

**City Council Meeting Agenda  
Tuesday, October 26, 2021  
5:30 p.m. – Level 10 Meeting  
7:00 p.m. – Regular City Council Meeting****REVISED 10/25/2021**

Welcome! **Civic Hall will be closed to the public.** Until improvements of COVID cases in Yamhill County improve **meetings will be held via Zoom and live broadcast ONLY.**

The public is strongly encouraged to relay concerns and comments to the Council in one of three ways:

- Email at any time up to 12 p.m. the day of the meeting to [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov);
- If appearing via telephone only please sign up prior to the meeting by emailing the City Recorder at [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov) as the chat function is not available when calling in zoom;
- Join the zoom meeting; send a chat directly to City Recorder, Claudia Cisneros, to request to speak and use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide your First and Last name, Address, contact information (email or phone)**

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You can live broadcasts the City Council Meeting on cable channels Xfinity 11 and 331, Frontier 29 or webstream here:  
[www.mcm11.org/live](http://www.mcm11.org/live)

**LEVEL 10 MEETING:**

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/82793102503?pwd=Q21ZTWE5bFILNjQ3MVkzdHVobkNjZz09>

Zoom ID: 827 9310 2503

Zoom Password: 120926

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 827 9310 2503

**CITY COUNCIL REGULAR MEETING:**

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/82610201673?pwd=MGY0ZXUvQWIHMxVHRjJDWTdXaGFndz09>

Zoom ID: 826 1020 1673

Zoom Password: 428602

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 826 1020 1673

**5:30 PM – LEVEL 10 – VIA ZOOM AND LIVE BROADCAST ONLY**

1. CALL TO ORDER
2. REVIEW CITY COUNCIL LEVEL 10 MONTHLY TEAM MEETING AGENDA
3. ADJOURNMENT

## 7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND LIVE BROADCAST ONLY

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROCLAMATIONS
  - a. Extra Mile Day
4. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.*
5. ADVICE/ INFORMATION ITEMS
  - a. Reports from Councilors on Committee & Board Assignments
    1. Motion to Adopt City Council Core Values, Core Focus, and Niche as presented at October 26, 2021 Level 10 Meeting.
  - b. Department Head Reports
    1. Consider authorizing City Attorney to appeal the decision in Yamhill County Circuit Court Case No. 21CV32595. **(Added on 10/25/2021)**
  - c. July 2021 Cash and Investment Report (in packet) **(Added on 10/25/2021)**
6. CONSENT AGENDA
  - a. Consider the Minutes of the July 14, 2020 City Council Regular Meeting.
  - b. Consider the Minutes of the July 22, 2020 City Council Work Session Meeting.
  - c. Consider **Resolution No. 2021-56**: A Resolution approving the Second Amendment to Employment Agreement between City Manager Jeffrey Towery and the City of McMinnville.
7. RESOLUTION
  - a. Consider **Resolution No. 2021-54**: A Resolution of the Common Council of the City of McMinnville approving allocation of American Rescue Plan Act (ARPA) Funds. **(Added on 10/25/2021)**
  - b. Consider **Resolution No. 2021-55**: A Resolution of the Common Council of the City of McMinnville preliminarily adopting certain sustainable funding sources. **(Added on 10/25/2021)**
8. ORDINANCE
  - a. Consider first reading with a possible second reading of **Ordinance No. 5105**: An Ordinance. Amending Title 17 (Zoning) of the McMinnville City Code, Adopting Docket G 2-21, Housing-Related Legislative Amendments, Amending Chapters 17.33, 17.54, 17.60, 17.63, and Adding Chapter 17.66.
  - b. Consider first reading with a possible second reading of **Ordinance No. 5106**: An Ordinance. Repealing Ordinance No. 4636 and Title 16 Of The McMinnville Municipal Code Entitled “Subdivisions”, Adopting a New Title 16 Entitled “Annexations”, Amending Title 17 (Zoning), 17.06, 17.09, 17.10, 17.72 and Amending Chapter IX, “Urbanization” Of The McMinnville Comprehensive Plan.
9. ADJOURNMENT OF REGULAR MEETING

# McMinnville City Council EOS Worksession

## The Vision Traction Organizer

Date: 10/26/2021

Time: 5:30-7pm

Meeting Presenter and Facilitator: Wendy Stassens

Attendees:

### Meeting Purpose:

- (1) Complete a facilitated discussion seeking attaining COMMITMENT across the team on:
  - (a) McMinnville City Council Core Values
  - (b) McMinnville City Council Core Focus
  - (c) McMinnville City Council Niche
- (2) Vote to adopt Core Values, Core Focus and Niche
- (3) Review 2022 work plan for City Council development work

### Materials to be Included in the Packet:

- (1) 10-26-2021 Meeting Materials (agenda and attachments a – e)
  - (a) 9-28-2021 City Council Work Session- Vision Traction Organizer- Core Values and Core Focus Slideshow
  - (b) 10-26-2021 McMinnville City Council Vision Traction Organizer
  - (c) 8-24-2021 McMinnville City Council Level 10 Meeting w/ notes | Core Values Source Doc
  - (d) 5-25-2021 City Council Level 10 Meeting Notes | VTO Source Doc
  - (e) 9-28-2021 City Council Work Session | Vision Traction Organizer-Core Values and Core Focus Notes

### Suggested preparation for this meeting:

- (1) Review all 10-26-2021 Meeting Materials including attachments (a – e) from materials in packet.
- (2) Prepare feedback for Core Values
  - (a) Thinking time exercise: You will need paper, pen, a timer
    - (i) Take a minimum of 5 minutes to answer the following questions
      - 1) Review of 9-28-2021 meeting discussion
        - a) What happened in the discussion in the 9-28-2021 meeting that stood out to you?
        - b) Do you think that the team was hearing each other effectively? Why or why not?

- (ii) Take a minimum of 15 minutes to answer the following questions:
  - 1) Take an example of an interchange on the Council that you feel was not as effective as it could have been. Describe what happened in the interchange.
  - 2) Why did you choose this interchange? What about this interchange makes you feel like it was suboptimal?
  - 3) Review the McMinnville City Council Core Values draft document
  - 4) Now describe how you would have behaved if you were embodying each one of these core values. Go through them one at a time and view your part of this interchange through each one of the core values, writing what you would have done if you were embodying the core values in how you behaved within that interaction.
  - 5) Read through your responses.
  - 6) The ideal goal of any group that adopts a set of Core Values is to practice living those Core Values so they come to embody them in their thoughts, words and actions. Considering this, is there anything missing from these Core Values that would help to provide a guide post for the McMinnville City Council to be working towards embodying exceptional leadership?
- (b) Send your feedback regarding proposed changes to Core Values to Claudia no later than Friday, October 22, 2021

Agenda:

- I. Review final draft of Core Values, Core Focus and Niche, with any updates proposed by the Council
  - A. Review goal of facilitated discussion and guidelines
  - B. Complete a facilitated discussion
  - C. Vote to approve Core Values, Core Focus and Niche
- II. Review proposed 2022 work plan for City Council organizational development work
  - A. Receive feedback from Council





# McMinnville City Council: The Vision Traction Organizer (VTO) EOS Work Session

**Introduction to the Vision Traction Organizer (VTO):  
Core Values and Core Focus**

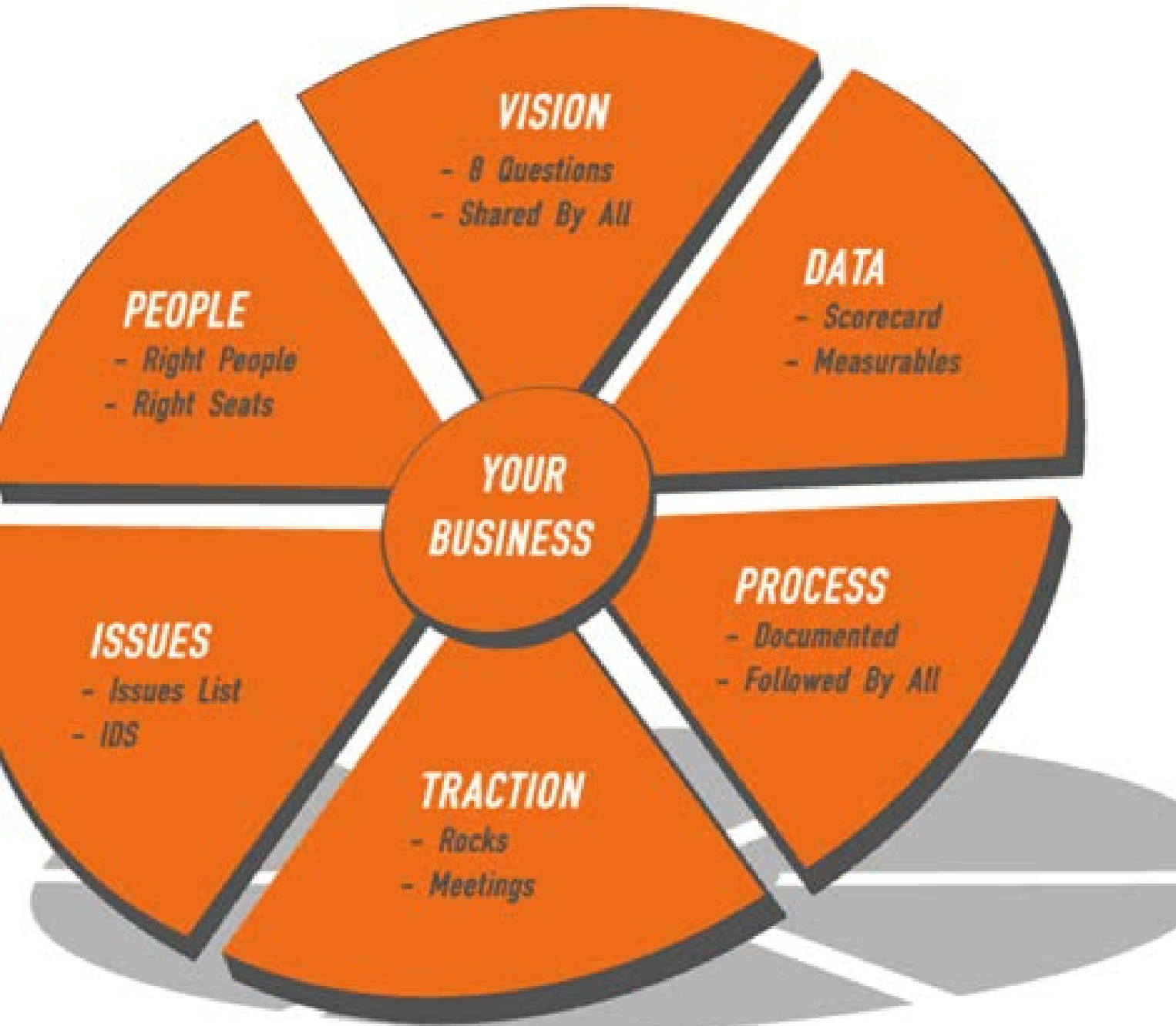
What are we doing tonight?

- Why?
- Present the first two sections of the draft Vision Traction Organizer:
  - The Core Values
  - The Core Focus
- Answer questions
- Lead discussion
- Determine path to attain *COMMITMENT*
  - *Buy-in*
  - *Clarity*



# Our Agenda

Create Alignment



# Traction | The Vision Component

Building the Machine to Produce Excellence in Governance

EOS is a great system of building a Vision™, putting in place the systems to achieve Traction™ so you can reach your Vision, and keeping your team healthy.



# Why?

Learning from our experience and refining our work

Without alignment across the Council focused on a clear vision the Council members are rolled by the waves of external turbulence and are not able to provide clear, cohesive leadership as a body.



# Why?

## The Vision Traction Organizer

Building the lighthouse that produces:

- Cohesiveness as a body
- The ability to create a stable presence even in turbulent times.
- Long term strategic vision and consistency that cannot be derailed by turbulent conditions.
- The ability to calm and inspire others with your strength, clarity and consistency.
- A path to implementation of strategic vision



# Clear Vision

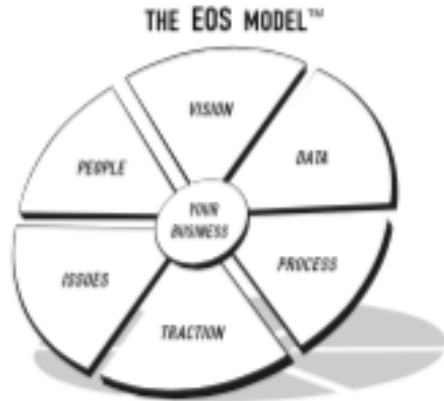


[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#) 6 of 15  
Attachment a

Amended on 10.27.2021  
City Council VTO 10 of 207



# Introducing the Vision Traction Organizer



## THE VISION/TRACTION ORGANIZER™

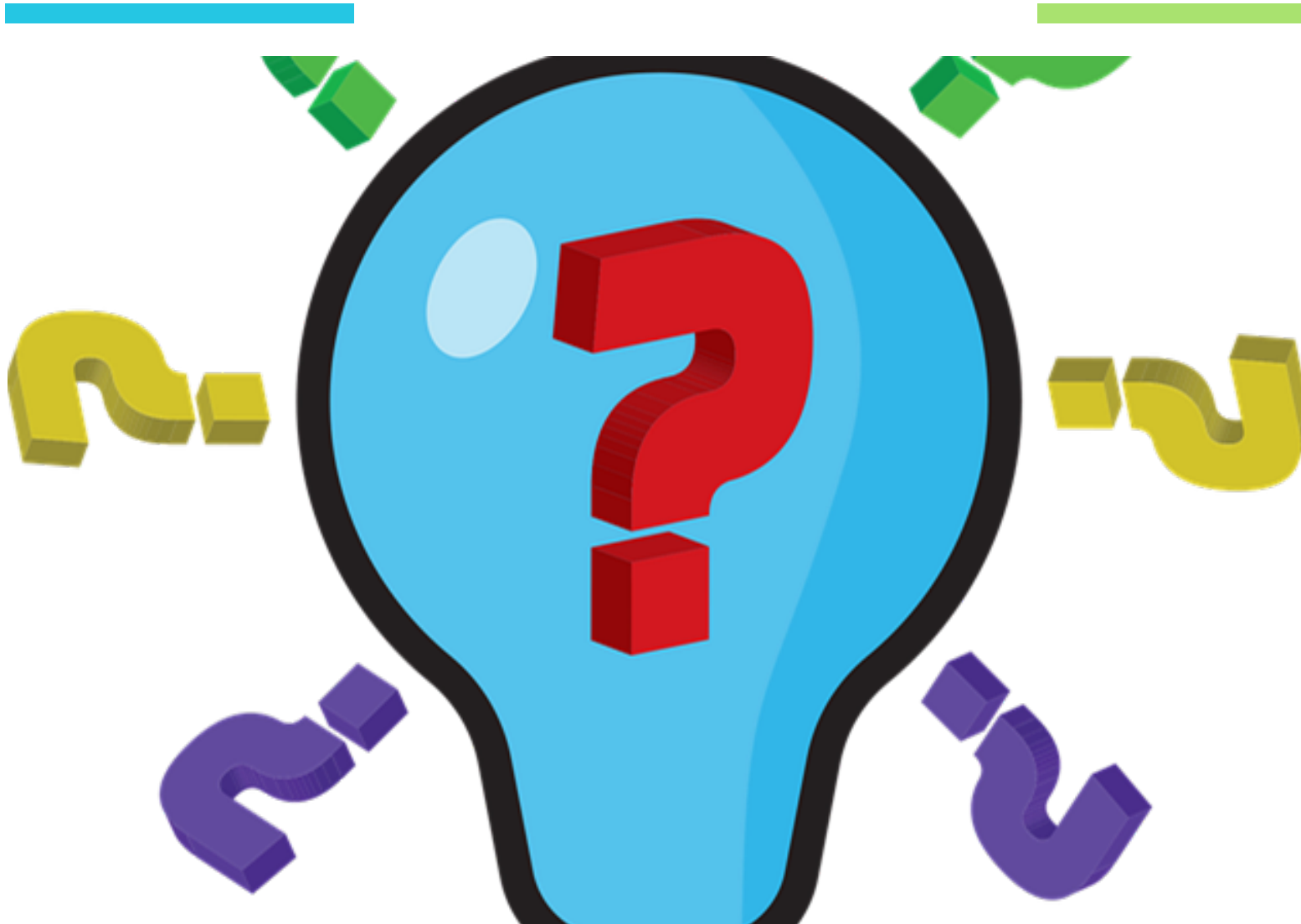
ORGANIZATION NAME:

### VISION

|             |    |                 |
|-------------|----|-----------------|
| CORE VALUES | 1. | 3-YEAR PICTURE™ |
|             | 2. |                 |
|             | 3. |                 |
|             | 4. |                 |
|             | 5. | Future Date:    |

- A Vision Traction Organizer (aka V/TO) is a road map that takes you from today to 10 years from now.
- The V/TO walks you through 8 simple questions.
- With your answers you build a solid strategy for where you need to be in 10 years. And, it creates a plan to get there.
- The Vision Traction Organizer combines a long-term vision with the everyday traction you need to actually keep moving.

# The 8 Questions



8 simple questions:

- **What are your Core Values?**
- **Where does your Core Focus™ lie? (9-28-2021)**
- **What is your 10-year target™?**
- **What is your stakeholder/citizen communication strategy?**
- **What is your 3-year picture™?**
- **What is your 1-year plan™? (10-26-2021)**
- What are your **EOS Rocks™**?
- What are the **Issues** that need to be **solved** to achieve all of this?



# City of McMinnville Draft Vision Traction Organizer

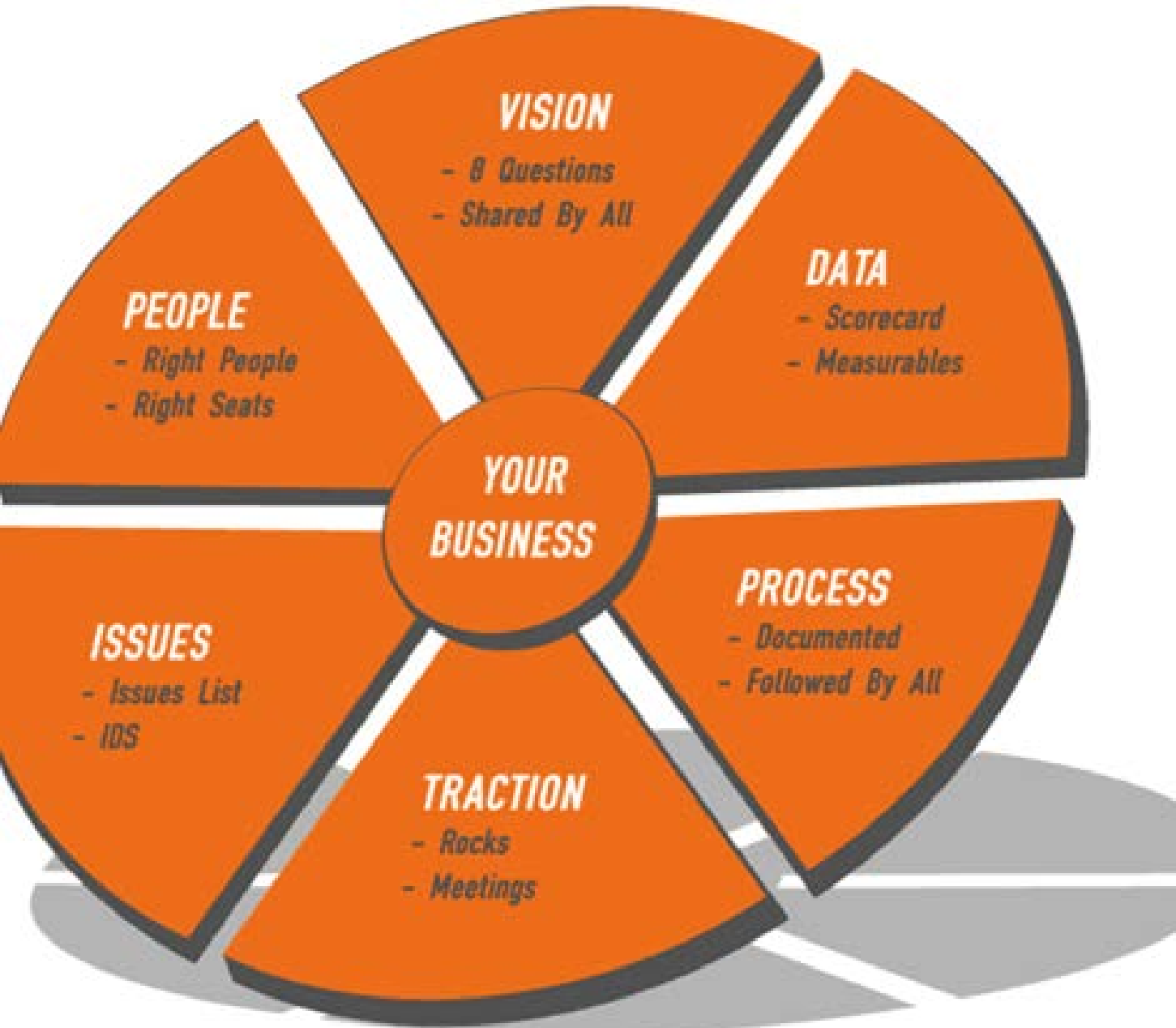
Synchronized action with a common, clear vision of what is to be achieved produces significant results.

[City of McMinnville Draft Vision Traction Organizer](#)



# Traction | Strategic Implementation

Building the Machine to Produce Excellence in Governance



- (1) Defining Vision (Strategic)
  - (a) Core Values (Who and How)
  - (b) Core Focus (Why and What)
  - (c) 10 Year Target
  - (d) 3 Year Vision
- (2) Traction (Implementation)
  - (a) 1 Year Goals
  - (b) Quarterly Rocks
  - (c) Scorecards
  - (d) Effective Meetings- Level 10- Deliberate practice
  - (e) Stakeholder Communication Plan

# Traction | The Level 10 Meeting

Deliberate Practice



- (1) For the McMinnville City Council, Level 10 meetings are to practice the skills necessary to be a high functioning team
  - (a) Restrict our Level 10 work to working **ON** the business of the City Council- Not output work
  - (b) Practice tackling the most challenging issues related to the City Council functioning. (Courage)
  - (c) Practice embodying the core values- look at the work through the lens of the core values
  - (d) Practice reaching COMMITMENT

# Traction | The Level 10 Meeting

Deliberate Practice



Lessons learned from our 8-24-2021 Level 10 Meeting:

- We need to align on a SHARED VISION so we can be clear on what work needs to be done to get us there.
- This team needs to strengthen the muscle of reaching COMMITMENT when solving issues together.

