

**EXHIBIT C, ORDER NO. 2022-4 ANX
FINDINGS:
COMPLIANCE OF ANNEXATION ANXC-747
WITH SRC CHAPTER 260 AND 260.060(c)**

1. The proposed petitioner-initiated annexation of that certain real property located at 4090 Milton Street NE (Territory) and more specifically described in Exhibit B, Council Order No. 2022-4 ANX in Annexation Case No. ANXC-747 (Territory) conforms to the following criteria found in SRC 260.060(c):

Criterion 1: The proposed land use designations are consistent with the Salem Area Comprehensive Plan and applicable Statewide Planning Goals.

Under Salem Revised Code (SRC) 260.045, territory annexed to the City is automatically given the Salem Area Comprehensive Plan and zoning designations that are equivalent to the applicable County zoning designations, as set forth in Table 260-1, unless the petitioner or City Council proposes a new Comprehensive Plan/zone designation under SRC 260.045(a)(1) or (2).

The petitioner and City Council did not propose any new designations, and, therefore, the land use designations that will be automatically applied from SRC Chapter 260, Table 260-1, are Single Family Residential on the Salem Area Comprehensive Plan Map and the City of Salem RS (Single Family Residential) zone district. These land use designations are consistent with the SACP and applicable Statewide Planning Goals as demonstrated in the following findings.

A. Statewide Planning Goals -- Statewide Planning Goals applicable to the proposed annexation are:

- (1) **GOAL 10. Housing. Goal 10 requires provisions for housing to meet the needs of residents.** The proposed annexation will increase the city's inventory of lands in residential use. The increased inventory of land is a positive factor in providing for housing variety and availability. The location is in close proximity to existing residential development. The proposed annexation is consistent with Goal 10.

- (2) **GOAL 11. Public Facilities and Services.** Goal 11 requires a plan or program for orderly and efficient arrangements of public facilities. The city adopted a Public Facilities Plan (the Plan) consistent with Goal 11. The city applies the Plan to development of property within the city to achieve a timely, orderly and efficient arrangement of public facilities and services in a manner that supports both existing and planned growth. The Plan is implemented by the city's adopted master plans, Capital Improvement Plan (CIP), and the Urban Growth Management Process set forth in SRC Chapter 200.

The Territory is inside the Salem Urban Service Area (USA), and an Urban Growth Area (UGA) Development Permit pursuant to the Urban Growth Management Program under SRC Chapter 200 would not be required for new development. The proposed annexation is consistent with Goal 11.

- (3) **GOAL 12. Transportation.** Goal 12 requires a jurisdiction to adopt a

Transportation System Plan (TSP) that provides a safe, convenient, and economic transportation system. The City has adopted a transportation plan acknowledged by the Oregon Department of Land Conservation and Development (DLCD) to further this goal. The TSP is applied to the transportation elements of new development under SRC Chapter 200 and other provisions of the Salem Area Comprehensive Plan and Zoning Code and to the transportation elements of the city's adopted master plans, the CIP, etc. as set forth in the discussion of Goal 11 above to provide safe and convenient pedestrian, bicycle, and vehicular circulation that is consistent with the TSP and the requirements of the State Transportation Planning Rule. As described in the finding for Goal 11 compliance above, and as described in the discussion of Criterion 3 below, the Territory will comply with Goal 12 when any new development occurs, and will be served by facilities compliant with Goal 12 to the extent that transportation-related improvements occur under the city's adopted master plans, the CIP, SRC Chapter 200 and the Zoning Code. The proposed annexation is consistent with Goal 12.

