



**Staff Report**

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**File #:** 22-485  
**Version:** 1

**Date:** 10/24/2022  
**Item #:** 4.a.

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**TO:** Mayor and City Council  
**THROUGH:** Keith Stahley, City Manager  
**FROM:** Norman Wright, Community Development Department Director

**SUBJECT:**

Continued Public Hearing - 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:**

Engrossed Ordinance Bill No. 18-22 rezones properties on Commercial Street SE roughly between Superior Street S and McGilchrist Street SE to Mixed Use-II and Mixed Use-III in response to City Council's motion at the October 10, 2022 public hearing.

**ISSUE:**

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

**RECOMMENDATION:**

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

**FACTS AND FINDINGS:**

On October 10, 2022, City Council held a public hearing to consider Ordinance Bill No. 18-22, which proposed to rezone properties on Commercial Street SE roughly between Superior Street S and McGilchrist Street SE. During the hearing, affected property owners and their attorney expressed concern about the impacts of the proposed rezoning on existing automobile sales and services uses to Mixed Use-II (MU-II). In response, Council voted to continue the public hearing and directed staff to revise the proposed zone change to rezone properties with existing automobile sales and services uses located between Hoyt Street SE and McGilchrist Street SE to Mixed Use-III (MU-III). The other affected properties are still proposed to be rezoned to MU-II.

Engrossed Ordinance Bill No. 18-22 (**Attachment 1**) responds to Council's motion by rezoning properties with existing automobile sales and services uses located between Hoyt Street SE and McGilchrist Street SE to MU-III; these proposed changes to the zoning map are shown as Exhibit B of the engrossed ordinance. The other properties are proposed to be rezoned to MU-II, as shown in **Exhibit A** of the engrossed ordinance. A list of properties subject to the proposed zone change is included as **Attachment 2**. No changes to existing overlay zones along Commercial Street SE are proposed.

Both the MU-II and MU-III zones allow a range of commercial uses, including retail sales, offices, personal services, and commercial entertainment, as well as multifamily and middle housing. The uses on the majority of the properties subject to the proposed zone change would be allowed outright in the MU-II zone. However, the MU-II zone prohibits new automobile sales and services uses. A comparison of key similarities and differences between the MU-II and MU-III zones is included as **Attachment 3**.

### **Public Comments**

As mentioned earlier, testimony was received during the public hearing on October 10, 2022. In addition, comments from the public were received prior to the hearing and are included as **Attachment 4**. All of the comments received prior to October 14, 2022 are summarized and addressed below.

1. During the hearing, affected property owners and their attorney expressed concern about the impacts of rezoning existing automobile sales and services used to MU-II. They specifically expressed concern over the inability to build new automobile-related buildings in the future, and this could inhibit future growth of their businesses. They requested that their properties be rezoned to MU-III instead.

**Staff response:** Under MU-II zoning, existing automobile sales and services uses would become continued uses, which would allow the businesses to remain as they are today. However, the MU-II zone requires buildings housing continued uses to meet the development standards of the MU-II zone if they need to be rebuilt. This means the buildings could not be rebuilt in their current location and would need to incorporate pedestrian-friendly design standards. The MU-II zone also would not allow a new building to be constructed to house a continued use, such as automobile sales. The MU-III zone allows automobile sales and services as a conditional use, which is the same as the current CR zoning. Therefore, under MU-III, zoning existing automobile sales and services uses would not become continued uses and would be subject to the development standards of the MU-III zone, which would

provide more flexibility in terms of site design than the MU-II zone.

2. The SCAN neighborhood provided a written comment supporting the proposed zone change. Their letter suggests that MU-II, as opposed to MU-III zoning, will encourage pedestrian-friendly development, reduce automobile-oriented development, and ensure that future development is compatible with adjacent residential uses.

**Staff response:** The MU-II zone provides pedestrian-oriented design standards, which encourage walkable development and a mix of compatible uses. These standards are more comprehensive than the pedestrian-oriented design standards required by the MU-III zone.

3. The Salem Area Chamber of Commerce provided a written comment expressing concern that rezoning properties with existing automobile sales and services uses to MU-II would inhibit future expansion of the businesses and would prohibit future development for these uses. The comment requested that these properties instead be rezoned to MU-III.

**Staff response:** Under MU-II zoning, existing automobile sales and services uses would become continued uses, which would allow the businesses to remain as they are today. However, the MU-II zone requires buildings housing continued uses to meet the development standards of the MU-II zone if they need to be rebuilt. This means the buildings could not be rebuilt in their current location and would need to incorporate pedestrian-friendly design standards. The MU-II zone also would not allow a new building to be constructed to house a continued use, such as automobile sales. The MU-III zone allows automobile sales and services as a conditional use, which is the same as the current CR zoning. Therefore, under MU-III, zoning existing automobile sales and services uses would not become continued uses and would be subject to the development standards of the MU-III zone, which would provide more flexibility in terms of site design than the MU-II zone.

### Engrossment of ordinance to reflect City Council Revisions

Staff recommends engrossing the ordinance to reflect the revisions voted on by Council on October 10, 2022. Findings demonstrating the proposal's conformance with the applicable approval criteria are included in **Exhibit C** to Engrossed 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. This legislative zone change responds to Council's motions.

Austin Ross  
Planner I

Attachments:

1. Ordinance Bill No. 18-22
2. Exhibit A to Engrossed Ordinance Bill 18-22 - Map of Properties Proposed for MU-II Zoning
3. Exhibit B to Engrossed Ordinance Bill 18-22 - Map of Properties Proposed for MU-III Zoning
4. Exhibit C to Engrossed Ordinance Bill 18-22 Findings
5. List of Properties Subject to Proposed Zone Change
6. Comparison of MU-II and MU-III Zones
7. Public Comments