



## Staff Report

**File #:** 18-88

**Version:** 1

**Date:** 3/12/2018

**Item #:** 3.2a.

**TO:** Mayor and City Council  
**THROUGH:** Steve Powers, City Manager  
**FROM:** Norman Wright, Community Development Director

### **SUBJECT:**

Initiate the adoption process for new zoning and a new street design for the State Street corridor.

Ward(s): 1 and 2  
Councilor(s): Kaser and Andersen  
Neighborhood(s): NEN and SESNA

### **ISSUE:**

Shall City Council adopt resolution no. 2018-15 to initiate the adoption process for new zoning and a new street design for the State Street corridor?

### **RECOMMENDATION:**

Adopt Resolution No. 2018-15 to initiate the adoption process for new zoning and a new street design for the State Street corridor.

### **SUMMARY AND BACKGROUND:**

Adopting resolution no. 2018-15 will initiate a code amendment process to:

- a. Amend the UDC to establish the "Mixed Use-I Zone" and "Mixed Use-II Zone," and amend SRC Chapter 110 (Administration), SRC 220 (Site Plan Review), SRC 702 (Multiple Family Design Review Guidelines and Standards), SRC 703 (Wireless Communications Facilities), SRC 806 (Off-Street Parking, Loading, and Driveways), and SRC 900 (Sign Code);
- b. Change the Comprehensive Plan Map and NEN-SESNA Neighborhood Plan Generalized Land Use Map designations of properties in the State Street corridor from "Commercial," "Multi-family Residential," and "Community Service Government" to "Mixed Use";
- c. Change the zoning of properties in the State Street corridor from Retail Commercial (CR), Commercial Office (CO), Multiple Family Residential-I (RM-I), Multiple Family Residential-II

(RM-II), Single Family Residential (RS), and Public Service (PS) to Mixed Use-I and Mixed Use-II;

- d. Amend the Salem Transportation System Plan to adopt a new street design for State Street between 12<sup>th</sup> Street and 25<sup>th</sup> Street; and
- e. Refer the matter to the Planning Commission for public hearing and recommendation to Council.

The proposed changes aim to revitalize State Street between 12<sup>th</sup> and 25<sup>th</sup> streets into a vibrant, walkable, mixed-use corridor through new zones and a new street design. Specifically, the changes would create two new mixed-use zones - Mixed Use-I (MU-I) and Mixed Use-II (MU-II) - that allow a broad mix of uses and establish standards to encourage pedestrian-friendly development. The zones would be applied to properties in the State Street corridor, replacing the existing patchwork of zones (Attachment 2).

The changes would also establish a new street design for State Street to create a safer, more welcoming environment for pedestrians and bicyclists (Attachment 4). The street design includes wider sidewalks from 12<sup>th</sup> to 25<sup>th</sup> Street, pedestrian crossings, and a reconfiguration of the western portion of State Street into two travel lanes, a center-turn lane, buffered bike lanes, and on-street parking.

The proposed changes are the result of more than two years of work on the State Street Corridor Plan (State Street Plan). A booklet that summarizes the plan is attached (Attachment 4), and the full plan can be found online:

<https://www.cityofsalem.net/citydocuments/state-street-corridor-plan.pdf>.

The State Street Plan was developed through extensive public engagement efforts, which included a stakeholder advisory committee, public meetings, stakeholder interviews, videos, emails, mailings, social media posts, and a survey. The plan implements recommendations in the NEN-SESNA Neighborhood Plan adopted in 2015 and accomplishes a previous City Council goal to revitalize State Street. A consultant team assisted in the development of the State Street Plan, which was funded by a Transportation and Growth Management (TGM) grant from Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD).

## FACTS AND FINDINGS:

### Procedural Findings

- 1) The City Council adopted the [NEN-SESNA Neighborhood Plan](https://www.cityofsalem.net/CityDocuments/nen-sesna-neighborhood-plan.pdf) <https://www.cityofsalem.net/CityDocuments/nen-sesna-neighborhood-plan.pdf> as components and support documents to the Salem Area Comprehensive Plan in 2015, and that plan recommended that State Street between 12th and 25th Street be revitalized into a vibrant, pedestrian-friendly, mixed-use corridor.
- 2) A Council goal for economic development in FY13-14 included a strategy to "Develop a plan

for redevelopment of State Street: from 12th Street to the State Penitentiary...”