# Unpacking Commitment

To achieve commitment you need to achieve two separate but related milestones:

- (1) **Buy-in: The achievement of honest emotional support**
  - (a) Commitment is NOT CONSENSUS.
  - (b) Most people don't really need to have their ideas adopted in order to buy in to a decision. They just want to have their ideas heard, understood, considered, and explained within the context of the ultimate decision.
- (2) **Clarity: achieve clarity and alignment around a decision**





# Your Mission Should you Choose to Accept It

***Achieve COMMITMENT on this team to a set of Core Values and Core Focus in your VTO***

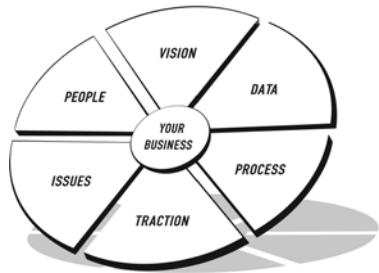
Steps to take:

- (1) Ask questions
- (2) Provide constructive feedback
- (3) Practice operating through shared core values
  - (a) Service- think of the good of the whole over the good of the individual
  - (b) Treat each other with compassion and empathy
  - (c) Practice deep listening and communicating to foster open dialogue and greater mutual understanding
  - (d) Have courage to persevere until you achieve the mission
  - (e) Clarity of Vision- work to be clear and decisive



“People who are crazy enough to think they can change the world are the ones who do.”  
-Steve Jobs





# THE VISION/TRACTION ORGANIZER™

ORGANIZATION NAME: McMinnville City Council

## VISION

|   |   |
|---|---|
| <p><b>CORE VALUES (How and Who)</b></p> | <ol style="list-style-type: none"> <li>1. Service to our Community: We offer ourselves in humble service to our community and give charity and love to others through this service.</li> <li>2. Compassion: We serve with compassion and empathy for others.</li> <li>3. Exceptional Communication: We listen deeply to understand and choose our communication carefully to enhance clarity, mutual understanding and our effectiveness as leaders.</li> <li>4. High Integrity: We are principle centered leaders guided by a moral compass and a higher purpose.</li> <li>5. Courage: In all things we face, we have courage to persevere together to create effective solutions.</li> <li>6. Clarity of Vision: We work to be clear in our thinking and decisive in our action to create a clear, inspirational path for those we lead.</li> </ol> <p>Source: 8-24-2021 McMinnville City Council Level 10 Meeting w/ notes</p> |
| <p><b>CORE FOCUS™</b></p>               | <p><b>Purpose/Cause/Passion (Why):</b> In humble service, we are called to work hard together to solve the challenges of today in order to leave an exceptional legacy for future generations.</p> <p><b>Our Niche (What):</b> We provide inspirational leadership to the City of McMinnville in alignment with a clear vision. We provide policy direction that orchestrates synchronized, consistent, effective actions to move the City towards the successful manifestation of this vision.</p> <p>Source: 5-25-2021 City Council Level 10 Meeting</p>  |



# McMinnville City Council Level 10

Date: 8/24/2021

Time: 5:30-7pm

Attendees:

Meeting Chair: Wendy Stassens

## Meeting Purpose:

- (1) Complete a successful IDS session with actionable solutions for the following issue:
  - (a) *Establishing an agreed upon process that identifies how to bring up issues that a Councilor feels needs to be solved within the community or with the City Council.*

## Materials Included in the Packet:

- (1) Agenda

## Suggested preparation for this meeting:

- (1) Thinking Time exercise: Preparation for the opening exercise
  - (a) Required materials: pen, paper and timer
  - (b) Think of three people who you think exemplify exceptional leadership to you. Try to choose people whom you know well either a famous leader who you have read about and studied or someone who you know personally.
  - (c) Take two to five minutes for each person to list each of the leaders qualities, traits and values that make them so exceptional at leading others.
  - (d) Once you have completed a list for each leader, go back and circle any attributes that are repeated between the three leaders
  - (e) Now circle the attributes that you think are the most powerful values or attributes that make these leaders so exceptional.
  - (f) Of all of the values and traits that you have circled, select the top five that you would like to share with the rest of the Council in the opening exercise.
- (2) Thinking Time exercise: Preparation for the IDS work
  - (a) Required materials: Pen and paper
  - (b) The first step and most important step in the IDS process is "identify". In this step it is critically important that the root cause of the real problem is clearly identified so you are solving for the right thing. This exercise will prepare you to be ready to have clear thoughts about what you think the root cause of the problem that should be IDSed is.
  - (c) Read the IDS topic selected for this Level 10 meeting:
    - (i) *Establishing an agreed upon process that identifies how to bring up issues that a Councilor feels needs to be solved within the community or with the City Council.*
  - (d) Ask the five "whys" about this statement.
    - (i) First you ask yourself "Why is this a problem?"

- (ii) Write a thorough answer to that question.
  - (iii) When done, reread what you just wrote in response to that first question
  - (iv) Then, ask yourself, "Why is THIS a problem", meaning why is what you just wrote a problem
  - (v) Repeat this process until you have asked yourself and answered "Why is this a problem" five times.
  - (e) Reread your responses to the five whys exercise
  - (f) Create your statement that you think captures the essence of this problem that should be IDSeD by the City Council in this Level 10 meeting and be prepared to share your thoughts in the Identify section of the IDS
- (3) Review the meeting agenda
- (4) Complete any action items from the previous meeting and be prepared to report on the status of completion of the action item during the meeting.

Agenda:

Opening: Share the top 5 leadership attributes or traits that you identified in your preparation exercise.

(Kellie) Nancy Pelosi, John McCain and Hilary Clinton

Top 5: Flexibility: accept change if necessary, focus and persistence, **great communication skills** and loyalty and **integrity**.

(Sal) Dad, Robert Kennedy, Martin Luther King

**Compassion**, Intelligence, Fair Minded, **Service Oriented**, Clear Vision

(Scott) Scott's Father, Author Stephen R. Covey and Jesus Christ

**Integrity/honesty**, **Great communicator and listener**, **Principled is a priority**, diligent/hard-working, **Spiritual nature/higher power**, **accepting of all people-giving charity and love to those that they come in contact with**.

(Zack) Zack's Father, Henry Clay, RFK

**Character**, **courage**, humility, **empathy**, stewardship, unpopular

(Chris) Jesus Christ, William Davies, Chris' Father

**Compassion, empathy, in touch with spiritual nature, effective communicator, solid integrity**, decisiveness.

(Remy) Simone Biles, Malala Yousafzai, Greta Thunberg

Value education, Value independent thinking, **courageous**, **community minded**, **strong moral compass**.

Group #1: Integrity, Integrity/honesty, Character, Solid Integrity, Principled is priority (4)

Group #2: Great communication skills, Great communicator and listener, effective communicator (3)

Group #3: Service-oriented, accepting of all people-giving charity and love to those that they come in contact with, community minded (3)

Group #4: Compassion, empathy, compassion-empathy

Group #5: Spiritual nature/higher power, in touch with spiritual nature, moral compass  
Group #6: Courage, courageous (2)  
Group #7: Clear Vision. Decisiveness, Value education and independent thinking,

## McMinnville City Council Level 10

Date: 5/25/2021

Time: 5:30-7pm

Attendees:

Meeting Chair:

### Meeting Purpose:

- (1) Complete the “Why” exercise which will inform the creation of the purpose statement in the Vision Traction Organizer
- (2) Successfully complete an IDS session including solutions and action items for the following identified 911 IDS topic: *Chris, a current City Councilor, raised a concern about an aspect of the City functioning to a third party in a way that potentially reduced the trust within the team and did not empower the whole of the organization to address the concern in a proactive way.*

### Suggested preparation for this meeting:

- (1) Thinking Time exercise: Identifying our Why
  - (a) Required materials: pen, notebook, timer
  - (b) Set your timer for 5 min
  - (c) In your notebook write your answer to this question: What is the higher purpose of the McMinnville City Council and why do I, personally, invest my life energy into this work?
  - (d) Try to write continuously for the whole 5 minutes with as many thoughts as you have in relation to this question
  - (e) Once the timer is done, read your response and circle the most impactful insights for you
  - (f) Prepare to offer a brief one sentence synopsis of what you think your “why” is for the McMinnville City Council and your role on the City Council
- (2) Review the meeting agenda
- (3) Complete any action items from the previous meeting and be prepared to report on the status of completion of the action item during the meeting.
- (4) Prepare for the 911 IDS: *Chris, a current City Councilor, raised a concern about an aspect of the City functioning to a third party in a way that potentially reduced the trust within the team and did not empower the whole of the organization to address the concern in a proactive way.*
  - (a) Thinking time exercise 2:

- (i) With pen, paper and a timer, set the timer for 5 min.
- (ii) Answer the question: What are the root issues that became apparent in this experience? You can ask yourself follow up questions like “Why is this an issue?” to gain deeper insight.

(5) Review City Council Agreement

Agenda:

Opening: Identifying our Why (15 min)

(Councilor Geary) I studied Political Science and nuances of the American system and after leaving school in 09 fell in with construction. Always wanted to scratch that intellectual niche of government. Culmination of studies, putting those studies to good use. A lot of good work being put in by good people. Helping to be a generation gap. **Compelled to get my group of people at the table. Underrepresented area and peer group and wanted to represent.**

(Councilor Drabkin) I ran for City Council because I wanted to see improvements at our airport. I saw a lot of potential for our business community, residence and tourist economy. Natural progression. I had completed two terms on the Planning Commission and I was ready to step up. The more philosophical part, Theodore Roosevelt’s quote, “The Man in the Arena” spoke to me, striving valiantly.

*Quote added for reference:*

*It is not the critic who counts;*

*not the man who points out how the strong man stumbles,*

*or where the doer of deeds could have done them better.*

*The credit belongs to the man who is actually in the arena,*

*whose face is marred by dust and sweat and blood;*

*who strives valiantly;*

*who errs, who comes short again and again,*

*because there is no effort without error and shortcoming;*

*but who does actually strive to do the deeds;*

*who knows great enthusiasms, the great devotions;*

*who spends himself in a worthy cause;*

*who at the best knows in the end the triumph of high achievement,  
and who at the worst, if he fails, at least fails while daring greatly,  
so that his place shall never be with those cold and timid souls  
who neither know victory nor defeat.*

**Continue to go on and make the effort over and over. By striving to do great deeds, eventually you will.** As I spent more time in public service and felt like I was really living that Theodore Roosevelt quote and came up against some heavy criticism. My focus shifted quickly as I joined the City Council and responded to the needs of the City. There is one other quote I strive for, “ We need leaders not in love with money, but in love with justice, not in love with self aggrandizement but in love with humanity.”

*Quote added for reference:*

*“We need leaders not in love with money but in love with justice. Not in love with publicity but in love with humanity. Leaders who can subject their particular egos to the pressing urgencies of the great cause of freedom.....a time like this demands great leaders.”*

*Dr. Martin Luther King, Jr.*

(Councilor Menke) When I gave consideration to coming on the Council 17 years ago I had just spent 5 years on the budget committee. We were short on police staff and there was going to be some transportation issues coming up. I thought since I had a financial background that I might be able to be helpful. Initially I was really involved with the accounting department. As we went along I became more aware that there was a need to step up, particularly when we changed City Managers. I noticed that the older Councilors were falling away and I thought that it would be great to bring in younger Councilors. **I look for a collegial type of atmosphere. I always appreciate new ideas and new thoughts. I love what we are doing, sometimes it is difficult to make transitions.**

(Councilor Chenowith) For me I ran, the last 20 years in McMinnville I have **devoted my life to service** in my local church driving a bus through 1/3 of McMinnville over 20 years and that gave me a heart for humanity for trying to help people. I reached a couple of transitions in life, transition out of a role in church and our first grandchild was born. **It made me think of what I was leaving for him.** Much like Remy said with the Theodore Roosevelt quote. I felt like I had some expertise to help with some of the issues. **It is easy to complain, it is easy to point your fingers and accuse others. It is hard to take action and help. To help people and leave a better place for my grandchildren and other children.**

(Councilor Peralta) I had a lot of the same reasons that other people came, when I applied to serve on the City Council, for my whole life I have been interested in the law. **When my daughter was born in 2006 I really committed to public service and I thought I could lend some expertise.**

(Councilor Garvin) Started with me attending meetings back in 2013 for a sole personal industry purpose and through that ramped up attendance and attended meetings for a couple of years. I found out a couple of departments were underfunded and then we had the issue of the downtown area, City versus churches with the previous City Manager and I felt like I could bridge the gap there. **There were some issues in the downtown core and I felt like I could bridge the gap there.** The overall change that I was seeing in the City from the time I left high school, I had considered running in 2014 and then in 2016 after watching another two years of meetings I felt like there was a **gap in representation and the perspective of raising kids here. Instead of complaining about it on a keyboard, I felt like it was the right time to get involved for the youth and the generations to come.**

(Mayor) I think back to my childhood of being raised by a father who had a philosophy of getting out and **helping people.** Because communities support banks, bankers support communities. When I was asked to go onto the budget committee, I started to look at the finances and as I became more aware of the finances of the community, **I realized that the place I loved, McMinnville, was the next place for me.** Took the experience on the budget committee and moved over to the City Council. **The higher purpose, we need to listen and support the staff, this has also been an ongoing education over the last 28 years that I have found extremely satisfying. Vision and implementation that gets us to a higher level.**

I had a similar question when I asked the Councilors when I first became Council President, the common theme is service. The thing that is consistent is a desire to be in service.

**In humble service, we are called to work hard together to solve the challenges of today in order to leave an exceptional legacy for future generations.**

# City Council Work Session - VTO-Core Values and Core Focus Notes

9-28-2021

## Discussion Notes:

(Chris) One thing that I see lacking, you did a great job of emphasizing that our society is fractured, setting the example regarding how we can heal that. There have been a couple of pretty clear examples where we as a group come in with predisposed opinions, we share all of our thoughts and we walk away unchanged. We didn't come to a decision that all of us could accept. I'm curious if and how we could get that as part of what we are buying into as a group. We are looking for solutions that not just a majority can accept, but that all of us can accept. It just means that there was enough in the decision making process that we can all agree to the outcome. It is called diplomacy, it seems to be a missing component

(Remy) I think that that missing piece, element, I don't know that that can be scripted or put into specifically a document further than it is in this document. There have been many decisions that have been made that I have not agreed with since I have been on Council and I have been dissatisfied with the outcome. The body has come to this decision, as we move forward, how do we integrate that. If there is something that we need that needs changing, how do we integrate that over time. I think that that part has to come from within in recognizing that we won't always agree, what we can feel great about was that the decision making process was thorough, sometimes things will land where they should. Hopefully I kind of addressed what I thought I heard Councilor Chenowith saying.

(Scott) Summarizing the two things I heard from Chris and Remy, I think we need a process where we have enough time for the discussion. If all of the things are put on the table. That comes to the piece where we might be able to come to a point, having enough trust that what they are saying is appropriate and true and in the best interest of the people. Keep it close to where we are and what we would like to see happen. I think that discussion piece is critical. I see people being brought from one point to another point in this group because of a thorough discussion. I think we set ourselves up to be able to have a majority rule, that's why we have six and have seven so we could move on. Because something doesn't go our way, we use more than one meeting to persuade.

(Zack) I agree with Mayor and Council President Drabkin's responses and thoughts. I also don't want the desire for unanimous consent. That may be a false bar. We all need to sit down at the table with the understanding that whatever happens in the process whether you are at the highest or lowest. The group can make a concerted effort to explore and reason and then move on.

(Sal) I agree with a lot of the comments that have been said. I think the most important thing is that we have a clear process, we have enough time for staff to take those changes and make them. That is a bigger concern than unanimity. People have time to respond



(Scott) It takes us back to your slide of unpacking commitment. That might be what we do every time we go into the D of the IDS. **Commitment is NOT consensus.** I think I am going to bring that slide to every Level 10 meeting.

(Chris) It is interesting to me how what I said was taken. There was one of us who heard what was said as subterfuge. That wasn't my intent at all. My intent wasn't even asking for unanimous outcomes. I am going to try and say it without being negative. **If you come into it with no openness in mind. If we come with preconceived notions. If we want buy in. It requires diplomacy, compromise, if we are not willing to do that even on things that are near and dear to us. My view is like your last statement, if you think you can change the world, you might.** If you don't then we are on a good path. I would like to see us work towards learning how to make decisions that are ones that we all have buy-in whether we agree with them or not. I feel like it is more a matter of, "we have made this decision and that's how it is going to go." That's unfortunate.

(Remy) **One thing that occurs to me is that, while we may all highly value communication, we really struggle to have good clear communication here. I see that repeatedly here. I'm not sure if it is because we have different communication styles. Maybe we need more communication practices. I listened to you so intently, I really thought I had heard what I said. If you felt that I didn't hear your intent. It is still surprising when I am listening very intentionally to you. I am taking the time. I am listening to all of your thoughts and to have you feel taken aback by my thoughts. We all share this value of exceptional communication. What are we really doing to practice communication so we can start speaking the same language.** If anyone shows up already knowing how they are going to vote, that would be really bad. I have had to vote against what I really want many times in here as I know many people have. I always come to these meetings with an openness. I might know how I am going to vote on the consent agenda, but when it comes to things that we are really working through, I think that is such an important component to us working well together. **I think that that is part of the culture of this Council is coming with an open mindedness regardless of the materials before us.**

(Chris) **We as a society have broken down into our tribes and the City Council is no different, it is a vision. I would like to see us conquer the tribes. What I hear is that there is not a lot of interest in conquering the tribe, the interest is in being in the majority tribe. I don't know that that is really the intent.** I have watched enough of these meetings before I was a City Councilor. I can predict where the votes will go before I come into the meeting and 99% of the time I am right. **As much as we would like to say we are coming in with an open mind. There doesn't seem to be a lot of shifting off of the position. I didn't bring that up to say that I don't agree with the Core Values and Core Focus.** It was not my intent to be negative in what was done .

(Remy) I do find this conversation really interesting. Certainly when I was responding to you initially. There was nothing controversial that I was saying. **That final step has to come from within where you are satiated with the decision of the body to get to that ideal. I was kind of saying, let's go back to that.** Back to it was not that long ago where we were able to exemplify that. I strongly desire to have good communication with you and I think that we generally do. What you hear me say is so far away from my intent. I say, let's do that. **Let's work on moving as a body. We only get that movement when we put ourselves aside.**

(Zack) **In response to Councilor Chenowith, I am happy to get there.** It is really hard to believe what you say when I see what you do. Prepared speech and long diatribes don't illustrate. It is

frustrating to hear, we are just diving further and further down and not getting closer together.  
Let's spend time working on that. Doing what we are actually saying should happen.



## PROCLAMATION

**Whereas**, McMinnville, Oregon is a community which acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

**Whereas**, McMinnville, Oregon is a community which encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

**Whereas**, McMinnville, Oregon is a community which chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift up fellow members of their community; and

**Whereas**, McMinnville, Oregon acknowledges the mission of Extra Mile America to create 550 Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2021.

**Now, therefore**, I, Scott A. Hill, Mayor of the City of McMinnville, Oregon, do hereby proclaim November 1, 2021 as

## EXTRA MILE DAY

**And** I urge each individual in the community to take time on this day to not only “go the extra mile” in their own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

**In Witness Whereof**, I have hereunto set my hand and caused the official Seal of the City of McMinnville to be affixed this 26<sup>th</sup> day of October, 2021.

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Scott A. Hill, Mayor

**From:** [Corey Guinnee](#)  
**To:** [Scott Hill](#); [Sal Peralta](#); [Chris Chenoweth](#); [Kellie.Menke@mcminnvilleoregon.gov](mailto:Kellie.Menke@mcminnvilleoregon.gov); [Zack Geary](#); [Remy Drabkin](#); [Adam Garvin](#); [Jeff Towery](#); [Claudia Cisneros](#)  
**Subject:** Support for Business License  
**Date:** Tuesday, October 26, 2021 11:37:51 AM

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**This message originated outside of the City of McMinnville.**

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Mayor Hill, City Council Members, City Manager Towery,

Just a quick note to say I'm in favor of instituting a business license for companies operating in McMinnville.

Establishing a local business registry would open channels of communication between local government and local businesses. I like the idea of being contacted directly if there are important issues or opportunities related to my business. It also seems valuable for government officials to have a clearer picture of the business topography of McMinnville when making important decisions about our community.

I would consider an annual fee for a City of McMinnville business license less than or equal to the annual State registration (\$100) to be reasonable.

Thanks for the consideration, much appreciation for the work you all do for our town,

Corey

Corey Guinnee  
Core Enology Analytical Services  
1819 NE Baker Street, McMinnville, OR 97128  
503.883.0350 (w)  
971.237.5071 (m)

**From:** [DK Masterson](#)  
**To:** [Scott Hill](#); [Sal Peralta](#); [Chris Chenoweth](#); [Kelie.Menke@mcminvilleoregon.gov](mailto:Kelie.Menke@mcminvilleoregon.gov); [Zach.Gearly@mcminvilleoregon.gov](mailto:Zach.Gearly@mcminvilleoregon.gov); [Remy Drabkin](#); [Adam Garvin](#)  
**Cc:** [Claudia Cisneros](#)  
**Subject:** Postpone and Reconsider Preliminary Adoption of Certain Sustainable Funding Sources  
**Date:** Monday, October 25, 2021 1:18:03 PM  
**Attachments:** [We sent you safe versions of your files.msg](#)  
[1.a. agenda 10.26.21.pdf](#)  
[joint\\_packet 10.20.21 - revised.pdf](#)

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Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

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**This message originated outside of the City of McMinnville.**

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McMinnville City Council,

As a resident of McMinnville busy with work and family it was only this week on social media I learned of the City of McMinnville's efforts to increase revenue through this resolution. Like many community members, we rely on your efforts at meetings to ensure our best interests.

On Tuesday, 10/26/2021 you are poised to vote on the resolution to preliminarily adopt certain sustainable funding sources.

Before we discuss the resolution, I wish to identify that the 10/20/2021 Budget Committee Work Session references adopting this resolution on Tuesday 10/26/2021's meeting however the agenda for 10/26/2021 does not reflect this as an action item. **I recommend you postpone adoption of this resolution until the resolution is properly advertised on city agendas.**

Attached are the two documents I reference in this email.

## *Overall Concern*

General observations:

- For the past 5 years we have roughly operated on \$5,000,000 more revenue than previous years revenue.
- Despite the \$5,000,000 increase (roughly 16%) city expenses expand to absorb all available funds, consistently proposing adoption of an unbalanced budget.
- In response to the pandemic, city revenue was sustained from 2019 to 2020 and increased from 2020 to 2021.

- The City of McMinnville is in receipt of \$7,700,000 in relief funds.

With no impact on revenue due to the pandemic we are in receipt of a windfall in relief funds to shore up any deficiencies in our City’s operations. Why then is the City making significant efforts to find new ways to tax City residents and City businesses?

In recent years community members have been upset about increases in the costs of living and doing business in McMinnville. First was an increase in utility costs. Second was a failed attempt to tax certain businesses. This preliminary resolution attempts to double down on both taxation efforts and more, resulting in an exponentially larger expense to our community.

The resolution’s whole effort aims to leverage new taxes to pay for existing services. If the city cannot fund existing services with the existing budget, City Council needs to hold staff accountable for expenditures before they tax the community additional revenue to fund existing services.

### *New Service Fee to Support the General Fund*

We should continuously assess city services to sustain the value of our services. Any adoption of a new service fee should only come with careful analysis of current and future considerations to effectively providing city services. Raising general income simply because we can is not a good reason to establish additional service fees.

### *Adopt a Business License Program*

Every expense on a community incentivizes or disincentivizes. This resolution proposes to increase the general fund by disincentivizing doing business in McMinnville. There is no need we seek to address by implementing business licensing in McMinnville which means we are increasing FTE and government oversight while providing no additional value to our community.

Staff Report – Discussion 3. indicates “the City establish a Business License Fee to, at a minimum, create a business registry to facilitate communication with all city businesses” and further “The City works to be a supportive, agile and responsive partner to the entire business community”. For this to remain true, the City must proactively seek buy-in from local businesses before they consider implementing a sweeping business license. If they are unwilling to reach out now through current channels, what makes the business community think anything will be better once each business is paying annual fees into the City’s general fund?

Where is the value to business owners?

You might ask: How can the City reach out if they do not know how to reach McMinnville business owners? For starters, City Manager Jeff Towery is a member of the Board of Directors of the McMinnville Area Chamber of Commerce. At a minimum the business license fee could be proposed to business owners through these channels. Without a clear benefit to our business owners in implementing a city license fee, business owner adoption is sure to fail.

### *Continue the Effort of a New Fire District*

This resolution seems to be the most appropriate action to move forward, though it need not be tied to this resolution. If restructuring the fire department is important, why are we not using federal relief funds to ensure this happens above all amongst the 53 proposed uses for relief funds? Is there a bigger, better use overall to stabilize our city with federal relief funds than to stabilize the fire department?

### *Conclusion*

I encourage the McMinnville City Council to vote no on the resolution to preliminarily adopt certain sustainable funding sources.

We successfully sustained \$5,000,000 in revenue for 5 years over years past. The pandemic did not hurt revenue generation and now we stand to benefit from \$7,700,000 in relief funds.

The City of McMinnville has had its difficulties, primarily in stagnant growth due to 40 years without an urban growth expansion. Cities are either growing or decaying as stasis does not exist with even the most prudent budget facing annual expense increases. Now that we have finally established new urban growth boundaries we should seek to understand upcoming growth in city revenue before we find ways to tax residents and business owners in new ways without providing additional value.

Our community expects the City Council to explore every avenue in reducing expenditures before we explore every avenue in increasing the general fund for existing services. Our community functioned with \$5,000,000 less annually for years, and now with a 16% increase in revenue staff consistently fail to propose a balanced budget.

To better serve the community, I encourage the board to shift their demands of city staff to providing maximum value with the resources we already have. Without focus on returning value with our current revenue, taxing residents and businesses more will prove meaningless.

Respectfully submitted,

Dan Masterson, McMinnville Resident





**City Council Meeting Agenda  
Tuesday, October 26, 2021  
5:30 p.m. – Level 10 Meeting  
7:00 p.m. – Regular City Council Meeting**

*Welcome! Civic Hall will be closed to the public. Until improvements of COVID cases in Yamhill County improve meetings will be held via Zoom and live broadcast ONLY.*

The public is strongly encouraged to relay concerns and comments to the Council in one of three ways:

- Email at any time up to 12 p.m. the day of the meeting to [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov);
- If appearing via telephone only please sign up prior to the meeting by emailing the City Recorder at [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov) as the chat function is not available when calling in zoom;
- Join the zoom meeting; send a chat directly to City Recorder, Claudia Cisneros, to request to speak and use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide your First and Last name, Address, contact information (email or phone)**

You can live broadcasts the City Council Meeting on cable channels Xfinity 11 and 331, Frontier 29 or webstream here:

[\\*\\*\\*.mcm11.org/live](http://mcm11.org/live)

**LEVEL 10 MEETING:**

You may join online via Zoom Meeting:

[\\*\\*\\*\\*\\*mcminnvilleoregon.zoom.us/j/82793102503?pwd=Q21ZTWE5bFILNjQ3MVkdHVobkNjZz09](https://mcminnvilleoregon.zoom.us/j/82793102503?pwd=Q21ZTWE5bFILNjQ3MVkdHVobkNjZz09)

Zoom ID: 827 9310 2503

Zoom Password: 120926

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 827 9310 2503

**CITY COUNCIL REGULAR MEETING:**

You may join online via Zoom Meeting:

[\\*\\*\\*\\*\\*mcminnvilleoregon.zoom.us/j/82610201673?pwd=MGY0ZXUvQWlHMxVHRjDWTdXaGFndz09](https://mcminnvilleoregon.zoom.us/j/82610201673?pwd=MGY0ZXUvQWlHMxVHRjDWTdXaGFndz09)

Zoom ID: 826 1020 1673

Zoom Password: 428602

Or you can call in and listen via zoom: 1-253- 215- 8782

ID: 826 1020 1673

**5:30 PM – LEVEL 10 – VIA ZOOM AND LIVE BROADCAST ONLY**

1. CALL TO ORDER
2. REVIEW CITY COUNCIL LEVEL 10 MONTHLY TEAM MEETING AGENDA
3. ADJOURNMENT

## 7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND LIVE BROADCAST ONLY

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROCLAMATIONS
  - a. Extra Mile Day
4. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.*
5. ADVICE/ INFORMATION ITEMS
  - a. Reports from Councilors on Committee & Board Assignments
    1. Motion to Adopt City Council Core Values and Core Focus as presented at October 26, 2021 Level 10 Meeting.
  - b. Department Head Reports
6. CONSENT AGENDA
  - a. Consider the Minutes of the July 14, 2020 City Council Regular Meeting.
  - b. Consider the Minutes of the July 22, 2020 City Council Work Session Meeting.
  - c. Consider **Resolution No. 2021-56**: A Resolution approving the Second Amendment to Employment Agreement between City Manager Jeffrey Towery and the City of McMinnville.
7. ORDINANCE
  - a. Consider first reading with a possible second reading of **Ordinance No. 5105**: An Ordinance. Amending Title 17 (Zoning) of the McMinnville City Code, Adopting Docket G 2-21, Housing-Related Legislative Amendments, Amending Chapters 17.33, 17.54, 17.60, 17.63, and Adding Chapter 17.66.
  - b. Consider first reading with a possible second reading of **Ordinance No. 5106**: An Ordinance. Repealing Ordinance No. 4636 and Title 16 of the McMinnville Municipal Code Entitled “Subdivisions”, Adopting a New Title 16 Entitled “Annexations”, Amending Title 17 (Zoning), 17.06, 17.09, 17.10, 17.72 and Amending Chapter IX, “Urbanization” of the McMinnville Comprehensive Plan.
8. ADJOURNMENT OF REGULAR MEETING

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice:** Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or [Claudia.Cisneros@mcminvilleoregon.gov](mailto:Claudia.Cisneros@mcminvilleoregon.gov).



**City Council and Budget Committee Joint Work Session Meeting &  
Budget Committee Meeting Agenda**

**Wednesday, October 20, 2021**

**5:30 p.m. –CITY COUNCIL EXECUTIVE SESSION (CLOSED TO THE PUBLIC)**

**6:00 p.m. – Joint Work Session Meeting**

**7:00 p.m. – Budget Committee Meeting**

**REVISED 10/14/2021**

*Welcome! Civic Hall will be closed to the public. Until improvements of COVID cases in Yamhill County improve meetings will be held via Zoom and live broadcast ONLY. The public is strongly encouraged to relay concerns and comments to the Council & Budget Committee by Email at any time up to 12 p.m. the day of the meeting to [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov);*

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*You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331,  
Ziplay Fiber 29 or webstream here:  
[www.mcm11.org/live](http://www.mcm11.org/live)*

**Joint Work Session & Budget Committee Meeting**

*You may join online via Zoom Meeting:*

<https://mcminnvilleoregon.zoom.us/j/87657808368?pwd=Vk1XYXU0RWc5NUE5SXAvectsM2NGQT09>

*Zoom ID: 876 5780 8368*

*Zoom Password: 421408*

*Or you can call in and listen via zoom: 1-253- 215- 8782*

*ID: 876 5780 8368*

**5:30 PM – CITY COUNCIL EXECUTIVE SESSION -- VIA ZOOM (NOT OPEN TO THE PUBLIC) (Added on 10/14/2021)**

1. CALL TO ORDER
2. **Executive Session pursuant to ORS 192.660(2) (h):** To conduct with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
3. ADJOURNMENT

**6:00 PM – CITY COUNCIL & BUDGET COMMITTEE JOINT WORK SESSION – VIA ZOOM AND LIVE BROADCAST ONLY**

1. CALL TO ORDER JOINT WORK SESSION
2. AMERICAN RESCUE PLAN (ARPA) AND THE CITY’S ALLOCATION AS PART OF THE STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF) CONTINUED FROM OCTOBER 12, 2021 JOINT WORK SESSION.

**(Added on 10/14/2021)**

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice:** Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov).

3. RESOURCES AND SUSTAINABLE CITY SERVICES
4. ADJOURNMENT OF JOINT WORK SESSION MEETING

**7:00 PM – BUDGET COMMITTEE MEETING – VIA ZOOM AND LIVE BROADCAST ONLY**

1. CALL TO ORDER & ROLL CALL
2. BUDGET COMMITTEE RECOMMENDATION TO CITY COUNCIL TO APPROVE ARPA-SLFRF PROJECT PRIORITIZATION LIST AS PROPOSED OR AMENDED. (Item postponed from 10/12)
3. BUDGET COMMITTEE RECOMMENDATION TO CITY COUNCIL ON PRELIMINARILY ADOPTING CERTAIN SUSTAINABLE FUNDING SOURCES AS PROPOSED OR AMENDED.
4. ADJOURNMENT OF BUDGET COMMITTEE MEETING

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice:** Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or [Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov).

## STAFF REPORT

**DATE:** October 13, 2021  
**TO:** City Council  
**FROM:** Jeff Towery, City Manager  
**SUBJECT:** American Rescue Plan Act Investment Opportunities Continued Discussion from October 12, 2021 Joint Work Session.

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### **Report in Brief:**

#### **A. Project Overview**

This Staff Report provides an overview and staff analysis regarding possible investment opportunities of the approximately \$7.7 million in state and local fiscal recovery funds (SLFRF) the City is set to receive through the American Rescue Plan Act (ARPA). **Attachment A** attached hereto represents the City Executive Team's prioritization of projects based on submittals by City departments and related entities. **Attachment B (See [Joint Work Session packet from 10/12 mtg](#))** hereto is a summary of the results from an online survey to McMinnville residents regarding possible uses of the City's allocated \$7.7 million ARPA-SLFRF.

#### **B. Project Next Steps**

Upon review and discussion of Attachment A at the October 12, 2021 work session with the Council and Budget Committee, staff seeks from the Budget Committee/Council the following: (1) revisions, if any, to Attachment A; (2) subject to any revisions, the Budget Committee's recommendation for approval of Attachment A during the regular meeting on October 20, 2021; and (3) Council review and potential approval of Attachment A (as potentially revised) at the October 26, 2021 regular meeting.

### **Background:**

#### **A. ARPA**

In March 2021, the American Rescue Plan Act (ARPA) was signed into law. ARPA represents a \$1.9 trillion funding package to respond to the negative impacts of the coronavirus pandemic. A portion of ARPA funding consists of state and local fiscal recovery funds (SLFRF).



These funds go to state and local governments to assist in their response to and recovery from the coronavirus pandemic. The City may use ARPA-SLFRF to:

- Support public health expenditures for, by example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector.
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- Provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors.
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

## **B. Recap of Prior Budget Committee/City Council Work Sessions**

The initial work session to discuss the ARPA-SLFRF occurred on July 13, 2021. That work session introduced the Budget Committee/Council to the ARPA funding package generally; laid out a timeframe for discussion, approvals, and implementation; and reviewed proposed guiding principles for investments made with ARPA funds.

On August 16, 2021, the Budget Committee and City Council held another work session to discuss possible investments of the ARPA-SLFRF. Ahead of that work session, staff had provided an initial list of approximately 40 opportunities for possible investment and asked the Budget Committee/Council for feedback on the list during the work session. The proposed principles for ARPA funding were also finalized during that work session (**Attachment C**) (See [Joint Work Session packet from 10/12 mtg](#)).

As next steps from that August 16, 2021 work session, staff validated the City's revenue loss calculation to be approximately \$6.5 million. Staff also prepared detailed and comprehensive project descriptions and budget for decision-making on project investment. That information has generally been incorporated into Attachment A, with some refinement by the Executive Team. For reference, a copy of the template for the proposed ARPA project submissions is **Attachment D** (See [Joint Work Session packet from 10/12 mtg](#)). Those project submissions ultimately totaled 53 projects with a high-end estimated total cost of \$13,384,550.

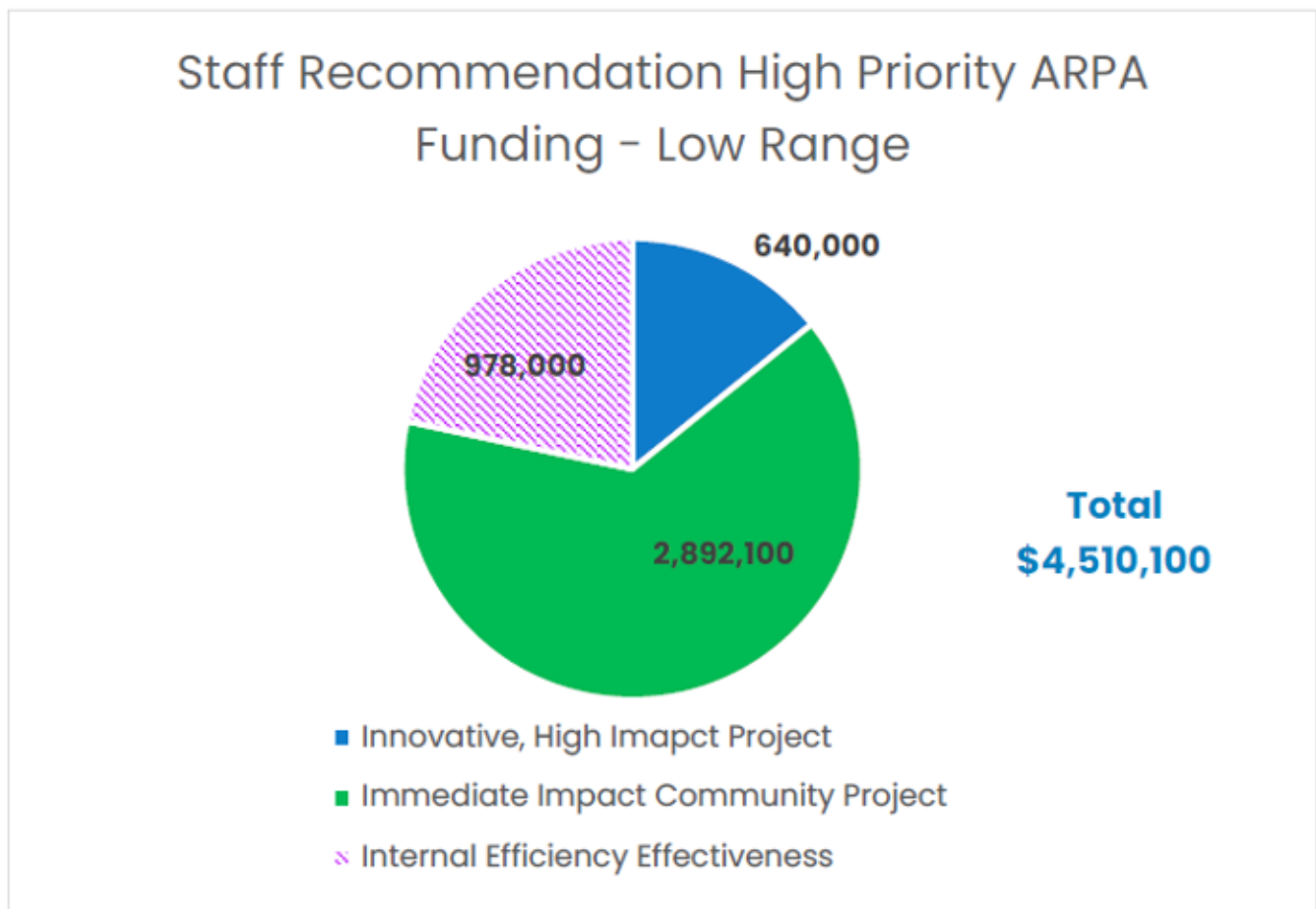


**Discussion:**

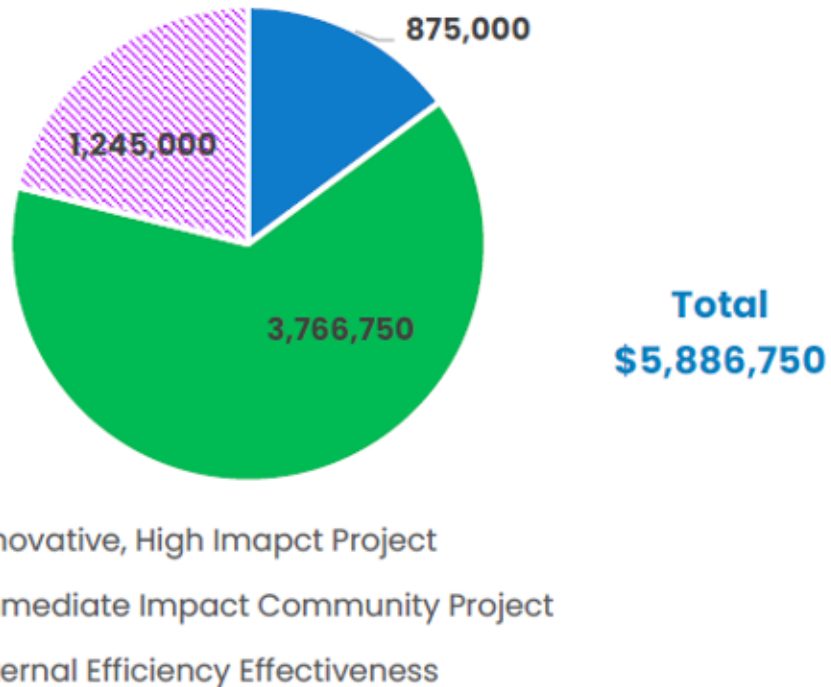
The resulting Attachment A represents the Executive Team's prioritization of the 53 projects submitted for review. The projects include, among other projects, requests from McMinnville Water & Light, recovering direct COVID-related costs (such as PPE and specialized cleaning), and projects that involve multiple entities and advocacy groups. The projects were sorted into three groups: (1) high priority projects; (2) medium priority projects; and (3) potential future investments. The projects are also identified by one of three categories: (1) innovative, high-impact project; (2) immediate impact community project; and (3) internal efficiency effectiveness.

**A. High Priority Projects**

The Executive Team identified 20 high priority projects, with an estimated cost range of \$4,540,100 to \$5,886,750. Of the 20 high priority projects, 3 are innovative, high impact projects; 11 are immediate impact community projects; and 6 are internal efficiency effectiveness projects. This information is illustrated in two graphs below based on the low cost range and the high cost range for the high priority projects.



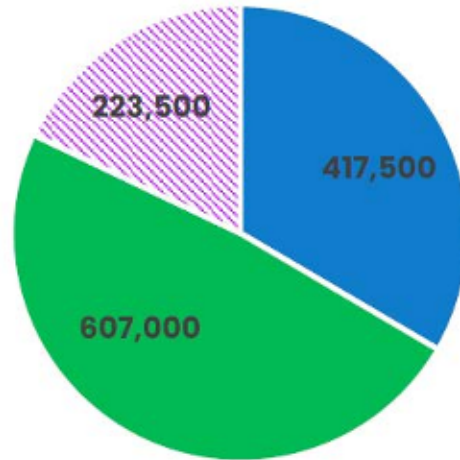
## Staff Recommendation High Priority ARPA Funding - High Range



### B. Medium Priority Projects

The Executive Team also identified 10 medium priority projects, with an estimated cost range of \$1,248,000 to \$2,029,000. Of the 10 medium priority projects, 2 are innovative, high impact projects; 4 are immediate impact community projects; and 4 are internal efficiency effectiveness projects. This information is illustrated in two graphs below based on the low cost range and the high cost range for the medium priority projects.

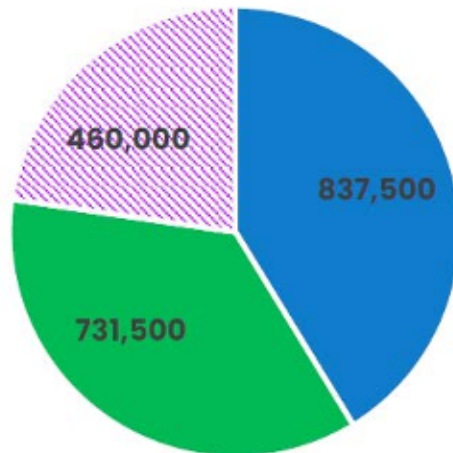
## Staff Recommendation Medium Priority ARPA Funding - Low Range



**Total**  
**\$1,248,000**

- Innovative, High Impact Project
- Immediate Impact Community Project
- ◆ Internal Efficiency Effectiveness

## Staff Recommendation Medium Priority ARPA Funding - High Range



**Total**  
**\$2,029,000**

- Innovative, High Impact Project
- Immediate Impact Community Project
- ◆ Internal Efficiency Effectiveness

If all high priority and medium priority projects are funded at the low-end of their cost range, the total is \$5,758,100. The high-end cost for all high priority and medium priority projects is \$7,915,750, which is more than the City's allocated ARPA-SLFRF.

### **C. Potential Future Investments**

Given the likelihood that the high and medium priority projects, if funded, will result in the full allocation of the ARPA-SLFRF, staff included the remaining 23 projects as potential future investments should funding still exist or new funding become available. The 23 projects have not been prioritized for this reason. The 23 projects have a total cost range of \$2,965,800 to \$5,468,800.

### **D. Survey Results**

City staff provided an online survey to the community to gauge general enthusiasm or lack of interest for types of initiatives that American Rescue Plan Act (ARPA) might support. See Attachment B (summary of survey results). While the survey was not scientific, participants provided insight into types of projects or funding opportunities can assist the Budget Committee/Council in their review of the prioritized list of projects.

### **E. Next Steps**

The Budget Committee/Council reviewed and discussed Attachment A at the Joint Work Session on October 12, 2021, meeting was further postponed to October 20, 2021 to continue discussion, staff seeks the following direction from Council.

- **What revisions, if any, do the Budget Committee/Council want made to Exhibit A?** Should projects be moved from one priority another? Should projects be added or removed?
  - **What information does the Budget Committee/Council need?** What additional or other information does Council need to make a decision regarding the prioritization of projects to utilize ARPA-SLFRF?
- **Budget Committee Recommendation/Council Adoption.** At the October 20, 2021 regular meeting, the Budget Committee will have an opportunity to make a recommendation to Council of which projects should be prioritized to use ARPA-SLFRF. Assuming the Budget Committee makes a recommendation, at the October 26, 2021 regular meeting, staff will present a resolution for consideration by the Council to adopt a prioritized list of projects. A draft of that resolution is attached hereto as **Attachment E.**

### **Attachments:**

- Attachment A: ARPA-SLFRF Prioritization List

- Sorted by High Priority
- Sorted by Medium Priority
- Attachment E: Draft Council Resolution

**Fiscal Impact:**

These discussions will ultimately determine how the City utilizes the one-time funding from now through December 2024 (obligated) and December 2026 (expensed).

**Recommendation:**

Budget Committee recommends Council approve the prioritized project list (Attachment A).



