

City of Stayton

MEMORANDUM

TO: Chairperson Larry McKinley and Planning Commission Members

FROM: Jennifer Siciliano, Director of Community and Economic Development

DATE: February 23, 2026

SUBJECT: Annexation – Kevin and Paige Butler (Shaff Rd)

120 DAYS ENDS: Not applicable – Annexation

ISSUE

The issue before the Planning Commission is a Public Hearing on an application for Annexation of an approximately 17-acre property located on Golf Lane (Tax Lot 091W03B001500). The applicant proposes annexation into the city limits and application of the High Density (HD) Residential zoning district.



BACKGROUND

The subject property is approximately 17 acres of vacant land, located in Marion County fronting on Shaff Rd, and currently zoned Urban Transition (UT-20). It lies within the Stayton Urban Growth Boundary (UGB) but outside the city limits. The surrounding area consists of a mix of City-zoned and County-zoned properties. The property to the north consists of a large-lot single-family home and is also used for agriculture. The properties to the east were annexed in 2020 and are zoned HD and Commercial General (CG). The HD property is a 100-unit multifamily development. The CG property is vacant. The properties to the south are a vacant 44-acre parcel, zoned Light Industrial and a 1.7-acre parcel not yet annexed, zoned Marion County UT-20 and developed with a single-family dwelling. The property to the west is outside of the Urban Growth Boundary and is a 44-acre parcel zoned Exclusive Farm Use by Marion County. This property is in the same ownership as the subject parcel.

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ANALYSIS

This report and the draft order present Staff's summary and analysis concerning this application. The analysis was developed with input from City departments, including the City Engineer and the City's transportation engineering consultant.

Kevin and Paige Butler submitted an annexation application requesting HD zoning. A concurrent application for development was not submitted, and instead of providing a concept plan for future development the application included an engineering memorandum detailing how the property could be served by city utilities.

The HD zone allows multi-family dwellings, attached single-family dwellings, and mobile home parks. The minimum density permitted in the HD zone is 13 units per acre, with no upper limit. If developed at the minimum density allowed by the HD zone, the site would require a minimum of 408 dwelling units.

A careful review of the applicant's narrative identifies several areas where clarification would help ensure the record before the Commission is accurate and complete. As noted above, the High Density (HD) zone establishes a minimum density requirement but does not include a maximum density standard; however, the narrative references a maximum density requirement in several instances, which does not reflect the current code provisions. In addition, the narrative references a 2021 Comprehensive Plan Housing Needs Analysis, but the City did not complete a housing needs analysis in 2021.

Criterion a of the approval criteria requires the Planning Commission and Council to make a finding that there is need in the community for the land proposed to be annexed. The following information is presented to assist the Commission in making that determination. The adopted Comprehensive Plan includes a Buildable Lands Inventory (BLI). The 2013 BLI provides the following information on projected growth and need for additional land in the community. At that time, there were 106 acres of vacant buildable land inside the City limits in the Low, Medium, and High Density Residential Zones. The projected population for the City in 2030 (at a medium growth rate of 1.7%) was 11,359 people, requiring an additional 1,281 dwellings. To meet that need, the City Comprehensive Plan indicates the expected need of additional 320 acres of residential to be annexed into the City. Since the time that analysis was conducted, the City has annexed 60 acres of residential land.

The need for 1,281 additional units was broken up into 889 single-family detached dwellings, 193 duplexes, 174 multi-family units, and 25 mobile homes. It is projected that the percentage of homes are needed at the following: single-family detached dwellings 65%, duplexes (or attached single-family homes) 13%, multi-family units 18%, and mobile homes 4%.

Since the BLI has been calculated, the following is a table of developments, year, type of housing unit, and number.

Project Name	Year	Type	Number
Phillips Estates, Phase 2	2014	single-family home	21
Phillips Estates, Phase 3	2025/26	single-family home	22 (concept)
Wildlife Meadows	2017	single-family home	42 (2 duplexes)
Hayden (Lambert Place)	2020	single-family home	51
Fern Ridge	2022	multi-family	72
East Santiam Duplexes	2023	duplexes	18 (9 duplexes)
Shaff Square	2023	multi-family	100

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Based on these totals, Stayton's housing needs are as follows: 753 single-family homes, 182 duplex or attached single-family units, 2 multifamily units, and 25 mobile homes.

These projections are based on an anticipated growth rate almost twice as high than what has actually occurred, meaning the calculated housing needs may be somewhat overstated. From 2000 to 2025, Stayton's population increased from 6,816 to 8,280—a change of 1,464 people—reflecting an average annual growth rate of approximately 0.86%. The Marion County Coordinated Growth projection of 1.7% average annual growth rate was used in the projected needs.

The development of more than 400 multifamily units exceeds the need identified in the City's BLI and is inconsistent with the City's actual growth rate, which has averaged only 0.86% annually between 2000 and 2025. While these 400 units could potentially be developed as attached single-family housing, that total would still exceed the identified need of 182 units.

Given this mismatch between projected and actual growth, and the resulting overproduction of multifamily housing that could occur under HD zoning, staff has concluded that the LD (Low Density Residential) zone more appropriately reflects the housing needs of the community.

