

**CITY OF SPRINGFIELD
ANNEXATION AGREEMENT – INTERNATIONAL WAY BEHAVIORAL HEALTH CAMPUS**

This Annexation Agreement ("Agreement") is made between the City of Springfield, an Oregon municipal corporation ("City"), and Lane County, a political subdivision of the State of Oregon, and PeaceHealth (collectively, "Owners") who are the owners of record of the Property described in Exhibit A and depicted in Exhibits B and C (the "Property") (known collectively as "the Parties").

PURPOSE

The purpose of this Agreement is to establish the Parties' obligations regarding development of the Property upon annexation to the Springfield city limits, pursuant to Owners' application for annexation dated January 6, 2026, Planning File No. 811-26-000004-TYP4. This Agreement is intended to ensure the timely, orderly, and efficient provision of urban facilities and services necessary to support urban development, consistent with applicable City of Springfield plans, policies, and regulations. This Agreement memorializes the agreed-upon allocation of financial responsibility among the Parties for the provision of said facilities and services.

RECITALS

- A. The Property is currently designated as Campus Industrial in the Gateway Refinement Plan and Springfield Comprehensive Plan Diagram, and is zoned as the Campus Industrial District.
- B. Owners intend to develop the Property with a crisis stabilization center and mental or psychiatric hospital as defined in, and pursuant to, ORS 197A.386 as adopted by the 2025 Oregon Legislature in House Bill 2005.
- C. Except as explicitly preempted by ORS 197A.386, the Owners intend to develop the Property pursuant to applicable provisions of the Springfield Development Code (SDC), Springfield Municipal Code, and all other applicable City codes, regulations, and standards.
- D. ORS 197A.386 does not apply to the Property unless the City determines that the property can be adequately served by water, sewer, storm water drainage, streets and emergency services, or will be adequately served at the time that development on the property is complete.
- E. The Annexation Criteria of Approval in SDC 5.7.140 include criterion C that the annexation result in a boundary in which the minimum level of key urban facilities and services can be provided, criterion D that fiscal impacts to the City have been mitigated appropriately. The terms and conditions of this Agreement are intended to demonstrate that the annexation complies with the criteria C and D, as supported by the findings and conclusions adopted by the Common Council in the ordinance approving the annexation.
- F. To comply with the criteria of approval, and in exchange for the obligations of the City set forth herein, the Owners agree to comply with the requirements imposed in this Agreement and all other applicable City codes, regulations, and standards applicable to the development of the Property.
- G. The City and the Owners' predecessors in interest entered into an agreement regarding construction of public improvements in and adjacent to the Property, effective December 6, 2005, and titled the Amended and Restated Maple Island Road Improvement Agreement ("2005 Maple Island Road Agreement"). The 2005 Maple Island Road Agreement superseded and replaced a 1998 Agreement for Construction of Public Improvement – Maple Island Road, Lane County Deeds and Records recording number 98-80454. The Parties intend this Annexation Agreement to supersede and replace the 2005 Maple Island Road Agreement in all aspects.

AGREEMENT

Based upon the Purpose and Recitals, which are incorporated here as part of this Agreement, the Parties agree as follows:

