



Annexation to the City of Lake Oswego Frequently Asked Questions and Costs Related to Annexation

Am I eligible to annex?

What is the process for annexation of a property into the City

When are public meetings for annexations held?

How much does annexation cost?

Sewer: What if I need or want to connect to sewer? What is the process and what are the costs?

How can I find out about future options for developing my property?

Will my real property taxes go up?

Will I have the same water district when I annex to the City?

Will my kids have to change schools if I annex?

Can I keep livestock on my property if I annex?

Will my home occupation be valid once I am annexed to the City?

What is Clackamas County's role in providing community services?

What is the role of the City in providing community services?

Besides receiving City sewer connection, what are the benefits of annexing to the City?

1. Am I eligible to annex?

Within the Urban Services Boundary? The areas eligible for annexation are those properties within the Lake Oswego Urban Services Boundary. This is the area between the City boundary and the Lake Oswego Urban Service Boundary that the City, through its Comprehensive Plan, has stated that it intends to be the eventual provider of urban services.

Annexed Area Contiguous to Current City Boundary? In addition to being located within the Lake Oswego Urban Services Boundary, properties must be contiguous to the City's boundary in order to be eligible to annex. You may also be eligible if neighbors between your property and the City boundary decide to annex. In some cases, the connection to the City boundary can be made by annexing the street.

2. What is the process for annexation of a property into the City?

The applicant first obtains and completes the annexation form and petition attached to the annexation packet (available on the City's website):

<http://www.ci.oswego.or.us/planning/annexation-program-application>

The applicant also provides information and materials specified in the attached "Submittal Requirements" section of this handout.

The applicant then files the complete application and related materials with the Department of Planning and Building Services, together with the applicable fees (see Question 4).

Planning staff reviews the submitted application and related materials within 45 days to determine if the required information has been submitted. If the application is "incomplete," you will receive a letter indicating what additional information is needed. When the application is complete, staff schedules a date for the annexation application to be considered by the City Council (see Question 3) and mails a "Notice of Potential Annexation of Territory" to necessary

parties (applicant, Metro, the State of Oregon and other government agencies), at least 20 days prior to the meeting date.

Staff prepares a Council report, which reviews the proposed annexation to determine if the applicable land use criteria are met. A proposed annexation ordinance is prepared. The Council report is available at least 7 days prior to the Council meeting. The Council makes a decision whether to adopt the annexation ordinance.

The annexation is not effective until it is approved by Metro, the Oregon Secretary of State, and the Oregon Department of Revenue. Typically these approvals take 30-45 days after adoption of the annexation ordinance.

3. When are public hearings for annexations held?

Annexation hearings before the City Council are processed quarterly in January, April, July and October. The applicant would need to file the application a minimum of 90 days before the annexation meeting date.

4. How much does annexation cost?

Application fee: Annexation applications have “one time” City application fees and Metro Mapping fees (see pages 5 and 6).

Development Fees: If the owner after annexation develops the property or obtains City services, there are one-time building and development fees, e.g., building permit, utility connection, system development charges (SDC’s). Question 5 outlines other fees and costs associated with sanitary sewer connection. There are also ongoing utility fees upon receiving utility services which include sewer and water (typical monthly sewer fees are \$127). In addition, monthly street maintenance and surface water fees are typically \$23. Please see table on pages 5 and 6.

Future Real Property Taxes: Following annexation, your property would be within the City and thus would be subject to City real property taxes. (See Question 7).

5. Sewer: What if I need or want to connect to sewer? What is the process and what are the costs?

Do I have to connect to City sewer?

A property is required to connect to sewer if 1) it is being divided to create a new lot, 2) a new house is being constructed on a lot of record, 3) the existing septic system is failing, or 4) a majority of neighbors have voted to create a local improvement district (LID) and a majority within the proposed boundary have voted in favor.

A property is also required to connect to sewer if a sewer main line is legally and physically available within 300 feet, but there is an exemption for “financial hardship.” Typically, it is considered a “financial hardship” to abandon a septic system that is in good working order. If your septic system is in good working order, you may continue to use this system until it fails, at which time you will be required to connect to City sewer.

