



Where Life is Sweet

Members of the Planning Commission

STAFF REPORT

For the Meeting of Sept 30, 2026

Title/Subject

Rezone & Conditional Use Permit- 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 and obtain a conditional use permit 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 and to obtain a conditional use permit for 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 and approval of a conditional use permit for housing are each quasi-judicial land use actions. 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. Where multiple land use permits or zone changes are required, the hearing and applications may be applied for and conducted at one time per §157.232 of the Hermiston Code of Ordinances.

The proposed multi-family development is permitted conditionally in the NCO zone. The plan consists of 21 units in clusters of three to six-unit structures. The multi-family units are limited to Tax Lot 400, but the zoning amendment applies to both lots. Dwellings in the NCO zone are subject to two sets of development standards. New construction is subject to the NCO design standards which follow the C-2 requirements. Existing dwellings may be remodeled, rebuilt, and expanded in conformance with R-3 standards. Since the dwellings on Tax Lot 400 are entirely new construction the C-2 standards are applicable. The existing building on Tax Lot 600 has converted from residential to commercial use and is also subject to C-2 standards. However, under ORS 197A.445 the building on Tax Lot 600 may convert back to residential use in either the C-2 or NCO zones.

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.

In considering the conditional use permit for housing at this location, it is necessary to consider the site plan and conditional use permit narrative. As noted, new residential construction is subject to C-2 dimensional standards. C-2 standards require a 20-foot setback from any street and a 25-foot setback from any residential zone. Thus, the development will require a 20-foot setback from NE 4th Street and no other setbacks are required. Additionally, the 20-foot setback may be reduced to 10 feet if solid ground cover landscaping is provided. Based on the site plan, it appears that the setback for the buildings fronting on NE 4th Street is less than 20 feet and therefore solid groundcover landscaping is required. Land to the east is zoned C-2 and has the NCO overlay applied and is developed with a mini-storage development, business office, and caretaker apartment. Building height is limited to 50 feet in the NCO zone. The two-story townhouse apartments are less than 50 feet in height. Lot coverage does not apply in the NCO zoning. Multi-family units require parking based upon the number of bedrooms in each unit. The proposed units are two-bedroom units and require 1.5 parking spaces per unit. Each unit provides one garage and one adjacent parking space. Therefore, each unit is providing two parking spaces, exceeding the minimum parking standard. The units are designed in accordance with the standards of the zoning ordinance.

Public facilities are adequate to accommodate the proposed use. As noted, NE 4th Street and the impacted intersections of NE 4th St/E Elm Ave, NE 4th St/E Theater Lane, and E Elm Ave/N 1st St all have sufficient capacity to accommodate the peak hour trips generated by the development without mitigation. Infill street improvements consisting of infill paving, curb, gutter, sidewalk, and storm drainage are required to complete NE 4th St.

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.

Issuance of a new conditional use permit is subject to the requirements of §157.208 of the Hermiston Code of Ordinances. This section provides the method and approval criteria necessary for approving or denying a conditional use. The specific findings required by this section are:

1. The proposal is in conformance with the comprehensive plan and zoning code.
2. The property is adequate in size and shape to accommodate the proposed use, together with all other zoning requirements and any additional conditions imposed by the planning commission.
3. Public facilities are of adequate size and quality to serve the proposed use.
4. The proposed use will prove reasonably compatible with surrounding properties.

The planning commission may impose, in addition to those standards and requirements expressly specified by the zoning code, any additional conditions they consider necessary to protect the best interests of the surrounding property or the city. These conditions may include increasing the required lot size or yard dimensions; limiting the height of buildings; controlling the location and number of off-street parking and loading spaces required; limiting the number size and location of signs; requiring screening and landscaping to protect adjacent property and any other condition deemed necessary by the commission.

It is not necessary to restate other ordinances and statutory requirements of the conditional use as part of the proceedings. The granting or denial of a conditional use will not affect the requirements of the City of Hermiston to comply with building, plumbing, and electrical codes, other ordinances, statutory or regulatory compliance issues.

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

Multiple actions are required in processing this proposal.

The planning commission may choose to make a recommendation to the city council that the addition of the NCO zoning be approved or denied.

The planning commission may choose to approve or deny the conditional use permit for the multi-family housing. The planning commission's decision on the conditional use permit is final.

The planning commission may impose conditions of approval on the conditional use permit. Staff has prepared a draft set of conditions to properly address the development impacts. The planning commission may choose to adopt the conditions as prepared or add additional conditions of approval.

Recommended Action/Motion

Multiple actions are required.

- Motion to adopt findings of fact
- Motion to impose conditions of approval
- Motion to make a recommendation to the city council on adoption of NCO zoning
- Motion to approve or deny the conditional use permit for multi-family housing

Staff recommends that the planning commission recommend the city council adopt the NCO zoning and approve the conditional use permit with the requirement that the conditional use permit is not effective unless and until the city council adopts the NCO zoning by ordinance.

Submitted By:

C.F. Spencer, Planning Director