



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of October 12, 2026

Title/Subject

Rezone - 4N2802CD TL 400 & 600 - Celski Hermiston LLC 1320 & 1340 NE 4th St

Summary and Background

Celski Hermiston, LLC has submitted an application to amend the zoning map for land located at 1340 NE 4th Street. The property consists of two parcels described as 4N 28 02CD Tax Lots 400 and 600. The current zoning is Outlying Commercial (C-2) and the applicant proposes to add the Neighborhood Commercial Overlay (NCO) to both parcels to facilitate multi-family housing. The total lot area is 66,000 square feet (1.5 acres) with Tax Lot 400 encompassing 53,000 square feet and Tax Lot 600 encompassing 13,000 square feet. The property is owned by Celski Hermiston, LLC. The amendment to the zoning map is a quasi-judicial land use action. Land use actions are deemed quasi-judicial where it is determined they have an impact on a specific site and do not have widespread and significant impact beyond the immediate area of the proposed action.

The addition of the NCO zoning to the existing C-2 zoning adds two new uses to those permitted conditionally. NCO allows for multi-family housing and mini-storage units through the conditional use process. Upper story residential uses are also permitted outright. The applicant has considered the need for adding the overlay in the application narrative. The property abuts NE 4th Street, which is a mixed-use corridor classified as a minor arterial in the city's TSP. NE 4th Street is primarily a residential corridor but also contains a number of commercial uses. This site in particular is directly adjacent to the Walmart store located at 1300 N 1st St. Lands to the north and south are commercially zoned with the land to the north being vacant and the land to the south containing single-family residences. Impact to the surrounding area and transportation infrastructure is considered in the application materials and a trip generation letter prepared by Larry Frostad of Ardurra. The trip generation letter notes that development is expected to add approximately 25 peak hour trips cumulatively to all intersections servicing this development and that the addition of those trips will not impact the functional classification of any intersection. The property is serviced exclusively by NE 4th St.

The applicant notes that this property's location on NE 4th Street provides opportunities for housing within walking distance of commercial services. The site is also well serviced by transportation and utility infrastructure providing opportunities for infill and mixed-use development. The intent of the NCO overlay is to provide commercial areas that mix

residential and commercial uses within walking distance of each other and application of the NCO overlay at this location facilitates provision of that need. The provision of higher density multi-unit housing on the NE 4th Street corridor will help provide needed housing in an area well-suited to accommodate additional housing and to provide housing in a location well situated to compatible services.

Four criteria are applicable to the decision to amend the zoning map. These criteria are contained in §157.226 of the Hermiston Code of Ordinances and are as follows:

1. The change is in conformance with the Comprehensive Plan and also the goals and policies of the plan;
2. The showing of public need for the rezoning and whether that public need is best served by changing the zoning classification on that property under consideration;
3. The public need is best served by changing the classification of the subject site in question as compared with other available property;
4. The potential impact upon the area resulting from the change has been considered.

The planning commission held a public hearing on the proposed rezone and issuance of a conditional use permit for housing on Tax Lot 400 on September 30, 2026. After considering both requests the planning commission made a unanimous recommendation that the city council adopt the amend the zoning map and apply the NCO zoning to the subject property. The planning commission also approved a conditional use permit for 22 multi-family housing units on Tax Lot 400 contingent upon city council approval of the zoning map amendment. The planning commission's approval of the conditional use permit was subject to thirteen conditions of approval. The adopted conditions of approval are attached to this report for reference.

Tie-In to Council Goals

1.9 Attract market rate housing developments to increase middle housing inventory

Fiscal Information

Similar multi-family developments with approximately 20 units are valued between \$1.5 and \$3 million. It is anticipated this development will generate approximately \$20,000 in city tax revenue annually.

Alternatives and Recommendation

Alternatives

The city council may choose to adopt or reject Ordinance No. 2387.

Adoption of Ordinance 2387 will apply the Neighborhood Commercial Overlay to the subject property adding multi-family housing and mini-storage as conditional uses. Adoption of the ordinance will allow the conditional use permit for 22 housing units approved by the planning commission to move forward.

Rejection of Ordinance 2387 will maintain the current C-2 zoning of the property and prohibit residential use of the site.

Recommended Action/Motion

Staff recommends that the city council adopt findings of fact supporting the zoning map amendment and adopt Ordinance No. 2387 imposing the NCO zoning.

Submitted By: