

CITY OF McMinnville
MINUTES OF WORK SESSION
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, March 13, 2018 at 5:45 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Mayor Scott Hill
	Adam Garvin	
	Sal Peralta	
	Alan Ruden	
	Wendy Stassens	

Also present were Planning Director Heather Richards and Associate Planner Chuck Darnell.

1. Call to Order

Council President Menke called the meeting to order at 5:45 p.m.

2. Planning for Growth

Planning Director Richards explained that available land in the City is very limited. She stated that they have daily inquiries for land development. She displayed a map of McMinnville's Urban Growth Boundary (URB). It was noted that there are not a lot of opportunities for the Urban Growth Boundary.

Planning Director Richards stated that the City should do a holistic approach. She stated that planning for growth is vital for successful communities, it is a community dialogue, it's reliant upon thoughtful visioning, data gathering and financial analysis, it sets the stage for the community's future, and it is a legacy for the next generation. Planning for growth is mandated by the State.

Ms. Richards showed a chart reflecting annexation and the acres resulting from a UGB amendment since 1986. She provided a brief history of UGB work.

She noted that the current UGB is 7,552. The current county EFU acreage is 192,088 acres. McMinnville is 4% of overall county acreage.

She referred the council to Statewide Planning Goal 14 – Urbanization and OAR Chapter 660 – Division 24 (Urban Growth Boundaries). The Statewide Planning Goal 14- Urbanization requires the establishment and maintenance of UGB by local governments and it requires the UGB to accommodate long range urban population needs. OAR Chapter 660 – Division 24 (Urban Growth Boundaries) refers to the process and analysis required to carry out UGB requirements of Goal 14.

Ms. Richards shared smart growth principles including an appropriate mix of land uses:

- Compact, mixed-use, pedestrian friendly.
- Complete neighborhoods with Civic amenities, commercial centers, schools and parks within walking distance.
- Concentrated Commercial/ Mixed-use Centers.
- Integrate land uses so people can work and play near where they live.

Ms. Richards commented on the number of issues that are a part of planning: housing, schools, trails, safety, sewer, jobs, stores, landscape, water, parks, art, trees, roads, sidewalks, lights and freight. She discussed the business model for planning and stated that growth also has value choices.

Ms. Richards shared the current situation of constrained land supply which is leading to: higher land costs, lack of affordable housing opportunities, loss of economic opportunities, falsely constrained population growth, more population growth in unincorporated versus McMinnville, deficit in tax revenue to fund public levels of service, infill is happening in a vacuum, the pressure to efficiently use land without long-term consideration and paralysis to move forward.

Ms. Richards reviewed the population forecast and historic trends. She displayed charts of commercial, residential, and industrial permits since 1990. She also displayed the age structure of the population.

Ms. Richards stated that the City can grow up, grow out, or could do something in between.

Ms. Richards stated that McMinnville is forecasted to grow to 44,122 by 2035 highlighting that is an increase of 29%.

She stated that there are four ways for growth planning: urban reserve area (50 year land supply, standard urban growth boundary (20 year land supply), simplified urban growth boundary (14 year land supply) or incremental amendments.

Ms. Richards shared that a buildable land inventory is currently being conducted that will identify vacant, partially vacant, undevelopable and developed land with existing UGB. The result is a determination of buildable acreage by plan designation (zoning district).

Ms. Richards discussed the process for a UGB expansion. She reviewed the differences between the Standard UGB process and the Simplified UGB process.

Ms. Richards recommended that the City initiate a discussion about growth immediately, pursue a substantial UGB amendment, an Urban Reserve Area analysis and establish standard UGB amendment process and a minimum of five years.

Discussion ensued regard island annexation and reevaluating the land currently in the UGB and rezoning.

Discussion ensued regarding population forecasting, the cost and timeline for a UGB expansion.

Ms. Richards stated that there could be another work session to discuss and determine how to move forward. Discussion ensued regarding the standard UGB process. She stated that the City has begun Step 1: buildable lands inventory for housing and employment lands.