- (4) **GOAL 14. Urbanization.** Goal 14 mandates provisions for an orderly and efficient transition from rural to urban land use. The Territory is within the Salem-Keizer Urban Growth Boundary (UGB), which, by definition, makes this Territory "urbanizable." The incorporation of contiguous areas, including the Territory, into the overall composition of the city provides order and efficiency in the provision of municipal facilities and services as well as in the facilitation of orderly urbanization. This is because the Salem Area Comprehensive Plan (SACP), Zoning Code and other applicable implementation measures have been acknowledged as being in compliance with Goal 14 and these measures will be made applicable to the Territory upon annexation. The applicable implementation measures are designed to provide order and efficiency in the provision of facilities and services, and to facilitate orderly urbanization by uniformly integrating the Territory into the City's municipal facilities and services system. This integration would provide for a uniform rather than an isolated, discontinuous, and fragmented system of services provided to areas not within the Salem city limits. The application of the city's Goal 14 acknowledged Salem Area Comprehensive Plan, Master Plans, and implementation ordinances to the Territory furthers the conversion of urbanizable land to urban uses consistent with Goal 14 for the reasons cited above. The proposed annexation is consistent with Goal 14.

In summary, the proposed annexation is consistent with the applicable Statewide Goals.

- B. **Salem Area Comprehensive Plan (SACP)** -- The SACP goals, policies and intent statements applicable to the proposed annexation are:

- (1) **SACP Chapter II (Definitions and Intent Statements), Section A (Land Use Map), Subsection 3 (Plan Map Designations), Part a (Residential), (Single Family Residential), (SACP pages 4-7):** The SACP classifies residential land in three ways: Single Family Residential, Multi-Family Residential, and Developing Residential. The Territory is designated as Single Family Residential, which applies to most urbanizable lands that are currently developed with housing or served by public facilities and suitable for residential development at urban densities.

The future use of these areas is primarily single-family residential with schools, parks, and churches. The city's RS (Single Family Residential) zone implements the Single Family Residential designation by providing additional

land used primarily for residential uses. The Territory to be annexed has the characteristics of the RS zone because it includes a single-family residential use. It may be served by public water and sewer facilities. This is also consistent with the surrounding zoning and land use of the area. The Territory will automatically be zoned RS. Therefore, the proposed annexation is consistent with the Single Family Residential SACP classification and implementing RS zone.

- (2) **SACP Chapter II (Definitions and Intent Statements), Section A (Land Use Map), Subsection 3 (Plan Map Designations), Part a (Residential), Subpart 4 (Conversion of Developing Residential or Urbanizable Areas to Urban Development) (SACP page 7):** Urbanizable lands located outside the city limits must be annexed to the city to receive urban services. Some of the reasons for converting urbanizable land to urban land include: (1) providing for the orderly and economic extension of public facilities and services; (2) providing adequate land area for a variety of housing types and locations; and (3) maintaining an adequate supply of serviced or serviceable undeveloped land to meet the market demand for a variety of uses.

Annexation of the Territory allows for the future extension of public facilities and services consistent with the Salem Urban Growth Management Program through the master planning, CIP and SRC Chapter 200 (UGA) processes. Publicly funded capital improvements will depend on funding availability. Most new development in newly annexed areas requires developer responsibility for extending public facilities as part of a common city infrastructure under an orderly plan for their extension. The addition of the Territory with RS zoning will expand the availability of residential land and locations within the city. The proposed annexation is consistent with the above SACP provision.

- (3) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section A (Coordination Policies), Subsection 6 (Annexation Coordination) (SACP page 23):** The city must provide an opportunity for the affected county to comment on proposals for annexation of territory to the City of Salem.

Marion County was notified of the annexation and provided an opportunity to comment on the annexation. The county did not object to the annexation. Therefore, the intent of the policy is met. The proposed annexation is consistent with the above SACP provision.

- (4) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section C (Urban Growth), Subsection 1 (Annexation) (SACP page 26):** Marion and Polk Counties should encourage the orderly annexation to the City of Salem of land within the Salem Urban Area.

The Territory is located within the Salem Urban Area and is contiguous to the city limits. Annexation of the Territory allows for the orderly annexation of urbanizable land to the City of Salem. The proposed annexation is consistent with this policy.

- (5) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section C (Urban Growth), Subsection 3 (UGB is Urbanizable) (SACP page 26):** Territory is considered available for annexation and development to the extent that it is urbanizable and located within the UGB.

The Territory is considered urbanizable because it is located within the UGB,

and all needed facilities to support urban development are or can be made available under the city's existing public facilities plans and urban growth management program. Therefore, the Territory is considered available for annexation. The proposed annexation is consistent with the above SACP provision.

- (6) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section C (Urban Growth), Subsection 5 (Source of Urban Facilities), (SACP page 26):** Sewer or water service will not be extended to any land for development outside city limits or County service districts. Such areas must be annexed to the City to receive those services except as may be agreed by the City and appropriate County.

The proposed annexation is required as a condition of the provision of City water and sewer service to the Territory as it is contiguous to the city limits and within a service district. Therefore, the proposed annexation is consistent with, and in fact required by the provision cited above.

- (7) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section D (Growth Management), Subsection 1 (Development Guided by Growth Management) (SACP page 27):** The conversion of urbanizable land shall be guided by the Growth Management Program (SRC Chapter 200).

The City of Salem has an acknowledged growth management program that is implemented by SRC Chapter 200, which requires that urban development proceeds with the orderly and efficient provision of City services. Annexation of the Territory ensures that its conversion to urban uses will proceed according to the requirements of SRC Chapter 200. The proposed annexation is consistent with this provision.

- (8) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section D (Growth Management), Subsection 3 (Programming Development) (SACP page 28):** The City shall provide levels of services to city residents consistent with community needs as determined by the City Council, within the financial capability of the city, and subject to relevant legal constraints on revenues and their applications. Considerations for the programming of development are: (a) The financial capability of the city to provide certain facilities and services as authorized through the budgetary process; (b) The technical requirements of public facility master plans; (c) The need for sufficient amounts of buildable land to maintain an adequate supply in the marketplace; and (d) The willingness of the development community to assume the burden of funding the cost of providing certain facilities.

These criteria are factored into the proposed annexation because the Growth Management Program imposes an equitable share of public facility costs on new development by requiring provisions for required facilities by the developer and/or system development charges in connection with the provision of required facilities by the City. Therefore, this policy is satisfied. The proposed annexation is consistent with the above SACP provision.

- (9) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section D (Growth Management), Subsection 7 (Development Requiring Water and Sewer) (SACP page 29):** Development will only be allowed within the city limits where public sewer and water services are available and other urban facilities are scheduled pursuant to an adopted Growth Management Program.

The City of Salem adopted a Growth Management Program (SRC Chapter 200) that applies to the development of the Territory in the future. City services can be provided to the Territory in the future pursuant to the city's Growth Management Program. The proposed annexation is consistent with the above SACP provision.

In summary, the proposed annexation is consistent with the applicable provisions of the SACP.

Criterion 2: The annexation will result in a boundary in which services can be provided in an orderly, efficient and timely manner;

The annexation of unincorporated territory contiguous to the city limits will result in urban services being provided in a more orderly, efficient and timely manner. Unincorporated territory adjacent to the city limits prevents the orderly expansion of city services because gaps are created in the city's infrastructure, and services within those gaps must be provided by the county, or by the city pursuant to intergovernmental or other agreements. This results in inefficiencies due to discontinuous and fragmented methods of providing infrastructure and inefficiencies, as well as additional delays for any development proposal. The boundary resulting from the proposed annexation will provide a more compact and efficient urban form for providing urban services, because the services will be integrated into the existing city infrastructure that exists adjacent to the property, and potential jurisdictional conflicts will not exist. The proposed annexation complies with this criterion.