Staff Recommendation on ARPA Investments - High Priority Projects

| Priority Ranking | Category                           | Project # (from complete list) | Project Name  | Description   | Beneficiaries   | SLRRF Eligibility Criteria |                         |          |               |         |            | Investment Principles |                    |             |        | City Values       |                |     | Total Cost |         |         |
|------------------|------------------------------------|--------------------------------|---|---|---|----------------------------|-------------------------|----------|---------------|---------|------------|-----------------------|--------------------|-------------|--------|-------------------|----------------|-----|------------|---------|---------|
|                  |                                    |                                |   |   |   | Private Recovery           | Water, Sewer, and Storm | From Pay | Officer/Staff | Address | Resiliency | A letter way          | Work with partners | Stewardship | Equity | Coverage / Future | Accountability | Low | High       |         |         |
| 1                | Internal Efficiency Effectiveness  | 5                              | ARPA Grant Staffer  | Hire a full time grant professional for the term of the grant (3 yrs) to work on financial, compliance, program management and community engagement activities associated with the portfolio of SLRRF-ARPA grants.  | Grant Beneficiaries   | X                          |                         |          |               |         |            | X                     | X                  | X           | X      | X                 | X              | X   | 290,000    | 397,000 |         |
| 2                | Innovative, High Impact Project    | 49                             | Third Street Improvement Project  | This is the development of construction documents for the public infrastructure improvements needed on Third Street to support the recovery and future resiliency of McMinnville's local business community downtown. The development of these construction documents will allow McMinnville to proactively apply for federal infrastructure funds with the Federal Infrastructure Stimulus package to construct the project. Third Street is McMinnville's "Living Room". It is the heart of our business community, serving both local residents and tourists. However, it is also where recent the recent COVID pandemic had the most impact on restaurant and service businesses in McMinnville. This is the development of schematic design and construction documents for a Third Street improvement project in downtown McMinnville, as well as the development of a business resiliency and recovery program for businesses impacted by COVID. The project area is approximately nine linear blocks. The McMinnville Urban Renewal Agency currently has \$200,000 allocated towards the design costs of this project. Total estimated design costs are approximately \$650,000 - \$800,000. The McMinnville Urban Renewal Agency has committed approximately \$3,000,000 to the future construction project. Total estimated construction costs are \$8,000,000. If the City is able to develop shovel ready construction documents it would be competitive for the future infrastructure bill for construction dollars. This is a priority project in terms of timeliness and the ability for McMinnville to leverage its ARPA funds for larger impact. The design process will be approximately nine months. The Federal Infrastructure Bill will be approved soon. A \$500,000 ARPA investment project in project design could be leveraged towards \$5,000,000 in Federal infrastructure dollars. | Local businesses, workforce, tourism industry, community.   | X                          | X                       |          |               |         |            | X                     | X                  | X           | X      | X                 | X              | X   | 450,000    | 600,000 |         |
| 3                | Immediate Impact Community Project | 32                             | Navigation Center - Operating Funds   | This is a request for one year's worth of operating funds for the new McMinnville Navigation Center (a low barrier shelter with wrap around services per HB 2006). In 2021, the Oregon Legislature passed HB 2006 in order to support emergency housing for homeless populations. One aspect of that bill was the definition of a Navigation Center (low barrier shelter with on-site services to help homeless individuals achieve stability and long term housing) and a funding mechanism for cities in order to do so. As part of the bill, Representative Noble was able to secure a \$1.5 million grant for the development and operation of a Navigation Center. City staff has been working with the Yamhill County Action Partnership on what that facility would look like, where it would be sited and how it would be managed. HB 2006 is very specific about the type of entity that needs to manage a funded Navigation Center, namely an entity with experience managing homeless shelters and authority to do so. Since the \$1.5 million grant is for development and operations, YCAP is concerned about sustained operational costs of the facility in the first couple of years as they work with state funding partners on long-term operational costs for the facility. It is estimated that the annual operational costs will be approximately \$400,000 - \$500,000.  | Homeless residents of McMinnville   | X                          |                         |          |               |         |            | X                     | X                  | X           | X      | X                 | X              | X   | 400,000    | 500,000 |         |
| 4                | Internal Efficiency Effectiveness  | 15                             | Financial Forecasting Software  | Invest in software for financial forecasting software.  | City departments, council, citizens.  | X                          |                         |          |               |         |            | X                     | X                  |             |        |                   | X              | X   | 17,000     | 26,000  |         |
| 5                | Immediate Impact Community Project | 48                             | Stratus Village - Affordable Housing Project Serving Households of 80% AMI or Less. | Stratus Village is a planned 200-unit affordable housing multifamily complex to be developed on seven acres of land off of Stratus Avenue. This project is intended to serve households of 80% area median income or less and will be comprised of studios, and a range of one-bedroom to four-bedroom apartments. The Housing Authority has already achieved their land-use needed to support the project and has designed a project that is compliant with McMinnville's Great Neighborhood Principles. The Housing Authority is partnering with Unidos, Virginia Garcia, Chemekeeta Community College, Willamette Valley Medical Center, Department of Human Services, Worksystems, Inc., Yamhill Community Care (PCCO) and the Confederated Tribes of the Grand Ronde on the project. On February 23, 2021, the McMinnville City Council approved Resolution No. 2021-09 supporting the Housing Authority's Stratus Village project and their application to Oregon Housing and Community Services (OHCS) for funding. When the Housing Authority applied to OHCS for funding they were denied in the competitive process. One of the reasons for the state denying their application was the lack of local supportive dollars in the project. The Housing Authority would like to construct the project in two phases. The first phase of the project is approximately \$30.4 million dollars. Right of way improvements required for the project is approximately \$250,000 and infrastructure to serve the project is approximately \$5,000,000. The Housing Authority would like to request \$300,000 to help offset the right-of-way improvements and infrastructure costs of the project and to show local financial support of the project.  | This investment will directly benefit the residents of Stratus Village, an affordable housing project for lower-income workforce and families in McMinnville and Yamhill County. This investment will also benefit the community of McMinnville by building a 200-unit affordable housing complex that will remain affordable housing for at least fifty years. And lastly this investment will benefit local businesses as it will provide much needed affordable housing for workforce to live locally. | X                          | X                       |          |               |         |            | X                     | X                  | X           | X      | X                 | X              | X   | X          | 200,000 | 300,000 |
| 6                | Immediate Impact Community Project | 34                             | Park Maintenance Fleet and Equipment Upgrades                                       | This project is to fund/replace fleet and equipment replacements for Park Maintenance operations to equip staff to adequately maintain increased acreage in the park system and to improve maintenance levels in established parks. These units have all reached the end of useful life.  | Park visitors, staff  |                            |                         |          |               |         |            | X                     |                    |             |        |                   | X              |     | 370,000    | 400,000 |         |
| 7                | Immediate Impact Community Project | 4                              | Ambulance Replacement   | Purchase a replacement ambulance that was not funded due to budgetary constraints. Two ambulances are being surplus due to equipment failures. The addition of this ambulance will move a high mileage ambulance to reserve. The FD has been responding to COVID patients since the pandemic started and continues to support COVID response.   | McMinnville community and our Ambulance Service Area  |                            |                         |          |               |         |            | X                     |                    |             |        |                   | X              |     | 230,000    | 250,000 |         |
| 8                | Innovative, High Impact Project    | 19                             | Innovation Center - Public Infrastructure Feasibility Analysis                      | This is a feasibility analysis of the necessary public infrastructure needed to support an Innovation Center on 140 acres of vacant industrial land on Highway 18 and at the Evergreen Campus. The feasibility analysis will evaluate the type and size of broadband, water, wastewater, power and transportation infrastructure needed to serve a high-density research and development industrial/business office district. Currently the city has only planned for the infrastructure necessary to serve a low-density general industrial user, and that infrastructure is already noted to be under capacity for even that type of industrial user. The public infrastructure feasibility analysis will allow the City to understand the public infrastructure that it needs to build to support the private development envisioned for this site, and to then leverage that knowledge to apply for state and federal infrastructure funds to build the infrastructure. Both the State of Oregon and the Federal Economic Development Agency have identified Innovation Hubs as priority economic development investments coming out of COVID. This is a priority project in terms of timeliness and the ability for McMinnville to leverage its ARPA funds for larger impact.  | The development of an Innovation Center will benefit McMinnville and Yamhill County's economic development health. It will be a campus for both new and growing companies to co-locate and collaborate, share resources, and intellectual capital. It will also serve as a Class A office campus for McMinnville, which currently does not exist. The jobs created will serve both McMinnville residents and Yamhill County residents.  | X                          |                         |          |               |         |            | X                     | X                  | X           | X      | X                 | X              | X   | 175,000    | 250,000 |         |
| 9                | Innovative, High Impact Project    | 16                             | First Responders for Mental Health Crises   | Historically those in our community who suffer from mental health crisis, homelessness, and addiction have inappropriately been funneled into a public safety pathway to deal with incidents within our community. This has generally pulled resources from the police department who are equipped to handle some incidents; however, they are not necessarily the most effective at finding long term and wrap around solutions for those in need. The City would like to invest a portion of ARPA funds into a studying how a community-based system solution to keep public safety out of many of these types of calls might benefit us and what our options might be for making it a reality. We believe these community-based solutions will provide better long term outcomes for those in crisis by having those with the expertise to take the lead and find positive outcomes for those who need, or desire help. This project would consist of contracting with a consultant who could best provide a "road map" for our community. The consultant could provide information about how to right size a program for a community our size, utilizing existing programs inside the county or finding new entities to invest in and partner with.   | Residents experiencing mental health crises and their families and loved ones.  | X                          |                         |          |               |         |            | X                     | X                  | X           |        | X                 | X              |     | 15,000     | 25,000  |         |



**Staff Recommendation on ARPA Investments - High Priority Projects**

| Priority Ranking | Category                           | Project # (from complete list) | Project Name  | Description   | Beneficiaries   | SLRRF Eligibility Criteria |                         |              |       |       | Investment Principles |            |              |                    | City Values |        |                   |                | Total Cost |           |
|------------------|------------------------------------|--------------------------------|---|---|---|----------------------------|-------------------------|--------------|-------|-------|-----------------------|------------|--------------|--------------------|-------------|--------|-------------------|----------------|------------|-----------|
|                  |                                    |                                |   |   |   | Public Safety              | Water, Sewer, and Storm | Public Works | Other | Other | Address               | Resiliency | A letter way | Work with partners | Stewardship | Equity | Coverage / Future | Accountability | Low        | High      |
| 10               | Immediate Impact Community Project | 30                             | Library HVAC Replacement                            | This is the number one Library priority for use of the ARPA funds. The Library HVAC is over 40 years old and requires frequent maintenance and replacement of parts, often costing the City \$35,000 - \$50,000 annually. Parts are hard to find due to the age of the equipment, and at least once a year the Library is left without heating or air conditioning while parts are researched and ordered. The most recent large equipment replacement of the Library HVAC system was 8 years ago, when the cooling tower was replaced. At the time it was recommended that the HVAC system be overhauled, but the decision was made instead to patch the system once again. During the COVID 19 pandemic it was recommended that HVAC filter systems be upgraded to the best possible standards to prevent transmission of the virus. Upgrading the Library HVAC will help with prevention of the COVID 19 virus. It will also be a long term savings for the City by keeping the Library buildings and systems in better working order.   | Library staff, patrons, those who use the Library as a warming and cooling shelter, community members and visitors who use the Library.   | X                          |                         |              |       |       | X                     | X          |              | X                  |             |        |                   |                | 80,000     | 150,000   |
| 11               | Internal Efficiency Effectiveness  | 24                             | IS - Replace Firewall / VPN system                  | The current City Firewall / VPN system will go end of life in FY 2024. This project will allow us to pull the replacement forward and get improved technology in place where it is needed most, especially for Covid-19: improving remote access tools for all City employees and improving the City's security posture for years to come. The current Firewall was put in place in 2015 and while serviceable, is approaching the end of its functional life.  |   |                            | X                       |              |       |       |                       | X          | X            |                    | X           | X      |                   |                | 58,000     | 80,000    |
| 12               | Immediate Impact Community Project | 47                             | Storm Water Capacity Projects                       | This request is for engineering and construction funds for stormwater capacity projects to address areas of flooding and insurance claims.  | Impacted area residents, motorists and wastewater utility ratepayers.   | X                          | X                       |              |       |       | X                     |            |              | X                  | X           | X      | X                 |                | 402,500    | 553,750   |
| 13               | Immediate Impact Community Project | 42                             | Update to Parks and Open Space Master Plan          | Update to Parks and Open Space Master Plan  | McMinnville residents   | X                          |                         |              |       |       | X                     | X          | X            |                    | X           | X      | X                 |                | 100,000    | 200,000   |
| 14               | Internal Efficiency Effectiveness  | 17                             | Facilities Manager                                  | This project funds one year of staffing and equipping costs for a Facilities Manager at the City. To date, the City has been unable to fund reserves for building maintenance, repairs or upgrades, so such work has been limited to available General Fund resources. This staffer would build a plan to address extending the life of impacted facilities, improving safety and operational capacity. Work would include needed building repairs, roofs, painting, HVAC upgrades and accessibility improvements.  | Public facility visitors and users, staff, program participants   |                            |                         |              |       | X     |                       | X          | X            |                    | X           | X      |                   | 180,000        | 200,000    |           |
| 15               | Internal Efficiency Effectiveness  | 13                             | Emergency Manager                                   | The City of McMinnville has been without a dedicated staffer to focus on the Emergency Management issues. This would fund .5 FTE of a position to focus on this Emergency Management planning and preparation for 3 years.  | Residents and businesses  |                            |                         |              |       |       | X                     |            | X            |                    | X           | X      |                   |                | 183,000    | 242,000   |
| 16               | Immediate Impact Community Project | 40                             | Park Maintenance System Wide Irrigation Renovations | This project is to fund needed renovations irrigation renovations in multiple irrigation systems throughout the park system. Work will focus on sports turf, neighborhood parks and heavily used turf stands in community parks.  | Park visitors, staff, recreation program users  |                            |                         |              |       |       | X                     |            | X            |                    | X           | X      |                   |                | 240,000    | 263,900   |
| 17               | Internal Efficiency Effectiveness  | 1                              | ADA Transition Plan                                 | Contract with a consultant to develop an ADA transition plan to address ADA access issues and become compliant with the Federal ADA Act - to improve access and remove barriers to participation (Objective 5 under Engagement and Inclusion of MacTown 2032 Strategic Plan)  | McMinnville community and visitors. Approximately 12% of McMinnville residents identified as disabled (American Community Survey, 2015-2019).   | X                          |                         |              |       |       | X                     | X          | X            | X                  | X           | X      | X                 |                | 250,000    | 300,000   |
| 18               | Immediate Impact Community Project | 6                              | Backlog in court cases                              | Implement COVID-19 safety measures to facilitate court operations, expand current staffing model to increase speed of case resolution and address backlog of case counts and projects due to pandemic.  | Individuals who have reason to come before the court and their counsel, agency partners such as law enforcement, crime victims, treatment and resource providers, the members of the community at large who benefit from law enforcement and adjudication of those cases. | X                          |                         |              |       |       | X                     |            |              | X                  | X           | X      |                   | 58,100         | 67,100     |           |
| 19               | Immediate Impact Community Project | 31                             | Mobile Rec Station                                  | 2021 Transit 350 Cargo van with bench seat, branded/wrapping, retractable awning to take out to neighborhood parks for free activities.   | McMinnville residents   | X                          |                         |              |       |       | X                     | X          | X            |                    | X           | X      |                   |                | 61,500     | 82,000    |
| 20               | Immediate Impact Community Project | 53                             | Replacement of 16" steel water transmission main    | In 2011 Water and Light completed its current master plan. That plan called for the replacement of the 16" steel transmission main installed in the 1940's. That water main is approximately 10 miles in length from the water treatment plant to the service reservoirs on Fox Ridge. Estimated cost at that time was \$24 million. In 2015 Water and Light installed the first phase of the replacement with 2,000 ft. of 36" steel main Horizontal Directional Drilled (HDD) under Meadow Lake Road. This project installed 900 ft. of ductile iron pipe to intertie with the original main on Panther Creek. Total cost of this project was \$5.6 million. In 2019 Water and Light replaced 6,600 ft. of the 16" main with 36" ductile iron pipe. This section was replaced due to numerous leaks. Total cost of this project was \$4.2 million. Currently there is an additional 45,000 ft. to replace with an estimated cost of \$30 million. Water and Light is seeking \$1.0 million for both engineering services for design and easement acquisition to complete the design and have the remaining six phases shovel ready. | All City of McMinnville Residents   | X                          |                         |              |       |       | X                     |            |              | X                  |             |        |                   |                | 750,000    | 1,000,000 |

**Staff Recommendation on ARPA Investments - Medium Priority Projects**

| Priority Ranking | Category                           | Project # (from complete list) | Project Name  | Description   | Beneficiaries  | SLFRF Eligibility Criteria |                    |          |            |           | Investment Principles |            |              |                    | City Values |        |         |           | Total Cost     |         |
|------------------|------------------------------------|--------------------------------|---|---|--|----------------------------|--------------------|----------|------------|-----------|-----------------------|------------|--------------|--------------------|-------------|--------|---------|-----------|----------------|---------|
|                  |                                    |                                |   |   |  | MH/Econ Recovery           | Water, Sewer, Bldg | Item Pay | Short Term | Long Term | Address Disparities   | Resiliency | A better way | Work with partners | Stewardship | Equity | Courage | Integrity | Accountability | Low     |
| 21               | Immediate Impact Community Project | 25                             | IS - Technology in Conference Rooms                       | Technology upgrades to the Civic Hall and other City conference rooms to allow for high quality, easy to use and equitable public meeting tools.  | City employees, Council/Committees, Public   | X                          | X                  |          |            |           | X                     | X          |              |                    | X           |        |         |           | 77,000         | 105,000 |
| 22               | Immediate Impact Community Project | 11                             | Document Translation into Spanish                         | This is a request to hire a service to translate the City Code and all externally facing core service forms and applications into Spanish. Approximately 25% of the McMinnville population identifies as Hispanic. Approximately 20% of McMinnville residents do not speak English at home. The City of McMinnville has made an effort to translate some documents into Spanish but only in very discrete and specific situations. The McMinnville City Code, Zoning Ordinance, Permits, Land-Use Applications, Code Enforcement Forms, Legal Forms, Parks and Recreation Participation Forms, etc. have not been translated into Spanish. Translation services can be provided when requested, but many studies show that people who do not speak the host nation language are often reluctant to request translation of government documents into their native language. In January, 2022, we will need to provide equitable access to all public meetings both in a virtual environment and in person. We could livestream meetings with closed caption subtitles in both English and Spanish. | Spanish speaking residents of McMinnville and Spanish speaking customers of the City of McMinnville as well as McMinnville generally by increasing engagement with all members of the community. | X                          |                    |          |            |           | X                     | X          | X            | X                  | X           | X      | X       | X         | 50,000         | 100,000 |
| 23               | Innovative, High Impact Project    | 7                              | Broadband access and technology training                  | Address 2 of 3 barriers to highspeed internet: cost of service for people who can't afford it and training on how to effectively use the internet.  | Residents unable to afford highspeed internet and/or who could benefit from technology training.   | X                          |                    |          |            |           | X                     | X          |              |                    | X           | X      |         |           | 362,500        | 612,500 |
| 24               | Immediate Impact Community Project | 39                             | Park Maintenance: Neighborhood Park Renovations           | This project is to fund needed playground replacements in several neighborhood parks, replace deficient fall attenuation material and renovate sport court surfaces.  | Park visitors, staff   |                            |                    |          | X          |           |                       |            | X            |                    | X           | X      |         |           | 240,000        | 262,600 |
| 25               | Internal Efficiency Effectiveness  | 12                             | Electric vehicle for Library home delivery                | This is the second highest Library priority for ARPA funds. At the beginning of the COVID 19 pandemic, the Library developed a system for delivery of Library materials within the City limits of McMinnville. The service was a success with both patrons and staff, and was soon expanded to include Lafayette, Yamhill, and Carlton. Currently the Library uses an older SUV passed down from the Fire Department. While a great benefit at the time, the hand-me-down vehicle is not a long term solution for Library home delivery. Home delivery is an example of a service where the pandemic has shown us another beneficial method of delivering Library materials. It is the intention of the Library to continue home delivery. Purchasing a new or used electric vehicle will save the City on fuel, and enable the Library to continue home delivery for many more years.  | Library patrons and staff  | X                          |                    |          |            |           |                       |            | X            |                    | X           | X      |         |           | 30,000         | 70,000  |
| 26               | Innovative, High Impact Project    | 52                             | HR - DEI Implementation                                   | Investments to implement diversity, equity & initiatives. Possibly including personnel and/or consultant costs.   | DEI initiatives benefit employees, volunteers, and residents.  |                            |                    |          | X          |           | X                     | X          | X            |                    | X           |        |         |           | 55,000         | 225,000 |
| 27               | Immediate Impact Community Project | 36                             | Park Maintenance: Discovery Meadows Splash Pad Renovation | This project is to fund needed renovations to the Discovery Meadows splash pad. Constructed in 2005, this park feature is heavily visited and attracts multiple visitors to Discovery Meadows Park. The work would include renovating the mechanical system, filtration, water quality components, control elements and plaza.  | Park visitors, staff   |                            |                    |          | X          |           |                       | X          |              |                    | X           | X      |         |           | 240,000        | 263,900 |
| 28               | Internal Efficiency Effectiveness  | 20                             | IS - Datacenter Move (CC to WWS)                          | The City currently has two main datacenters at the Community Center and Police Department. Recent investments to the WWS facility combined with an uncertain future for the Community Center make this a highly beneficial project to position City infrastructure for years to come.   | City Infrastructure, Cybersecurity and Resiliency position.  | X                          |                    |          |            |           |                       | X          |              |                    | X           | X      |         |           | 52,000         | 105,000 |
| 29               | Internal Efficiency Effectiveness  | 46                             | Remodel Muni Court more accessible                        | Remodel the first floor of the City Hall to allow the Municipal Court to have its own entrance that is ADA compliant and allows for improved social distancing for both members of the doing business with court staff as well as the staff themselves.   | Individuals who have reason to come before the court, staff working in the City Hall   | X                          |                    |          |            |           | X                     |            |              |                    | X           | X      | X       |           | 16,500         | 35,000  |
| 30               | Internal Efficiency Effectiveness  | 54                             | Covid Costs to City Organization                          | City staff time and direct costs for items such as PPE, specialized cleaning, etc. directly related to covid and the response to it continue to be part of the work of the City. This estimates the cost for these activities.  | All city staff, visitors, partners and community members who receive services from the City  | X                          |                    |          |            |           |                       | X          |              |                    | X           | X      |         |           | 125,000        | 250,000 |

**RESOLUTION NO. 2021 - XX**

A Resolution of the Common Council of the City of McMinnville approving allocation of American Rescue Plan Act (ARPA) Funds.

**RECITALS:**

**Whereas**, the United States federal government adopted the American Rescue Plan Act of 2021 (ARPA); and

**Whereas**, a component of ARPA allocates Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to state and local governments; and

**Whereas**, the City of McMinnville (City) will receive a total of approximately \$7.7 million in SLFRF in two payments, one of which the City has already received; and

**Whereas**, the City's Budget Committee has had several work sessions to discuss how the City may utilize the SLFRF; and

**Whereas**, these discussions resulted in the Budget Committee recommending a prioritized list of projects to be funded with SLFRF, which list is attached hereto as Exhibit 1.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:**

1. The Council hereby approves allocation of ARPA-SLFRF based on the prioritized list of projects that are provided in Exhibit 1 attached hereto and incorporated by reference herein.
2. To the extent budget supplemental(s) is necessary, staff are directed to undertake the process(es) for Council adoption of said budget supplemental(s).
3. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the\_\_ day of October, 2021 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this \_\_ day of October 2021.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

## STAFF REPORT

**DATE:** October 20, 2021  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Resources and Sustainable City Services

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### Strategic Priority and Goal:



### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief

The Council, along with the citizen members of the Budget Committee (to serve as the community's voice), is grappling with the McMinnville City Council's 2021 objective to "address insufficient resources by finding new sustainable funding sources."

The Budget Committee (a statutorily established body made up of all Council members, the Mayor and seven members of the public) have had four work sessions on this topic. At the 10/20/2021 meeting we plan to do the following:

- Share additional information requested from the prior discussion on 9/22/2021 (5 minutes)
- Budget Committee discussion (50 minutes)
- Budget Committee recommendation on resources

Staff report Attachment A contains the proposed recommendation based on the general feedback and discussion that emerged during the prior discussion of the staff recommendation and Attachment B is a draft of the resolution that will come before Council on 10/26/2021. Both documents will be adjusted as needed to reflect the proposed recommendation coming out of this meeting.

Attachment C contains trend information on General Fund financial and staffing changes over time. The historic data is adjusted to combine Ambulance Fund data with the General Fund so the data look back is consistent regarding core city activities (police, fire/ambulance, parks and recreation, park maintenance, the library, short- and long-term planning, internal services) supported by unrestricted General Fund resources (property tax, franchise fees, state shared revenues).



### **Additional Information Requested**

Supplemental information requested from the 9/22/2021 meeting is provided regarding two of the options included in the staff recommendation:

#### 1. Business License fee

In 2018, the stable table recommended options that Council might consider with a business license fee that ultimately were not moved forward. That work suggests four options for consideration:

- A. Continue with no business license or business registry, maintaining specialty licenses for particular types of business in current code (ex: stage terminals, circuses)
- B. Create a business registry for communications and health/safety inspection purposes  
Sliding scale in range of \$35 to \$100 in annual license fees
- C. Create business registry noted in B and fund 0.5 FTE for "Welcome to McMinnville" and economic development programming  
Sliding scale in range of \$50 to \$150 in annual license fees
- D. Create business registry noted in B and fund 1.0 FTE for "Welcome to McMinnville" and economic development programming  
Sliding scale in range of \$75 to \$200 in annual license fees

If the Budget Committee includes B, C or D in its recommendation tonight, staff will begin work to refine its cost recovery estimate for the business license program and prepare details on the sliding scale and other activities associated with updating the city code.

#### 2. Internal financing for Capital Investments

The Oregon Revised Statutes (ORS 294.468) describe the conditions under which loans from one fund in an agency may be made to another fund for capital purposes. A formal agreement defining the terms of the loan is required; each contract is ratified in a local governing body resolution or ordinance.

The City's utilization of this financing instrument will always be analyzed in the context of the near- and long-term fund balance impact on the lending fund, the ability of borrowing fund to meet the repayment terms and applying interest rates at a premium over the local government investment pool's interest such that both the lending and borrowing fund benefit financially from the agreement.

It is a basic tenet in municipal finance that restricted funds may not be used for purposes outside of eligible activities. In 2017, the City of Portland settled a six-year long lawsuit regarding water and sewer utility funds directed to support ineligible projects, an incident that has been on the radar of municipal utility staff. This episode serves as a reminder of the importance of complying with municipal



finance regulations, including properly executing interfund loans.

### **Discussion**

Based on the generally positive reception of the staff's recommendation of 9/22/2021, as well as ongoing staff research into the resources believed to offer most promise to support sustainable city services to the community, the staff recommendation to the Budget Committee remains largely the same as presented:

1. Establish a Service Fee to support the broad array of services provided through the General Fund via utility billing

The Service Fee is a scalable option with the potential to efficiently raise dollars on a seven-figure scale. A waiver/discount program can be included to mitigate impact for members of the community who are least able to pay. Its flexibility makes it a particularly good match to utilize in combination with the Fire District initiative. Ongoing conversations with McMinnville Water and Light (MWL) show it is logistically feasible to bring this online in time for FY2022-23's start on 7/1/2022.

The Service Fee should include a three to five year formal review.

2. Continue on the path towards a Fire District

The Fire Department continues to work with Emergency Services Consulting International (ESCI) to finalize the financial models that include the districts the City will be working with on this initiative. When the financial details are finalized – including Council decision on the approach to the City's permanent rate in the context of a higher overall tax rate for city residents – and we ultimately see the will of the people expressed by the results of an upcoming special district ballot measure, corresponding adjustments to the municipal service fee based can be made.

3. Establish a Business License Fee

While we are sensitive to the fact that the last 20 months have represented an unprecedented and difficult period for businesses and employers in town due to the impacts of the Covid-19 pandemic, staff continues to recommend the City establish a Business License Fee to, at a minimum, create a business registry to facilitate communication with all city businesses, from single proprietors operating from home to the largest, most established employers of the community. The City works to be a supportive, agile and responsive partner to the entire business community, particularly as evolving needs – and opportunities – continue to surface.

4. Authorize a program of interfund borrowing for capital investments

The benefits of this tool are two-fold: (1) it offers the lending fund the opportunity to earn a higher rate of return on cash that is sitting idle in its fund balance and (2) it offers the

lowest cost of financing capital investments available to municipalities to the fund that borrows.

5. Consider Construction Excise Tax

A panel of experts and practitioners will be presenting information on the Construction Excise Tax to the City Council on 11/17/2021. The Affordable Housing Committee has been evaluating the benefits of an affordable housing Construction Excise Tax for the past four years and is working on a recommendation for the City Council to consider.