3. Adjournment

Council President Menke adjourned the Work Session at 6:55 p.m.

s/s Melissa Grace
Melissa Grace, City Recorder

CITY OF McMinnville
MINUTES OF REGULAR MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, March 13, 2018 at 7:00 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Mayor Scott Hill
	Adam Garvin	
	Sal Peralta	
	Alan Ruden	
	Wendy Stassens	

Also present were City Manager, Jeff Towery, Planning Director Heather Richards, Associate Planner Chuck Darnell, Parks and Recreation Director Susan Muir, Police Chief Matt Scales, Library Director Jenny Berg, and Tom Henderson of the *News Register*.

1. CALL TO ORDER

Council President Menke called the meeting to order at 7:03 p.m.

2. PLEDGE OF ALLEGIANCE

Council Present Menke led the pledge of allegiance.

3. INVITATION TO CITIZENS FOR PUBLIC COMMENT

Council President Menke invited the public to comment.

Caroline O'Brien, 1591 SW Wright Street, reminded Council that as affordable housing was being looked at and they should consider creating a committee to look at rent control.

4. CONSENT AGENDA

- a. Consider the Minutes of February 13, 2018 Special Called (Work Session) and Regular City Council Meeting and March 2, 2018 Special Called – Strategic Planning Work Session.

Councilor Drabkin MOVED to adopt the consent agenda; SECONDED by Councilor Ruden. Motion PASSED unanimously.

5. PRESENTATION

a. Downtown Safety Task Force

Police Chief Scales stated that this was the final report and recommendations of the Downtown Safety Task Force. He thanked the Task Force members for their work. The City was responsive to the issues that were raised in the July 2017 Council meeting regarding behaviors downtown. The behaviors identified in the survey that was taken in the summer of 2017 were grouped into six categories:

harassment/panhandling/intimidation, garbage/trash/needles/graffiti, lack of communication, camping/loitering/ROW issues, drugs/alcohol/smoking, and urine/human waste.

Parks and Recreation Director Muir reviewed some of the results of the survey that had been discussed at a previous Council meeting including survey respondents, how many times people felt unsafe in downtown, and how much communication people had read, seen, or heard regarding the efforts to improve downtown issues.

Police Chief Scales stated that the overarching issues included continuing to address issues associated with overnight camping and the City owned parking garage at 5th and Evans. They recommended resurveying every year to check in with downtown merchants and employees, evaluate regularly, and adjust as needed.

The top priority of the Task Force was to dedicate a full time Law Enforcement Officer to downtown to provide connections/enforcement both short and long term. The Police Department had some capacity to dedicate Officer Heidt as an increase over the hours law enforcement patrolled downtown. Also the Park Ranger program would be moved under the Police Department budget in FY 2018-2019. Staff was currently implementing these changes.

Councilor Drabkin asked what effect there would be to the Police Department to increase patrolling downtown. Police Chief Scales explained right now Officer Heidt was responding to traffic crashes and those types of calls for service. With Officer Heidt dedicated to downtown, other officers would not have to respond to those downtown calls. Officer Heidt would be providing resources, outreach, and plugging people into services that they needed. The focus was to make relationships, not necessarily enforcement.

Parks and Recreation Director Muir stated that the Task Force also recommended adoption of ordinances to address (in priority order): panhandling, a fortified alcohol sales ban, and a smoke free downtown. The ordinances were designed to address

harassment, panhandling, intimidation, drugs, alcohol, and smoking. The Task Force reviewed information from the City of Ashland regarding a panhandling ordinance that prohibited panhandling near cash machines/ATM's and around sidewalk cafes. Also Ashland's Police Chief indicated the single most effective measure they took to improve their downtown was a smoking ban. Another recommendation was keeping a current web site and using social media to communicate about downtown (something strong, fun, informative and engaging). There were a lot of partners that could build on the work already done with the Task Force.

Police Chief Scales shared other priorities including installation of a 24/7 restroom downtown that would be kept open 365 days per year and using volunteers, work release, and/or inmates to pick up garbage. The final recommendation was installation of video cameras downtown.

