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MEMORANDUM

Development Services

Date: January 2, 2026

To: Mayor Jackola and City Council
From: Shana Olson, Development Services Director
Subject: Withdrawal (deannexation) from City Limits – Berlin Road

I. INTRODUCTION

In November 2025, City staff, together with Councillor Steinhebel and Mayor Jackola, met with three property owners along Berlin Road regarding a request to withdraw their properties from the City limits (Exhibit A). The purpose of this hearing is to review the withdrawal request, summarize applicable Oregon Revised Statutes, and provide relevant background information for City Council's consideration in determining whether to accept or reject the request.

The applicants are as follows:

- Applicant 1 – Richard Poland, 32777 Berlin Rd -Tax Lot 500
- Applicant 2 – Gary Cummings, 32783 Berlin Rd – Tax Lot 200
(request withdrawn December 2025)
- Applicant 3 – Edward Goering, 32756 Berlin Rd – Tax Lot 1400

II. PROCEDURE

Oregon Revised Statutes (ORS) 222.460 and 222.465 establish the process for withdrawing territory from a jurisdiction. Although the statutes authorize the City Council to initiate the process by resolution, they do not provide specific guidance for evaluating withdrawal requests.

If the City Council adopts a resolution to initiate withdrawal, the City is required to conduct public hearings before both the Planning Commission and City Council to review the request.

Depending on the Council's decision, one of the following outcomes will occur:

- Acceptance of the request:
The matter proceeds as a land use action. Property owners must submit a formal application and applicable fees to the City. Because the properties would return to Linn County jurisdiction, the County must also conduct separate hearings, requiring its own

application and fees. Withdrawal cannot occur unless both the City and County approve the request.

- Rejection of the request:

No further action is taken, and the withdrawal process terminates.

II. DISCUSSION

The property owners requested withdrawal from the City limits, citing limited access to City services and infrastructure. The owners expressed concern about public safety, including the presence of homeless encampments and thefts in the area. Additionally, the owners indicated that withdrawal from the City would reduce their property tax obligations.

A review of City public utility maps indicates water and sewer connections are available near the intersection of Berlin Road and East Grant Street, approximately 1.5 miles north of the subject properties. Stormwater infrastructure in the area is consistent with rural-urban standards, including roadside drainage ditches.

Berlin Rd is under the City's jurisdiction and included in our Lebanon Police Department's (LPD) regular patrol routes. A six-month review of patrol activity indicates LPD responded to 66 calls for service and conducted 17 traffic stops in the area. In addition, Code Enforcement is currently assisting adjacent property owners in addressing trespassing and camping on private property.

Applicant 1 & 2

In 2001, as part of Land Use File A-02-01, Percy and Carole Nordstrands submitted an annexation request for property now subject to a withdrawal request. At the time of annexation, the area consisted of two parcels:

- 32763 Berlin Rd, approximately 4.34 acres
- 32783 Berlin Rd, approximately 1.60 acres

The annexation application stated that the purpose was to allow land divisions that were not permitted under Linn County zoning regulations. The extension of City facilities was not a condition of annexation. The parcels met the annexation criteria, and the City approved the request.

Following annexation, the Nordstrands submitted a partition application in 2002, Land Use File MLP-02-04. The City approved the application, resulting in three parcels:

- 2.34 acres at 32763 Berlin Rd (Tax Lot 300)
- 1.00 acres at 32777 Berlin Rd (Tax Lot 500)
- 1.00 acres at 32769 Berlin Rd (Tax Lot 400)

Applicant 3

In 1981, Morse Brothers Construction requested annexation of multiple properties adjacent to Berlin Road, totalling approximately 497 acres, under Land Use File A-81-01. This application stated that the annexation would allow for riverfront residential and commercial development, as well as recreational uses.

In 1992, following annexation, Morse Brothers Construction and co-applicant Ted Halstengard submitted a partition application, Land Use File MLP 92-06, to divide a 24-acre parcel for residential development. The City approved the application, creating three parcels totalling approximately 20 acres: 2.29 acres and 1.06 acres.

In 1995, Mr Halstendard submitted an additional partition application, Land Use File MLP-95-02, to further divide the 2.29 acres for residential development, resulting in two parcels:

- 1.36 acres at 32762 Berlin Rd (Tax Lot 1300)
- 0.92 acres at 32756 Berlin Rd (Tax Lot 1400)

III. CONCLUSION

The City approved the annexations and subsequent land divisions under its development code, resulting in the creation of the subject parcels. These annexations enabled partitions that were not permitted under Linn County land use regulations at the time.

Annexation does not require the extension of City utilities. Utility extension is typically evaluated and required during development, subject to feasibility.

Because the Oregon Revised Statutes do not establish specific criteria for evaluating withdrawal requests, the decision to approve a withdrawal is discretionary and made by the City Council based on the information presented.

Based on the findings outlined above, staff recommends that City Council not approve the withdrawal request and decline to adopt a resolution to initiate the withdrawal process.