1. Obligation of Owners. Consistent with the Purposes and Recitals, the Owners agree to perform the obligations of this Agreement and comply with and meet all applicable City codes, standards, and regulations, including the Springfield Development Code and Annexation criteria of approval.
 - 1.1. Wastewater. Owners will construct a private lift station or pumped force main for wastewater generated on the Property. Any discharge from the private lift station or pumped force main must be unpressurized and flow under gravity alone at least 10 feet upstream from connection to the City's public wastewater system. Any private pressure system must be installed entirely outside the public right of way.
 - 1.2. Stormwater. Owners agree to design and construct one or more stormwater management systems on the Property per the requirements in the Springfield Development Code in effect at the time of the Site Plan Review application, with the option to extend at their own expense any public storm drain connection, or outfall to Maple Island Slough, that the development may require. The design, sizing, and configuration of the required on-site stormwater management system(s) will be determined at the time of the Site Plan Review. Provided, however, no stormwater management system will be located within the median of a public street, but may be located in the planter strip and at curb extensions, or in facilities outside of the public right of way. At the time of development, Owners must do one of the following:
 - 1.2.1. Construct a public system in the Maple Island Road right of way for overflow during storm events at the time of development, or
 - 1.2.2. Obtain a discharge permit to allow conveyance of excess stormwater directly into Maple Island Slough. (This will require state and/or federal permits and the CITY does not provide any warranty or advice on whether this connection would be permitted by the applicable regulatory agencies.), or
 - 1.2.3. Construct the stormwater management system so that no overflow occurs for the 100-year 24-hour storm as provided in Appendix B of the Springfield Development Code.
 - 1.3. Floodplain Development. At the time of Site Plan Review or prior to building permits, Owners will obtain a Floodplain Overlay District Permit and Land Drainage Alteration Permit in compliance with the Floodplain Overlay District standards. City will not require a Conditional Letter of Map Revision (CLOMR) or Conditional Letter of Map Revision for Fill (CLOMR-F) unless Owners' Site Plan will increase base flood elevation by more than 1 foot per SDC 3.3.425(C)(3)(c).
 - 1.4. Transportation.
 - 1.4.1. Maple Island Road. Within 30 days of the City's written demand, Owners agree to complete the following:
 - 1.4.1.1. Dedicate a 59-foot right-of-way for Maple Island Road along the northerly boundary of Tax Lot 5400 approximately 50 feet from the top of the south bank of Maple Island Slough, for public street, utility, and stormwater purposes.
 - 1.4.1.2. Convey to the City a one-foot strip immediately to the south of, and abutting, the entire length of the 59-foot right of way for Maple Island Road, to be held by the City as a reserve strip as provided in Springfield Development Code 4.2.105(G)(5). Except as provided in sections 6.1-6.2, nothing in this Agreement releases Owners from the requirement to pay a prorated share of the cost of street construction before taking access to Maple Island Road

across the reserve strip.

- 1.4.1.3. Dedicate a public utility easement, not to exceed 7 feet, on each side of the 59-foot right of way as needed for public utilities.
- 1.4.1.4. Dedicate a slope easement of sufficient width to place an embankment not greater than 4:1 slope from the outermost edge of each side of the 59-foot right of way.
- 1.4.2. Future Collector Road. Within 30 days of the City's written demand, Owners agree to dedicate a 70-foot right of way approximately 590 feet long along the full length of the western border of Tax Lot 5400, as generally depicted in Exhibits B & C. No additional width will be required for public utility easements; public utilities will be accommodated within the 70-foot dedication.
- 1.4.3. Bicycle and Pedestrian Improvements. Prior to Final Site Plan Review approval and issuance of building permits, the Owners agree to grant to a public access easement for pedestrian and bicycle access that extends from International Way on the south to the future collector road along the western border of Tax Lot 5400, through both PeaceHealth and Lane County properties (the "Pedestrian and Bicycle Accessway") generally in the location shown on Exhibit C. The intent of the Bicycle and Pedestrian Accessway is to satisfy the street connectivity standards in SDC 4.2.105(D)(2) regarding local street connectivity and in (D)(4)(c) regarding block length and perimeter. Specifically, the parties intend that the accessway will be required at the time of Site Plan review, in lieu of meeting the standards in (D)(4)(b), due to existing development on adjacent lands as described in (D)(4)(c)(ii).
 - 1.4.3.1. The Owners shall retain sole discretion on the final location of the Pedestrian and Bicycle Accessway, except the City will have authority to approve the location where the path intersects public right of way, which approval will not be unreasonably withheld.
 - 1.4.3.2. The Pedestrian and Bicycle Accessway will comply with the accessway standards in SDC 4.2.160, except as follows: (i) the width of the easement shall be 10 feet to correspond to the paved path width; (ii) there shall be at least 12" unobstructed width on either side of the easement area to allow free travel through the entire width of the accessway, (iii) the Pedestrian and Bicycle Accessway must be lighted, but Owners will not be required to use City-approved lighting fixtures and controls, and (iv) Owners will retain responsibility for maintenance and repair of the accessway after construction.
 - 1.4.3.3. The Pedestrian and Bicycle Accessway shall not be subject to the standards for multi-use paths in Section 5.03.5 of the City's Engineering Design Standards and Procedures Manual nor SDC 4.2.150. The design must meet AASHTO standards for accessway alignment and safe driveway crossings for a design speed of 25 mph, except where the City and Owner(s) mutually agree otherwise. The final site plans shall depict the area and construction design details of the Pedestrian and Bicycle Accessway. Owners will pay all costs for construction and ongoing maintenance of the Pedestrian and Bicycle Accessway.
 - 1.4.3.4. Owners will retain fee title ownership of the strip of land beneath the path and use of the Pedestrian and Bicycle Accessway, so long as such use does not significantly interfere with the public's use for pedestrian and bicycle access.
- 1.4.4. Adjustments and Modifications. The dedications and conveyances specified in this section 1.4 are approximate and the parties agree that minor adjustments and modifications may occur to their respective dedication descriptions to meet the requirements for dedication of the right-of-way as designated by the City. Provided, however, any minor adjustments or modifications must not adversely and materially affect Owner's use, occupancy, or value of the remaining property.

