



**Staff Report  
September 4, 2024**

**To:** City of Banks City Council

**From:** Carrie Brennecke, City Planner  
Shayna Rehberg, City Planner

**Through:** Jolynn Becker, City Manager

**Re:** Request for Annexation (File AN 24-01)

**Applicant:** City of Banks

**Applicant’s Representative:** Katie Vickers, AICP  
MIG, Inc.

**Location:** Rights-of-way at east and southeast corner of the City of Banks (Figure 1):

- NW Banks Road: along the northern lot line of the Quail Valley Golf Club (Taxlots 2N3310000201 and 2N3310000100)
- NW Aerts Road: between NW Banks Road and OR 6
- NW Washington Avenue: between NW Aerts Road and NW Sixth Street
- NW Sixth Street: between NW Washington Avenue and NW Rose Avenue
- NW Rose Avenue: between NW Sixth Street and rail corridor
- A portion of rail line between NW Rose Avenue and south of NW Scottston Terrace that is owned in parts by the Port of Tillamook Bay Railroad (Taxlot 2N3310001101) and the Oregon Department of Transportation (Taxlot 1N2010003700) and operated by Portland & Western Railroad.

**Zoning:** Rights-of-way – zoning not applicable

**Exhibits:**

- Exhibit A: Application
- Exhibit B: Proposed Cross-Sections (NW Banks Road and NW Aerts Road)
- Exhibit C: Written Consent for Annexation
- Exhibit D: City of Banks and Washington County Urban Planning Area Agreement
- Exhibit E: Legal Description and Certification
- Exhibit F: Quarter Section Maps
- Exhibit G: Site Drawing and Property Owner List
- Exhibit H: City of Banks and Holt Group, Inc. Development Agreement

**Applicable Banks Municipal Code Sections**

- Section 30.00 Annexation Policies and Procedures

**Figures**

- Figure 1. Proposed Rights-of-Way Annexation
- Figure 2. Annexation Area Zoning Map

**Summary Recommendation**

At the August 27 hearing, the Planning Commission voted to recommend **approval** of the proposed Type IV Annexation to the Banks City Council.

Based on the findings of fact, Staff recommends that the City Council **approve** the proposed Type IV Annexation.

Report Sections:

- I. Proposal Description & Background
- II. Municipal Code Standards
- III. Recommendation

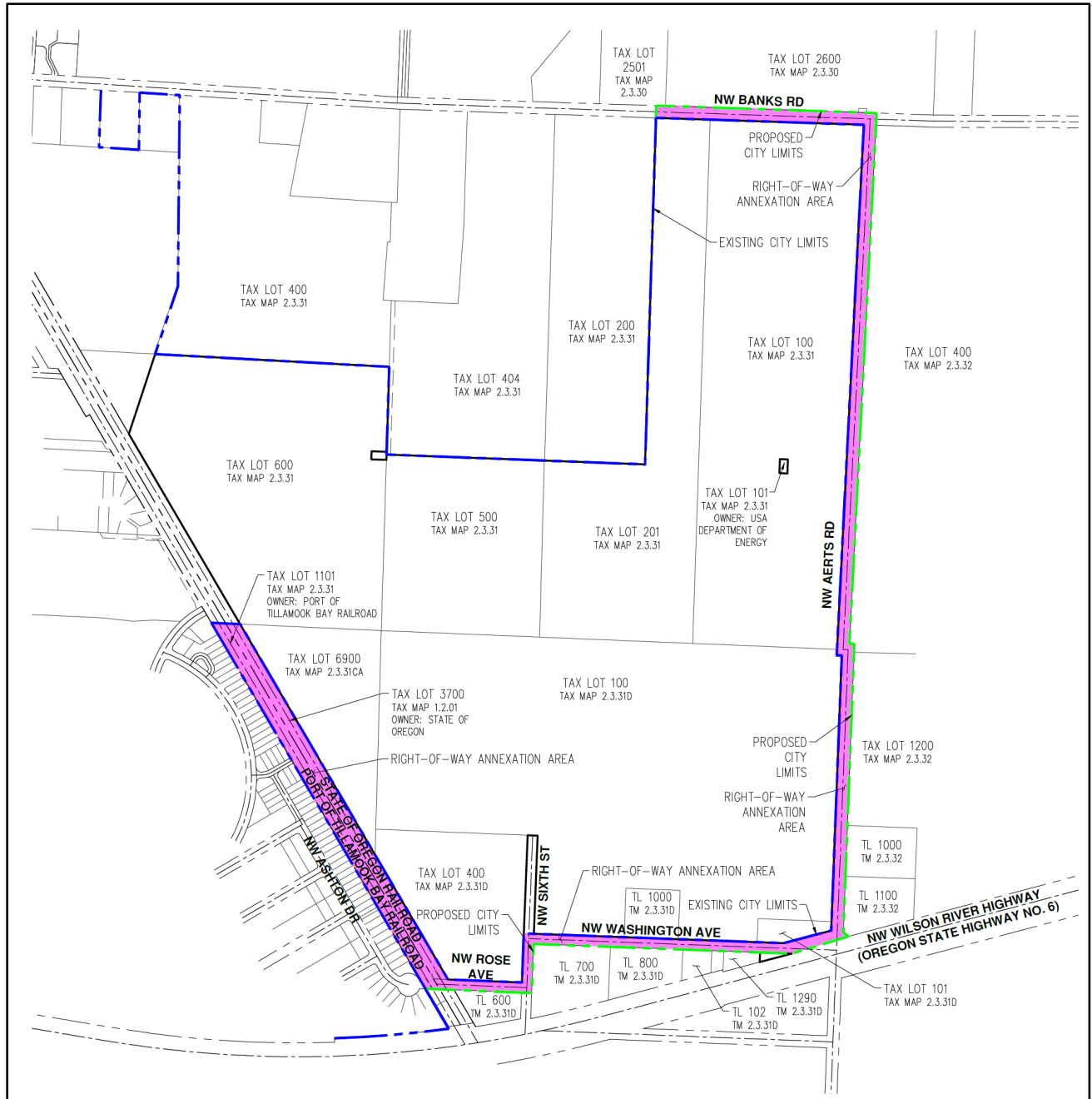
**I. Proposal Description & Background**

