

BEFORE THE STAYTON PLANNING COMMISSION

In the matter of
the application of
Kevin and Paige Butler

)
) Annexation
) File # 10-08/25
)

ORDER OF RECOMMENDATION

I. NATURE OF APPLICATION

The applicant has submitted an application for annexation of a 17-acre parcel of land fronting Shaff Road (tax lot 091W04C001901), proposing a zoning designation of High Density (HD) Residential.

II. PUBLIC HEARING

A public hearing was held on the application before the Stayton Planning Commission on February 23, 2026. At that hearing the Planning Commission reviewed Land Use File #10-08/25 application for annexation and it was made part of the record. A comment letter from the DLCD was received on February 23, 2026. In order to incorporate the DLCD’s comments into the findings and evaluate any potential impacts, the public hearing was continued to April 27, 2026.

III. FINDINGS OF FACT

A. EXISTING CONDITIONS

1. The owner of the property is Kevin Butler and the applicants are Kevin and Paige Butler.
2. The parcel can be described as: taxlot 091W04C001901.
3. The property is currently outside of the City Limits and zoned Marion County Urban Transition (UT-20).
4. The property is approximately 17 acres with frontage on Shaff Rd, frontage along the Salem Ditch, and is currently vacant.
5. The property is designated Residential by the Comprehensive Plan Map with a 100-foot wide Natural Resource Overlay District along the Salem Ditch.
6. The property to the north has not been annexed into the City, remains under Marion County jurisdiction, is zoned Urban Transition (UT-20), and is an 11-acre parcel used for a single-family residence and agriculture. The properties to the east were annexed into the City in 2020, are zoned HD and Commercial General and are developed with a multifamily development and vacant, respectively. One of the properties to the south, across Shaff Rd is zoned Light Industrial, is vacant except for a storage shed, and is used for agriculture. The other property across Shaff Rd is has not been annexed into the City, remains under Marion County

jurisdiction, is zoned Urban Transition (UT-20), and is a 1.7-acre parcel used for a single-family residence. 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.

B. PROPOSAL

The proposal is to annex a 17-acre parcel of land fronting Shaff Rd (tax lot 091W04C001901) into the city. The applicant has proposed that High Density (HD) Residential zoning be applied at the time of annexation.

C. AGENCY COMMENTS

The following agencies were notified of the proposal: City of Stayton Public Works, Stayton Cooperative Telephone Company, Pacific Power, NW Natural Gas, Stayton Fire District, Marion County Public Works, Wave Broadband, Marion County Planning Division, Santiam Water Control District, Santiam Hospital, Stayton Police Department, City of Salem Development Services, and the North Santiam School District. Additionally, a Post Acknowledgement Plan Amendment (PAPA) was submitted to Oregon Department of Land Conservation and Development (DLC) for notice file no. 002-26.

Stayton Public Works provided a memorandum dated December 10, 2025, authored by the City's consultant engineer. In addition, the City's transportation engineering consultant submitted comments during the preapplication phase and had no further review comments during the application process. Santiam Water Control District submitted comments expressing concern over stormwater impacts on the Salem Ditch. These comments are incorporated into the findings below.

City of Salem replied they were not impacted by the application. Stayton Fire District stated that they had no comment. Marion County Public Works stated that they did not have any comment at this time, but they will at time of development. No other review comments were received.

The Santiam Water Control District (SWCD) also submitted comments not directly related to stormwater impacts or to the approval criteria. 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. 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 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.

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.

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.

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.

The City received a letter from the Oregon Department of Land Conservation and Development dated February 23, 2026, stating that, pursuant to Oregon House Bill 2001 and Oregon House Bill 2889, the City should utilize the Oregon Housing Needs Analysis allocations established for each local government. The letter indicates that, pursuant to the January 1, 2026 publication, the City of Stayton's 20-year housing need within the Urban Growth Boundary is 1,058 dwelling units, distributed across income categories as follows: 271 units at 0–30% Area Median Income (AMI); 204 units at 31–60% AMI; 113 units at 61–80% AMI; 171 units at 81–120% AMI; and 300 units above 120% AMI. Additionally, a virtual meeting with DLCD was held on March 26, 2026, to further discuss and clarify their comments.

D. PUBLIC COMMENTS

The Community and Economic Development Department notified all owners of property within 300 feet of the subject property and has received no public comment on the application prior to the public hearing.