Parks and Recreation Director Muir stated part of the implementation plan was to adopt ordinances to address panhandling, fortified alcohol, and a smoke free downtown. Staff recommended in the summer of 2018 to create a smoke free 3rd Street ordinance and a persistent violator/broader exclusion ordinance. Other ordinances that could be created in the fall and winter of 2018 could regulate panhandling and fortified alcohol. Some of the issues complicating these ordinances were the level of legal risk, recent legislation, coordination with state agencies (OLCC), and other analysis. The implementation plan also included unfunded items such as the 24/7 restroom, volunteer work release program, downtown cameras, and a communication plan. These items would be discussed through the Strategic Planning efforts.

Task Force members Sylla McClellan and Erika Marksbury were present. Ms. Marksbury commented on the difference between what people actually experienced and the perception of what they were experiencing. She thought the recommendations would help change the perception of safety downtown. Ms. McClellan added that having a full time officer downtown was important and might need to be funded in the future. The communication piece was also a reference tool for downtown businesses to know who to call or where to direct people to get assistance. The Task Force was committed to the process and felt that a survey should be conducted annually at the end of each summer to evaluate how to enhance or adjust what was being done.

Police Chief Scales said they were looking for direction from Council on how to proceed with the ordinances and whether or not to hold work sessions on these items.

Councilor Ruden inquired about the changes to the Parks Ranger program. Police Chief Scales stated that the Police Department would be providing training and clear direction of expectations.

Councilor Ruden said a downtown restroom had been discussed for many years, but it would take a lot of work to accomplish.

Discussion ensued regarding downtown restroom options.

Councilor Drabkin asked the Task Force if they felt the survey would look differently if it were taken this time of year. Had there already been improvements with what had taken place? Ms. McClellan responded that the issues may be seasonal but they were persistent. She noted that Officer Heidt's presence had improved the feeling of safety downtown. Ms. Marksbury said there was a decrease of these issues in the winter months, and it would be interesting to see how the changes affected the summer months. Police Chief Scales thought it had improved due to the increased police presence and exclusions by the court. He was hopeful that it would continue to get better in the spring and summer months.

Councilor Stassens asked about negative impacts to the smoking ban. Ms. McClellan said that had not been discussed with the downtown businesses.

Discussion ensued regarding a no smoking ordinance on 3rd Street and in City parks.

Councilor Peralta stated that the implementation plan seemed like the right time frames. He was in favor of expanding the smoke ban to parks. He asked about a possible stipend for volunteers, work release, and inmates to pick up garbage. Police Chief Scales said the stipend came up as a question about whether they needed to pay someone to do that work and if it was more cost effective than having staff do it.

Councilor Garvin thanked the Task Force members for their work. He noted that he would like to see a panhandling ordinance be moved up in the timeline as harassment was one of the biggest issues brought up in the public testimony. He stated that once the smoke free ordinance moved forward he would like to see it included in parks and City owned property as well.

It was the consensus of the Council to move forward with the first two recommendations of the Task Force.

6. ORDINANCES

- a. Consider first reading of Ordinance No. 5047 with possible second reading: An Ordinance amending Title 17 (Zoning) of the McMinnville City Code, specific to multiple chapters to update definitions and the regulation of short term rentals and lodging establishments in residential and commercial zones.

No Councilor present requested that the Ordinance be read in full.

City Attorney Koch read by title only Ordinance No. 5047 amending Title 17 (Zoning) of the McMinnville City Code, specific to multiple chapters to update definitions and the regulation of short term rentals and lodging establishments in residential and commercial zones.