6. Continue iterative advancements in three existing funding areas

Staff intend to continue work in the areas of system development charges (SDCs), franchise fees and cost recovery.

**Next Steps**

The Council, at its 10/26/2021 meeting, will accept and/or reject the recommended resource options for sustainable city services in a resolution (draft resolution is Attachment B).

With the decisions made, staff will focus on implementation activities including:

- Service Fee rate methodology, refine revenue projections, work closely with MWL to establish systems and business processes required, create a low-income discount/waiver program
- Business License Fee rate setting based on approved program level, establish systems and business processes required
- Community engagement initiatives regarding all new resource programs approved, including coordination with the City's Diversity, Equity and Inclusion Advisory Committee

Further discussion of the City's core services and work during the FY2022-23 budget cycle will combine to identify the amount of revenue sought, at a minimum, for the initial year of the Service Fee.

**Fiscal Impact**

These discussions will ultimately have a key impact on the City's financial sustainability and ability to maintain services in the FY2022-23 budget cycle and beyond.

**Recommendation**

Budget Committee recommends Council approve the portfolio of resource options included in Attachment A: Recommended Resources for Sustainable City Services.

**Attachments**

- A. Recommended Resources for Sustainable City Services
- B. Draft Resolution to come before Council on 10/26/2021
- C. Trend data on City Staffing levels and General Fund financial condition over time

## **Recommended Resources for Sustainable City Services**

The Budget Committee recommends that the City Council:

1. Adopt a new service fee to support the general fund with a formal fee review after \_\_\_ years
2. Continue efforts to create a new fire district
3. Adopt a business license fee program
4. Utilize interfund borrowing for capital investments when it makes financial sense for lending and borrowing funds
5. Consider establishing a construction excise tax
6. Continue its efforts to review system development charges, franchise fees, and cost recovery

**RESOLUTION NO. 2021 - XX**

A Resolution of the Common Council of the City of McMinnville preliminarily adopting certain sustainable funding sources.

**RECITALS:**

**Whereas**, in 2021, the McMinnville City Council established an objective to "address insufficient resources by finding new sustainable funding sources;" and

**Whereas**, the Budget Committee of the City of McMinnville held several work sessions to discuss options for new, sustainable resources; and

**Whereas**, the resources were evaluated based on seven (7) criteria, which evaluation was included in the September 22, 2021 staff report; and

**Whereas**, based on that evaluation, staff recommended that a service fee paid via utility billing be established; and

**Whereas**, staff also recommended that the City continue working toward establishing a new fire district, creating a business license program, and utilizing a program of interfund borrowing for capital investments; and

**Whereas**, staff further recommended that the City continue exploring a construction excise tax; and

**Whereas**, staff indicated an intent to continue iterative advancements regarding systems development charges, franchise fees, and cost recovery; and

**Whereas**, the Budget Committee reviewed the staff recommendations and supporting materials provided throughout the Budget Committee's discussions on new, sustainable resources and its recommendation regarding the adoption of certain sustainable funding sources at its meeting on October 20, 2021; and

**Whereas**, the Council has reviewed the Budget Committee's recommendation; and

**Whereas,** the Council understands that further discussions and approvals must occur to determine the scope and implementation of any new, sustainable resources.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:**

1. The Council hereby preliminarily adopts a new service fee to support the general fund with a formal review after X years, subject to needed future approval by the Council regarding the scope and implementation of the service fee.
2. The Council preliminarily adopts a business license program, also subject to needed future approval by the Council regarding the scope and implementation of the business license program.
3. The Council instructs staff to continue the effort of creating a new fire district and utilizing interfund borrowing for capital investments.
4. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the \_ day of October, 2021 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this \_\_ day of October 2021.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder





# City of McMinnville **Trend Data over Time**

## **Introduction**

The following graphs describe changes over time for adopted budgets, actual financial activity and the workforce included in the current portfolio of General Fund services. Whenever General Fund appears in this document, it includes ambulance activities and staff levels that prior to FY2019-20 were accounted for in a separate fund.

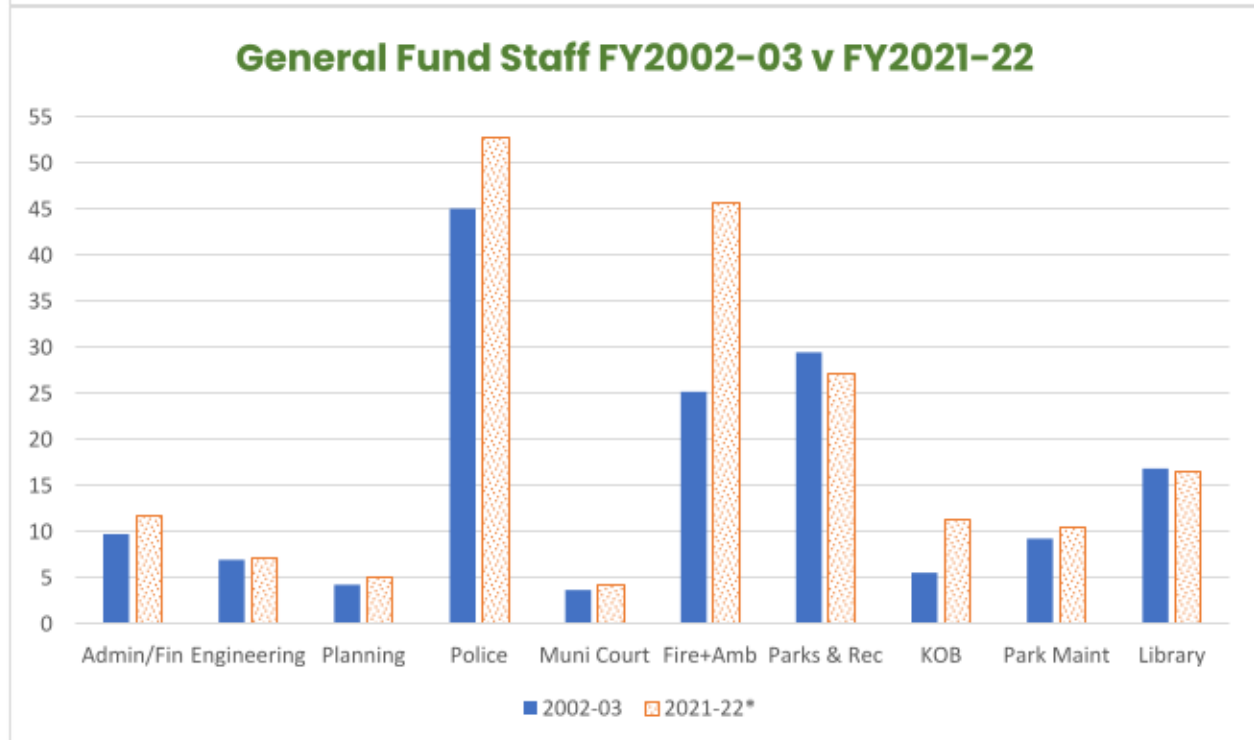
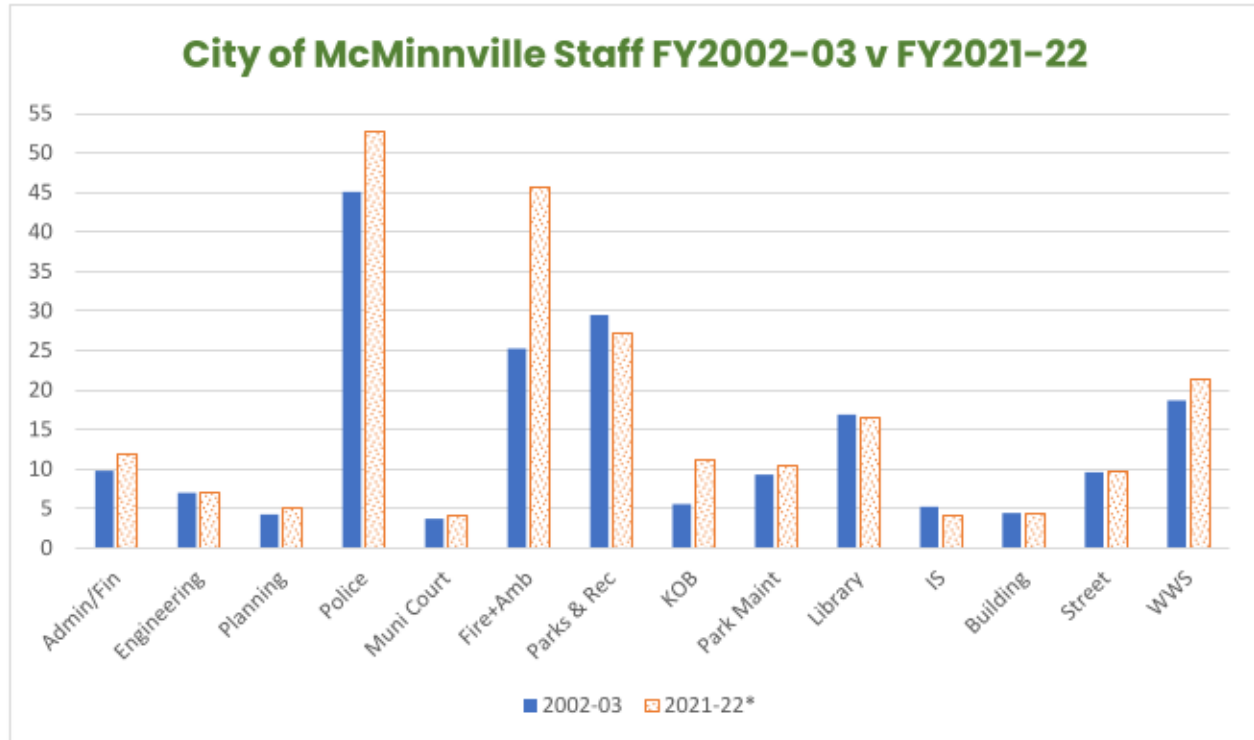
Financial data is presented from FY2008-09 to date; this initial period was the first full year that the accounting system the City currently uses was deployed. Some staffing level data presented covers the twenty-year period starting in FY2002-03, information available from an earlier study of city-wide full-time equivalents (FTEs).

These trends help provide context for the City's current financial circumstances and some of the program and staffing investments made over the last many years. This document does not attempt to identify all the significant one-time expenses or revenues that occurred in individual years.

October 10, 2021



### Workforce Trends



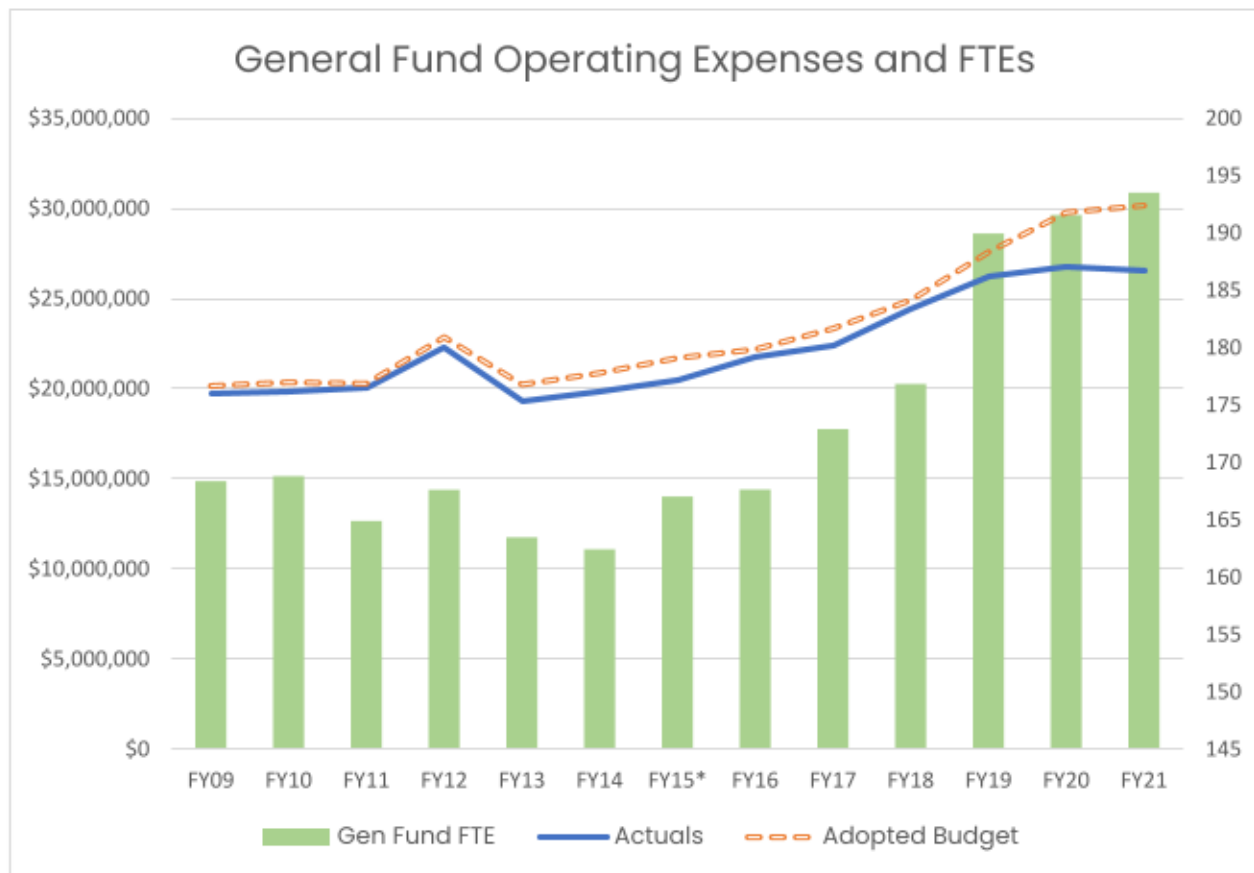
\* FY2021-22 data is adjusted to better reflect departmental comparison of staffing investment over time. Two re-organizations affect department level FTEs but do not represent an investment in new services: FY2018-19 reorganization (moving 2 code compliance FTE from MPD to Planning and moving park ranger 1.7 FTE from P&R to MPD) and FY2019-20 outsource of ambulance billing (reduced Admin/Fin by 1.8 FTE)

Other General Fund Staffing Information:

- Fire and Ambulance service staff has seen the largest growth in headcount over the last 20 years. In FY2005-06 and FY2006-07, approximately seven staffers came on board those years; another addition of three employees was budgeted in FY2011-12; incremental staffing investments averaging 1.33 FTE were budgeted each year from FY2016-17 through FY2021-22.
- Police staffing generally held steady in the 43-45 FTE range for the first 15 years of the last two decades; investments in FY2017-18 and FY18-19 brought the staffing level up to 52.5 FTE level budgeted in the last three fiscal years.
- FY2021-22 includes a budgeted loss of over three FTE for Parks and Recreation programming staff relative the prior year due to Covid-19 impacts and austerity measures required to balance that year's budget. During the past two decades, Parks and Recreation staffing levels have ranged from 24 FTEs to the high-water mark of 29.5 FTEs back in FY2002-03.
- Kids on the Block (KOB) staffing has seen the highest increase proportionally over the last 20 years, giving an indication of the after-school program's outsized impact on the ability of the Parks and Recreation department to fulfill its larger core services mandate to the community.
- The City added a full-time city recorder and, later, a human resources manager; both accounted for in the Administration Department. The Finance Department, net of the outsourced ambulance billing function, remains unchanged relative 20 years ago. Over the years, Finance has experienced periods with one to two FTE in additional staff over its 4.85-5.0 FTE base level seen the last five years as well as in the early 2000s.
- Planning function staff capacity has increased by less than one full FTE in the last two decades; this fact can be difficult to see since the budget shows the department's proportionate increase of 80% in personnel relative its staffing level of only 3.5 FTE in FY2016-17. This recent budgetary increase is predominantly driven by moving the code compliance function (two FTEs) from the Police Department to the Planning Department in FY2018-19.
- Park Maintenance staff has experienced the biggest proportional workforce fluctuations in the last 20 years, with staff levels ranging from 5.6 to 8.0 FTE

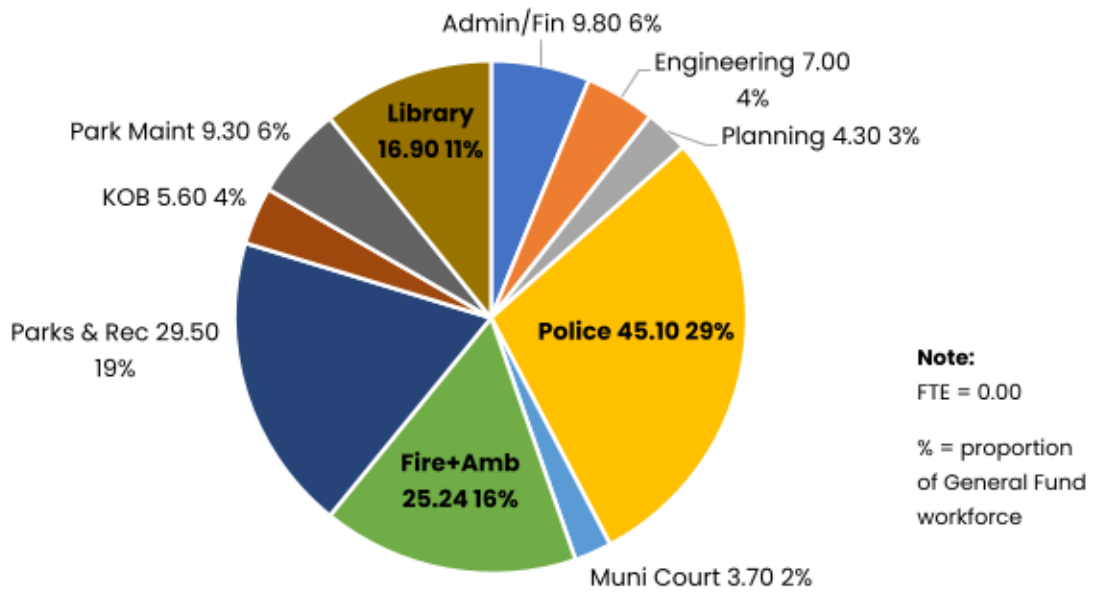
from FY2003-04 through FY2009-10. Since then, the last 14 years have seen that budgeted FTE range stabilize from 9.1 to 10.6.

- The Library has had the most stability in its staffing levels over this period though it is down this fiscal year by .34 FTE relative the FY2002-03 year.
- Municipal Court staffing has seen a variety of approaches to staffing over the years including contracted and staff judge and city prosecutor services, different budget locations for attorney positions and supervision shifting out of Administration to Finance.
- Engineering staff levels have ranged from 5.6 to almost 8.0 FTE. This department receives the highest proportion of transfers from other funds to cover its costs, though transfers do also support the Administration and Finance Departments.

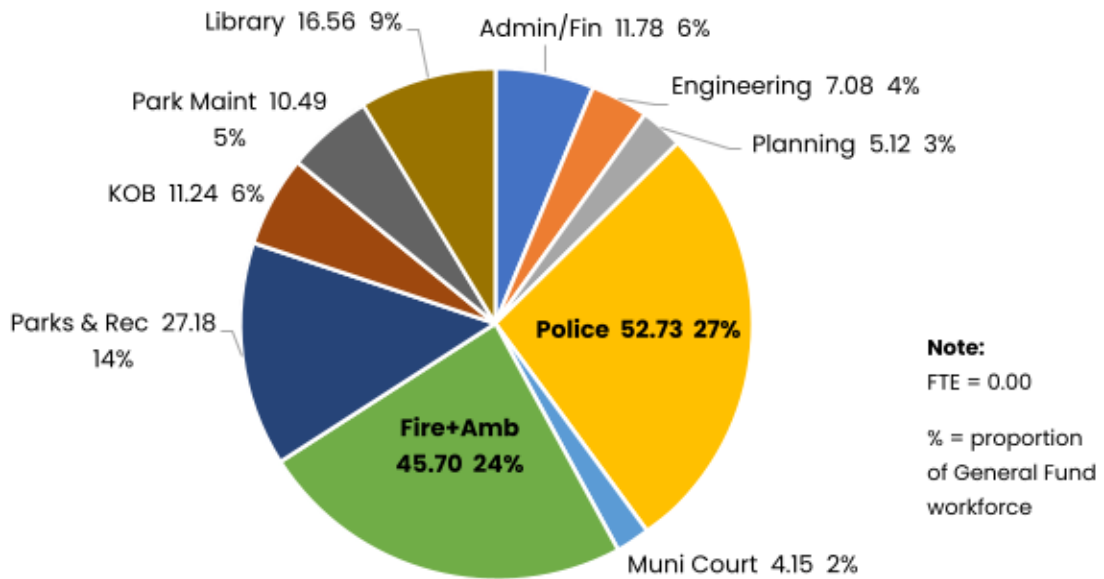


General Fund includes Ambulance Fund activity in earlier years. Operating Expenses = Personnel + Materials and Service budget categories. The right hand axis applies to the bars and represents the number of Full Time Equivalents (FTEs) budgeted each year.