The parties agree that the specific legal descriptions for the right-of-way to be dedicated shall be provided by the City at the time of dedication. All parties agree to execute all documents which may be necessary to effectuate the dedications described herein.

1.4.5. Vacation of Unused Right of Way. If the Owners dedicate the rights of way and easements described in sections 1.4.1 and 1.4.2, and thereafter the City makes a final and irrevocable decision not to construct either Maple Island Road or the future collector road or not to use the full right of way width, such as through an amendment to the Springfield Transportation System Plan, the Owner may apply to have such right of way vacated. Owner will bear the costs of any vacation application, but City shall not assess any special benefits to the Property by reason of a vacation.

1.4.6. Fiscal Mitigation of Transportation Impacts. Owners must pay to the City \$321,255.00 for Gateway area transportation projects. The City intends to apply the funds to the cost of a study to evaluate alternatives to the present design for Phase 2 in the Gateway-Beltline Interchange Area Management Plan, in lieu of paying a proportional share of transportation impacts to the Gateway-Beltline intersection, generated by the proposed annexation and subsequent development of the property. Payment in full will be due at the time of the first issuance of a building permit on the Property. Said payment will constitute Owners' total contribution to mitigate its impacts on the Gateway-Beltline interchange area and, except as provided in section 6 or upon application for a plan amendment and zone change for the Property, Owners shall have no further obligation to contribute financially to transportation system improvements in the Gateway-Beltline area.

1.4.7. Property Access. Access to the Property will be provided from a driveway approach from International Way on Tax Lot 400, subject to the standards in SDC 4.2.120(C). To ensure access to Tax Lot 5400 from this driveway approach, PeaceHealth agrees to grant Lane County an irrevocable joint use/access easement as described in SDC 4.2.120(1)(ii) and (5). The easement must be recorded prior to Final Site Plan approval. No right of way dedication will be required at the time of Site Plan approval for the purpose of providing access to the Property.

1.5. Police, Fire, and Emergency Medical Services. The parties acknowledge that the intended uses of the Property is likely to positively impact the provision of police and emergency medical services within the City of Springfield. However, to mitigate any potential negative fiscal impacts on City police services, City and Owners shall make best efforts to enter into an agreement for operation of the facility such as Memorandum of Understanding or Good Neighbor Agreement. Such agreement, if any, shall include, at a minimum, agreement regarding discharge procedures, transportation for patients to and from the facilities, and security.

2. Obligations of City. Consistent with the Purposes and Recitals, City agrees to perform the obligations set forth in this section.

