



## Staff Report

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**File #:** 18-159

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Norman Wright, Community Development Director

**SUBJECT:**

West Salem Zone Code Clean-Up Amendments

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

**ISSUE:**

Shall the City Council hold a public hearing on the West Salem Zone Code Clean-Up amendments, including various zoning code amendments, comprehensive plan map amendments, neighborhood plan map amendments, and zone map amendments to certain lands generally along Wallace Road NW, Edgewater Street NW, and Second Street NW?

**RECOMMENDATION:**

Hold a public hearing on the West Salem Zone Code Clean-Up amendments, including various zoning code amendments, comprehensive plan map amendments, neighborhood plan map amendments, and zone map amendments to certain lands generally along Wallace Road NW, Edgewater Street NW, and Second Street NW.

**SUMMARY AND BACKGROUND:**

Several amendments to the property zoning in the general vicinity of Wallace Road NW, Edgewater Street NW, and Second Street NW are proposed. The Planning Commission held a public hearing on the proposal on March 20, 2018, and voted unanimously to recommend that the City Council adopt the amendments. City Staff recommends that City Council move the proposal forward by holding their own public hearing on the amendments and then proceeding to second reading for enactment.

These amendments are recommended in the Salem Urban Renewal Agency's 2015 West Salem Business District Action Plan (Action Plan) to encourage economic development, improve property

values, and prepare for revitalization of the area. The changes, known as the West Salem Zone Code Clean-Up project (Zoning Project), streamline the zoning rules in this area by replacing the patchwork of existing residential, commercial, industrial, and overlay zones along these streets with three new zoning designations that are more user friendly and relevant to the current needs of West Salem (See Attachment 1 for location of the three new zones). Property owners will generally have more commercial, residential, and mixed-use options under the new zoning. The proposal also establishes more consistent design standards across the three new zones to enhance the character of the area. The rezonings affect approximately 133 acres of land.

Extensive community outreach was conducted in 2014 and 2015 during the creation of the Action Plan, including public meetings and open houses to solicit input from local residents and other stakeholders. The Zoning Project is the collaborative planning process that was launched in early 2017 to write these new zoning code provisions that implement the recommendations of the Action Plan. The process continued throughout 2017 with regular community meetings to gather public comments, mailings to all affected property owners, social media outreach, work sessions before the West Salem Renewal Advisory Board and Salem Planning Commission, Presentations before the West Salem Neighborhood Association and West Salem Business Association, Technical Advisory Committee meetings, and ongoing communication and meetings with key stakeholders from the area. The project webpage contains additional information about the proposed code amendments and planning process ([bit.ly/codecleanup](http://bit.ly/codecleanup)).

## **FACTS AND FINDINGS:**

### ***Procedural Findings***

1. The proposed zoning code changes require amendments to the Comprehensive Plan Map, West Salem Neighborhood Plan Map, Zoning Map, and text changes to the Salem Revised Code. The changes are considered a major plan map amendment under SRC 64.025 and a legislative land use proceeding under SRC 300.1110.

On February 12, 2018, City Council initiated the amendments as provided in SRC 64.020(e)(1) and SRC 300.1110(a) with Resolution 2018-13 and referred the matter to the Planning Commission for public hearing and recommendation.

2. The Salem Planning Commission held a public hearing on the proposed amendments on March 20, 2018, where they heard testimony from the public and voted unanimously to recommend that the City Council adopt the amendments. Planning Commission's recommendation is included as Attachment 2.

### ***Proposed Code Amendments***

1. The proposal includes the following components:
  - Zone Code Amendments to create three new zones and make a number of related