## General Fund Staffing FY2002-03

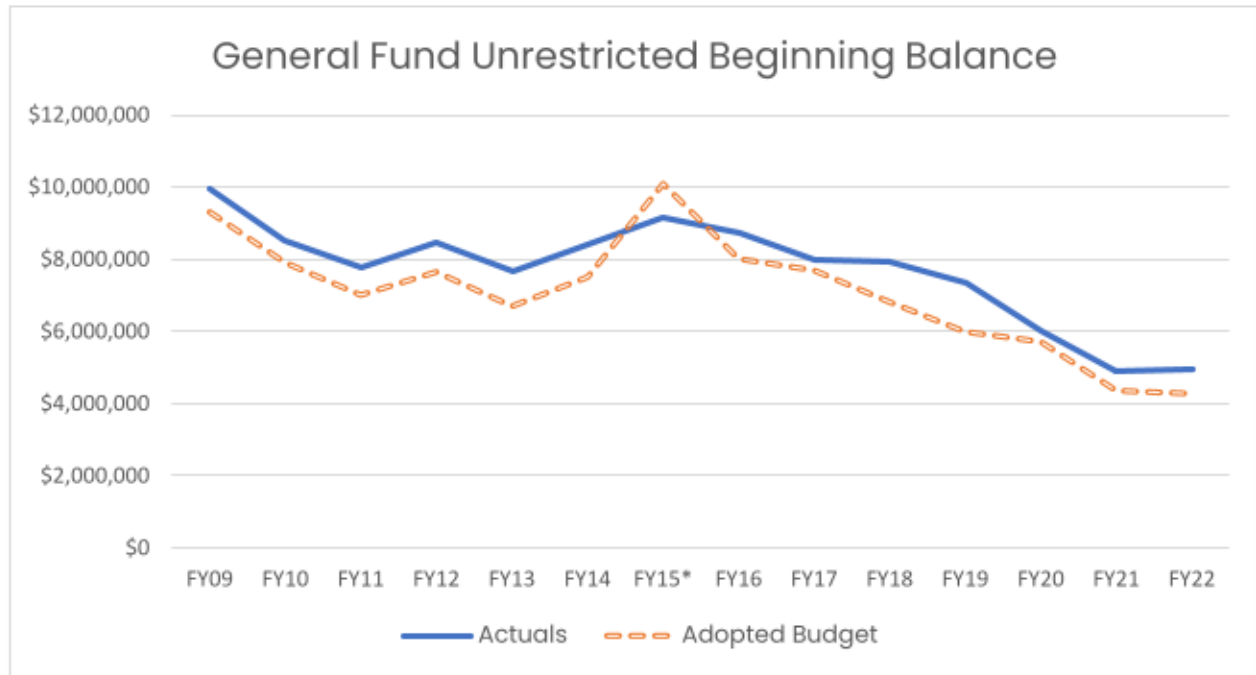


## General Fund Staffing FY2021-22\*

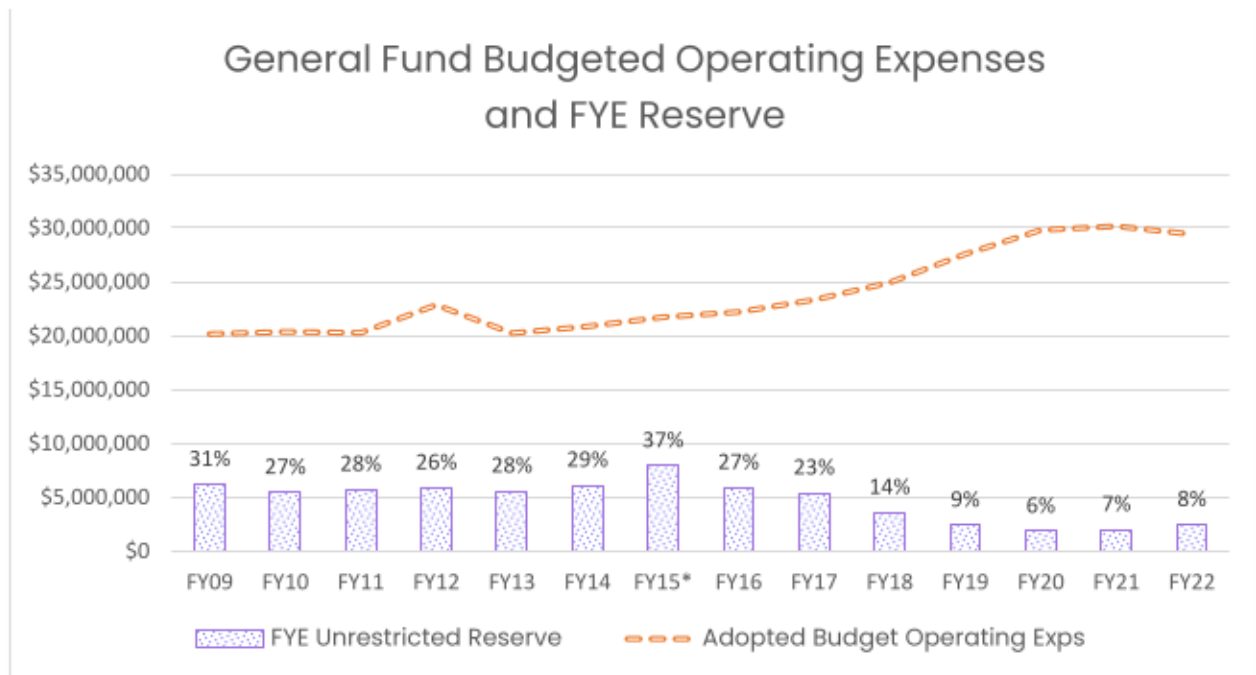


\* FY2021-22 data is adjusted to better reflect departmental comparison of staffing investment over time. Two re-organizations affect department level FTEs but do not represent an investment in new services: FY2018-19 reorganization (moving 2 code compliance FTE from MPD to Planning and moving park ranger 1.7 FTE from P&R to MPD) and FY2019-20 outsource of ambulance billing (reduced Admin/Fin by 1.8 FTE)

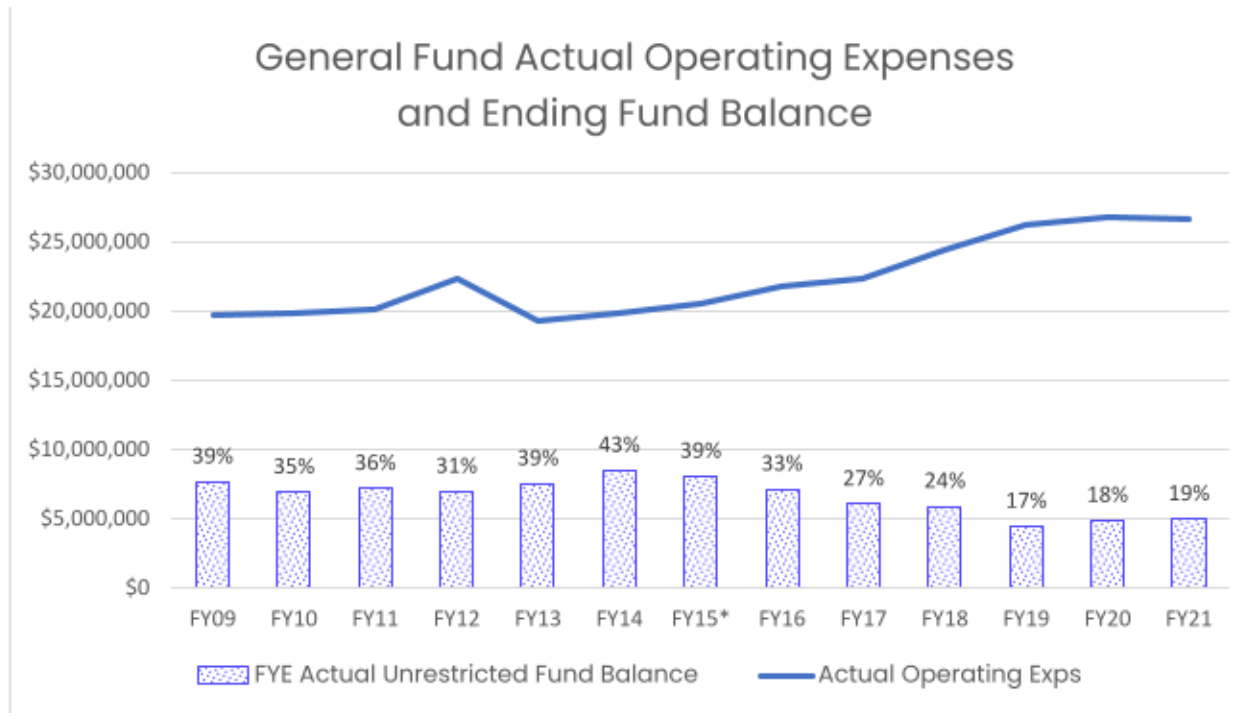
### Financial Trends



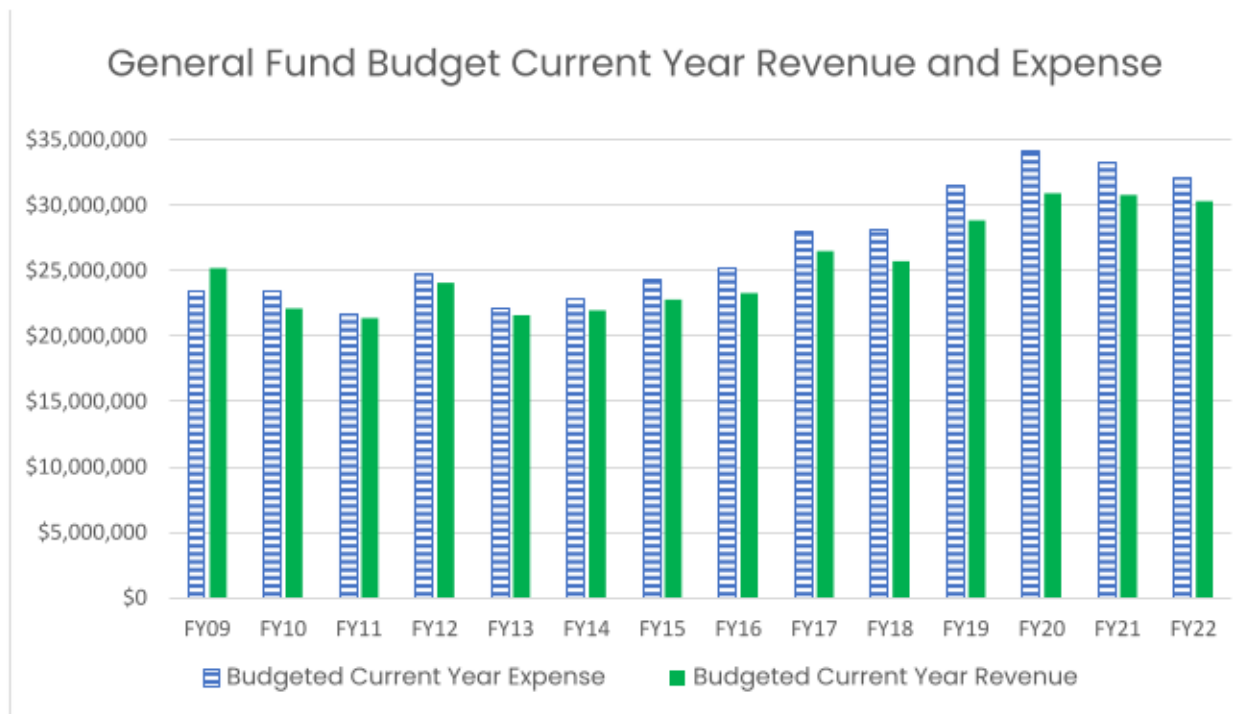
General Fund includes Ambulance Fund activity in earlier years. Unrestricted Beginning Balance excludes funds dedicated for Fire Volunteer’s Length of Service Award Program or temporary reserve funds established for capital investment or other restricted purposes. FY2021-22 Actual Beginning Balance is unaudited and subject to change.



General Fund includes Ambulance Fund activity in earlier years. Operating Expenses = Personnel + Materials and Service budget categories. The Fund Balance policy adopted in FY2020-21 sets the reserve target (contingency + unrestricted ending fund balance) at two months of operating cost (16.67%) with five years to build back up starting in FY2021-22.

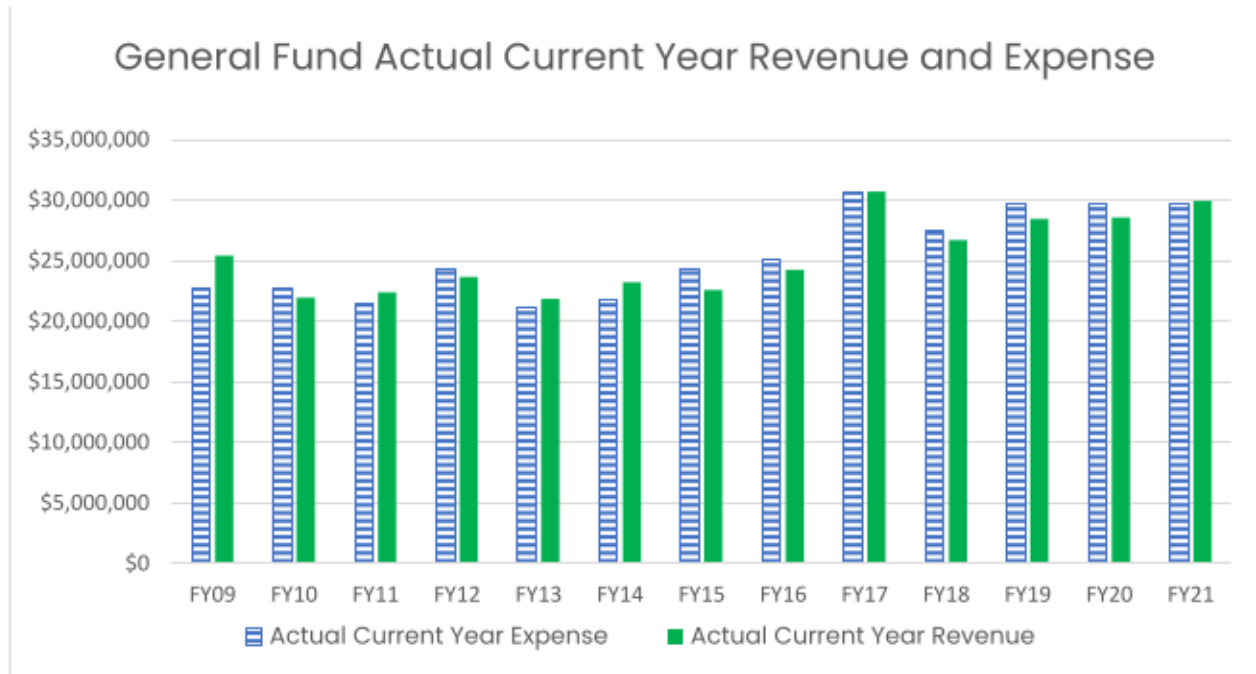


General Fund includes Ambulance Fund activity in earlier years. Operating Expenses = Personnel + Materials and Service budget categories. While the City hasn't budgeted at the new two months of operating expense reserve level, actual fund balance has met that standard.



General Fund includes Ambulance Fund activity in earlier years. Current year revenue excludes beginning fund balance. Budgeted current year expense excludes reserve (contingency and ending fund balance categories). When current expense exceeds current revenue, reserves are depleted.





General Fund includes Ambulance Fund activity in earlier years. Current year revenue excludes beginning fund balance. Actual current year expense excludes ending fund balance categories; contingency category by definition has a \$0 value when looking at actuals. When current expense exceeds current revenue, reserves are depleted.

**From:** [Kellie Menke](#)  
**To:** [Claudia Cisneros](#)  
**Subject:** Fwd: NO MORE FEES  
**Date:** Tuesday, October 26, 2021 10:40:58 AM

---

I assume you have received this, but just in case.  
Kellie

Get [Outlook for iOS](#)

---

**From:** Donna Day <donna@fireflysigns.com>  
**Sent:** Friday, October 22, 2021 1:31:10 PM  
**To:** Scott Hill <Scott.Hill@mcminnvilleoregon.gov>; Sal Peralta <Sal.Peralta@mcminnvilleoregon.gov>; Chris Chenoweth <Chris.Chenoweth@mcminnvilleoregon.gov>; Kellie Menke <Kellie.Menke@mcminnvilleoregon.gov>; Zack Geary <Zack.Geary@mcminnvilleoregon.gov>; Remy Drabkin <Remy.Drabkin@mcminnvilleoregon.gov>; Adam Garvin <Adam.Garvin@mcminnvilleoregon.gov>  
**Subject:** NO MORE FEES

**This message originated outside of the City of McMinnville.**

---

Mr. Mayor and Councilors,

I wish to explain my views on the proposed business license.

For my business, I have asked repeatedly to be included in any bid procedure with the city in regards to signs, decals and banners. It was at least 2 years ago, I was called on to provide a quote for graphics on city owned vehicles. My daughter gave a market bid based on the vinyl we sell. I called to check up on our bid and was told they had found a better price (on cheaper vinyl) online and they would not be purchasing from us.

My friends who own businesses have also given up trying to obtain your projects, because we just can't beat the internet's price doing business in the state of Oregon, county of Yamhill and the city of McMinnville ...and now a pandemic. This strikes me as funny, because the county and other local city's use my business and those I associate with all the time and recognize our struggles of staying in business in a very unfriendly business atmosphere.

Just like your sign ordinance, these decisions are made with a serious lack of knowledge of how the industry actually works. I now send all of my potential customers within the city limits to Salem Sign Company, because they have the time and staff to deal with your ordinance. Yup, the money leaves the city because of a ridiculous ordinance that does nothing but waste the time and effort(... and money) of anyone and everyone involved.

I will be putting up my banner, loud and proud, outside my business. My hope is that everyone reads the last lines "UNTIL THE CITY OF McMINNVILLE STARTS "SHOPPING LOCAL"". If you want any more of my money, let's make the playing field a little more fair to those of us who employ people, pay taxes and help promote what is good in our city.

McMinnville is more than just WINE, 3rd Street and fancy new houses; you have the best of any market you could think of at your disposal, but refuse to patronize us and are happy to tax us.

Sincerely,  
A very unhappy constituent.



**Donna Day**  
**Pacific Reflex Signs/Firefly Signs**

*Out of State/Dealer* 800-259-6093

*Local* 503-434-4435

*Email* donna@fireflysigns.com

1415 NE Lafayette Ave., McMinnville OR 97128



From: [Scott Cunningham](#)  
To: [Scott Hill](#); [Sal Peralta](#); [Chris Chenoweth](#); [Kellie Menke](#); [Zack Geary](#); [Remy Drabkin](#); [Adam Garvin](#); [Jeff Towery](#); [Claudia Cisneros](#)  
Subject: Re: Business license  
Date: Tuesday, October 26, 2021 10:39:05 AM

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**This message originated outside of the City of McMinnville.**

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Good morning Council and City Manager Towery,

I would like to lend my support to the City of McMinnville's creation of a Business License and the corresponding fees that will be needed to run the program. More than anything a business license is important to understanding the businesses that make up our community. It gives us the ability to assess the employment needs of our community. As well as help the city to plan for our further growth and to make sure that there is a good mix of zoning to accommodate that growth.

Thank you for taking up this discussion. It has been something we have been talking about for nearly a decade in the McMinnville Downtown Association and other business groups. Please let me know if there is any way I can assist in moving this forward.

Cheers,  
Scott Cunningham

Community Plate  
Pizza Capo  
Past President McMinnville Downtown Association

On Tue, Oct 26, 2021 at 10:14 AM <[sylla@thirdstreetbooks.com](mailto:sylla@thirdstreetbooks.com)> wrote:

Hello Council members and City Manager Towery,

I would like to express my support for a business license for businesses operating in the City of McMinnville. Registering businesses, and requiring a fee, is standard in many communities. Having a program that would accurately track business types and data would be beneficial not only to the City but to current and future business owners as well. For example, if I were considering a new business venture in a community, I would want to know how many (if any) similar types of operations already exist.

It also seems that when Covid-19 was causing many businesses and communities to scramble for funding of some kind, having access to this data would have been useful for grant applications, etc.

Thank you,

Sylla McClellan

*she/her*

Third Street Books

320 NE Third Street

McMinnville, OR 97128

503.472.7786

[www.thirdstreetbooks.com](http://www.thirdstreetbooks.com)

Follow us on [Facebook](#) and [Instagram!](#)

**From:** [sylla@thirdstreetbooks.com](mailto:sylla@thirdstreetbooks.com)  
**To:** [Scott Hill](#); [Sal Peralta](#); [Chris Chenoweth](#); [Kellie Menke](#); [Zack Geary](#); [Remy Drabkin](#); [Adam Garvin](#); [Jeff Towery](#); [Claudia Cisneros](#)  
**Subject:** Business license  
**Date:** Tuesday, October 26, 2021 10:16:29 AM

---

**This message originated outside of the City of McMinnville.**

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Hello Council members and City Manager Towery,

I would like to express my support for a business license for businesses operating in the City of McMinnville. Registering businesses, and requiring a fee, is standard in many communities. Having a program that would accurately track business types and data would be beneficial not only to the City but to current and future business owners as well. For example, if I were considering a new business venture in a community, I would want to know how many (if any) similar types of operations already exist.

It also seems that when Covid-19 was causing many businesses and communities to scramble for funding of some kind, having access to this data would have been useful for grant applications, etc.


Thank you,

Sylla McClellan  
*she/her*

Third Street Books  
320 NE Third Street  
McMinnville, OR 97128  
503.472.7786  
[www.thirdstreetbooks.com](http://www.thirdstreetbooks.com)  
Follow us on [Facebook](#) and [Instagram](#)!



# City of McMinnville Property Tax



**YAMHILL COUNTY 2021 -2022 TAX CODE RATES**

| 40.0 CITY OF MCMINNVILLE         | Total   | Education | Government | Non-Limited |
|----------------------------------|---------|-----------|------------|-------------|
| YAMHILL COUNTY                   | 2.5775  |           | 2.5775     |             |
| YAMHILL COUNTY EXTENSION SERVICE | 0.0449  |           | 0.0449     |             |
| YAMHILL COUNTY SOIL & WATER      | 0.0354  |           | 0.0354     |             |
| MCMINNVILLE SCHOOL DISTRICT      | 6.7116  | 4.1494    |            | 2.5622      |
| WILLAMETTE REGIONAL ESD          | 0.2967  | 0.2967    |            |             |
| CITY OF MCMINNVILLE              | 5.9437  |           | 5.0200     | 0.9237      |
| CHEMEKETA LIBRARY                | 0.0818  |           | 0.0818     |             |
| CHEMEKETA COLLEGE                | 0.8938  | 0.6259    |            | 0.2679      |
|                                  | 16.5854 | 5.0720    | 7.7596     | 3.7538      |

FY21 rates  
Non-Limited

2.5869

1.2680

0.2602

4.1151

Prior year: 16.9467

FY2021-22 property tax

**Down 2.1%** due to Parks Improvement Bond completion

<https://www.co.yamhill.or.us/sites/default/files/2021-2022%20District%20Rates%20by%20Category.pdf>



CITY OF MCMINNVILLE - CASH AND INVESTMENT BY FUND  
July 2021

| FUND #      | FUND NAME                      | GENERAL OPERATING |                 | TOTAL           |
|-------------|--------------------------------|-------------------|-----------------|-----------------|
|             |                                | CASH IN BANK      | INVESTMENT      |                 |
| 01          | General                        | \$3,073,407.42    | \$1,976,825.43  | \$5,050,232.85  |
| 05          | Special Assessment             | \$815.34          | \$1,633,701.82  | \$1,634,517.16  |
| 07          | Transient Lodging Tax          | \$281.33          | \$203,000.00    | \$203,281.33    |
| 10          | Telecommunications             | \$925.55          | \$1,030.00      | \$1,955.55      |
| 15          | Emergency Communications       | \$93.83           | \$113,094.81    | \$113,188.64    |
| 20          | Street (State Tax)             | \$434.52          | \$2,118,712.28  | \$2,119,146.80  |
| 25          | Airport Maintenance            | \$909.62          | \$546,749.03    | \$547,658.65    |
| 45          | Transportation                 | \$403.56          | \$3,034,494.92  | \$3,034,898.48  |
| 50          | Park Development               | \$697.08          | \$1,761,441.49  | \$1,762,138.57  |
| 58          | Urban Renewal                  | \$717.99          | \$204,661.38    | \$205,379.37    |
| 59          | Urban Renewal Debt Service     | \$172.13          | \$267,757.13    | \$267,929.26    |
| 60          | Debt Service                   | \$41.04           | \$1,174,714.62  | \$1,174,755.66  |
| 70          | Building                       | \$369.58          | \$1,735,240.37  | \$1,735,609.95  |
| 75          | Wastewater Services            | \$702.17          | \$2,404,912.17  | \$2,405,614.34  |
| 77          | Wastewater Capital             | \$258.80          | \$37,057,103.65 | \$37,057,362.45 |
| 80          | Information Systems & Services | \$791.51          | \$178,742.38    | \$179,533.89    |
| 85          | Insurance Reserve              | \$831.34          | \$657,290.54    | \$658,121.88    |
| CITY TOTALS |                                | 3,081,852.81      | 55,069,472.02   | 58,151,324.83   |

| MATURITY | INSTITUTION                | TYPE OF INVESTMENT                      | INTEREST | CASH VALUE              |
|----------|----------------------------|---|----------|-------------------------|
| DATE     |                            |   | RATE     |                         |
| N/A      | Key Bank of Oregon         | Checking & Repurchase Sweep Account     | 0.20%    | \$ 3,081,852.81         |
| N/A      | Key Bank of Oregon         | Money Market Savings Account            | 0.01%    | \$ 9,536,116.87         |
| N/A      | State of Oregon            | Local Government Investment Pool (LGIP) | 0.60%    | \$ 44,536,756.25        |
| N/A      | State of Oregon            | Urban Renewal Loan Proceeds (LGIP)      | 0.60%    | \$ 210,230.22           |
| N/A      | MassMutual Financial Group | Group Annuity                           | 3.00%    | \$ 786,368.68           |
|          |                            |   |          | <u>\$ 58,151,324.83</u> |
|          |                            |   |          | \$ -                    |



Council President Menke said she, Mary Stern, and Planning Director Richards were working on possible equity issues for people obtaining housing. There would also be public outreach on this topic.

Councilor Stassens said a mailing went out to all property owners in the Urban Renewal District regarding the Covid Business Recovery Façade Improvement Program. It was generating a significant amount of interest. The Granary Row project had submitted for building permits and staff was working on the Urban Renewal District boundary amendment. There were two vacancies on MURAC and four applications had been received.

Councilor Drabkin said the state legislature passed HB 4212 and they had been sending questions back for clarification on how the funding could be used. The Affordable Housing Task Force voted to redirect funds that had already been budgeted into the moteling project.

Councilor Geary said MAC Pac discussed library programming. McMinnville Community Media was checking equipment out to people and continued to stream local government meetings. The Landscape Review Committee approved applications at their last meeting and planned to review City codes and ordinances. They would like to review City projects as well.

Councilor Garvin said next week there would be paving and crack sealing at the airport.

Mayor Hill gave an update on the Fire District consultant presentation.

3.b.

#### Department Head Reports

Planning Director Richards gave an update on housing rehabilitation and HB 2001 grants. Staff had applied for emergency business assistance grant funds as well.

Finance Director Cuellar reported on the Audit Committee meeting where the City's reserves were discussed.

Police Chief Scales said police policies and weekly stats were available online.

Human Resources Director Bayer introduced a new summer intern.

City Manager Towery discussed the Work Session topics for next week.

4.

#### CONSENT AGENDA

a. Consider the Minutes of the November 12, 2019 City Council Work Session and Regular city Council Meeting.

*Councilor Peralta MOVED to adopt the consent agenda as presented; SECONDED by Councilor Drabkin. Motion PASSED unanimously.*

5. RESOLUTIONS

- 5.a. Consider **Resolution No. 2020-45**: A Resolution authorizing the City Manager to enter into a contract with Stryker Medical through the Houston Galveston Area Cooperative Purchasing Program (HGAC) for the purchase of eight (8) new Physio Control LIFEPAK 15 Monitor/Defibrillators.