Associate Planner Darnell stated that the Planning Commission had four work sessions related to this topic. There was a public comment opportunity on October 19, 2017. Comments were received on impacts of Vacation Home Rentals in McMinnville neighborhoods. The following research was completed: locations of licensed VHRs in McMinnville, VHR requirements in other cities, and enforcement of VHRs operating without approval. A Planning Commission public hearing took place on February 15, 2018 and testimony was received both in favor and against the proposed amendments. The Planning Commission deliberated and made a unanimous recommendation to approve the proposed amendments. The major amendments included: the definition of “Short Term Rentals,” spacing standards for short term rentals in residential zones, operational requirements, and updates to the review and licensing process. The definition of short term rental was the use of an entire dwelling unit by any person or group of persons entitled to occupy for rent for a period of no more than 21 (twenty-one) consecutive days. Short term rentals included vacation home rentals approved under the regulations in effect through April 12, 2018. Short term rentals would be included in the following zones: all residential (R-1, R-2, R-3, and R-4), Office-Residential (O-R), Travel Commercial (C-2), and General Commercial (C-3). The definition of short term rental, resident occupied was the use of no more than two guest sleeping rooms by any person or group of persons entitled to occupy for rent for a period of no more than seven (7) consecutive days. The dwelling unit was occupied by a full-time resident at the time that the guest sleeping rooms within the dwelling unit were available for overnight rental. Resident occupied short term rentals included bed and breakfast establishments approved under the regulations in effect through April 12, 2108. These would be included in the following zones: all residential (R-1, R-2, R-3, and R-4) and Office-Residential (O-R). Lodging would be defined as a building, or group of buildings, which were designed, intended, or used for the accommodation of guests on a temporary basis for compensation. Lodging included hotels and motels and would be allowed in Travel Commercial (C-2) and General Commercial (C-3). Bed and Breakfast was defined as a structure designed and occupied as a residence in which sleeping rooms and a meal were provided on a daily or weekly basis for use by travelers for a charge or fee paid for the rental or use of the facilities. They were allowed in the Multiple Family Residential (R-4) and Office-Residential (O-R) zones as Conditional Uses and allowed outright in Travel Commercial (C-2) and General Commercial (C-3) zones. A proposed spacing standard would apply to short term rentals in residential zones. The standard was in response to concerns about impacts to the character of residential neighborhoods, conversion of a large number of single family homes to commercial-type rental uses, and the potential for a large percentage of any particular neighborhood to convert to short term rentals. The standard would not apply to commercial zones. The standard was that short term rentals would not be located within 200 feet of another short term rental. The distance was based on a general

concentration of one short term rental per block or a certain percentage of rentals in an area as discussed by the Planning Commission and the actual built environment in McMinnville. The typical length of the smallest blocks was 200 feet and these areas were located in close proximity to downtown to the northwest, south, and northeast. He showed maps of how the 200 foot spacing would be applied.

Discussion ensued regarding the spacing standards and how that would affect the number of vacation rentals in a certain area. There was further discussion regarding spacing standard comparisons to other cities, how the Planning Commission determined the 200 foot spacing was appropriate, and housing affordability.

Planning Director Richards stated that many of the vacation home rentals belonged to seasonal McMinnville residents. The Planning Commission had decided that vacation home rentals in multi-family products would impact the affordable housing supply and did not want to open that up.

Councilor Stassens inquired about the renewal requirements.

Associate Planner Darnell stated the vacation home rentals would need to be renewed annually. Existing rentals would be allowed even if they did not meet the new spacing requirement. If the existing rentals did not renew, the permit would become void and they would have to reapply and if they did not meet the spacing standards, they would not be approved again.

Councilor Garvin thought that the 200 feet spacing requirement restricted property owner rights. If there was a spacing standard it should be smaller.

Councilor Drabkin said this was creating commercial property within residential zones. One of the pressures was the limited supply of affordable housing. To her it wasn't about limiting someone's opportunity to do business, but it was about protecting residential zones and making sure neighborhoods were used as neighborhoods.

Council President Menke knew of some neighborhoods where half of the neighborhood homes were vacation rentals and it significantly impacted the residents as they did not know who was living in the neighborhood.

Councilor Peralta suggested that the maximum length of stays at bed and breakfasts and short term rentals should be the same and that the 21 days should be revised to 30 days. He agreed with the 200 foot buffer as there were some neighborhoods that had been affected by a high density of short term rentals and the Council needed to be conscientious of their testimony.

Councilor Stassens remembered the initial conversations around short term rentals. These rentals were concentrated in certain areas and she was in support of the buffer.