- small amendments to various other chapters of the Salem Zoning Code;
- Amendment to the zoning map to designate approximately 64 acres West Salem Central Business District (WSCB) zone east of Wallace Road NW;
- Amendment to the comprehensive plan map to designate the same 64 acres "Central Business District" on the Salem Area Comprehensive Plan Map, consistent with the new WSCB zoning;
- Amendment to the West Salem Neighborhood Plan Generalized Land Use Map (GLUM) to designate the same 64 acres "Central Business District" on the GLUM, consistent with the zoning and plan map amendments;
- Amendment to the zoning map to designate approximately 58 acres Edgewater/Second Street Mixed-Use (ESMU) zone along Edgewater and Second Street NW;
- Amendment to the comprehensive plan map to designate the same 58 acres "Mixed-Use" on the Salem Area Comprehensive Plan Map, consistent with the new ESMU zoning;
- Amendment to the West Salem Neighborhood Plan Generalized Land Use Map (GLUM) to designate the same 58 acres "Mixed-Use" on the GLUM, consistent with the zoning and plan map amendments;
- Amendment to the zoning map to designate approximately 11 acres SCI zone along Second Street NW; and
- Removal or reduction of several existing overlay zones, which are being replaced by the new, streamlined zoning districts.

2. The West Salem Central Business District (WSCB) is a newly created zone, which is proposed to apply to properties south of Taybin Road NW between Wallace Road and Wallace Marine Park (See Attachment 1). This 64-acre area of West Salem currently functions as a town center for West Salem in many ways, with a post office, public library, transit center, grocery store, Wallace Marine Park, and various commercial and residential uses. The area is also within convenient walking distance to downtown Salem via the Union Street Railroad Bridge. The new WSCB zoning will replace the existing assortment of different industrial, commercial, residential, and overlay zones that currently apply to this area, thereby recognizing this location's full potential as a unified central business district for West Salem.

The proposed zone is similar to downtown Salem's existing Central Business District (CB) zone and is intended to implement the "Central Business" Comprehensive Plan Map designation. It will give property owners new land use options that are not currently allowed throughout all of this area today, including new opportunities for commercial, residential, and mixed-use.

Development of new industrial land uses such as warehousing and mini storage, and development of new auto-related uses such as car sales, car repair, and drive-throughs are not allowed under the new zoning. Pre-existing industrial or auto-related business of these types will not be affected, however, and may remain indefinitely and can be rebuilt or expanded.

The proposed zoning also contains design standards to promote walkable and attractive new

development, such as a requirement to place new buildings up to the street with active storefronts at the sidewalk and parking areas located behind or beside the building.

3. The Edgewater/Second Street Mixed-Use Corridor (ESMU) Zone is a new zone designation, proposed for properties generally along Edgewater and Second Streets approximately between Eola Drive NW and Wallace Road (See Attachment 1). This zone will streamline the zoning rules by replacing the various commercial, residential, and overlay zones that exist in this area with a single mixed-use zoning designation that is more user friendly. The new zone will apply to 58 acres of land and prepare the way for future development and investment in properties along a revitalized Second Street NW that, together with Edgewater Street NW, will serve as the village center for the surrounding neighborhood. The ESMU zone is intended to implement the "Mixed Use" Comprehensive Plan Map designation.

Existing mixed-use and design review zone code provisions that already apply along much of Edgewater Street NW will be carried through into the new zone with very few changes. The proposal will also extend this mixed-use zoning to the north and west, thereby giving property owners on the north side of Second Street NW and west side of Rosemont Avenue NW more land use options for commercial, residential, and mixed-use. Design standards for new development will also serve to protect the character of the surrounding neighborhood and enhance the "main street" look and feel of the corridor.

4. The Second Street Craft Industrial Corridor (SCI) Zone is a newly created zone that is proposed to apply to the industrial properties along the north side of the Second Street right-of-way between Patterson Street NW and Wallace Road NW, as shown on Attachment 1. These properties are currently zoned for industrial use (IG - General Industrial zone), with overlay zones that allow some additional land use options. The land is occupied by two large food processing facilities, one of which is closed permanently. The SCI zone is intended to implement the "Industrial" Comprehensive Plan Map designation, and therefore would continue to allow industrial uses, such as manufacturing and food processing, which are currently allowed in the property's IG zoning, but would also allow "Craft Industrial" businesses.