Fire Operations Chief Hanifan said this resolution would authorize the purchase of 8 new defibrillators. The model would provide treatments that their medical director had requested them to provide. The lifespan was 20 years.

*Councilor Geary MOVED to adopt Resolution No. 2020-45, authorizing the City Manager to enter into a contract with Stryker Medical through the Houston Galveston Area Cooperative Purchasing Program (HGAC) for the purchase of eight (8) new Physio Control LIFEPAK 15 Monitor/Defibrillators; SECONDED by Councilor Drabkin. Motion PASSED 6-0 by the following vote:*

*Aye – Councilors Drabkin, Garvin, Geary, Stassens, Peralta, and Menke  
Nay – None*

- 5.b. Consider **Resolution No. 2020-46**: A Resolution authorizing the City Manager to enter into a sub-grant agreement with McMinnville Water and Light for CARES Act funding through the Coronavirus Relief Fund program.

Finance Director Cuellar said McMinnville Water & Light's reimbursements needed to flow through the City and required this sub-grant agreement.

*Councilor Peralta MOVED to adopt Resolution No. 2020-46, authorizing the City Manager to enter into a sub-grant agreement with McMinnville Water and Light for CARES Act funding through the Coronavirus Relief Fund program; SECONDED by Council President Menke. Motion PASSED 6-0 by the following vote:*

*Aye – Councilors Drabkin, Garvin, Geary, Stassens, Peralta, and Menke  
Nay – None*

6. ORDINANCE

- 6.a. Consider **Ordinance No. 5093**: An Ordinance Repealing And Replacing Title 15 Of The McMinnville City Code, Specific To Buildings And Construction, Amending Section 2.50.510, Specific To Code Compliance -

Applicability, And Sections 8,10.250, Health And Safety – Motor Vehicles, and Section 8.10.035, Health And Safety – Storage.

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

City Attorney Gowell read by title only Ordinance No. 5093, An Ordinance Repealing And Replacing Title 15 Of The McMinnville City Code, Specific To Buildings And Construction, Amending Section 2.50.510, Specific To Code Compliance - Applicability, And Sections 8,10.250, Health And Safety – Motor Vehicles, and Section 8.10.035, Health And Safety – Storage..

Planning Director Richards said these were amendments to Title 15 of the Municipal Code. This was a near-term action in the MAC Town 2032 Strategic Plan. The Building Official, Fire Marshal, and Code Compliance team met for several months to discuss best practices and programs that would serve McMinnville into the future. The Council held a Work Session on this topic in April. There would be two code amendment packages, and this was the first of the two. It focused on the overall structure of the programs and the next package would focus on more specialty programs. This code had not been updated since 1980. It coordinated enforcement of building and construction codes with the new code compliance program. The proposed ordinance repealed and replaced Title 15 of the Municipal Code, amended Section 2.50/510., specific to Code Compliance Applicability, amended Section 8.10.250, Health and Safety—Motor Vehicles, and Section 8.10.035, Health and Safety—Storage. All the building codes were adopted by the State, they were uniform across Oregon, administered locally, and local changes were not allowed. The current building codes had been in place since 1974 and up until 2019 they offered broad authority over unsafe and unauthorized occupancy which applied to all structures and construction. Staff was proposing local regulations that would fill the gap for what the state was not doing. They wanted to adopt the International Property Maintenance Code that established minimum requirements for the maintenance of existing buildings. It would be administrated by Code Compliance staff, following the current Chapter 2 Notice and Abatement process. Staff also recommended these changes to 15.02 – Building Code: adopting an appendix of the International Code that dealt with grading and introducing a section for alternate methods and materials, requiring permits, adding authority for the Building Official to decide when a design professional should be involved in a project, allowing special inspections and temporary certificates of occupancy, charging fees for the program, adding right of entry, stop work, and identifying unsafe buildings to the powers/duties of the Building Official, and adding applicability, violations and penalties, and protests and appeals.

There was discussion regarding the criteria for right of entry, authority for engagement and inspection when there was not a building permit, defining a building as occupied, intention of the void left by the changes from the state and local municipal authority to fill the gap, adopting local authority for alternate materials, methods, and modifications, definitions, when a permit



was needed, keeping projects moving while issues were being resolved, work without a permit investigation fee, and purpose for the adoption of the International Property Maintenance Code.

Planning Director Richards then discussed the changes to 15.04 – Fire Codes. Staff proposed to officially adopt the Oregon Fire Code and its appendices and to establish the duties and local authority to enforce that fire code as well as provide for a local appeals process. It would establish the ability for the Fire Department to assess violation fees. There was a definitions section in this chapter of the code. There was also a section for the establishment of duties, adoption of the Oregon Fire Code (OFC), fire protection system maintenance, restricted uses during fire season, modifications to the OFC, violations and penalties, and protests and appeals.

There was discussion regarding the authority of duties and inspections, review of applications, difference between civil and municipal penalties, bringing the code up to date to reflect current practices, process to update old buildings to meet new codes and tensions about the cost to do so, aligning the building code and fire code to address historic buildings, how the two codes had different underlying purposes and there were benefits to that tension, and importance of making buildings safer.

Planning Director Richards reviewed changes to 15.06—Standard Specifications for Public Works Construction. The sections included adoption by reference and authority to alter provisions. She also reviewed 15.08—House Moving Regulations. The new sections included how applicants applied, who reviewed applications, the criteria, and authority for different decision making filters throughout the process. In the existing code there was a provision for a fee waiver of parks and wastewater SDCs for relocating a historic landmark. That was included in the new code revisions. This would encourage people to move historic homes instead of demolish them. The other amendments proposed were: Section 2.50.510, adding the application of the Code Compliance process to Title 15; Section 8.10.250, adding the ability to screen inactive motor vehicles on private property with a car cover; and Section 8.10.035, adding a section on storage of items on private property.

There was discussion regarding how these amendments would give Code Compliance more remedies for issues, scenarios for when these amendments would be used especially for storage of larger items that were not considered junk, and screening from public view.

Planning Director Richards explained what would be included in the next code amendment package.

Councilor Peralta did not have concerns with the changes, but would be voting no so the ordinance would be brought back to the next meeting. This would allow the community time to give feedback.

Mayor Hill asked if the Council wished to move this item to a public hearing.

The Council did not.

*Councilor Geary MOVED to APPROVE the first reading of Ordinance No. 5093; SECONDED by Council President Menke. Motion PASSED 4-2 by the following vote:*

*Aye – Councilors Drabkin, Geary, Stassens, and Menke*

*Nay – Councilors Garvin and Peralta*

Mayor Hill said the second reading of the ordinance would be brought back to the next Council meeting.

7. ADJOURNMENT: Mayor Hill adjourned the meeting at 8:58 p.m.

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Claudia Cisneros, City Recorder

CITY OF McMinnville  
CITY COUNCIL WORK SESSION  
Held via Zoom Video Conference and at the Kent L. Taylor Civic Hall on Gormley Plaza  
McMinnville, Oregon

Wednesday, July 22, 2020 at 5:30 p.m.

Presiding: Scott Hill, Mayor

Recording Secretary: Claudia Cisneros

| Councilors: | <u>Present</u>                  | <u>Excused Absence</u> |
|-------------|---------------------------------|------------------------|
|             | Adam Garvin                     |                        |
|             | Zack Geary                      |                        |
|             | Kellie Menke, Council President |                        |
|             | Wendy Stassens                  |                        |
|             | Sal Peralta                     |                        |
|             | Remy Drabkin                    |                        |

Also present were City Manager Jeff Towery, City Attorney Spencer Parsons, City Recorder Claudia Cisneros, Parks and Recreation Director Susan Muir, Finance Director Jennifer Cuellar, Planning Director Heather Richards, Senior Planner Chuck Darnell, Senior Planner Tom Schauer, Associate Planner Jamie Fleckenstein, Police Chief Matt Scales, Human Resources Manager Kylie Bayer-Fertterer, Library Director Jenny Berg, Information System Director Scott Burke, Fire Chief Rich Leipfert, Project Manager DJ Heffernan, and member of the News Media –and Jerry Eichten, McMinnville Community Media.

1. CALL TO ORDER: Mayor Hill called the meeting to order at 5:33 p.m.
2. DISCUSSION – Diversity, Equity and Inclusion (DEI) Measures

City Manager Towery said staff had put together a Diversity, Equity, and Inclusion Plan. In this plan it stated that the City of McMinnville was committed to identify and eliminate structural racism and bias in service delivery and access to public process and to strive for equity in all it did. The overview was based primarily on the Council’s policy direction adopted through Resolution 2017-03 that declared McMinnville an inclusive city. They also reviewed information in the MacTown 2032 that was directly related to diversity, equity, and inclusion. They might have the opportunity to partner with Linfield University and the International City/County Management Association to assist with identifying opportunities and best practices and benchmarks for not only McMinnville but other small and medium sized communities. Some of the initiatives would include diversity, equity, and inclusion training for the Council and employees, community listening sessions to hear from people of color, formation of a Diversity, Equity, and Inclusion Council, conduct a review of the City’s Charter, Municipal Code, and other rules and regulations to identify barriers to equity and develop a plan to remove those barriers, proactively establish policies that improved DEI efforts, assess the organizational culture to make sure it was welcoming, accessible,

and inclusive, examine the City's various fee structures and make recommendations to improve racial outcomes, expand support of businesses through focused outreach and engagement of people of color owned and operated small businesses, develop and implement a DEI focus on the City's goal to encourage a variety of leadership and development opportunities, develop an equity and inclusion communications strategy to maintain communication in the organization and community, ensure initiatives were databased so they could evaluate effectiveness, and proactively engage in legislative efforts to eliminate any structural racism and bias. They were asking the Council if they were comfortable with the initiatives listed in the draft plan, were there initiatives missing that should be added, and were there any particular items that should be prioritized above others in the plan.

Councilor Drabkin discussed the language in the plan stating the City would offer DEI training to staff and elected officials and she thought it was important to require that training.

Mayor Hill thought it should be reviewed on an annual or every other year basis so there was accountability to do the training.

Council President Menke thought it should be every other year to coincide with Council election years.

There was consensus to make this required training for both staff and Council.

Mayor Hill asked if the training would be done in house or by a consultant. City Manager Towery said staff did not currently have that capacity and expertise. Someone else providing the training who had lived the experience was important and staff was limited in that experience.

Human Resources Manager Bayer-Fertterer was researching organizations who could help with this type of training including training to elected officials. She would be bringing back a recommendation once she heard back from all of the organizations.

Councilor Peralta asked how they handled citizen or employee complaints. Human Resources Manager Bayer-Fertterer explained the current complaint processes and how she was not aware of any conduct related cases within the workforce.

Mayor Hill asked if they had looked into the National League of Cities website for resources and model resolution. He thought there ought to be scorecards and outcomes. Human Resources Manager Bayer-Fertterer said they would compare the plan to these resources as well as other organizations.

Councilor Geary asked if there was a scorecard system or other way that the information would come back to Council.

Mayor Hill said the scorecard was what they were working towards in the Level 10 meetings which went back to implementing the Strategic Plan. The scorecard would help with accountability.

Councilor Stassens asked what work had already been done on the initiatives that were started through the Strategic Plan. City Manager Towery said the focus had been on law enforcement and Police Chief Scales had provided Council a robust list of initiatives and efforts that were underway. There was an equity lens being used by the Parks and Recreation Advisory Committee that they

were calling MacPac, and they were still compiling the work of other departments and changing City Code.

Council President Menke noted all the work that had been done for the homeless as well.

Councilor Drabkin said the Council had received complaints about diversity, equity, and inclusion. She asked about the community listening sessions. She was concerned about asking people to share their instances of racism and bias and if the sessions would be conducted in a safe way.

City Manager Towery said they had not discussed the details yet. This was a time to get feedback from Council on the work staff should pursue. He did not think they would be able to make progress on social justice without hearing people's stories. It would need to be done in a safe and respectful way. The advice he had received was thoughtful and respectful listening as one of the first steps.

Council President Menke suggested an anonymous tip line could be provided.

Human Resources Manager Bayer-Fertterer thought they could include a variety of engagement opportunities that addressed different comfort levels.

Councilor Stassens thought the next steps could be making specific actionable steps to produce the outcomes they were looking for.

City Manager Towery agreed that there needed to be more refinement of the plan. Currently it was a broad approach around social justice and equity and a lot more work needed to be done to scope out the work.

Councilor Stassens asked if the projects were going to be done concurrently or did it need to be prioritized.

Council President Menke thought they would need to be prioritized. She thought the partnership with Linfield and ICMA should be a priority.

Councilor Stassens thought the things that they could start to change that would become organizational habits should be a priority, such as looking at the Code and Charter and making sure how they did business was correct. She asked if some of the items would require hiring consultants to complete.

City Manager Towery thought they would want to utilize outside resources for some of this work.

Mayor Hill noted training was a priority as well as listening to the community, forming the DEI Council, and reviewing the Code and Charter. He thought they should start with these because they would have the greatest impact on future work. There should be a timeframe of when these would be initiated and quarterly reporting back to the Council.

Councilor Geary said this would be an ongoing process and he suggested creating a DEI department that would continue the work and results of this process on in perpetuity and was a place where conversations could continue. He thought the information should be on the front page of the City's website as well.

Councilor Garvin agreed it should be on the front page of the website. He would also like to have a way citizens could submit a complaint on the website and it would go to Council and staff. He was in support of having listening sessions so they could better identify issues. He wanted to make sure they were gathering community data, not national or state data, and right-sizing it and making sure the policies were driven by citizens.

Mayor Hill agreed they could not subscribe to a program that was not tailored for what the City needed.

Councilor Garvin thought once the data was gathered, they should create a DEI Council and staff and Council could have the DEI training. Then they could dive into creating policies, procedures, and making changes to the Code and Charter.

Councilor Peralta agreed with that process.

Councilor Geary asked about the process for creating the DEI Council. Human Resources Manager Bayer-Fertterer was still working on the process and would bring recommendations back to Council. She saw it as an ongoing committee.

Councilor Geary asked about changes to the City's housing policies. Councilor Drabkin said that was one of the initiatives of the Affordable Housing Task Force to address inclusionary housing policies. There was not equitable access to housing in the City and they were trying to come up with a plan to address it.

Councilor Geary appreciated the inclusion of the School District as a partner. He would like to establish a good working relationship with that group. He wanted to make sure the budget process was included in this work.

Council President Menke thought the training was important initially and the sooner it was done the better. She was in support of the City Manager's recommended top four actions and agreed some thought needed to be given on how to handle the public forums and complaints.

Councilor Stassens also liked the top four suggested by the City Manager and thought they should have measurables as they moved along in the process.

Councilor Geary asked who would be conducting a review on the Charter. City Manager Towery said that was still to be determined, but ICMA or one of its partners would most likely do the review.

Councilor Geary asked how they would be getting public input on this document.

Mayor Hill suggested holding a public hearing.

City Manager Towery said general public input as well as some targeted engagement with community partners would be important before Council formalized any action.

Councilor Drabkin was not sure a public hearing was necessary and it might be controversial. She thought they should begin implementation as soon as possible.

City Manager Towery thought the document included work they were already doing and would not necessarily ask for public input on whether or not they would do training. However staff could



create public engagement around the significant policy statement being made by the Council while still working on the discreet components that had been identified as priorities.

Council President Menke said as staff was going through the code, there would be public hearings on the changes. She thought this document could be put on the City's website and they could advertise that they were looking for people to participate.

Councilor Peralta was comfortable moving forward as discussed.

Councilor Garvin agreed they needed to hear from the community to be able to localize their approach before they got into changes to the Code and Charter. He thought the Council training should be done every two years to coordinate with Council terms, but he would be open to training more often as well.

Mayor Hill was also in support of the City Manager's top four. He thought quarterly reporting was critical. Talking about these issues as a Council was important as well as leadership development, partnerships to get ideas, and a localized approach.

Human Resources Manager Bayer-Fertterer would work on scheduling the training and would report back to Council frequently on the progress on these topics. She would be working on fleshing out this draft document and coming up with measurables for the process.

### 3. DISCUSSION – Urban Growth Boundary (UGB) Remand Response Update

Planning Director Richards said the Council's previous direction was to respond to the LCDC remand to the City for the MGMUP 2003-2023 which was first submitted in 2003 and modified in 2005. The LCDC remand was based on the Court of Appeals remand to LCDC. McMinnville needed to expand its UGB. The need to expand had not been the issue, but how and where the City expanded had been a contested dialogue for 20 years, plagued by opposition, challenges, and appeals. She discussed the history of the UGB and the work that had gone into expansion over the last several years. She explained the potential paths forward and how the Council had directed staff to evaluate responding to the 2012 remand of the 2003 MGMUP. Regarding the court's decision, the petitioners argued that there were three assignments of error and the court ruled there was only one assignment of error. They thought the City erred in its application of ORS 197.298 and that a correct application of the law could compel a different result. ORS 197.298 had to do with the priority of land to be included with the Urban Growth Boundary. The first priority was to be urban reserve land, the second priority was to be land adjacent to the UGB that was an exception area or non-resource land, the third priority was to be land designated as marginal land, and the fourth priority was agricultural and forest lands. The land surrounding McMinnville was exception, non-resource, and agricultural lands and she showed maps of these lands. The assignment of error was that the City did not look at the lands in the priority structure of the regulation in terms of the exception land first and then the farmland based on the soil classifications. They were not disputing the population forecast, housing needs, employment needs, park land needs, and institutional needs. However they were working within a set of rules that were established at the time of the submittal in 2003 and what was in the public record for the land use decision.

Project Manager DJ Heffernan explained the court's direction. They clarified how ORS 197.298 and Goal 14 worked together and the selection sequence to meet the City's 20 year planning

horizon growth needs. The specific problems to correct were to include more land north of Fox Ridge Road and consider the cost to extend public facilities after identifying buildable lands. They also needed to analyze the study areas in a consistent manner and apply the findings to the City's decisions in the correct manner.

Councilor Drabkin asked about the infrastructure needed for the land north of Fox Ridge Road. Planning Director Richards said they would be doing an infrastructure feasibility analysis for all the land they were looking at.

Mr. Heffernan gave an overview of the work program. The technical tasks were revising study area maps and identifying buildable land, applying ORS 197.298 and Goal 14 location factors for the City's identified need, preparing a recommended UGB map, and preparing plan documents and findings. The procedural tasks were the website, public information/outreach, county coordination, work sessions, formal legislative hearings, and adoption and submission to LCDC. These were all scheduled to be done before the end of this calendar year. The public facility serviceability analysis was in process with a late summer completion. The land development cost study was also in process with completion in early August.

Mayor Hill asked what kinds of public facilities would be analyzed. Mr. Heffernan said it would be water, wastewater, and transportation.

Mr. Heffernan said the first step was to determine the land needed. The court accepted the housing and employment forecast and related land needs analysis as adopted in 2005. Residential land need outside the UGB was derived from the forecast housing needs and the capacity of land inside the UGB. The forecast of needed new dwelling units and land need by type for McMinnville was 6,014 new dwelling units. The 2003 net land need outside the UGB minus the 110 acres of commercial land need was about 1,140 acres total. The 2006 corrected record showed the new land need was 1,125 acres. Residential land need included increasing the percentage of multi-family or single-family attached housing, 314 acres of park land, and 96 acres for public schools. The adjustments under review were corrections for minor accounting errors related to UGB and zoning adjustments and capacity assumptions for the exception areas added in 2004. An adjustment could change the land need tables.

Planning Director Richards said in the assignment of error, one of the things that was challenged was the neighborhood activity centers which were not a land need as defined by state law. These neighborhood activity centers were a main component of the original MGMUP as the centers would provide a range of land uses within walking distance of neighborhoods and surrounding the centers would be support areas which would include the highest density housing within the neighborhood with housing densities progressively decreasing outward. She showed maps of the original locations of the centers and plans for development in the centers. She explained the amendments and revised maps that were done in 2006 based on the petitioners' challenge and the Court of Appeals findings. The Court of Appeals stated the City did not quantify the amount of needed mixed-use category of land (the neighborhood activity center lands for compact, pedestrian-friendly neighborhood centers), the City used qualities of an activity center to exclude lands from inclusion in the UGB without identifying activity centers as a land need, and the findings for exclusion of land areas was inconsistent and not specific enough to be identified land needs. Staff's proposed approach was to include the activity centers as a policy approach similar to the 2006 amendments. However, there

would be the following changes to the 2006 approach: no specific locations would be identified as the approximate areas would be identified on a framework plan, the policy would describe the characteristics of an activity center such as required size, locational factors, and land uses, and the City would create area plans based on the framework plan after the UGB amendment and use area plans for master planning prior to annexation. The framework plan would be a conceptual guide for future lands in the UGB holding zone. It would provide general guidance to community form and design and would promote the Great Neighborhood Principles with commercial centers that were bike and pedestrian friendly with public spaces. The area plans would ensure the public facilities were cohesive and adequate, there was adequate school capacity, and a mix of housing units. After that there would be master planning efforts.

Planning Director Richards said after the first step of identifying buildable land in the study area, the second step was to determine the adequacy of candidate lands under ORS 197.298. She showed maps of the study areas in the Court of Appeals record. The City had conducted an analysis of the farm and forest lands (resource lands) that surrounded the McMinnville Urban Growth Boundary to determine their ability to reasonably accommodate the identified unmet land need. The City looked first at all the resource lands within one mile of the current UGB that met the following criteria: resource lands that were surrounded by the existing UGB and Yamhill River, Baker Creek, or Panther Creek, resource land surrounded on three sides by the existing UGB, non-resource lands, and/or other significant natural or man-made edge, and resource land needed to allow an extension of public facilities to serve land within the existing UGB. The Court of Appeals did not require the City to evaluate any particular alternative site proposed by the petitioners since the petitioners did not object to the City or LCDC that the inventory criteria were unlawful or had been misapplied to the petitioners' suggested alternative resource land areas. Thus LCDC did not err in failing to require the City to study those areas for inclusion. She then showed maps of the court's direction regarding the study areas and revised study areas reflecting the court's direction. The City decided to contain urban expansion within the natural and physical boundaries to the extent possible which meant: staying west and north of the South Yamhill River, staying south and west of the North Yamhill River, staying south of Baker Creek Road, and not crossing south of Hwy 18, west of the Yamhill River. She then showed maps of the physical barriers that were used, the resulting study areas after applying the barrier filters, and further revisions. The next steps were to identify what was not buildable including flood plains, steep slopes, landslide hazards, physical barriers such as Baker Creek, N Yamhill River, airport, etc., natural resource conservation areas, land that could not be served by public facilities, and hazard areas. The City was underway with a hazards study to evaluate constraints and hazards in the study areas. She explained Goal 7 pertaining to areas subject to natural hazards. Natural hazards for purposes of this goal were: floods, landslides, earthquakes, wildfire, etc. The state just released a new Hazard Mitigation Plan with a chapter on Yamhill County that identified the county as high risk for landslides and earthquakes. The Yamhill County Natural Hazards Mitigation Plan was in a draft update in circulation right now. The McMinnville Natural Hazards Mitigation Plan was an addendum to the Yamhill County Plan in circulation and the hazards study looked at both the UGB expansion and urban reserve areas. The purpose of the study was to inventory mappable natural hazards, consider management options for hazard areas, and suggest policy/mapping amendments to the Comprehensive Plan. The mappable hazards included geological hazards such as landslides, steep slopes, earthquake liquefaction, and earthquake shaking areas as well as flood hazards, wildfire hazards, and composite hazards (areas

with one or more overlapping hazard). She showed draft maps of these hazards in the study areas. The management/policy options were taking the new information and using it to evaluate potential constraints, a proposed Natural Hazard Overlay, and a proposed policy framework to help protect life and property from the impact of hazards.

Planning Director Richards said they also had to do locational analysis integrating Goal 14 and ORS 197.298. To create a priority lands map, they would take the final Buildable Lands map and would identify the priority land analysis on that final map.

Mr. Heffernan said they would apply Goal 14 location factors to the Priority Buildable Lands Map. Some of the factors included: orderly and economic provision for public facilities and services, maximum efficiency of land uses within and on the fringe of the existing urban area, environmental, energy, economic, and social consequences, retention of agricultural land as defined with Class I being the highest priority for retention and Class VI the lowest priority, and compatibility of the proposed urban uses with nearby agricultural activities. Staff planned to refine these with criteria that matched local conditions and needs and apply them in priority order to the study areas (i.e. exception land first). Some of the criteria were to help provide commercial and multi-family housing and assessing hazard risks as well as priority sequencing of the soil classes and priority standing of high value farmland, and compatibility of urban uses with agricultural uses. Criteria would also be added for suitability for needed low/moderate income housing and for neighborhood serving commercial. Hazards would include wildfire, liquefaction, severe shaking, and landslides. Some of the metrics would be numeric, some comparative, and some qualitative. They had talked about either using a 3-point (high, medium, or low) rating or a 5-point scale to score each study area. However, no one criteria or factor was determinant. The Council must balance the pros and cons and decide which areas best met identified needs. Staff would come back to Council and walk through the rating process and how it was applied and facilitate Council's discussion about how urbanization would impact the landscape in light of the selection criteria. The final outcome would be a UGB Expansion Map that balanced ORS 197.298 (land priority structure) and Goal 14 (locational factors) per the direction of the Court's decision.