2.1. City will take all steps necessary to ensure legal annexation of the property to City limits following adoption of an ordinance annexing the Property to the city limits, including filing all required notices, maps, and legal descriptions with the State of Oregon Secretary of State and Lane County Tax Assessor's Office. However, the City will not assume any responsibility to provide financial support to Owners in the event of an appeal of the City's annexation ordinance, but will reasonably cooperate with Owners in their defense of the City's decision.

2.2. City acknowledges and agrees that the Owners' obligations under this Agreement are sufficient to establish under ORS 197A.386(3) that the Property can be adequately served by water, sewer, stormwater drainage, and streets at the time that development on the Property is complete.

- 2.3. City agrees to allow connection to City services and utilities described herein, upon Owner's compliance with this Agreement and all applicable City regulations, codes, standards, or approval conditions pertaining to said services and utilities.
- 2.4. To the extent any obligation remains following the 2005 Maple Island Road Agreement, City hereby releases Owners and their successors from any obligation to convey a 60-foot right-of-way bisecting the site from International Way to Maple Island Road.

3. Limitations on Development.

- 3.1. Owners shall not develop any portion of the Property, as defined in SDC 3.3.415, prior to the City's approval of the Site Plan Review, Floodplain Overlay District Permit, and Land Drainage and Alteration Permit.
- 3.2. The Site Plan Review application must comply with the applicable CI district standards in SDC 3.2.425 and 3.2.450 except to the extent the City grants a variance or exception as allowed by the Code and this Agreement. The Site Plan Review application must also comply with all applicable infrastructure standards in Springfield Development Code Chapter 4, except where explicitly provided otherwise in this Agreement.
- 3.3. If Owners apply for concurrent review of all required development permits for the crisis stabilization center and mental or psychiatric hospital, City intends to review and issue approval or conditional approval within 30 days of receiving the complete application(s) per ORS 197A.386.
- 3.4. The City will not issue any building permit for the Property until all of the following are met:
 - 3.4.1. Either (i) the Final Site Plan is approved and all public improvements required by the Site Plan are constructed to City standards and accepted by the City, or (ii) the Site Plan Review application is approved and a Public Improvement Project (PIP) permit is approved and adequate financial security for all public improvements has been deposited with the City as provided in Chapter 12 of the *City of Springfield Engineering and Design Standards and Procedures Manual*;
 - 3.4.2. A Tree Felling Permit is approved pursuant to SDC 5.19.100;
 - 3.4.3. A Drinking Water Protection Overlay Permit is approved pursuant to SDC 3.3.200;
 - 3.4.4. A Floodplain Development Permit is approved pursuant to SDC 3.3.400; and
 - 3.4.5. A Land Drainage and Alteration Permit is approved pursuant to SMC 8.300.

4. Term. Except as provided in Section 12, this Agreement commences immediately upon adoption of the Ordinance approving the annexation of the Property to the City of Springfield. This Agreement, including the restrictive covenants and equitable servitudes created hereby, shall remain in full force and effect until all public improvements described herein are completed and have been accepted by the City for future maintenance pursuant to a resolution of the Common Council of the City of Springfield and all warranties held by the City for said improvements have expired.
5. Covenants Running With the Land. The Owners represent and warrant that the City's annexation of the property is an inducement to the Owners to comply with this Agreement. Therefore, Owners covenant, agree, and acknowledge that the City is the beneficiary of this Agreement, and that the City has relied upon the enforceability of this Agreement in determining to provide accommodations to Owners in relation to the development of the Property. The Owners declare that, during the Term of this Agreement, the covenants, restrictions and obligations in this Agreement (i) shall run with the land; (ii) are not merely personal covenants of the Owners; and (iii) shall bind the Owners and their successors in title during the term of this Agreement. Owners warrant that they have not and will not execute any other contract, deed, or declaration

with provisions contradictory to, or in opposition to, the provisions herein, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any requirements in conflict herewith, regardless of whether such contract, deed, or other instrument incorporates any terms or provisions of this Agreement by reference therein. This Agreement shall be recorded at Lane County Deeds and Records against title to the Property, at Owners' sole expense.

