not properly initiated,
7 the annexation of Driftwood Shores fails for lack of contiguity. However, we have rejected
8 the premise for that argument and a similar argument advanced by petitioner Link. This
9 subassignment of error is denied.

10 **B. Separated From the City Only by a Public Right-of-way**

11 As noted, ORS 222.111(1) provides that a city may annex territory (1) that is
12 contiguous to the city or (2) that is “separated from it only by a public right-of-way or a
13 stream, bay, lake or other body of water.” Petitioners argue that the public rights-of-way
14 connecting the Driftwood Shores site and the existing city limits are 3,300 feet long, and
15 therefore the Driftwood Shores property is not “separated” from the city “only by a public
16 right-of-way[.]” *See Dept. of Land Conservation v. City of St. Helens*, 138 Or App 222, 228-
17 29, 907 P2d 259 (1995) (territory connected to the city by a 1,500-foot long public road does
18 not satisfy the “separated by a public right-of-way” element of ORS 222.111(1).

19 However, the Court in *City of St. Helens* proceeded under the premise that the city
20 did not also annex the intervening public right-of-way, and was relying solely on the
21 “separated by a public right-of-way” language. The Court commented that where the city
22 annexes the road as well as the target area, that fact would seemingly “make the entire
23 annexed area contiguous to the city, and would make the ‘separated * * * by a right-of-way’
24 criterion immaterial.” 138 Or App at 228. In the present case, the city annexed both the
25 Driftwood Shores property and the intervening public roadways, and that single territory is
26 contiguous to the city limits. The city did not rely on “separated * * * by a public right-of-

1 way” element of ORS 222.111(1), and contrary to petitioners’ apparent understanding, was
2 not required to. This subassignment of error is denied.

3 The second assignment of error (Citizens) is denied.

4 **THIRD ASSIGNMENT OF ERROR (CITIZENS)**

5 Petitioners advance a similar challenge as petitioner Link under the 1988 FCP policy
6 that requires the “[t]otal costs of the extension of service shall be borne by the benefited
7 property owners.” Petitioners argue that the city is not requiring Driftwood Shores to pay the
8 total costs of the sewer extension line. However, petitioners’ arguments under this
9 assignment of error add nothing to petitioner Link’s similar arguments, which we rejected
10 above.

11 The third assignment of error (Citizens) is denied.

12 **FOURTH ASSIGNMENT OF ERROR (CITIZENS)**

13 Petitioners argue that the annexation does not comply with 2020 RCP Urbanization
14 Policy (1)(c), which requires that the proposal conform with the comprehensive plan, and
15 Policy 1(e), which requires that the proposal be consistent with state law. Petitioners
16 incorporate their arguments under their first, second and third assignments of error and argue
17 that, because the annexation is inconsistent with ORS 222.111 and does not comply with the
18 1988 FCP policy requiring that the applicant bear the total cost of sewer extension, the
19 annexation proposal therefore does not comply with 2020 RCP Urbanization Policy (1)(c)
20 and (e).

21 However, we rejected petitioners’ arguments under their first, second and third
22 assignments of error, and their derivative arguments under this assignment of error do not
23 provide a basis for reversal or remand.

24 The fourth assignment of error (Citizens) is denied.

1 **FIFTH ASSIGNMENT OF ERROR (CITIZENS)**

2 Petitioners contend that because the annexation does not comply with
3 ORS 222.111(1) requirements, it therefore fails the “reasonableness” test articulated in
4 *Portland Gen. Elec. Co. v. City of Estacada*, 194 Or 145, 241 P2d 1129 (1952). Petitioners
5 explain that in *City of St. Helens*, the Court of Appeals held that the *Portland Gen. Elec. Co.*
6 “reasonableness” test is implied in the current statutory annexation criteria, and that the
7 question of whether a particular annexation is “reasonable” is largely controlled by the
8 annexation criteria. 138 Or App at 227.

9 Under this assignment of error, petitioners incorporate their arguments under the first
10 and second assignments of error, and argue that because the annexation is inconsistent with
11 the statutory criteria at ORS 222.111, it therefore also fails the *Portland Gen. Elec. Co.*
12 “reasonableness” test. However, that derivative argument fails, because we rejected
13 petitioners’ contentions under their first and second assignments of error.

14 Petitioner Link advances a different argument, which we understand to be that the
15 *Portland Gen. Elec. Co.* “reasonableness” test remains independent of statutory annexation
16 criteria and is not necessarily satisfied by a finding of compliance with applicable annexation
17 criteria. See *Morsman v. City of Madras*, 191 Or App 149, 155, 81 P3d 711 (2003) (until the
18 city addresses compliance with applicable annexation regulations it is premature for LUBA
19 to rule on whether the annexation is “reasonable” under the *Portland Gen. Elec. Co.* test).

20 Petitioner challenges the city’s finding that the annexation is reasonable. The city
21 found:

22 “* * * The annexation also meets the requirement under state law that the
23 annexation be reasonable. For all the reasons detailed in the record, the
24 annexation will benefit the City and the City’s future development with the
25 northwest UGB area. The benefits include providing a backbone for future
26 sewer services and the means with which to solve potential health and
27 environmental problems caused by septic systems in the northwest region.
28 The annexation will also benefit the annexation territory by allowing
29 extension of City services. Also, the annexation is at the request of the

1 property owners. For these reasons, the annexation is reasonable.” Record
2 104.

3 According to petitioners, the annexation is “unreasonable” because it involves extending
4 sewer service to the Driftwood Shores area via the Rhododendron Road alignment instead of
5 the Highway 101/Heceta Beach Road alignment contemplated in the city’s Facilities Plan,
6 which might bypass areas that would otherwise be served by the latter alignment. However,
7 that falls far short of demonstrating that the annexation is “unreasonable” under the *Portland*
8 *Gen. Elec. Co.* test. The findings above amply demonstrate that the annexation and
9 associated sewer extension will benefit both the city and the annexed property. That the city
10 chose a different route by which to extend sewer service to the northern part of the UGB than
11 is contemplated in the Facilities Plan does not mean that annexation of the Driftwood Shores
12 property is unreasonable.

13 The fifth assignment of error (Citizens) is denied.

14 The city’s decision is affirmed.

Appendix A

