

**CITY OF SALEM
BEFORE THE HEARINGS OFFICER**

A PROCEEDING AUTHORIZED BY SECTION)
2.910 OF THE SALEM REVISED CODE AND)
PURSUANT TO ORS 307.548 TO SHOW CAUSE)
WHY PROPERTIES LOCATED AT 4396 AND)
4446 MARKET STREET NE, SALEM, OREGON,)
OWNED BY UNITED WAY OF THE MID-)
WILLAMETTE VALLEY SHOULD NOT LOSE)
THEIR PROPERTY TAX EXEMPTION FOR)
LOW-INCOME FOR NONPROFIT OWNERS)

FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND RECOMMENDATION

DATE AND PLACE OF HEARING

December 10, 2025, Conference Room, Urban Development Division,
350 Commercial Street NE, Salem, OR.

APPEARANCES AND EXHIBITS

For City:

Brian Luse, Assistant City Attorney
Michael Brown, Manager, Housing Production Programs and Incentives

Documents provided:
Exhibits 1–11

For United Way of the Mid-Willamette Valley

Rhonda Wolf, CEO

Documents provided:
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SUMMARY OF PROCEEDINGS

On December 10, 2025, a hearing was held to allow United Way of the Mid-Willamette Valley To show cause why the tax exemption for property at 4396 and 4446 Market Street NE, Salem, Oregon, should not be terminated.

FINDINGS OF FACT

Finding 1: ORS 307.541(1) provides, in part, that property is exempt from taxation, as provided under ORS 307.540 to 307.548, if it is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code if the property is held for the purpose of developing low income housing, for a period not exceeding a reasonable maximum period, if any, adopted by the governing body.

Finding 2: United Way of Mid-Willamette Valley is a corporation classified as a 501(c)(3) organization under the Internal Revenue Code.

Finding 3: The exemption under ORS 307.541 applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548. At the time the governing body adopts the provisions it must elect a definition of “low income.”

Finding 4: Salem Revised Code (SRC) 2.850(1) adopts the provisions of ORS 307.540 to 307.548. SRC 2.870(a) provides, in part, that a property is exempt from property taxation if it is owned or being purchased by a corporation described in section 501(c)(d) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code and is held for a period not to exceed three years from the date of exemption is granted, for the purpose of developing low income housing.

Finding 5: Salem Revised Code Section 2.910 provides that after an exemption is granted, if the property is non-compliant with the Council's determination granting the exemption, the Director shall initiate the procedures for termination set forth in ORS 307.548, except that any final decision to terminate an exemption shall be made by Council.

Finding 6: On August 21, 2021, United Way of Mid-Willamette Valley applied for a property tax exemption for low-income housing held by charitable, nonprofit organization for the property at 4480 Market Street NE, Salem, Oregon. This property had tax accounts (ID) 576472, 576471, 547831, 547829 and 547827.

Finding 7: On October 25, 2021, the Salem City Council adopted Resolution No. 2021-42, which approved United Way of Mid-Willamette Valley's application and granted a property tax exemption to the property at 4480 Market Street, NE, Salem, Oregon.

Finding 8: Pursuant to SRC 2.900(b), on March 4, 2023, the City of Salem, through Sheri Wahrgren, Assistant Director, Community and Urban Development Division, certified to the Marion County Assessor that United Way of Mid-Willamette Valley's properties with Tax ID 576472 (4396 Market St NE) and Tax ID 547827 (4480 Market St NE) continued to qualify for exemption from taxation. It was noted that both properties were in pre-development.

Finding 9: Pursuant to SRC 2.900(b), on March 14, 2024, the City of Salem, through Kristin Retherford, Director, Community and Urban Development Division, certified to the Marion County Assessor that United Way of Mid-Willamette Valley's properties with Tax ID 576472 (4396 Market St. NE), Tax ID 547827 (4480 Market St. NE), and Tax ID 547831 (4446 Market St. NE) continued to qualify for exemption from taxation. It was noted that all three properties were in pre-development.

Finding 10: Pursuant to SRC 2.900(b), on February 28, 2025, the City of Salem, through Kristin Retherford, Director, Community and Urban Development Division, certified to the Marion County Assessor that United Way of Mid-Willamette Valley's properties with Tax ID 547827 (4480 Market St. NE), Tax ID 576472 (4396 Market St. NE), and Tax ID 547831 (4446 Market St. NE) continued to qualify for exemption from taxation. It was noted that the latter two properties were still in pre-development.

Finding 11: On September 28, 2023, United Way of Mid-Willamette Valley applied for a property tax exemption for low-income housing held by charitable, nonprofit organization for the property at 4396 Market Street NE, Salem, Oregon. This property had a tax account (ID) of 576472. The purpose of this application was to have the City recognize the new site address of the property.

Finding 12: On September 26, 2024, United Way of Mid-Willamette Valley applied for a property tax exemption for low-income housing held by charitable, nonprofit organization for the property at 4446 Market Street NE, Salem, Oregon. This property had a tax account (ID) of 547831. The purpose of this application was to have the City recognize the new site address of the property.

Finding 13: On October 21, 2025, City of Salem staff visited the properties at 4396 and 4446 Market Street NE, Salem, Oregon. At that time, it was documented with photographs that both parcels were vacant and that there was no sign of development occurring.

Finding 14: ORS 307.548(1)(a) provides that to terminate a taxation exemption, the Governing Body must give notice of the owner of the proposed termination of exemption. The notice must state the reasons for the proposed termination and shall require the owners to appear at a specified time, not less than 20 days after mailing of the notice, to show cause why the exemption should not be terminated. Pursuant to ORS 307.548(1)(a), United Way of Mid-Willamette Valley was notified by the City of the proposed termination of the tax exemption for properties at 4396 and 4446 Market Street NE, Salem, Oregon. A "show cause" hearing was scheduled more than 20 days after the mailing of this notice.

Finding 15: United Way of Mid-Willamette Valley's CEO verified that as of the date of the December 10, 2025, "show cause" hearing on this matter, the properties at 4396 and 4446 Market Street NE, Salem, Oregon, remained undeveloped.

CONCLUSION

The three-year tax exemption granted to United Way of Mid-Willamette Valley in 2021 for the properties that have a current address of 4396 and 4446 Market Street NE, Salem, Oregon has expired as no development on these properties has occurred within three years of the City's approval of the tax exemption.

RECOMMENDATION

It is recommended that the Salem City Council adopt a resolution with findings supporting the termination for cause of the tax exemption granted to United Way of Mid-Willamette Valley for the properties located at 4396 and 4446 Market Street NE, Salem, Oregon and that this resolution be filed with the Marion County Assessor within ten (10) days of its adoption.

Respectfully submitted of December 15, 2025.

A handwritten signature in black ink that reads "Gary Darnielle". The signature is fluid and cursive, with "Gary" on the top line and "Darnielle" on the bottom line.

Gary L. Darnielle, Salem Hearings Officer