- 3) Council authorized staff to apply for and accept a Transportation and Growth Management (TGM) grant from Oregon Department of Transportation and the Oregon Department of Land Conservation and Development to prepare the State Street Plan, and the City was notified that the Plan had been selected for a grant award on August 20, 2014.
- 4) The City worked with the community for more than two years to prepare the State Street Plan. Community stakeholders, including residents, property owners, business owners, community groups, NEN, SESNA, public agency officials, and developers were afforded the maximum opportunity for involvement in the development of the State Street Plan and its recommendations for land use and street design improvements.
- 5) The State Street Plan recommended creating two mixed-use zones, MU-I and MU-II, and a new street design for the State Street corridor.
- 6) Implementation of the recommendations in the State Street Plan require that the zoning code be amended, and the Salem Area Comprehensive Plan Map, NEN-SESNA Neighborhood Plan Map, the Salem Transportation System Plan (a component of the Salem Area Comprehensive Plan), and zoning for properties in the State Street Corridor to be changed.
- 7) The changes are considered the following: A “Major Comprehensive Plan Amendment” and “Major Plan Map Amendment” that must be initiated by the City Council under SRC 64.020(e) (1) and SRC 64.025(b)(1), amendments to the Unified Development Code (UDC) that may be initiated by City Council by resolution under SRC 300.1110(a), and legislative zone changes that may be initiated by the City Council under SRC 265.010(c).
- 8) The City Council may refer the matter to the Planning Commission for public hearing and recommendation pursuant to SRC 300.1110(a)(1).
- 9) Legislative zone changes and amendments to the Comprehensive Plan, Comprehensive Plan Map, Neighborhood Plan Map, and UDC require notice to the Director of the Department of Land Conservation and Development no later than 35 days before the first public hearing pursuant to SRC 300.1110(d). Because the proposed code amendment restricts some land uses, ORS 227.186 requires written individual notice to the owner of each affected property. This notice is commonly referred to as a “Ballot Measure 56 notice.” All required notices will be provided prior to any public hearings on the proposed amendment.

## **Planning Process**

Beginning in 2015, the City, assisted by a consultant team, worked with the community to identify, evaluate, and select land use and transportation alternatives for the State Street corridor. Between 2015 and 2018, extensive public outreach was conducted, including three public meetings and four meetings of a stakeholder advisory committee (SAC), which included public participation. The SAC included Mayor Chuck Bennett, City Councilors Tom Andersen and Cara Kaser, Planning Commission members, representatives and residents of NEN and SESNA, representatives from Willamette University and the Salem-Keizer School District, business owners and operators, nonprofit organizations, property owners, and others.

Additional public outreach and engagement methods included a [project website](https://www.cityofsaalem.net/Pages/state-street-corridor-plan-to-revitalize-the-street.aspx) [<https://www.cityofsaalem.net/Pages/state-street-corridor-plan-to-revitalize-the-street.aspx>;](https://www.cityofsaalem.net/Pages/state-street-corridor-plan-to-revitalize-the-street.aspx)

interviews with 20 stakeholders; presentations at meetings of NEN, SESNA, and other community organizations; meetings with property owners; a survey that was posted online and mailed to all residents, business owners, and property owners in NEN and SESNA; and door-to-door canvassing and conversations with business owners and property owners. City staff also mailed public meeting invitations to all residents, business owners, and property owners in the State Street corridor study area; emailed project updates to a list of more than 700 people; announced project updates through the City's Community Connection newsletter, Facebook, Twitter, and E-Blast newsletter; conducted interviews on the radio; and helped develop videos for the City's news show.

In 2017, the State Street Plan was completed, and it recommended that the City:

- 1) Create two new zones and apply them to State Street to encourage pedestrian-friendly, mixed-use development, and
- 2) Establish a new street design that creates a safer, more welcoming environment for people walking and bicycling in the State Street corridor.

The proposed amendments to the Salem Revised Code, Salem Area Comprehensive Plan, Salem Area Comprehensive Plan Map, NEN-SESNA Neighborhood Plan Map, and Zoning Map will implement those recommendations. The proposed amendments are described below.