E. ANALYSIS

Annexation applications are required to satisfy approval criteria contained within Stayton Municipal Code (SMC) Title 17, Section 17.12.210.

F. REVIEW CRITERIA

Pursuant to SMC 17.12.210.4 the following criteria must be demonstrated as being satisfied by the application:

a. *Need exists in the community for the land proposed to be annexed.*

Finding: The 2013 Stayton Comprehensive Plan update included 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

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 a higher anticipated growth rate 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 1464 people—reflecting an average annual growth rate of approximately 0.86%. The Marion County Coordinated Growth projection of 1.6% average annual growth rate was used in the projected needs.

The City’s Comprehensive Plan Housing Goal (Chapter 6) states: “Existing and future residents will be provided a choice of housing types in safe and healthful housing.” While the City currently provides a range of housing types, application of the High Density (HD) Residential zone to the subject property would further expand those opportunities. The HD zone permits single-family attached dwellings, duplexes, and multi-family dwellings (four + units per building), with a minimum density of 13 dwelling units per acre.

The applicant has not submitted a conceptual plan. On a gross basis consistent with HD standards, the approximately 17-acre site could accommodate a minimum of 221 dwelling units, consistent with the minimum density of 13 units per acre. Although the applicant did not submit a conceptual plan, the application did include an engineering analysis based on development at 24 units per acre, or a total of 408 multifamily units.

In 2023, the State adopted a new methodology for determining housing needs through the Oregon Housing Needs Analysis (OHNA). Under ORS 197A.018, “needed housing” is defined as housing by affordability level, type, characteristics, and location necessary to accommodate a city’s allocated housing need over the applicable 20-year planning period. The OHNA represents a shift from a locally derived housing needs analysis to a statewide, regionally informed methodology that accounts for both future growth and existing unmet need resulting from underproduction of housing.

As described in the Department of Administrative Services (DAS) January 1, 2026, methodology, housing need now includes both projected future demand and existing unmet need, including suppressed household formation due to housing costs and limited supply. The methodology allocates a share of regional housing need to each local government. Stayton is located within the Willamette Valley region, and, consistent with state policy, urban housing needs are to be accommodated within Urban Growth Boundaries.

The DAS 2026 analysis identifies a 20-year housing need within Stayton’s Urban Growth Boundary of 1,058 dwelling units, distributed across income levels as follows: 271 units at 0–30% Area Median Income (AMI); 204 units at 31–60% AMI; 113 units at 61–80% AMI; 171 units at 81–120% AMI; and 300 units above 120% AMI

Analysis: Under the State’s revised methodology, housing needs include both existing unmet needs resulting from underproduction and projected future demand, which is allocated at the regional level and accommodated within Urban Growth Boundaries by local jurisdictions.

This annexation would increase the City’s supply of buildable residential land and capacity, supporting its ability to provide a range of housing types and accommodate identified housing needs consistent with the City’s Comprehensive Plan Housing Goal, Statewide Planning Goal 10, ORS 197.296, and the OHNA framework.

b. The site is or is capable of being serviced by adequate City public services, including such services as may be provided subject to the terms of a contract annexation agreement between the applicant and the City.

Finding: The property is not currently connected to City utilities. Three of the City’s adopted master plans (Transportation, Water, and Wastewater) provide clear pathways for extending services. The adopted Stormwater master plan indicates that a stormwater detention facility is proposed for construction on this property. At the time of development, the applicant will be required to construct or extend

infrastructure to meet all applicable standards, ensuring the property can be fully and adequately served.

Streets

Shaff Road, which forms the southern boundary of the property, is designated as a Major Collector and will need to be improved to Collector standards, including curbs, sidewalks, street trees, street lighting, and adequate pavement width. In addition, the preliminary design of the future roundabout at the intersection of Shaff Road and Golf Club Road identifies a potential 44-foot wide easement area outside the public right-of-way for Pacific Power transmission lines, for a large storm drainage conveyance swale, and an additional easement for a large stormwater facility located at the southeasterly corner of the parcel. Emergency vehicle access will need to comply with the Stayton Municipal Code, Public Works Design Standards, and Fire District requirements at the time of development.

