

**EXHIBIT C, ORDER NO. 2022-14 ANX,
FINDINGS:
COMPLIANCE OF ANNEXATION C-749
WITH SRC CHAPTER 260 AND 260.060(c)**

- 1. The proposed petitioner-initiated annexation of that certain real property located at 4650 & 4680 Hazelgreen Road NE and land adjacent (Territory) and more specifically described in Exhibit B, Council Order No. 2022-14 ANX in Annexation Case No. C-749, 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).

The petitioner and City Council proposed new designations, and, therefore, the land use designations are Multi-Family Residential and Mixed-Use on the Salem Area Comprehensive Plan Map and the City of Salem RM-II (Multiple Family Residential II) and MU-I (Mixed-Use I) zone districts. 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 9 – Economic Development.** Goal 9 requires adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens. In 2014, the City conducted a study called the Salem Economic Opportunities Analysis (EOA). The EOA examined Salem’s needs for industrial and commercial land through 2035 and concluded that Salem has a projected commercial land shortage of 271 acres and a surplus of approximately 907 acres of industrial land. The EOA provides strategies to meet the projected employment land needs in the Salem area. In 2015, the City Council voted to adopt the EOA; the City now uses the EOA and its findings to inform policy decision, including how to respond to request for rezoning land. The proposed change from “Industrial” to “Multi-Family Residential” for 13.7 acres and “Mixed-Use” for approximately 1.8 acres will not have a significant impact on the supply of available industrial land. The proposed “Mixed-Use” designation for approximately 1.8 acres allows a greater variety of commercial uses to

be established on the property, which will contribute to the city's employment and economic development needs and serve the immediate neighborhood. The proposal is consistent with Goal 9.

- (2) **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 buildable lands for multi-family 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 and is appropriate for such housing. The proposed annexation is consistent with Goal 10.

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), Subpart 2 "Multi-Family Residential," (SACP pages 4-6):** The "Multi-Family Residential" designation is characterized by a mixture of housing types.

The future use of these areas is primarily residential in nature. The City's RM-II (Multiple Family Residential - II) zone implements this Plan map designation by providing additional land used primarily for residential uses. The Territory to be annexed has the characteristics of the RM-II zone with predominantly residential uses in the area. The Territory is not fully served by public sewer and water facilities, but the property is capable of being served through extension of public sewer/water/storm from Hazelgreen Road NE or Lunar Street NE to the boundary of the property. This is also consistent with the surrounding zoning and land use of the area. The recommended comprehensive plan change to "Multi-Family Residential" and zone change to RM-II (Multiple Family Residential - II) for approximately 13.7 acres are consistent with the above SACP provision.

- (2) **SACP Chapter II (Definitions and Intent Statements), Section A (Land Use Map), Subsection 3 (Plan Map Designations), Part b (Mixed-Use), (SACP pages 7-8):** The "Mixed-Use" designation is characterized by a mixture of housing types. What differentiates this classification from Single-Family and Multi-Family Residential categories is an expansion of the types of uses deemed compatible with residential development. In addition to nonresidential uses (such as schools and other educational facilities, parks, open space, and religious organizations), this classification permits the mixing of shopping and services, convenience stores, commercial office (including livework units) and compatible commercial and/or industrial uses within neighborhoods and structures. The City's MU-I (Mixed Use-I) zone implements this Plan map designation by providing additional land for a variety of uses. The Territory to be annexed with MU-I zoning

will be developable with pedestrian-oriented uses that are compatible with the predominantly residential uses in the area. The proposed zoning will provide flexibility in siting and design of new development and facilitate efficient use of land by encouraging compact development. The recommended comprehensive plan change to "Mixed-Use" and zone change to MU-I (Mixed Use - I) for approximately 1.8 acres are 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 indicate any objections or comments. 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 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).

SRC Chapter 200 establishes a comprehensive growth management program for the City of Salem. The Territory would lie within the Salem Urban Area, as defined by SRC Chapter 200. Conversion of the Territory to urban uses will be guided by the City's growth management program. The proposed annexation is consistent with the above SACP

provision.

- (7) **SACP Chapter IV (Salem Urban Area Goals and Policies), Section D (Growth Management), Subsection 3 (Programming Development) (SACP pages 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.

- (8) **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, 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 outside the Urban Service Area. Pursuant to the City's adopted growth management program found in SRC Chapter 200, future development of the Territory is not required to obtain an Urban Growth Area (UGA) Permit to provide adequate public facilities, including water, sewer, stormwater, transportation, and park services that may be necessitated by the proposed new development. If such facilities are not provided at public expense under the city's adopted master plans, the CIP, etc., they will be provided at the developer's expense at the time of 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 has 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 was signed by all owners. The territory is located within the urban growth boundary and is subject to the Salem Area Comprehensive Plan. The property consists of two contiguous parcels under common ownership that are contiguous to the city limits. 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 the Salem Suburban Rural Fire District and replace those services with service from the City of Salem Fire Department and City of Salem.

ORS 222.520 establishes the process by which the Territory may be withdrawn from the Salem Suburban Rural Fire District 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 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.