The City received comments from the Santiam Water Control District, with a number of requests concerning action on this application. Some of the SWCD's comments addressed stormwater impacts of future development. However, most of the comments from the SWCD do not address the approval criteria that the Planning Commission must apply to the application. These comments are summarized below and Staff's response is provided in order to place the response into the record.

- SWCD has stated that a property owner may not discharge stormwater into the Salem Ditch without SWCD approval. SWCD has stated that the Salem Ditch is at capacity and further development, without controls, will cause facility damage, flooding, and water quality degradation. The City and the SWCD entered into a Memorandum of Understanding in 2014 regarding stormwater discharges into SWCD facilities, including the Salem Ditch. Following execution of the MOU, the City amended the stormwater control sections of the City's Public Works Design Standards (Division 6) to restrict stormwater discharges from development to no more than predevelopment discharge rates, and for some design storms at less than the predevelopment discharge rate, to require downstream capacity analysis, and to prohibit new discharge points into a SWCD facility without a written approval from the SWCD.
- The SWCD raised the issue of Statewide Planning Goal 6 and the obligation of the City to assure that future development complies with state and federal environmental statutes and rules. The statewide planning goals are applicable to the development of the City's comprehensive plan and land use regulations, not the individual application of the land use regulations to a specific land use or limited land use project (See *Gottman v. Clackamas County*). The Comprehensive Plan and Title 17 have been acknowledged and found consistent with the statewide planning goals.
- The SWCD requested that the City's approval of this application include conditions that protect the SWCD's compliance with the Total Maximum Daily Load requirements. This application is solely for the annexation of property into the city limits and not for development approval. Bringing the property into the city limits will not impact the TMDL responsibilities of the SWCD or the City.
- The SWCD raised the issue that the application did not accurately identify the property to be annexed, due to the SWCD's maintenance easement and use rights encumbering the property. The applicant provided a copy of the recorded partition plat that established the

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parcel to be annexed. The annexation of the property into the city limits will not have any impact on the SWCD's easement rights. The existence of easements does not need to be part of the legal description of the territory to be annexed. Further, SWCD notes it needs a minimum of 30 feet from the ditch edge remain undeveloped to allow their maintenance of the ditch. Upon annexation, the property will be subject to the 100-foot wide Natural Resource Overlay District which prohibits most development activity in order to maintain water quality and protect riparian habitat.

- The SWCD noted the responsibility of the City to coordinate its planning responsibilities with other units of government, including the SWCD. The City has complied with this requirement by including the SWCD in the drafting of the Comprehensive Plan in 2011 through 2013, the drafting of the Stormwater Master Plan, the drafting of the Public Works Design Standards, and by notifying the SWCD of this application and requesting their input. A local government is not required to “accede to every request that may be made” by another unit government (see *Brown v. Coos County*).
- The SWCD raised a concern over the potential loss of their water rights due to conversion of the property from agricultural use to urban development. This issue is not related to an approval criterion and is beyond the control of the City. Further, annexation of the property is not converting the use of the property, only the jurisdictional boundaries of the City.
- The SWCD, finally, raised the issue their contract with the applicant to deliver irrigation water. The SWCD requested the applicant sign a Termination of Contract as part of the annexation process. This issue is not related to an approval criterion and is beyond the control of the City. Further, annexation of the property does not mean that delivery of irrigation water to the property will cease, only that the jurisdictional boundaries of the City are expanded.

RECOMMENDATION

Staff recommends option one: approval of the draft order as presented with LD (Low Density Residential) zoning rather than the HD zoning requested.

Staff finds that annexation of the property is appropriate and consistent with urban growth policies; however, the LD zoning district best meets the current and projected housing needs of the City.

OPTIONS AND SUGGESTED MOTIONS

Staff has provided the Planning Commission with a number of options, each with an appropriate motion. The Community and Economic Development Department recommends the first option to continue the hearing as the applicant requested.

1. Approve the application, adopting the draft order of recommendation as presented.

I move the Stayton Planning Commission recommend the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and adopt the draft order of recommendation as presented by Staff.

2. Approve the application, adopting modifications to the draft order of recommendation.

I move the Stayton Planning Commission to recommend the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and adopt the draft order of recommendation with the following changes...

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3. Continue the hearing until March 30, 2026.

I move the Stayton Planning Commission continue the public hearing on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) until March 30, 2026.

4. Deny the application, directing staff to modify the draft order of recommendation.

I move the Stayton Planning Commission to recommend denial of the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) and direct staff to modify the draft order of recommendation to reflect the Planning Commission's discussion and bring a revised draft order of recommendation for Planning Commission approval at the March 30, 2026 meeting.

5. Close the hearing but keep the record open for submission of written testimony.

I move the Stayton Planning Commission close the hearing on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) but maintain the record open to submissions by the applicant until March 9, allowing 7 days for review and rebuttal and then an additional 7 days for the applicant to reply, with final closure of the record on March 30, 2026.

6. Close the hearing and record, and continue the deliberation to the next meeting.

I move the Stayton Planning Commission continue the deliberation on the application for Annexation for Kevin and Paige Butler for a 17-acre property on Shaff Rd (Tax Lot 091W03B001500), (Land Use File #10-08/25) until March 30, 2026.