



## Staff Report

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**File #:** 22-380

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**Item #:** 7.1c.

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**TO:** Mayor and City Council

**THROUGH:** Keith Stahley, City Manager

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

**SUBJECT:**

Legislative Zone Change on Commercial Street SE.

Ward(s): Ward 2

Councilor(s): Councilor Nishioka

Neighborhood(s): SCAN

Result Area(s): Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

**SUMMARY:**

The City of Salem is proposing to rezone properties on Commercial Street SE roughly between Superior Street S and McGilchrist Street SE to Mixed-Use II (MU-II) to encourage pedestrian-friendly, mixed-use development. The work responds to a motion from City Council during the Our Salem project public hearing process to rezone these properties to MU-II rather than Mixed Use III (MU-III).

**ISSUE:**

Shall City Council conduct a public hearing on Ordinance Bill No. 18-22 for the purpose of rezoning specific properties on Commercial Street SE to MU-II and advance to second reading?

**RECOMMENDATION:**

Conduct a public hearing on Ordinance Bill No. 18-22 for the purpose of rezoning specific properties on Commercial Street SE to MU-II and advance to second reading

## **FACTS AND FINDINGS:**

### ***Procedural Findings***

1. The Our Salem project, which was approved in July 2022 and became effective on August 24, 2022, amended the Salem Area Comprehensive Plan, implemented changes to the Salem Comprehensive Plan Map and zoning map, amended the Salem Revised Code, and adopted the Salem Housing Needs Analysis.
2. As part of the approval of the Our Salem project on July 11, 2022, the City Council voted to direct staff to create an ordinance and schedule a public hearing to consider rezoning properties on both sides of Commercial Street SE from Superior Street S to Jerris Avenue SE and properties on only the east side of Commercial Street SE between Jerris Avenue SE and McGilchrist Street SE to MU-II.
3. Staff mailed out flyers to owners of affected property owners on August 22, 2022, describing the proposed zone change and providing opportunities to discuss the proposal with staff.
4. The proposed zone changes are legislative zone changes, which may be initiated by the City Council under SRC 265.010(c). The City Council may initiate a legislative land use proceeding by the adoption of a resolution under SRC 300.1110(a).
5. The City Council adopted Resolution No. 2022-48 on September 12, 2022 to initiate the proposed zone change.
6. A public hearing on the proposal will be scheduled before the City Council to receive testimony.

### ***Project Overview***

As part of the adoption of the Our Salem project, Council voted on July 11, 2022 to direct staff to create an ordinance and schedule a public hearing to consider rezoning properties both sides of Commercial Street SE from Superior Street S to Jerris Avenue SE and properties on only the east side of Commercial Street SE between Jerris Avenue SE and McGilchrist Street SE to MU-II. This was done in response to a comment from the SCAN neighborhood requesting MU-II rather than MU -III zoning to encourage pedestrian-oriented development and limit automobile-oriented uses.

Staff subsequently mailed a flyer to affected property owners to provide information about the proposed zone change and provide opportunities to discuss the proposal with staff. Information about the proposal has also been provided on the Our Salem project webpage - [www.cityofsalem.net/our-salem](http://www.cityofsalem.net/our-salem) <<http://www.cityofsalem.net/our-salem>> - including an explanation of the changes relative to the current zoning and MU-III zoning, which had previously been proposed on these properties. Recipients of the flyer were encouraged to visit the webpage and contact staff for more information and to provide input.

The proposed changes to the zoning map, which respond to City Council's motion, are described below.

### ***Proposed Zone Change***

The proposed changes to the zoning map are included as Exhibit A of Ordinance Bill No. 18-22 (

**Attachment 1).** The properties are proposed to be rezoned to MU-II; some are currently zoned Retail Commercial (CR), and others are zoned Commercial Office (CO).

The proposed changes to the zoning map aim to advance the goals and policies in the Comprehensive Plan and align the zoning with the existing Mixed Use Comprehensive Plan Designation on these properties. All the properties impacted by the proposed zone change are listed in **Attachment 2**.

The proposed zone change reflects three of the guiding principles that are identified in the updated Salem Area Comprehensive Plan.