6. Waiver of Remonstrances. Owners waive any and all rights to remonstrate against the formation of a local improvement district (LID) by the City for purposes of construction of all or part of improvements described in this Agreement as Owners' obligations, except as follows:
 - 6.1. Although Owner is not obligated by this Agreement to construct improvements to Maple Island Road in section 1.4.1 or the Future Collector described in section 1.4.2, Owners waive their right to remonstrate against the improvement of whichever public street the City determines to construct first.
 - 6.2. Owners do not waive their right to appear at any of the required public hearings and testify, orally or in writing, regarding the formation of an LID, whether the boundaries include all benefited property, the equity of the assessment formula, the scope and nature of the project or of the final assessment, or any other issue regarding the LID.
7. Land Use. Nothing in this Agreement shall be construed as waiving any requirements of the Springfield Development Code or Springfield Municipal Code which may be applicable to the use and development of the Property. Nothing herein shall be construed as City providing or agreeing to provide approval of any building, land use, or other development application or Land and Drainage Alteration Program (LDAP) permit application submitted by Owners. Owners are responsible for obtaining, at Owners' expense, all local, state, and federal permits and any other approvals as may be required.
8. Waiver of Development Exactions. Owners know and understand any rights they may have under the law as interpreted in *Dolan v. City of Tigard*, 512 US 374 (1994) and subsequent cases interpreting the legal effect of *Dolan* including without limitation *Sheetz v. El Dorado County*, 601 U.S. 267 (2024). By entering into this Agreement, the Owners hereby waive any further requirement that the City demonstrate the public improvements and other obligations set forth herein are roughly proportional to the impacts of the development of the Property subject to this Agreement. Owners hereby release City from any claim, cause of action, or demand for just compensation arising under the terms of this Agreement.
9. No Third-Party Beneficiaries. No third-party beneficiaries shall have any claim, cause of action, or other right of recourse against the City with respect to any action or lack of action taken by the City with respect to this Agreement, the Project, PIP permit, or otherwise. The City retains authority to waive or release any covenants, restrictions, or other rights or interests established under this Agreement (in whole or in part) at its sole discretion, notwithstanding any rights or interests of a buyer or other third-parties.
10. Severability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.
11. Amendments. The terms of this Agreement cannot be waived, altered, modified, supplemented or amended in any manner whatsoever, without prior written approval of the City. This Agreement may not be modified except in writing signed by both parties. Any substantial modification or amendment of this Agreement shall require approval from the Common Council of the City of Springfield.
12. Termination. The parties acknowledge that this Agreement anticipates the use of the Property for a crisis stabilization center and a mental or psychiatric hospital. The Parties acknowledge this agreement addresses the anticipated impacts to City facilities and services based on that anticipated use. Accordingly, the terms and conditions of this Agreement are inapplicable if the Owners or their successors in interest propose a different use of the Property. In that event, the Parties agree to negotiate a successor agreement, in good

faith, to replace the terms and conditions herein, for the intended use of the Property. Any successor agreement must be approved by the Common Council of the City of Springfield.

13. Entire Agreement. This Agreement signed by both parties is the parties' final and entire Agreement as to the subject matter herein, and supersedes all prior and contemporaneous oral or written communications between the parties, their agents and representatives. There are no representations, promises, terms, conditions or obligations other than those contained herein.

LANE COUNTY:

PEACEHEALTH:

By: _____
Its: _____

By: _____
Its: _____

STATE OF OREGON
County of Lane

This record was acknowledged before me on _____, 2026, by _____ [name]
as _____ [title] of Lane County, Oregon.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON
County of Lane

This record was acknowledged before me on _____, 2026, by _____ [name]
as _____ [title] of PeaceHealth.

Notary Public for Oregon
My Commission Expires: _____

CITY OF SPRINGFIELD:

By: _____
Its: _____

STATE OF OREGON
County of Lane

This record was acknowledged before me on _____, 2026, by Nancy Newton as City Manager
of the City of Springfield.

Notary Public for Oregon
My Commission Expires: _____