My septic system is currently failing. Can I connect to City sewer immediately, or do I need to annex first?

If you fill out and submit an annexation application, you may obtain an irrevocable consent to annex “Annexation Contract” from the City and apply for plumbing permits with the City for sewer connection. Please contact Paul Espe at (503) 697-6577 for further details.

How do I connect my property to the sewer main?

You begin by contacting the City Public Works Department (Engineering) to check on the availability of sewer. You might need to extend the main sewer line from its current terminus to your property (and you will need to extend the sanitary line within the public right-of-way to your downhill property line). The cost of extending sewer to your property will largely depend on the distance of your property from the main sewer line and the soil conditions. Extremely rocky ground is usually more difficult and costly to trench.

In addition to the main line, you would need a private line that extends from the main line to the house. A plumbing permit from the City of Lake Oswego Building Department is required. A plumbing contractor who does this type of work could provide you with an estimate. If you have a septic tank that you are abandoning, you would need to pump it out and backfill with sand or gravel per DEQ Standards.

What will it cost?

Construction costs to extend the main sewer line will vary depending on whether neighbors join together to pay for the extension of the main line. Although each sewer extension must be evaluated individually for its distance and unique site and soil conditions, over the past 10 years, typical main line extensions have varied from \$10,000 to \$15,000.

Connection charge

Every property owner connecting to sewer must also pay a Sewer System Development Charge (SDC), which is based on the water meter size. The purpose of an SDC is to pay the cost for the existing infrastructure (sewer treatment plant, sewer mains) and to help pay for new capacity necessary to serve the connecting development.

6. How can I find out about future options for developing my property?

The Building Department can answer questions regarding house construction and remodeling, electrical and plumbing permits (sewer connection). Questions regarding setbacks, lot coverage, floor area ratio, and building height can be answered by the Planning Department. Future development of the property through a partition or subdivision can also be discussed with the Planning Department.

7. Will my real property taxes go up?

Yes, when a property is annexed to the City, the property (and its occupants) use general City services, i.e., police, fire, parks, library, street maintenance, planning. This is paid for by contributing to general City services through taxes. Because of the quantity and quality of urban services the City provides, the combined levied tax rate in Lake Oswego is higher than the combined rates in unincorporated Clackamas County. Property taxes are based on the City's levied budget amount, the *assessed* valuation of your property, and the assessed valuation of all other real property in the City. The property tax increase due to annexation for a single-family dwelling ranges between \$500 and \$1,000 per year, depending upon its assessed property valuation and the tax code area of the property. You can obtain a detailed comparison by contacting the Clackamas County Assessor's office at (503) 655-8671.

8. Will I have the same water district when I annex to the City?

If you live in the Rivergrove Water District or Lake Grove Water District, you will continue to be served by your water district. Otherwise, your water will be provided through the City of Lake Oswego.

- 9. Will my kids have to change schools if I annex?**
No, the school district and the community college are separate districts, with their own boundaries. Annexation to the City does not affect their boundaries.
- 10. Can I keep livestock on my property if I annex?**
Yes, any livestock that now legally resides on the property may remain, as it would be considered a non-conforming (“grandfathered”) use. If non-conforming livestock is removed, any future livestock would have to meet the types, numbers and conditions allowed by the Lake Oswego Community Development Code, Animal Control chapter (Article 31.02).