## **Proposed Amendments**

### **1) Code Amendment:**

*Create the Mixed Use-I Zone (SRC Chapter 533) and Mixed Use-II Zone (SRC Chapter 534)*

The proposed amendments create two new zones, the MU-I and MU-II zones, to promote pedestrian-friendly mixed-use development. Both zones allow a broad mix of uses and establish simple design standards, which are further described below. The main difference between the two zones is that the MU-I zone accommodates and encourages active commercial uses on the ground floor of buildings on State Street, while the MU-II zone supports commercial or residential uses on ground floors. Specifically, development standards in the MU-I zone require the ground floor of buildings be able to accommodate retail uses even if they are first developed for another use.

While the proposed MU-I and MU-II zones were created as part of the State Street Plan, they can be applied to other areas of the city where pedestrian-friendly, mixed-use districts are desired. For example, property owners can apply to change the zoning of their property to either of the proposed mixed-use zones. Currently, this opportunity does not exist in Salem because there are no such mixed-use zones.

#### **a) Uses**

Both the proposed MU-I and MU-II zones allow a wide variety of uses, including residential, commercial, recreational, educational, civic, medical, and other complementary uses. Allowing this broad mix of uses provides flexibility in how property owners can develop and use their land. This supports the reuse and redevelopment of property that is currently vacant or underutilized in

the State Street corridor. The proposed zones remove other barriers to redevelopment by allowing, for example, multifamily development outright. Currently in the Multiple Family Residential 2 (RM2) zone, multiple family uses are only allowed through a conditional use permit, which includes a public hearing.

The proposed zones prohibit uses that would detract from a walkable, mixed-use corridor. For example, heavy manufacturing, self-service storage, motor vehicle sales or service, and standalone surface parking lots are not allowed. Any such uses that exist today, however, are allowed to remain operating in the proposed zones. For example, motor vehicle service stations that exist on State Street today can continue operating, but new service stations cannot be established. Buildings that contain these uses can be rebuilt, enlarged, or altered as long as certain development standards are met.

#### b) Standards

The two proposed zones include development standards that promote a pedestrian-friendly, urban development while minimizing potential negative impacts on adjacent residential neighborhoods. For example, the proposed MU-I and MU-II zones generally require buildings to be built up to the sidewalk to ensure that they engage the public realm and contribute to a pedestrian-friendly environment. They allow buildings to be up to 55 feet tall, which accommodates a four-story building, but they also establish setbacks from residential zones that increase as the height of a building increases. In other words, the taller a building is in the proposed MU-I or MU-II zone, the further away it has to be from the abutting residential neighborhood.

There are several design-related standards in the proposed MU-I and MU-II zones that encourage pedestrian-friendly development. For example, awnings for weather protection, windows on the ground floor, and building entrances on primary streets like State Street are required. Parking is also required to be located behind or beside buildings.

If a development cannot meet a standard, an applicant can apply for an adjustment or variance to deviate from the standard. The applicant would have to prove that the proposed development could meet the approval criteria for the adjustment or variance. The adjustment process provides the public with an opportunity to comment on applications as does the variance process, which also includes a public hearing. The option to apply for an adjustment to design-related standards in the proposed MU-I and MU-II zones provides flexibility through an administrative process that generally does not exist in other zones or overlay zones with design-related standards. Typically, when an applicant cannot meet a design standard in an overlay zone, they must go through an approval process that includes a public hearing.

## **2) Comprehensive Plan Map change, NEN-SESNA Neighborhood Plan Map change, and zone change:**

*Change the Comprehensive Plan Map and Neighborhood Plan Map designation of properties in the State Street corridor from Commercial, Multi-family Residential, and Community Service Government*

*to Mixed Use*

*Change the zoning of properties in the State Street corridor from Retail Commercial (CR), Commercial Office (CO), Multiple Family Residential I (RM-I), Multiple Family Residential II (RM-II), Public Service (PS), and Single Family Residential (RS) to MU-I and MU-II*

The proposed changes replace the existing patchwork of Comprehensive Plan Map designations and zones in the State Street corridor with one consistent designation and two associated mixed-use zones. The proposed MU-I zone is applied to the properties generally between 12<sup>th</sup> and 17<sup>th</sup> Street, and the MU-II zone is applied to the properties generally between 17<sup>th</sup> and 25<sup>th</sup> Street. The proposed MU-I zone is applied on the western half of State Street because it encourages development that can accommodate ground-floor retail uses. This aligns with the findings of an economic analysis that was prepared as part of the State Street Plan project. That analysis found that there is more momentum for redevelopment in this western half due to its proximity to catalyst areas such as Willamette University, the State Capitol, and downtown Salem.