The City of Banks is seeking annexation approval from the City of Banks for the following rights-of-way, which are illustrated in Figure 1:

- NW Banks Road: along the northern lot line of the Quail Valley Golf Club (Taxlots 2N3310000201 and 2N3310000100)

- NW Aerts Road: between NW Banks Road and OR 6 (NW Wilson River Highway)
- NW Washington Avenue: between NW Aerts Road and NW Sixth Street
- NW Sixth Street: between NW Washington Avenue and NW Rose Avenue
- NW Rose Avenue: between NW Sixth Street and rail corridor
- A portion of rail line between NW Rose Avenue and south of NW Scottston Terrace that is owned in parts by the Port of Tillamook Bay Railroad (Taxlot 2N3310001101) and the Oregon Department of Transportation (ODOT) (Taxlot 1N2010003700) and operated by Portland & Western Railroad.

**Figure 1. Proposed Rights-of-Way Annexation**



The rights-of-way proposed for annexation are in the east and southeast corner of the city. The area around these rights-of-way was brought into the City’s Urban Growth Boundary (UGB) in 2014 and was annexed in 2014.

The road right-of-way and rail line corridor that are the subject of the annexation application act as a de facto boundary for most of the Quail Valley Golf Course. The golf course and some neighboring parcels are proposed for a master planned residential development by Holt Group, Inc. (File MPD 24-02 et al), where the Holt Group, Inc. has an executed development agreement with the City of Banks (Exhibit H). The master planned

development and associated land use applications were submitted to the City of Banks on May 24, 2024 and are due to be heard first by the Planning Commission on August 27, 2024, in the same hearing that is scheduled for this application. In that hearing, the Planning Commission voted to recommend approval of the proposed annexation to the Banks City Council. The annexation of the rights-of-way, as proposed in this application, was agreed on by the City of Banks and the developer, along with proposed roadway improvements. Roadway improvements are detailed in Exhibit A and are expected to be completed by approximately Summer 2027. As detailed in the cross-sections provided in Exhibit B, which were included in the executed development agreement, Holt Group, Inc. will improve the west side of NW Aerts Road and the south side of NW Banks Road. The improvements shown in Exhibit B include a 12' multi-use path, curb, and two drive lanes, as well as a median transition on Banks Road; the details of these cross-sections may be modified during the review and decision process for the master planned development. There are no improvements proposed for the east side of NW Aerts Road or the north side of NW Banks Road. Those improvements will be part of any future developments that happen abutting those portions of the roadways.