1. **Mixed use:** Encourage a mix of uses more broadly in Salem to promote access to jobs and services, especially along major corridors with frequent transit service
2. **Housing:** Encourage a broader range of housing types across Salem, particularly near jobs, services, and amenities
3. **Employment:** Promote a diverse range of employment opportunities and improve access to jobs

### Mixed Use

The properties subject to the proposed zone change would be rezoned to MU-II. Thus, the proposed zone change increases the amount of mixed-use land in Salem along a major corridor with frequent transit service - Commercial Street SE. The MU-II zone allows but does not require a mix of uses, including multifamily housing, retail sales and services, offices, and other complimentary uses. The properties to the north and south of the area subject to the proposed zone change are already zoned mixed-use, so the proposed change also creates continuity in this mixed-use corridor.

Because mixed-use zoning allows a broad mix of compatible uses, establishing more mixed-use areas in Salem promotes walkability, increases access to jobs and services, and creates more flexibility in how properties can be used. Creating more walkable, complete neighborhoods - particularly near transit service - also helps move Salem closer to its greenhouse gas emissions reduction goals.

The subject properties were previously proposed to be rezoned to MU-III through the Our Salem project. The MU-III zone allows a range of commercial and residential uses, like the MU-II zone, but the MU-III zone allows development and uses that are more automobile-oriented. The MU-II zone encourages development to be pedestrian-oriented through additional design standards that are not required in the MU-III zone.

### Housing

The proposed zone change promotes a variety of housing options by reducing barriers to the development of multifamily housing. The MU-II zone allows multifamily housing outright on the subject properties; the CR zone, which is the zoning of most of the subject properties, requires a conditional use permit for multifamily housing, and the CO zone requires increasing minimum lot

sizes based on the number of bedrooms in a multifamily development. The MU-II zone also allows middle housing and mixed-use developments, which add to the variety of housing options available in Salem. Because the subject properties are located along an established commercial corridor, the proposed zone change will facilitate the development of new housing near jobs, services, and amenities.

### Employment

The proposed zone change will continue to allow a range of commercial uses on the subject properties. The MU-II zone allows retail sales and services, offices, and commercial entertainment uses and will allow the subject properties to continue to provide a range of commercial uses. Because the MU-II zone also allows housing outright, future housing is more likely to be located in close proximity to these commercial uses, increasing access to employment opportunities for residents. Additionally, because the subject properties are located along a frequent transit corridor, new development in this area will be well-served by multiple transportation modes, which helps to increase access to jobs in this area.

### ***Substantive Findings***

The proposal includes amendments to the zoning map.

1. SRC 265.010 establishes the following approval criteria for a legislative zone change:
  - a. The zone change is in the best interest of the public health, safety, and welfare of the City.
  - b. The zone change complies with the Salem Area Comprehensive Plan, applicable statewide planning goals, and applicable administrative rules adopted by the Department of Land Conservation and Development.
  - c. If the zone change requires a comprehensive plan change from an industrial designation to a non-industrial designation, or a comprehensive plan change from a commercial or employment designation to any other designation, a demonstration that the proposed zone change is consistent with the most recent economic opportunities analysis and the parts of the comprehensive plan which address the provision of land for economic development and employment growth; or be accompanied by an amendment to the comprehensive plan to address the proposed zone change; or include both the demonstration and an amendment to the comprehensive plan.
  - d. The zone change does not significantly affect a transportation facility, or, if the zone change would significantly affect a transportation facility, the significant effects can be adequately addressed through the measures associated with, or conditions imposed on, the zone change.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit B to Ordinance Bill No. 18-22.

### **BACKGROUND:**

In July 2022, the City Council approved the Our Salem project, which was a multi-year project to update the Salem Area Comprehensive Plan and associated maps and zoning code. As part of the approval, the City Council passed a motion directing staff to bring forward a new ordinance to rezone the subject properties on Commercial Street SE to MU-II rather than MU-III and schedule a public hearing. This legislative zone change responds to that motion from Council.

Austin Ross  
Planner I

**Attachments:**

1. Ordinance Bill No. 18-22
2. List of Properties Subject to Proposed Zone Change