The Community Development Code allows “large animals” kept for the owners use only in the R-10 and R-15 zones. Large animals are defined as horses, cattle, sheep, goats, swine or any other animal which customarily weighs more than 45 pounds at maturity, excluding dogs.
- 11. Will my home occupation be valid once I am annexed to the City?**
Yes, any current, valid (County approved) home occupation would be nonconforming (“grandfathered”) upon annexation. A City business license would be required.
- 12. What is Clackamas County’s role in providing community services?**
Clackamas County’s basic function is to provide countywide services, such as corrections (jails), elections, taxation, human services, and programs for the aged or special needs. Today, State law, County and City codes and policies discourage urban-level development outside of cities.
- 13. What is the role of the City in providing community services?**
Cities provide “urban” services such as: responsive police, fire and rescue service, sanitary sewage disposal, water service, streets, land use planning, parks, libraries and other recreation opportunities, and code enforcement. These are “urban” level services because the level of service provided is geared to areas where the use of land includes commercial, industrial, parks, and residential (in various density levels); a rural level of service is appropriate where the primary use of the land is farming or forest uses.
- 14. Besides receiving City sewer connection, what are the benefits of annexing to the City?**
Usually, access to one or more major urban service is the reason property owners consider annexation. These services include sanitary and storm sewers, City water, improved road maintenance, and greater police protection. There are also other benefits to joining the City, such as:
- Improved access to parks and recreation programs (out-of-city residents typically pay more).
 - Enhanced neighborhood appearance, convenience and safety.
 - Elimination of confusion over which agency or special district to call in the case of a service concern (road concerns, sewer, land use, street lights, etc., would all be addressed by the same unit of government).
 - Participation in local government (voting on City issues and in City elections; improved planning and land use controls).

Cost of Annexation and Related Fees 2019

Annexation of a developed property connecting to sanitary sewer.

City Application Fees

Size of Area to be annexed	
Parcel less than 3 times minimum lot areas for the zone designation that will apply upon annexation	\$0 + Applicable Metro Fee
Parcel 3 times or greater than the minimum lot area for the zone designation that will apply upon annexation	\$839 x the number of lots* into which the parcel could be divided under the zone designation that will apply upon annexation
Parcel for which there is no minimum lot area for the zone designation that will apply upon annexation	\$1,679 + Metro fee
Expenses related to additional noticing caused by delays brought on by the applicant(s).	\$243

*Number of lots = $\frac{\text{Gross area of the lot}}{\text{Minimum Lot Size in Base Zone}}$ – (100% RP + 50%) RC if applicable

Minimum Lot Size in Base Zone

*Fees are based on the gross number of lots and do not dictate actual number (or net development) of the parcel

Metro Mapping Fees

Size of Area To Be Annexed	
Single tax lot less than 1 acre	\$150
1-5 acres	\$250
5.1 -40 acres	\$300
Greater than 40 acres	\$400

City Sanitary Sewer Fees

Sanitary Sewer System Development Charge	\$2,957 for a 5/8" to 3/4" water meter \$4,930 for 1" water meter
Sewer Installation Costs	\$5,000 – \$30,000 (Varies with complexity of project)
Plan Review and Inspection Fees	9% of Engineer's estimate of project cost (or \$1,000 whichever is greater)
Plumbing Permit	\$75.00+
Street Opening Permit	\$300
Monthly sewer and water fees, if connected (typical)	\$134
Monthly surface water and street maintenance fees (typical)	\$26

Tax Comparison between unincorporated Clackamas County and Lake Oswego¹

Unincorp. Tax Code	Assessed Value	Current Rate (Unincorp).	Total Tax	City Tax Code	Current Rate (City)	Total Tax	Difference
Code 7-020	\$200,000	13.537	2,707	Code 7-021	16.6266	\$3,325	\$618.00
Code 7-020	\$300,000	13.537	4,061	Code 7-021	16.6266	\$4,987	\$926.00

Yearly tax increase typically \$500 to \$1,000 (depending on assessed valuation of property). *Contact the assessor's office for a more accurate calculation of property taxes.

¹ Based on 2016 tax rates.

Additional utility fees for an undeveloped property	
Water System Development Charge	\$8,122 for a 5/8 - 3/4 inch water meter \$12,622 for a 1 inch water meter
Water Connection (Meter) Charge	\$779 for a 5/8 – 3/4 inch water meter \$1,109 for 1 inch water meter
Surface Water	\$162
Parks and Recreation	\$14,057
Transportation (automobile mode)	\$12,160

* The Cost of extending sewer to your parcel will depend on the distance of your property from the already existing sewer. Other factors include required depth and soil conditions. Extremely rocky ground is usually more difficult and costly to trench.