



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of July 14, 2025

Title/Subject

Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd

Summary and Background

The property is described as 4N 28 11AD Tax Lot 100 and is split zoned. The north 8.36 acres is zoned Medium-High Density Residential (R-3) and the south 3.71 acres is zoned Outlying Commercial (C-2). The applicant seeks to amend the zoning designation of the south 3.71 acres from C-2 by adding the Neighborhood Commercial Overlay (NCO). The NCO designation adds multi-family housing and mini-storage to the permitted C-2 uses. Properties with the NCO designation may apply for conditional use permits for multi-family housing and mini-storage.

The rezone is part of a broader application for the development of a 270-unit multi-family complex and 68-unit mini-storage development. In the southern 3.71 acres proposed for NCO zoning, multi-family and mini-storage are defined as conditional uses, requiring approval from the planning commission through the hearings process. The planning commission granted conditional approval for the applicant to proceed with the condition that the approval is contingent upon the city council accepting the planning commission's recommendation and approving the rezone. Staff has provided administrative approval for the R-3 portion of the multi-family development. The development is fully approved pending city council approval of the NCO zoning amendment.

The area under consideration is majority residential. The land to the north is considered open space and contains the Baker's Pond wetland area, an electric substation, and rural single-family development. Land to the west contains commercial/industrial development (O-So-Kleen) and the Santiago Manufactured Dwelling Park. Land to the south is developed with single-family residential development, a church, and Sandstone Middle School. Land to the east is developed with the Diamond Run development, Sandstone Middle School, and two acres of vacant commercial land. The property location on a major collector street, in close proximity to a middle school and walking distance to two elementary schools, and with a variety of housing within 500 feet is well-suited to accommodate multi-family housing and mini-storage uses.

Public notice was provided for the proposal. Property owners within 300 feet were mailed a notice on May 21. A sign was placed on the property on May 21.

ODOT submitted testimony as a result of the noticing. ODOT's testimony applied to both the rezone and conditional use processes. ODOT requested amendments to the traffic impact analysis prepared for the application. The initial draft analysis indicated that the Highway 395/207 intersection (Elm/N 1st St) fails under current background traffic conditions and cannot accommodate additional traffic generated by the development. The developer's traffic engineer has amended the report and determined that striping amendments to E Elm Ave will correct the capacity issue for the development's impact. Testimony from the engineer and ODOT are attached to the report. ODOT, the applicant, and city staff have been coordinating on mitigation strategies. However, all discussions have not been completed as of the date of this report. Supplemental information may be provided at the hearing.

The planning commission held a public hearing on the proposed amendment on June, 11, 2025. Following the closure of the public hearing, the planning commission considered the evidence and testimony and made a unanimous recommendation that the city council amend the city zoning map and add the NCO zoning designation to the subject property.

Amendments to the zoning map are subject to the approval criteria in §157.226 of the Hermiston Code of Ordinances and are considered a quasi-judicial land use action. Quasi-judicial land use actions have an impact on a specific site and do not have widespread and significant impact beyond the immediate area of proposed amendment. When considering an amendment to the zoning map, the City must consider four criteria, as well as how the proposal complies with the statewide planning goals. The four criteria applicable to the proposal are contained in 157.226(E) 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.

Tie-In to Council Goals

This development satisfies council goal 1.7 – *Attract market rate rental housing developments to increase middle housing inventory*

Fiscal Information

Until the property is fully constructed and assessed, it is difficult to produce an accurate statement of fiscal impact. However, similar multi-family developments county-wide have valuations of over \$20,000,000 and produce approximately \$250,000 in annual property tax revenue.

Alternatives and Recommendation

Alternatives

The city council may choose to accept the proposed map changes and adopt Ordinance No 2372 or deny Ordinance No 2372 and maintain the current zoning designation.

Recommended Action/Motion

Staff recommends that the city council accept the planning commission recommendation and adopt Ordinance No 2372.

Motion to adopt findings of fact.

Motion to adopt Ordinance No 2372.

Submitted By:

C.F. Spencer, Planning Director