As part of the proposed master planned development, access to NW Washington Avenue at its intersection with NW Aerts Road and OR 6 will be closed upon completion of a roundabout at the intersection of NW Aerts Road and OR 6. Full or 3/4 collector and local-level street improvements are proposed to NW Washington Avenue, NW Rose Avenue, and NW Sixth Street as part of the proposed development. No at-grade improvements are proposed to the rail corridor as part of the master planned development.<sup>1</sup>

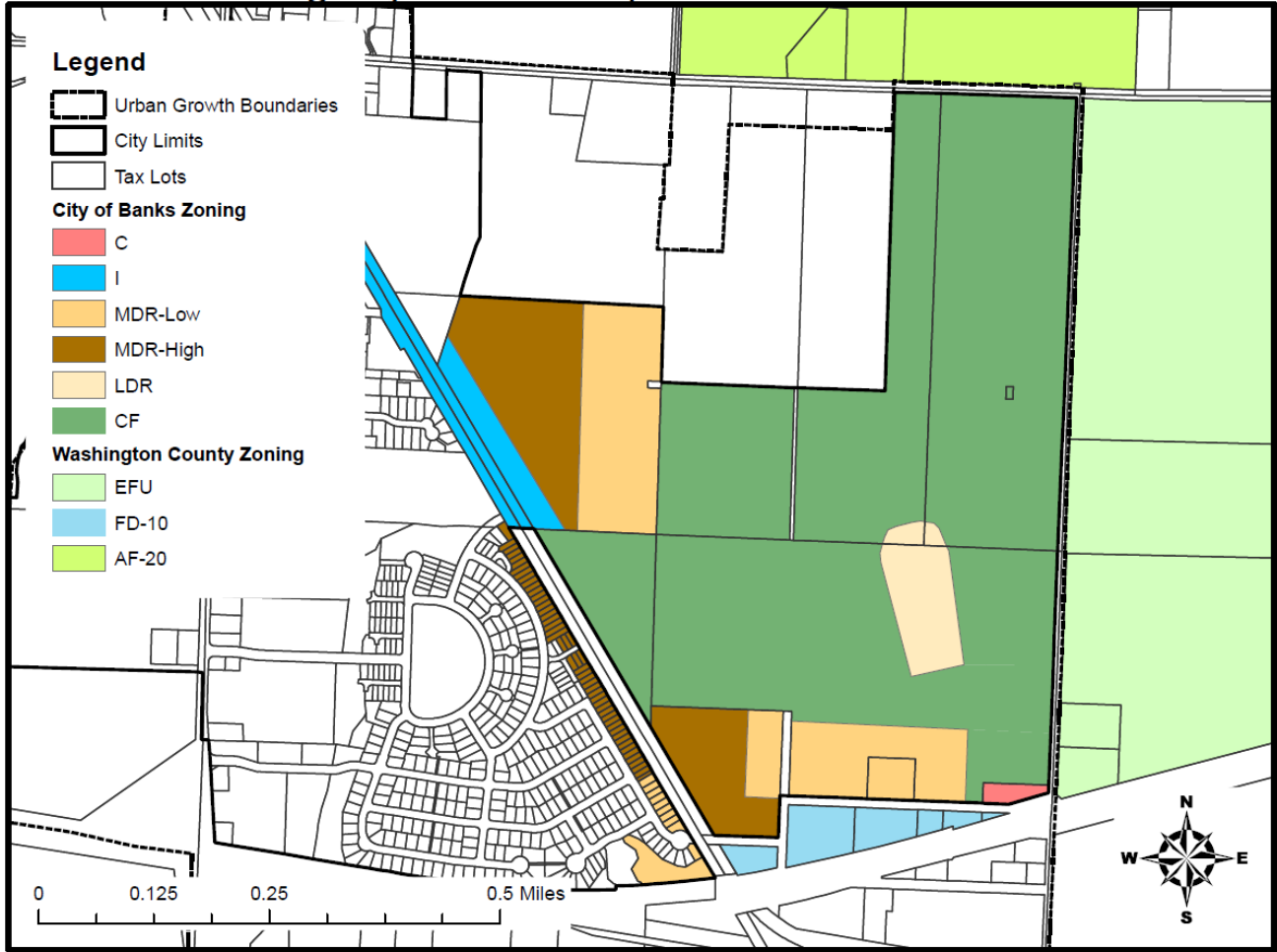
As can be seen in Figure 2, the subject rights-of-way are not currently zoned, nor are they proposed for City zoning in conjunction with this application.

As a Type IV Annexation procedure, this application was heard by the Planning Commission, who made a recommendation to the City Council for approval at their August 27 hearing. Now, the City Council will hear and decide the annexation. Pursuant to ORS 222.127 (SB 1573, enacted by the 2016 Legislative Session), this annexation will not be sent to Banks voters, as otherwise is required by the City of Banks Charter Section 3.

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<sup>1</sup> A pedestrian bridge proposed over the rail corridor, which aligns with NW Scottston Terrace on the west, is proposed as part of the master planned development. However, that section of rail corridor is north of – and outside – the rail corridor that is the subject of this annexation application.

Figure 2. Annexation Area Zoning Map



Created by MIG, April 2024

Sources: City of Banks, <https://geohub.oregon.gov/>

## II. Municipal Code Standards

### *30.02 Review Criteria*

*(A) Eligibility criteria. The Council must determine that property is eligible for annexation based on the following criteria:*

*(1) The property is contiguous to the existing city limits;*

*(2) The property is located within Banks Urban Growth Boundary; and*

*(3) Any other prerequisite requirement that may be applicable under the Oregon Revised Statutes.*

**Findings:** The rights-of-way proposed for annexation into the City of Banks are contiguous with the existing city limits and are within the Banks UGB (see Figure 2). Additionally, per ORS 222, specifically 222,120, .125, and .170, the applicant has provided the necessary consent for annexation (Exhibit C), including ODOT and Port of Tillamook Bay signatures for the rail right-of-way. As the roadway rights-of-way are under the jurisdiction of Washington County, per Section III.B of the Urban Planning Area Agreement (Exhibit D) with the City, written consent is not needed. However, a signed Written Consent form from Washington County was provided with the application (included with this staff report as Exhibit C) because a mapping error resulted in the portion of Banks Road proposed for annexation not being shown as part of the Urban Planning Area.

Therefore, these criteria are met.

*(A) Timeliness criteria. The Council must determine that it is timely to annex property based on the following criteria.*

*(1) An adequate level of urban services and infrastructure is available or will be made available in a timely manner.*

*(a) ADEQUATE LEVEL means conforms to adopted plans and ordinances, or as may be determined by the agency that provides the service or infrastructure.*

*(b) URBAN SERVICES means police; fire; school facilities; parks and recreation facilities; greenways and open spaces and other city-provided services.*

*(c) INFRASTRUCTURE means sanitary sewer, water, storm drainage, and streets.*

*(d) BE MADE AVAILABLE IN A TIMELY MANNER means that improvements needed for an adequate level of urban services and infrastructures will be provided in a logical, economical, and efficient manner and are made available in accordance with the development agreement or other funding*

*mechanism at the time of approval. Improvements for the needed infrastructure and urban services must be secured by a development agreement or other funding mechanism that places the primary economic burden on the annexed property and not on the city.*

*(2) Sufficient planning and engineering data must be provided, and all necessary studies and reviews must be completed in such a manner that there are no unresolved issues regarding development of the annexation property. It may not be timely to annex property if the appropriateness of the proposed use could be altered by plans or studies that are underway, or are needed, to update, clarify, or provide additional specificity to the property use. Examples of needed studies may include, but are not limited to, public infrastructure plans, buildable lands inventories, area refinement plans, park study, or any related planning study pertaining to growth management.*

*(3) The Council may consider, at its discretion, any other factors that effect the timeliness or wisdom of any particular annexation petition.*

*(4) The burden for providing the findings and cost thereof for this section and § 30.03 is placed upon the applicant.*

**Finding:** As discussed in the Proposal Introduction in this staff report, the annexation of these rights-of-way is being proposed in anticipation of the Quail Valley master planned development (“Aerts Addition”). Holt Group, Inc. – along with their consultants, AKS Engineering and Forestry – have prepared the necessary applications for that development and submitted those separately to the City for review (MPD 24-02 et al). The City agreed to lead the annexation of the rights-of-way shown in Figure 1; that agreement, as memorialized in the executed development agreement (Exhibit H), is the basis for the annexation application.

The subject rights-of-way conform to all required current plans and standards and will continue to do so because no changes are proposed to the right-of-way as part of the annexation application. Given no physical changes proposed to the rights-of-way, there are no effects on urban services or associated infrastructures. This annexation is part of ensuring adequate and reliable urban services and infrastructure for the Aerts Addition master planned development, as well as any other neighboring existing and future development. Some right-of-way improvements are proposed as part of the master planned development, and those changes are being reviewed and addressed as part of that application review process.

Therefore, the applicable criteria above are met.

### *30.03 Application Requirements.*

*An application for annexation must be made on forms provided by the Commission and must include the following material:*

*(A) Written consent to the annexation signed by the requisite number of affected property owners, electors, or both within the area to be annexed, as provided by state law;*

**Finding:** The portion of the rail line that is being proposed for annexation consists of two separate tax lots owned by different agencies. The Port of Tillamook Bay owns the westerly railroad corridor (2N3310001101), and ODOT owns the easterly railroad corridor (1N2010003700). Written consent from each of these agencies has been provided as part of Exhibit C.