Associate Planner Darnell discussed the proposed operational requirements. The proposed language would be clearer on the ability to operate STRs and resident occupied STRs, and expanded opportunity. They did not allow for STRs in multiple-family dwellings. STRs and resident occupied STRs would be allowed in Accessory Dwelling Units (ADUs) and the existing VHRs would be allowed to continue as STR uses. Nonconforming uses would be grandfathered if they did not meet the spacing standard. There was also allowance for emergency contacts for STRs to reside in the 97128 zip code rather than only within the City limits. STRs and resident occupied STRs would be subject to existing review and licensing processes in the residential zones and the Office-Residential zone. STRs in the commercial zones would not be subject to land use application review or licensing. There would be an annual renewal requirement, which created an incentive for license holders to renew. If void, re-application was required and the site would be subject to the spacing standard. This requirement could slowly eliminate nonconforming STRs and eliminate properties no longer being used as STRs. Other changes included updating the Off-Street Parking and Loading Chapter and the Applications and Review Process Chapter, updating to reflect new definitions, and no proposed changes to regulations such as parking requirements and land use application review. Staff recommended adoption of Ordinance 5047 as recommended by the Planning Commission.

Sidonie Winfield, 549 NW Birch Street, thanked the Planning Commission and staff for their work on this. She was on the Planning Commission when this initial concern came forward and her neighborhood had the first vacation rental. She had noticed in other communities the impact of vacation rentals on affordable housing, the neighborhood aura, volunteers, and the impact it had on the cities in general. At that time, the Planning Commission had suggested a three block radius as the buffer to prevent a concentration of vacation rentals, but that had been considered an arbitrary number. In her neighborhood there were three permitted vacation rentals, another one that was in a commercial zone, and two additional vacation rentals that were unpermitted. There could potentially be two more as the owners were interested in the option. She encouraged the Planning Commission and staff to move forward with the recommendations. She thought the 200 foot buffer was an important piece. Having vacation rentals in a neighborhood did impact the neighborhood. When a home was used as a vacation rental it was a commercial use, not a residential use. Regarding the renewal requirement, she was concerned about it being a property right and questioned whether that right ended at the time of transition to a new owner or at the time of sale. She hoped that over time the concentration would lessen with the lack of renewal. She encouraged Council to pass the ordinance.

Discussion ensued regarding property rights. Associate Planner Darnell noted that the existing uses would be allowed to be grandfathered in. Some communities regulated these based on the current property owner and once ownership changed, the permit changed. The Planning Commission decided not to do that, but to allow existing licenses to be grandfathered in as nonconforming. The license being renewed annually was the way to transition the nonconforming uses out.

Councilor Ruden was in favor of the 21 days and 200 foot buffer. However he was concerned about taking affordable housing off the market for short term rentals. He thought that a duplex would often be included in affordable housing and making them into short term rentals would decrease the number of affordable housing units.

Associate Planner Darnell said only one of the units in the duplex would be allowed to be a short term rental and the 200 foot buffer would apply.

Councilor Peralta stated that he was open to a stricter ordinance than the Planning Commission recommended.

Councilor Drabkin felt that 21 days was too short of a time for month to month rentals, the Conditional Use should be with the owner and not stay with the property, and the 200 foot buffer was not adequate enough to alleviate the density of commercial use into residential zones. It should not be limited in commercial zones as rentals were a commercial use. Allowing the Conditional Use for the property could affect the property values in a neighborhood if one property was permitted to be used differently. The property right should end with a transfer of property.

Council President Menke was also concerned about the use of duplexes and affordable housing.

Councilor Stassens thought that instead of 21 days it should be 30 days. She could go either way on the duplex issue. She also agreed that the Conditional Use should not stay with the property. It should sunset when the property changed owners. She was uncomfortable with changing the 200 foot buffer due to the public input that had gone into the process.

Councilor Garvin agreed that duplexes should not be included due to Council's goal of affordable housing. He was impartial about changing the 21 days to 30 days. He thought only the nonconforming uses should expire with the change of ownership.

City Manager Towery asked how many short term rentals were in duplexes. Associate Planner Darnell said there was only one and it was within 200 feet of another licensed vacation home rental.