Craft Industrial uses are manufacturing businesses that include a retail front where customers can come and buy the goods that are made on site. These businesses tend to provide good manufacturing wage jobs, while also creating an interesting retail destination to activate the neighborhood. The proposed zoning allows up to 30 percent of the floor area of the buildings on a site to be used for retail. The 30 percent retail floor area could be the retail component of a craft industrial manufacturing use or it could be retail uses that are unrelated to the industrial uses on the site. The new zone also includes design standards requiring that any new buildings are built up to the street right-of-way to create a row of attractive building fronts along a revitalized Second Street corridor.

5. In addition to the above changes, the Action Plan also recommends allowing Craft Industrial use on the industrial properties along 9th Street NW between Patterson Street NW and Wallace Road NW. These properties are zoned Industrial Park (IP). Rather than create another

new zone or overlay along this section of 9th Street NW, an amendment to the IP zone to allow craft industrial is proposed. This amendment would apply to IP-zoned property citywide. Under this amendment, up to 30 percent of the floor area of the buildings on an IP-zoned site could be used for the retail component of a craft industrial manufacturing use located on the site.

6. Corresponding amendments to various other parts of the Salem Revised Code are also included with the proposal, to acknowledge the new zoning designations and remove references to the overlay zones that are being removed. The wireless communications facilities code (SRC Chapter 703), sign code (SRC Chapter 900), off-street parking (SRC Chapter 806), and the definitions chapter (SRC Chapter 111) are all being amended to establish appropriate development standards for the new zones in these areas, which generally follow the existing development standards in these chapters for similar new zoning designations. For example, sign and wireless communication facility standards for development in the proposed WSCB zone generally followed the existing standards for central business and commercial zones. Development standards for signs and wireless communication facilities in the ESMU zone generally followed the existing standards for mixed-use zones.

The three new zones streamline the zoning in West Salem by replacing multiple existing overlay zones. Therefore, the code amendments include the removal of the West Salem Gateway Overlay, Edgewater Street Corridor Overlay, and Second Street Overlay. Additionally, the proposal includes modification of the boundaries of the Wallace Road Corridor Overlay, West Salem General Industrial Overlay, and Patterson Street Overlay. The proposed application of the ESMU zone to some properties currently zoned Single Family Residential (RS) with Compact Development Overlay will also result in the removal of the Compact Development overlay from those properties. The Compact Development Overlay zone requires a Residential Single Family (RS) base zoning designation pursuant to SRC 631.001 and 631.005, so once the RS base zoning of these properties is changed to ESMU, then the intent of this legislative action is to also remove the Compact Development Overlay zone designation from those properties.

7. Findings addressing the approval criteria are included in Exhibit 6 to the attached ordinance bill (See Attachment 9)

### ***Alternatives***

Salem Revised Code and state law require at least one public hearing before an amendment to a local government's land use code may be adopted. The Planning Commission hearing on March 20, 2018 complying with this requirement; the City Council has the option to hold a second public hearing prior to enacting the amendments. Due to the scope of the proposed amendments, Staff recommends that City Council conduct a second public hearing and then proceed to second reading for enactment.

City Council may:

- A. Set a public hearing before the City Council on the proposed amendments;
- B. Proceed straight to second reading for enactment;
- C. Refer the proposed amendments back to the Planning Commission for further deliberation; or
- D. Decline to advance the proposed ordinance.

Bryan Colbourne, AICP  
Planner III

**Attachments:**

- 1. Map of Proposed Zone Districts
- 2. Planning Commission Recommendation
- 3. Ordinance Bill No. 3-18
- 4. Ordinance Exhibit 1 - Map Showing Comprehensive Plan Map and Neighborhood Plan Map Changes related to the ESMU Zone
- 5. Ordinance Exhibit 2 - Map Showing Comprehensive Plan Map and Neighborhood Plan Map Changes related to the WSCB Zone
- 6. Ordinance Exhibit 3 - Map Showing Zoning Map Changes related to the ESMU Zone
- 7. Ordinance Exhibit 4 - Map Showing Zoning Map Changes related to the WSCB Zone
- 8. Ordinance Exhibit 5 - Map Showing Zoning Map Changes related to the SCI Zone
- 9. Ordinance Exhibit 6 - Findings Addressing Approval Criteria