For the roadways that are proposed for annexation, there are no property owners or electors (because it is right-of-way). Written consent by the jurisdictional authority, Washington County, is not needed per Section III.B of the Urban Planning Area Agreement (Exhibit D) with the City. However, as noted in findings above, because of a mapping error for the Urban Planning Area, a form signed by the County was provided as part of the application (see Exhibit C).

Therefore, this criterion is met.

*(B) A metes and bounds legal description or acceptable alternative legal description of the territory to be annexed as certified by the Washington County Assessor's office;*

**Finding:** Legal descriptions and certifications by the Washington County Assessor's office are provided as Exhibit E. Therefore, this criterion is met.

*(C) The County Assessor's quarter section map(s) showing the proposed annexed area and adjacent city territory;*

**Finding:** The County Assessor's quarter section maps are provided as Exhibit F.

Therefore, this criterion is met.

*(D) General land use plan indicating types and intensities of proposed development, transportation corridors, watercourses, significant natural features, open space, freeways and adjoining development;*

**Finding:** The rights-of-way proposed for annexation will be modified by a residential master planned development, granted approval of that development. The application for the master planned development (MPD 24-02 et al) is under review by the City of Banks.

Improvements to the roadways, as agreed upon by the City of Banks and the Holt Group, Inc. in an executed development agreement (Exhibit H), are required as part of that future development. Exhibit B contains the cross-sections from the development agreement detailing the road upgrades and intersection improvements; these details are subject to change pending review of and a decision on the master planned development.

Therefore, this criterion is met.

*(E) A detailed statement of overall development concept and methods by which physical and related social environment of the site, surrounding area, and community will be enhanced;*

**Finding:** There is no development concept proposed as part of this annexation.

Therefore, this criterion is not applicable.

*(F) A detailed statement of additional facilities required to meet any increased demand and a plan for the phasing in of any such facilities in accordance with the projected demand;*

**Finding:** No changes are proposed to these rights-of-way as part of the annexation application. Thus, there is no increase in demand associated with the proposed annexation.

Therefore, this criterion is not applicable.

Any increase in demand that is expected as part of the future master planned development associated with this annexation will be addressed as part of that development review process.

*(G) A detailed statement outlining method and source of financing required will be made available in a timely manner to the hearing body to show how the applicant plans to provide any required additional facilities;*

**Finding:** There is no expectation of required additional facilities or financing associated with this annexation application.

Therefore, this criterion is not applicable.

*(H) A detailed statement of availability, capacity, and status of existing water, sewer, drainage, transportation, park and school facilities;*

**Finding:** As the annexation is proposed for existing rights-of-way only, there is no change in or effect on the water, sewer, drainage, transportation, park, and school facilities.

Therefore, this criterion is not applicable.

Any future impacts of these services will be determined and addressed in future development application reviews.

*(I) Comprehensive narrative of potential negative physical, aesthetic, and related social effects of the proposed development on the community as a whole and on the smaller subcommunity or neighborhood that it will become a part of; and proposed actions to mitigate the effects;*

**Response:** There is no development associated with this annexation proposal.

However, the annexation of the existing rights-of-way within the City's boundaries will have no negative physical, aesthetic, or social effects on the community or the city, given the rights-of-way will not change as a result of this annexation.

Therefore, this criterion is met.

Any future right-of-way improvements will be reviewed as part of separate development applications.

*(J) Narrative demonstrating need for the urban development proposed for the annexation area; need should be demonstrated based upon a factual analysis of the following factors:*

- (1) Availability within the current city limits of undeveloped land designated for proposed urban development;*
- (2) Analysis of immediate, short-term (1 to 5 years) demand for proposed urban development; and*
- (3) Probable phasing of proposed urban development consistent with projected demand for the period that the annexation area is expected to be developed.*

**Response:** There is no urban development proposed for the annexation area in this application as the subject area consists of existing rights-of-way, which will continue to be utilized as rights-of-way.

Therefore, this criterion is not applicable.

*(K) List of property owners (printed on self-adhesive labels) within 300 feet of the exterior boundary of the annexation property; the list shall be based on the latest tax assessment records at the Washington County Department of Assessment and Taxation and legible scale drawing of the site.*

**Response:** A legible scale drawing of the site and the required list of property owners within 300 feet of the annexation area boundary were provided with this annexation application and are attached as Exhibit G.

Therefore, this criterion is met.

### **III. Recommendation**

Based on the above findings, Staff finds the proposed annexation meets the applicable standards of the Banks Municipal Code. Staff recommends that the City Council **approve** this Type IV Annexation Application.