Stormwater Drainage

The property is located within the North Salem Ditch Basin for purposes of the City's stormwater design and analysis. The applicant's engineering memo states that both public and private storm systems are planned to discharge into the Salem Ditch with a 30-inch outfall. The City's engineering consultant has stated that the nearest existing storm drain manhole is approximately 400 feet east of the property and on the south side of Shaff Rd. The preliminary design of the future roundabout at the Shaff Rd/Golf Club Rd intersection identifies the need for a large storm drainage conveyance swale along the north side of Shaff Rd. The City's engineer consultant noted that Salem Ditch is not considered to have any available capacity for increased runoff or flows. The engineer consultant also pointed out that there is a wetland along the Salem Ditch as well as significant hydric soils running north to south through the middle of the property.

The Santiam Water Control District (SWCD) is the owner and operator of the Salem Ditch. In a December 10, 2025 communication the SWCD raised a number of concerns with the application. 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.

SWCD also asserts that it holds use rights to the property and that the city must recognize and must incorporate these use rights and the corresponding appropriate setbacks into development plans. The Comprehensive Plan map provides for a 100-

foot wide Natural Resources Overlay District (NROD) along the Salem Ditch, which, when implemented, would prohibit any new buildings within the NROD.

No development is proposed with this application. At development, a complete stormwater management system—including flow control, water-quality treatment, conveyance, and an acceptable point of discharge—will be required in accordance with the Municipal Code, the Stormwater Master Plan and Public Works Design Standards.

Water

The property is not currently served by the City's water system. The applicant's engineering memo states that the property can be served by water and points out improvements and extensions of the system called for in the 2006 Water Distribution Facilities Planning Study. The City's engineering consultant has stated that the nearest City water facility is a 10-inch main located in Wilco Road, approximately 400 feet east of the property. The Water Master Plan includes a future 10-inch water main along Shaff Rd and a 12-inch distribution main along Salem Ditch along the western portion of the property. At the time of development, the property will be required to extend the water system and meet all emergency water supply and fire flow requirements.

Sanitary Sewer

The property is not currently served by the City's sewer system. The applicant's engineering memo states that serving the property is feasible by connection to a sewer stub at the intersection of Golf Club Rd and Shaff Rd. The City's engineering consultant has stated that connection will require engineering analysis demonstrating adequate capacity for additional flows. The Wastewater Facilities Planning Study does not identify significant system deficiencies in the vicinity that would affect the ability to serve the site.

c. The proposed annexation is property contiguous to existing City jurisdictional limits.

Finding: The property is adjacent to the City limits to the south and east.

d. The proposed annexation is compatible with the character of the surrounding area and complies with the urban growth program and the policies of the City of Stayton.

Finding: One of the properties to the east is zoned Commercial General (CG) and is not yet developed. The other property to the east was recently developed as a 100-unit multifamily development with a 20-unit density per acre. The properties to the south are vacant land zoned industrial and 2-acre single family dwelling site. To the west, property is outside of the Stayton Urban Growth Boundary and is agricultural land. To the north, is land not yet annexed into the city and is a large lot residential property also used for agriculture.

The property lies within the Stayton Urban Growth Boundary and is designated Residential in the Comprehensive Plan. Applying any residential zone upon

annexation matches that designation and maintains consistency with the planned future character of the area. With the recent new construction of multi-family and duplex developments in the City, development of the property as HD would extend the high density residential area and provide a transition to the commercial area – Commercial General (CG) – directly adjacent to this parcel.

e. The annexation request complies or can be made to comply with all applicable provisions of state and local law.

Finding: The criteria of ORS 222 apply to the adoption of an annexation ordinance which is a City Council action. The property owners have consented to the annexation. The property is contiguous to the existing city limits and is located entirely within the City of Stayton’s Urban Growth Boundary. The acknowledged Stayton Comprehensive Plan designates this area as Residential.

f. If a proposed contract annexation, the terms and conditions, including the cost of City facility and service extensions to the annexed area shall be calculated by the Public Works Director.

Finding: The proposed annexation is not a contract annexation.

IV. CONCLUSION

Based on the facts above, the Planning Commission concludes that the application meets the requirements for Sections 17.12.210.4 Annexation Approval Criteria.

V. RECOMMENDATION

Based on the Findings and Conclusions above, the Planning Commission recommends approval of the application for annexation to the City Council and amendment of the Official Zoning Map to designate the property as Low Density Residential with a 100-foot wide Natural Resources Overlay District along the Salem Ditch.

Larry McKinley, Chairperson

Date

Jennifer Siciliano,
Community and Economic Development Director

Date