Criterion 3: The uses and density that will be allowed can be served through the orderly, efficient and timely extension of key urban facilities and services;

Comments provided by the various city departments indicate that the Territory in the proposed annexation may be served through the orderly, efficient and timely extension of key urban facilities and services as outlined in the city's adopted master plans, CIP and public works and parks design and construction standards. No improvements to urban facilities and services are needed at this time to serve the Territory.

If new development is proposed for the Territory, additional urban facilities and services will be required and will be provided in accordance with the city's adopted master plans, CIP and Urban Growth Management process as set forth in SRC Chapter 200. The Territory proposed for annexation lies inside of the Urban Service Area. Pursuant to the City's adopted growth management program found in SRC Chapter 200, no Urban Growth Area (UGA) Permit is required to provide adequate public facilities, including water, sewer, stormwater, transportation, and park services, that may be necessitated by future development. The proposed annexation complies with this criterion.

Criterion 4: The public interest would be furthered by the referral of the annexation to the voters.

The Petitioner has met the annexation petition, application, information submission, fee, waiver and all other requirements for petitioner-initiated annexations including, but not limited to, those found in ORS Chapter 222, SRC Chapter 260, SRC 260.030, SRC 260.035 and SRC 260.040. A valid triple majority consent petition for annexation of the Territory and an annexation agreement have been signed and, thus, there is no need to hold an election in the Territory to be annexed. Annexations applied for after May 16, 2000 require approval of the voters of the city under Section 61 of the Salem City Charter and SRC 260.020. Pursuant to SRC 260.020(b), however, annexations mandated by state law are exempt from voter approval. Therefore, the city is not required to refer this proposed annexation to the voters. Regardless of this, the proposed annexation of the Territory conforms to the Salem

Area Comprehensive Plan. Services can be provided consistent with the city's adopted master plans and Public Works design and construction standards. The annexation of unincorporated territory contiguous to the city limits will result in urban services being provided in a more orderly, efficient and timely manner. Therefore, although this proposed annexation is exempt from a referral to the voters, the proposal still meets the intent of this criterion, to be in the "public interest", for the reasons stated above.

2. State Law.

According to SRC 260.020(b), annexations mandated by state law may be decided by a vote of the City Council without a city-wide election on that issue. State law (ORS 222.111 to 222.180) was amended in 2016 through Senate Bill 1573 to require a city whose laws require a petition proposing annexation of territory to be submitted to the electors of the city to annex the territory without a vote upon receipt of petition for annexation submitted by all owners of land in the territory, provided that (1) the territory is included within the urban growth boundary of the city; (2) the territory is, or will be, subject to the acknowledged comprehensive plan of the city; (3) at least one parcel in the territory is contiguous to the city limits; and (4) the proposal conforms to all other requirements of city's ordinances.

The annexation petition and annexation agreement were signed by all owners. The annexation agreement runs with the land and binds subsequent owners to complete the annexation. The Territory is located within the urban growth boundary and is subject to the Salem Area Comprehensive Plan. The proposal conforms to all other requirements of the city's ordinances. The proposed annexation complies with this criterion.

3. The proposed withdrawal of the Territory more specifically described in Exhibit B conforms to the following criteria found in SRC 260.065:

When withdrawal from a special service district is not automatic, the City Council shall decide on withdrawal from those special service districts. These withdrawals shall be made according to applicable state statutes governing the specific withdrawal.

The City will withdraw the Territory from East Salem Sewer and Drainage District and Marion County Fire District #1 and replace those services with service from the City and the City of Salem Fire Department.

ORS 222.520 establishes the process by which the Territory may be withdrawn from the East Salem Sewer and Drainage District and Marion County Fire District #1 at the same time as the annexation.

No comprehensive plan provision or implementing ordinance of the City applies to the withdrawal decision, and none is amended in the process of making the decision. In addition, the decision to withdraw the Territory and serve the Territory with city-supplied urban services rather than district-supplied services, does not have significant impacts on present or future land uses. Consequently, the withdrawal decision is not the kind of decision that requires application of land use laws.