City Attorney Koch noted that state law stated that any occupancy of a room for less than 30 days was considered transient occupancy not subject to the landlord tenant act and any vacation occupancy which was less than 45 days was exempt from the landlord tenant act. He thought the change of ownership for a nonconforming use could be a trigger to eliminate the nonconforming use. He was less comfortable with the Conditional Use being eliminated at the change of ownership if the rental met the 200 foot buffer.

Discussion ensued regarding how the 200 foot buffer was derived after looking at density and impact to neighborhoods.

There was consensus to use the 200 foot buffer, eliminate duplexes as short term rentals, a change of ownership for nonconforming use would eliminate the nonconforming use, and the occupancy for a rental would be for a period of no more than 30 consecutive days. The ordinance would be brought back to the next meeting for the second reading.

- b. Consider first reading of Ordinance No. 5048 with possible second reading: An Ordinance adopting a City of McMinnville notice of nondiscrimination and grievance procedure for compliance with the Americans with Disabilities Act and appointing an ADA Coordinator.

No Councilor present requested that the Ordinance be read in full.

City Attorney Koch read by title only Ordinance No. 5048 adopting a City of McMinnville notice of nondiscrimination and grievance procedure for compliance with the Americans with Disabilities Act and appointing an ADA Coordinator.

Planning Director Richards explained the purpose of the Americans with Disabilities Act. The Act required cities to establish an ADA program which included appointing an ADA Coordinator, providing public notice of non-discrimination, adopting a grievance procedure, conducting a self-evaluation, developing a transition plan, and creating an action plan. The ordinance started the implementation of the City's ADA Plan, appointed an ADA Coordinator which she recommended to be Building Inspector Rob Reygers, provided public notice, and adopted a grievance procedure. She explained the duties of the ADA Coordinator, the notice of nondiscrimination, and grievance procedure. The next steps included self-evaluation of all public facilities and rights-of-way, appointment of an Accessibility Advisory Committee, identification of priorities for an Action Plan, and adoption of a Transition Plan. Discussion ensued regarding the grievance procedure, which was a way for residents to complain about City facilities not being accessible.

Councilor Drabkin MOVED to pass Ordinance No. 5048 to a second reading; SECONDED by Councilor Ruden. Motion PASSED unanimously.

City Attorney Koch read by title only for a second time Ordinance No. 5048.

Councilor Garvin MOVED to approve Ordinance No. 5048 adopting a City of McMinnville notice of nondiscrimination and grievance procedure for compliance with the Americans with Disabilities Act and appointing an ADA Coordinator; SECONDED by Councilor Peralta. Ordinance No. 5048 PASSED by a unanimous roll-call vote.

7. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments

Councilor Garvin reported on YCOM and how they were working on their budget. There would be an increase in dues.

Councilor Drabkin stated there was a joint meeting of the Council and the Housing for Homeless Subcommittee yesterday that was well attended. They had great dialogue and it was very educational. The Affordable Housing Subcommittee met a few weeks ago. One of the items in their plan was to look into a Construction Excise Tax. The Subcommittee was going to hold a Developers Forum to have some conversation around the idea before bringing it to Council.

Council President Menke announced the Alpine Avenue celebration on April 27th. It would include lunch, a ribbon cutting, and sign unveiling.

b. Department Head Reports

Police Chief Scales noted that an ordinance on RV camping would come to Council on March 27.

Planning Director Richards stated the Economic Development Strategic Planning consultants would be doing focus group interviews tomorrow. The discussions would include the economic development strategy for the next 15 years. They were also hosting a community workshop on Thursday night to talk about what their vision was for McMinnville. The Federal Tax Act included opportunity zones which would offer significant tax savings for significant private investment projects. The states only had till the end of the month to submit 25% of their census tracts that met the criteria. McMinnville had three census tracts that qualified, the Three Mile Lane area, Industrial Park, and commercial property on Highway 218 by Linfield College.

8. ADJOURNMENT

Council President Menke adjourned the meeting at 9:15 p.m.

s/s Melissa Grace
Melissa Grace, City Recorder