Applying the two zones to the State Street corridor overall would streamline the existing zoning by allowing a broad mix of uses throughout the corridor and establishing consistent design standards that promote pedestrian-friendly development. As mentioned above, this would encourage the development and redevelopment of vacant and underutilized property on State Street, which currently detract from the overall vitality and attractiveness of the corridor. It would be easier, for example, for owners of multiple adjacent properties to build larger developments without having to either navigate different sets of regulations or change the zoning of some of their properties.

### **3) Transportation System Plan**

*Change the Salem Transportation System Plan (TSP) to include a new street design for the State Street corridor*

The proposed changes to the TSP establish a new street design for State Street between 12<sup>th</sup> and 25<sup>th</sup> Street to provide enhanced bicycle and pedestrian facilities. State Street is designated a major arterial in the TSP, which calls for such streets to be 96-foot-wide with two travel lanes in each direction, a center median, bike lanes, sidewalks, and a planter street. State Street lacks many of these bicycle and pedestrian amenities. Instead, the street generally provides two lanes in each direction, narrow sidewalks, and on-street parking in limited areas. The public has voiced concern that this current state of the street creates an uninviting, unsafe environment for pedestrians and bicyclists. By developing a context-sensitive design for State Street, facilities and amenities for bicyclists and pedestrians can be provided without having to significantly widen the road and acquire large swaths of property.

The proposed street design, which was called the “Hybrid” alternative in the State Street Plan, generally conducts a “road diet” on State Street between 14<sup>th</sup> and 17<sup>th</sup> street and makes pedestrian improvements east of 17<sup>th</sup> Street. In the western “road diet” portion, the new design reconfigures the street into three lanes (one travel lane in each direction plus a center-turn lane), adds buffered bicycle lanes, widens sidewalks, retains on-street parking, and adds a pedestrian crossing with a

median at 15<sup>th</sup> Street. The bicycle lanes would connect to the existing bike lanes that run north-south on 17<sup>th</sup> Street as well as the family-friendly bikeways on Chemeketa Street NE and Mill Street SE via 14<sup>th</sup> Street and 24<sup>th</sup> Street. The proposed street design also includes a proposed bicycle/pedestrian bridge on 24<sup>th</sup> Street SE across Mill Street to improve connectivity to existing bike lanes on State Street that begin at 24<sup>th</sup> Street.

From 17<sup>th</sup> to 25<sup>th</sup> Street, the proposed street design retains the existing four travel lanes, widens sidewalks to 12 to 15-feet wide, and adds pedestrian crossings with rapid flashing beacons at 19<sup>th</sup> and 21<sup>st</sup> streets. The City plans to add a pedestrian median on State Street at 25<sup>th</sup> Street, and that plan is included in the proposed street design. The one-way section between 12<sup>th</sup> and 13<sup>th</sup> streets is retained in the proposed street design.

The proposed TSP changes also includes a commitment that the City will evaluate the lane reconfiguration west of 17<sup>th</sup> Street a year and a half after it is constructed. The evaluation will consider measures such as safety and diversion to determine what changes should be made to the street design. The goal of the evaluation is to extend the "road diet" to 25<sup>th</sup> Street if the findings of the evaluation support such a change.

Overall, the new street design supports the vision of State Street as a vibrant, walkable, mixed-use corridor. It also means properties along State Street will gain development potential because the amount of land abutting the street that needs to essentially be set aside for future road widening - special setbacks - is reduced.

Eunice Kim, AICP  
Planner II

**Attachments:**

1. Resolution No. 2018-15
2. Map showing location of proposed zones
3. Map showing existing zoning
4. Proposed street design for State Street
5. State Street Corridor Plan Booklet