

BEFORE THE STAYTON PLANNING COMMISSION

In the matter of
the application of
KSD Properties, LLC

)
) Annexation
) File # 5-02/24
)

ORDER OF RECOMMENDATION

I. NATURE OF APPLICATION

The applicant has submitted an application for annexation of a 21-acre parcel of land fronting Golf Lane (tax lot 091W03B001500), proposing a zoning designation of Medium Density (MD) Residential and including a concept plan for a 74-lot subdivision into city limits.

II. PUBLIC HEARINGS

A public hearing was held on the application before the Stayton Planning Commission on November 24, 2025. At that hearing the Planning Commission reviewed Land Use File #10-08/25 application for annexation was made part of the record. Following that hearing it was discovered that notice had not been provided to the Oregon Department of Land Conservation and Development (DLCDC), as required by ORS 197.610. A second public hearing was held on February 23, 2026. A comment letter from the DLCDC was received on February 23, 2026. In order to incorporate the DLCDC’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 and the applicant is KSD Properties, LLC.
2. The parcel can be described as: taxlot 091W03B001500.
3. The property is currently outside of the City Limits and zoned Marion County Urban Transition (UT-20).
4. The property is approximately 21 acres with frontage on Golf Lane and is currently vacant.
5. The property to the north was annexed into the City in 2019, is zoned Commercial General (CG) and is also owned by KSD Properties, LLC. To the east, Golf Lane, has also been annexed into the City. Across Golf Lane is land owned by the Oregon Dept of Transportation, obtained as part of the Hwy 22 interchange development project. The properties to the south have not been annexed, remain under Marion County jurisdiction, are zoned Urban Transition (UT-20) and are vacant and developed as single unit dwelling. The property to the west is within

the City limits, is part of the Stayton Middle School campus, and is zoned Public/Semi-Public (P).

B. PROPOSAL

The proposal is to annex a 21-acre parcel of land fronting Golf Lane (tax lot 091W03B001500) into the city. The applicant has proposed that Medium Density (MD) 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 (DLCD) for notice file no. 001-26.

Stayton Public Works provided a memorandum dated November 13, 2025, authored by the City’s consultant engineer. In addition, the City’s transportation engineering consultant submitted comments in an email of the same date. These comments are incorporated into the findings below.

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.

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.

D. PUBLIC COMMENTS

The Community and Economic Development Department notified all owners of property within 300 feet of the subject property prior to each public hearing and has received two public comments on these applications. Carlos Gonzales of 12173 Golf Lane has submitted concerns about the potential development of the property. Carl Gomoll submitted comments. Both Mr. Gonzales and Mr. Gomoll provided testimony at the November public hearing. Two other individuals testified at the November public

hearing. Where the public testimony addressed approval criteria, it is summarized and included in the findings below.

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 plan)
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 1,464 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 Medium Density (MD) Residential zone to the subject property would further expand those opportunities. The MD zone permits single-family detached dwellings, duplexes, triplexes, and accessory dwelling units (ADUs), with a maximum density of 12 dwelling units per acre.

The applicant has submitted a conceptual plan proposing 74 single-family lots. However, under the full range of uses permitted in the MD zone, the site could accommodate up to 128 duplex units and 30 triplex units. Triplexes are permitted on lots of at least 10,500 square feet, and approximately 10 of the proposed lots meet this threshold. On a gross basis consistent with MD standards, the approximately 21-acre site could accommodate up to 252 dwelling units, consistent with the maximum density of 12 units per acre.

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: While the property is not currently connected to City utilities, the City’s adopted master plans (Transportation, Water, Stormwater, and Wastewater) provide clear pathways for extending services. 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

Golf Lane, which forms the eastern boundary of the property, is designated as a future City Collector and will need to be improved to Collector standards, including curbs, sidewalks, street trees, street lighting, and adequate pavement width. Internal Local streets will also need to be constructed within the property as shown on the conceptual plan. Although the nearest City intersections are approximately 1,000 to 1,500 feet away, the Transportation System Plan identifies future projects—such as the realignment of Golf Lane and its eventual extension west—that will improve connectivity. 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.

The application included a Transportation Impact Analysis (TIA) prepared by Jenna Bogert, PE. The TIA looked at the projected impacts of a 92-lot residential subdivision, assuming single family dwellings on each lot. The TIA assessed the impacts of development on the intersections of Cascade Highway and the Oregon 22 ramps, the Golf Lane/Park & Ride intersection, the Whitney St intersection, and the Shaff Rd/Fern Ridge Rd intersection. The TIA noted that no intersection improvements were warranted.

Written comments and testimony at the public hearing expressed concerns over traffic impacts. The annexation is not accompanied by a concurrent application for development but includes a conceptual plan for a 74-lot subdivision. Most public comments addressed the impacts of development, not the annexation of property into the city limits. Development of the subdivision will include a separate application and review process, at which time a thorough review of transportation impacts will be conducted.

There is a 2003 City–County Memorandum of Understanding for the Sublimity Interchange Area Management Plan allows Golf Lane to remain in its current location as long as vehicle queues from the Whitney Street signal do not interfere with turning movements on Golf Lane and County safety and operational standards are met. The

TIA determined that the development would not trip the thresholds for realignment of Golf Lane.

The TIA was reviewed by the City's transportation planning consultant who noted that the TIA is based on the previous submission of 92 single-family homes. The consultant recommended that the TIA be updated to reflect the current conceptual plan for 74 lots determine if realignment of Golf Lane is necessary. Yet, with fewer parcels proposed, traffic demand would be expected to be lower than that analyzed in the submitted TIA. Marion County had no comments on the TIA.

Stormwater Drainage

The City's engineering consultant has stated that the site can be served by the City's storm drainage system once infrastructure is extended and required stormwater facilities are constructed. The property is not currently served by City storm drainage, with the nearest storm system approximately 1,500 feet southeast at Whitney Street and Cascade Highway SE. Existing shallow ditches along Golf Lane do not connect to an approved discharge point. At development, a complete stormwater management system—including flow control, water-quality treatment, and conveyance—will be required in accordance with the Stormwater Master Plan and Public Works Design Standards. Stormwater from this property ultimately drains to Mill Creek, and nearby existing detention and wetland features will remain protected under the Master Plan.

Water

The City's engineering consultant has stated that the water service can be provided to the site through future extensions of City water infrastructure identified in the Water Master Plan. No City water system currently exists near the property, and the nearest 12-inch water main, located approximately 1,500 feet to the southeast, is part of the Upper Pressure Zone and cannot serve this area. The property lies within the Mill Creek Upper Pressure Service Area, where necessary infrastructure has not yet been built. The Water Master Plan includes a future Mill Creek Booster Station near the intersection of Golf Lane and Cascade Highway SE and a 12-inch distribution main to be extended through Golf Lane. 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 City's engineering consultant has stated that the sanitary sewer service can be extended to the property as part of future development. The site is located within the Mill Creek Pump Station Basin, and the nearest sanitary sewer mains are a 12-inch main located approximately 1,800 feet southeast at Martin Drive and Cascade Highway SE, and another 12-inch main located about 2,300 feet northwest in Golf Lane. The property is not currently served by City sewer infrastructure, and connection to either main 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 north, east and to the west.

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: The property to the north is zoned Commercial General (CG) and is not yet developed. To the east, Golf Lane has been annexed into the City, and the property across the road is owned by the Oregon Department of Transportation. The property to the south contains large-lot single-family homes and remains under Marion County jurisdiction. To the west, the Stayton Middle School campus includes a forested area used for cross-country races.

The subject property is located within the Stayton Urban Growth Boundary and is designated Residential in the Comprehensive Plan. The application of Medium Density (MD) zoning upon annexation is consistent with this designation and supports the planned future character of the area. The property is adjacent to property zoned commercial – Commercial General (CG) – and in proximity to the highway interchange; as such, MD zoning provides an appropriate transition between commercial uses and lower-density residential areas.

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 Medium Density (MD) Residential.

Larry McKinley, Chairperson

Date

Jennifer Siciliano,
Community and Economic Development Director

Date

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