Planning Director Richards said the next steps would be to launch the Growing McMinnville Mindfully website, presentations to the County Commission and City Council, draft UGB map, draft documents, public hearing, and adoption by the end of December.

Councilor Drabkin asked about soils and liquefaction. Planning Director Richards said more information would be coming to Council regarding hazards and what they meant to the City and the risk values.

Mayor Hill asked about the differences in population forecasts from 2003 and 2023. Planning Director Richards said they had an affirmed population forecast for the 2023 horizon which was what the 20 year planning horizon was for this work which began in 2003. It was a population of a little over 45,000.

Planning Director Richards asked for direction on getting new information to Council. Mayor Hill thought the slides were helpful. Council President Menke thought the maps were key, with the same identifiable landmarks on each one and explanation of the legend.

Councilor Stassens asked if the neighborhood activity centers would be part of the application. Planning Director Richards said the framework plan would be part of the application as an illustration to indicate the larger concept planning for how the City would grow. Staff would come back to Council with a package of methodology amendments for the Comprehensive Plan and Development Code that talked about the need for the neighborhood activity centers. They would also be incorporated in the area planning need and master planning need process prior to annexation.

Mr. Heffernan said the screening criteria would help select areas that would let them meet the land needs that one would typically find inside of a neighborhood activity center.

4. ADJOURNMENT: Mayor Hill adjourned the Work Session at 8:26 p.m.

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Claudia Cisneros, City Recorder

## STAFF REPORT

**DATE:** October 18, 2021  
**TO:** Jeff Towery, City Manager  
**FROM:** Amanda Guile-Hinman, City Attorney  
**SUBJECT:** Resolution No. 2021-56: Second Amendment to City Manager Employment Agreement

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### **Report in Brief:**

Resolution No. 2021-56 is for the Council's consideration of a second amendment to the Employment Agreement between City Manager Jeffrey Towery and the City of McMinnville.

### **Background:**

The City entered into an Employment Agreement ("Agreement") with City Manager Jeffrey Towery ("City Manager") on February 14, 2017. The City and City Manager executed an amendment to the Agreement on June 26, 2018 ("First Amendment").

In 2019, the State of Oregon passed Senate Bill (SB) 1049 (2019), which now allows most retirees who are members of the Public Employees Retirement System (PERS) to retire and continue working full-time for a PERS-participating employer until December 31, 2024.

In 2021, the City began providing this option for a "work-back" under SB 1049 for City staff, subject to Department Head/City Manager approval. Since the City Manager is an employee under the direct authority and supervision of the Council, the "work-back" option under SB 1049 should be addressed in his Employment Agreement.

### **Discussion:**

The Council may offer the "work-back" option under SB 1049 to the City Manager through the proposed Second Amendment to Employment Agreement attached as Exhibit 1 to Resolution No. 2021-56.



**Attachments:**

- Resolution No. 2021-56
  - Exhibit 1 to Resolution No. 2021-52, Second Amendment to Employment Agreement

**Fiscal Impact:**

There is no direct fiscal impact as the "work-back" option.

**RESOLUTION NO. 2021 - 56**

A Resolution approving the Second Amendment to Employment Agreement between City Manager Jeffrey Towery and the City of McMinnville.

**RECITALS:**

**Whereas**, the City of McMinnville (“City”) entered into an Employment Agreement (“Agreement”) with City Manager Jeffrey Towery (“City Manager”) on February 14, 2017; and

**Whereas**, the City and City Manager executed an amendment to the Agreement on June 26, 2018 (“First Amendment”); and

**Whereas**, the parties seek to address the implications of Senate Bill (SB) 1049 (2019), which now allows most retirees who are members of the Public Employees Retirement System (PERS) to retire and continue working full-time for a PERS-participating employer until December 31, 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:**

1. A second amendment to the Employment Agreement, attached hereto and incorporated by reference herein as Exhibit 1, is hereby approved. The Mayor is authorized to sign the Second Amendment on the City's behalf.
2. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 26th day of October, 2021 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26th day of October 2021.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**Exhibits:**

- Exhibit 1: Second Amendment to Employment Agreement - Jeffrey Towery, City Manager

**CITY OF McMinnville**  
**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT**

This Second Amendment to Employment Agreement (“Second Amendment”) is effective the \_\_\_\_ day of \_\_\_\_\_ 2021 (“Effective Date”), by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (“City”), and **Jeffrey Towery** (“City Manager”), upon the terms and conditions set forth below.

**RECITALS**

WHEREAS, the City entered into an Employment Agreement (“Agreement”) with City Manager on February 14, 2017; and

WHEREAS, the City and City Manager executed an amendment to the Agreement on June 26, 2018 (“First Amendment”); and

WHEREAS, the parties seek to address the implications of Senate Bill (SB) 1049 (2019), which now allows most retirees who are members of the Public Employees Retirement System (PERS) to retire and continue working full-time for a PERS-participating employer until December 31, 2024.

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

**AGREEMENT**

The Agreement is amended as follows:

**SECTION VI. SALARY, BENEFITS, AND MOVING EXPENSES.**

Subsection G of Section VI of the Agreement is hereby amended to add the following phrase to the end of the last sentence of Subsection G:

“...including, but not limited to, benefits and policies implementing Senate Bill (SB) 1049 (2019).”

**SECTION VII. RETIREMENT, DEFERRED COMPENSATION, AND INSURANCE.**

Subsection A of Section VII of the Agreement is hereby amended to add the following sentence at the end of Subsection A:

“If the City Manager elects to retire and continue to work after retirement, as allowed under Senate Bill (SB) 1049 (2019), the City will make such contributions consistent with the requirements of SB 1049.”

[Remainder of Page Intentionally Left Blank]

All of the other terms and conditions of the Agreement and the First Amendment shall remain in full force and effect, as therein written. Unless otherwise defined herein, the defined terms of the Agreement and the First Amendment shall apply to this Second Amendment.

The City Manager and the City hereby agree to all provisions of this Second Amendment.

**CITY MANAGER:**

JEFFREY TOWERY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

**CITY:**

CITY OF McMINNVILLE

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Amanda R. Guile-Hinman, City Attorney  
City of McMinnville, Oregon

## STAFF REPORT

**DATE:** October 22, 2021  
**TO:** City Council  
**FROM:** Jeff Towery, City Manager  
**SUBJECT:** Resolution No. 2021-54: Approving Allocation of ARPA-SLFRF

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### **Report in Brief:**

#### **A. Project Overview**

This Staff Report provides an overview and staff analysis regarding possible investment opportunities of the approximately \$7.7 million in state and local fiscal recovery funds (SLFRF) the City is set to receive through the American Rescue Plan Act (ARPA). The Budget Committee, at its October 20, 2021 meeting, recommended for Council to approve a list of high priority and medium priority projects. That list is attached as Exhibit 1 to Resolution No. 2021-54.

### **Background:**

#### **A. ARPA**

In March 2021, the American Rescue Plan Act (ARPA) was signed into law. ARPA represents a \$1.9 trillion funding package to respond to the negative impacts of the coronavirus pandemic. A portion of ARPA funding consists of state and local fiscal recovery funds (SLFRF). These funds go to state and local governments to assist in their response to and recovery from the coronavirus pandemic. The City may use ARPA-SLFRF to:

- Support public health expenditures for, by example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector.

- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
- Provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors.
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

## **B. Recap of Prior Budget Committee/City Council Work Sessions**

The initial work session to discuss the ARPA-SLFRF occurred on July 13, 2021. That work session introduced the Budget Committee/Council to the ARPA funding package generally; laid out a timeframe for discussion, approvals, and implementation; and reviewed proposed guiding principles for investments made with ARPA funds.

On August 16, 2021, the Budget Committee and City Council held another work session to discuss possible investments of the ARPA-SLFRF. Ahead of that work session, staff had provided an initial list of approximately 40 opportunities for possible investment and asked the Budget Committee/Council for feedback on the list during the work session.

The Budget Committee held work sessions on October 12, 2021 and October 20, 2021 to further review more detailed information and a prioritized project list provided by staff. On October 20, 2021, the Budget Committee amended that list and recommended the Council approve the amended project priority list.

### **Discussion:**

The resulting Exhibit 1 to the attached Resolution represents the Budget Committee's recommended prioritization of the top 28 projects.

#### **A. High Priority Projects**

The Budget Committee identified 18 high priority projects, with an estimated cost range of \$3,580,100 to \$4,686,750. The Budget Committee decided to remove from the list the Facilities Manager and the replacement of a 16" water transmission main, which lowered the overall projected costs of the high priority projects. Of the 18 high priority projects, 3 are innovative, high impact projects; 10 are immediate impact community projects; and 5 are internal efficiency effectiveness projects.

#### **B. Medium Priority Projects**

The Budget Committee also identified 10 medium priority projects, with an estimated cost range of \$1,248,000 to \$2,029,000. Of the 10 medium priority projects, 2 are innovative, high impact projects; 4 are immediate impact community projects; and 4 are internal efficiency effectiveness projects.



If all high priority and medium priority projects are funded at the low-end of their cost range, the total is \$4,828,100. The high-end cost for all high priority and medium priority projects is \$6,715,750, which is more than the City's allocated ARPA-SLFRF.

**Attachments:**

Attachment: Resolution No. 2021-54  
Exhibit 1 to Resolution No. 2021-54

**Fiscal Impact:**

These discussions will ultimately determine how the City utilizes the one-time funding from now through December 2024 (obligated) and December 2026 (expensed).

**Recommendation:**

Council pass Resolution No. 2021-54.

## RESOLUTION NO. 2021 - 54

A Resolution of the Common Council of the City of McMinnville approving allocation of American Rescue Plan Act (ARPA) Funds.

### RECITALS:

**Whereas**, the United States federal government adopted the American Rescue Plan Act of 2021 (ARPA); and

**Whereas**, a component of ARPA allocates Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to state and local governments; and

**Whereas**, the City of McMinnville (City) will receive a total of approximately \$7.7 million in SLFRF in two payments, one of which the City has already received; and

**Whereas**, the City's Budget Committee has had several work sessions to discuss how the City may utilize the SLFRF; and

**Whereas**, these discussions resulted in the Budget Committee recommending a prioritized list of projects to be funded with SLFRF, which list is attached hereto as Exhibit 1.

### **NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:**

1. The Council hereby approves allocation of ARPA-SLFRF based on the prioritized list of projects that are provided in Exhibit 1 attached hereto and incorporated by reference herein.
2. To the extent a budget supplemental is necessary, staff are directed to undertake the necessary process for Council adoption of said budget supplemental.
3. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 26<sup>th</sup> day of October, 2021 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26<sup>th</sup> day of October 2021.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

Exhibits:

- Exhibit 1: Staff Recommendation on ARPA Investments – High Priority Projects List

# Exhibit 1

3,580,100 4,686,750

## Staff Recommendation on ARPA

### Investments - High Priority Projects

| Priority Ranking | Category                           | Project # (from complete list) | Project Name  | Description   | Beneficiaries   | SLFRF Eligibility Criteria |                   |          |                 |                     | Investment Principles |              |                    | City Values  |        |                |                 | Total Cost |         |         |         |
|------------------|------------------------------------|--------------------------------|---|---|---|----------------------------|-------------------|----------|-----------------|---------------------|-----------------------|--------------|--------------------|--------------|--------|----------------|-----------------|------------|---------|---------|---------|
|                  |                                    |                                |   |   |   | Pl/Econ Recovery           | Water, Sewer, BrB | Prem Pay | Office Lost Rev | Address Disparities | Resiliency            | A better way | Work with partners | Steward-ship | Equity | Courage Future | Account-ability | Low        | High    |         |         |
| 1                | Internal Efficiency Effectiveness  | 5                              | ARPA Grant Staffer  | Hire a full time grant professional for the term of the grant (3 yrs) to work on financial, compliance, program management and community engagement activities associated with the portfolio of SLFRF-ARPA grants   | Grant Beneficiaries   | x                          |                   |          |                 |                     | x                     | x            | x                  | x            | x      | x              | x               | x          | 290,000 | 397,000 |         |
| 2                | Innovative, High Impact Project    | 49                             | Third Street Improvement Project  | This is the development of construction documents for the public infrastructure improvements needed on Third Street to support the recovery and future resiliency of McMinnville's local business community downtown. The development of these construction documents will allow McMinnville to proactively apply for federal infrastructure funds with the Federal Infrastructure Stimulus package to construct the project. Third Street is McMinnville's "Living Room". It is the heart of our business community, serving both local residents and tourists. However, it is also where recent the recent COVID pandemic had the most impact on restaurant and service businesses in McMinnville. This is the development of schematic design and construction documents for a Third Street Improvement project in downtown McMinnville, as well as the development of a business resiliency and recovery program for businesses impacted by COVID. The project area is approximately nine linear blocks. The McMinnville Urban Renewal Agency currently has \$200,000 allocated towards the design costs of this project. Total estimated design costs are approximately \$650,000 - \$800,000. The McMinnville Urban Renewal Agency has committed approximately \$3,000,000 to the future construction project. Total estimated construction costs are \$8,000,000. If the City is able to develop shovel ready construction documents it would be competitive for the future infrastructure bill for construction dollars. This is a priority project in terms of timeliness and the ability for McMinnville to leverage its ARPA funds for larger impact. The design process will be approximately nine months. The Federal Infrastructure Bill will be approved soon. A \$500,000 ARPA investment project in project design could be leveraged towards \$5,000,000 in federal infrastructure dollars. | Local businesses, workforce, tourism industry, community.   | x                          | x                 |          |                 |                     | x                     | x            | x                  | x            | x      | x              | x               | x          | 450,000 | 600,000 |         |
| 3                | Immediate Impact Community Project | 32                             | Navigation Center - Operating Funds   | This is a request for one year's worth of operating funds for the new McMinnville Navigation Center (a low barrier shelter with wrap around services per HB 2006). In 2021, the Oregon Legislature passed HB 2006 in order to support emergency housing for homeless populations. One aspect of that bill was the definition of a Navigation Center (low barrier shelter with on-site services to help homeless individuals achieve stability and long-term housing) and a funding mechanism for cities in order to do so. As part of the bill, Representative Noble was able to secure a \$1.5 million grant for the development and operation of a Navigation Center. City staff has been working with the Yamhill County Action Partnership on what that facility would look like, where it would be sited and how it would be managed. HB 2006 is very specific about the type of entity that needs to manage a funded Navigation Center, namely an entity with experience managing homeless shelters and authority to do so. Since the \$1.5 million grant is for development and operations, YCAP is concerned about sustained operational costs of the facility in the first couple of years as they work with state funding partners on long-term operational costs for the facility. It is estimated that the annual operational costs will be approximately \$400,000 - \$500,000.  | Homeless residents of McMinnville   | x                          |                   |          |                 |                     | x                     | x            | x                  | x            | x      | x              | x               | x          | 400,000 | 500,000 |         |
| 4                | Internal Efficiency Effectiveness  | 15                             | Financial Forecasting Software  | invest in software for financial forecasting software.  | City departments, council, citizens.  | x                          |                   |          |                 |                     |                       | x            | x                  |              |        |                | x               | x          | 17,000  | 26,000  |         |
| 5                | Immediate Impact Community Project | 48                             | Stratus Village - Affordable Housing Project Serving Households of 80% AMI or Less. | Stratus Village is a planned 200 unit affordable housing multifamily complex to be developed on seven acres of land off of Stratus Avenue. This project is intended to serve households of 80% area median income or less and will be comprised of studios, and a range of one-bedroom to four-bedroom apartments. The Housing Authority has already achieved their land-use needed to support the project and has designed a project that is compliant with McMinnville's Great Neighborhood Principles. The Housing Authority is partnering with Unidos, Virginia Garcia, Chemeketa Community College, Willamette Valley Medical Center, Department of Human Services, Worksystems, Inc., Yamhill Community Care (YCCO) and the Confederated Tribes of the Grand Ronde on their project. On February 23, 2021, the McMinnville City Council approved Resolution No. 2021-09 supporting the Housing Authority's Stratus Village project and their application to Oregon Housing and Community Services (OHCS) for funding. When the Housing Authority applied to OHCS for funding they were denied in the competitive process. One of the reasons for the state denying their application was the lack of local supportive dollars in the project. The Housing Authority would like to construct the project in two phases. The first phase of the project is approximately \$30.4 million dollars. Right of way improvements required for the project is approximately \$250,000 and infrastructure to serve the project is approximately \$5,000,000. The Housing Authority would like to request \$300,000 to help offset the right-of-way improvements and infrastructure costs of the project and to show local financial support of the project.   | This investment will directly benefit the residents of Stratus Village, an affordable housing project for lower-income workforce and families in McMinnville and Yamhill County. This investment will also benefit the community of McMinnville by building a 200 unit affordable housing complex that will remain affordable housing for at least fifty years. And lastly this investment will benefit local businesses as it will provide much needed affordable housing for workforce to live locally. | x                          | x                 |          |                 |                     | x                     | x            | x                  | x            | x      | x              | x               | x          | x       | 200,000 | 300,000 |
| 6                | Immediate Impact Community Project | 34                             | Park Maintenance Fleet and Equipment Upgrades                                       | This project is to fund needed fleet and equipment replacements for Park Maintenance operations to equip staff to adequately maintain increased acreage in the park system and to improve maintenance levels in established parks. These units have all reached the end of useful life.   | Park visitors, staff  |                            |                   |          |                 |                     | x                     |              |                    |              |        |                |                 | x          | 370,000 | 400,000 |         |
| 7                | Immediate Impact Community Project | 4                              | Ambulance Replacement   | Purchase a replacement ambulance that was not funded due to budgetary constraints. Two ambulances are being surplus due to equipment failures. The addition of this ambulance will move a high mileage ambulance to reserve. The FD has been responding to COVID patients since the pandemic started and continues to support COVID response.   | McMinnville community and our Ambulance Service Area  |                            |                   |          |                 |                     | x                     |              |                    |              |        |                |                 | x          | 230,000 | 250,000 |         |
| 8                | Innovative, High Impact Project    | 19                             | Innovation Center - Public Infrastructure Feasibility Analysis                      | This is a feasibility analysis of the necessary public infrastructure needed to support an Innovation Center on 140 acres of vacant industrial land on Highway 18 and at the Evergreen Campus. The feasibility analysis will evaluate the type and size of broadband, water, wastewater, power and transportation infrastructure needed to serve a high-density research and development industrial/business office district. Currently the city has only planned for the infrastructure necessary to serve a low-density general industrial user, and that infrastructure is already noted to be under capacity for even that type of industrial user. The public infrastructure feasibility analysis will allow the City to understand the public infrastructure that it needs to build to support the private development envisioned for this site, and to then leverage that knowledge to apply for state and federal infrastructure funds to build the infrastructure. Both the State of Oregon and the Federal Economic Development Agency have identified Innovation Hubs as priority economic development investments coming out of COVID. This is a priority project in terms of timeliness and the ability for McMinnville to leverage its ARPA funds for larger impact.  | The development of an Innovation Center will benefit McMinnville and Yamhill County's economic development health. It will be a campus for both new and growing companies to co-locate and collaborate, share resources, and intellectual capital. It will also serve as a Class A office campus for McMinnville, which currently does not exist. The jobs created will serve both McMinnville residents and Yamhill County residents.  | x                          |                   |          |                 |                     | x                     | x            | x                  | x            | x      | x              | x               | x          | 175,000 | 250,000 |         |
| 9                | Innovative, High Impact Project    | 16                             | First Responders for Mental Health Crises   | Historically those in our community who suffer from mental health crisis, homelessness, and addiction have inappropriately been funneled into a public safety pathway to deal with incidents within our community. This has generally pulled resources from the police department who are equipped to handle some incidents; however, they are not necessarily the most effective at finding long term and wrap around solutions for those in need. The City would like to invest a portion of ARPA funds into a studying how a community-based system solution to keep public safety out of many of these types of calls might benefit us and what our options might be for making it a reality. We believe these community-based solutions will provide better long-term outcomes for those in crisis by having those with the expertise to take the lead and find positive outcomes for those who need, or desire help. This project would consist of contracting with a consultant who could best provide a "road map" for our community. The consultant could provide information about how to right size a program for a community our size, utilizing existing programs inside the county or finding new entities to invest in and partner with.   | Residents experiencing mental health crises and their families and loved ones.  | x                          |                   |          |                 |                     | x                     | x            |                    | x            |        |                |                 | x          | x       | 15,000  | 25,000  |

**Staff Recommendation on ARPA  
Investments - High Priority Projects**

| Priority Ranking | Category                           | Project # (from complete list) | Project Name   | Description   | Beneficiaries   | SLFRF Eligibility Criteria |                  |          |                 |                     | Investment Principles |              |                    |              |        | City Values    |                 |     |         | Total Cost |  |
|------------------|------------------------------------|--------------------------------|--|---|---|----------------------------|------------------|----------|-----------------|---------------------|-----------------------|--------------|--------------------|--------------|--------|----------------|-----------------|-----|---------|------------|--|
|                  |                                    |                                |  |   |   | PH/Econ Recovery           | Water, Sewer, BB | Prem Pay | Offset Lost Rev | Address Disparities | Resiliency            | A better way | Work with partners | Steward-ship | Equity | Courage/Future | Account-ability | Low | High    |            |  |
| 10               | Immediate Impact Community Project | 30                             | Library HVAC Replacement                             | This is the number one Library priority for use of the ARPA funds.<br>The Library HVAC is over 40 years old and requires frequent maintenance and replacement of parts, often costing the City \$35,000 - \$50,000 annually. Parts are hard to find due to the age of the equipment, and at least once a year the Library is left without heating or air conditioning while parts are researched and ordered. The most recent large equipment replacement of the Library HVAC system was 8 years ago, when the cooling tower was replaced. At the time it was recommended that the HVAC system be overhauled, but the decision was made instead to patch the system once again.<br>During the COVID 19 pandemic it was recommended that HVAC filter systems be upgraded to the best possible standards to prevent transmission of the virus. Upgrading the Library HVAC will help with prevention of the COVID 19 virus. It will also be a long term savings for the City by keeping the Library buildings and systems in better working order. | Library staff, patrons, those who use the Library as a warming and cooling shelter, community members and visitors who use the Library.   | x                          |                  |          |                 |                     | x                     | x            |                    | x            |        |                |                 |     | 80,000  | 150,000    |  |
| 11               | Internal Efficiency Effectiveness  | 24                             | IS - Replace Firewall / VPN system                   | The current City firewall / VPN system will go end of life in FY 2024. This project will allow us to pull the replacement forward and get improved technology in place where it is needed most, especially for Covid-19: improving remote access tools for all City employees and improving the City's security posture for years to come. The current firewall was put in place in 2015 and while serviceable, is approaching the end of it's functional life.   |   |                            | x                |          |                 |                     | x                     | x            |                    | x            |        | x              |                 |     | 58,000  | 80,000     |  |
| 12               | Immediate Impact Community Project | 47                             | Storm Water Capacity Projects                        | This request is for engineering and construction funds for stormwater capacity projects to address areas of flooding and insurance claims.  | Impacted area residents, motorists and wastewater utility ratepayers.   | x                          | x                |          |                 |                     | x                     |              |                    | x            | x      | x              | x               |     | 402,500 | 553,750    |  |
| 13               | Immediate Impact Community Project | 42                             | Update to Parks and Open Space Master Plan           | Update to Parks and Open Space Master Plan  | McMinnville residents   | x                          |                  |          |                 | x                   | x                     | x            |                    | x            | x      | x              | x               |     | 100,000 | 200,000    |  |
| 15               | Internal Efficiency Effectiveness  | 13                             | Emergency Manager                                    | The City of McMinnville has been without a dedicated staffer to focus on the Emergency Management issues. This would fund .5 FTE of a position to focus on this Emergency Management planning and preparation for 3 years.  | Residents and businesses  |                            |                  |          |                 | x                   |                       |              |                    | x            |        | x              |                 |     | 183,000 | 242,000    |  |
| 16               | Immediate Impact Community Project | 40                             | Park Maintenance: System Wide Irrigation Renovations | This project is to fund needed renovations irrigation renovations in multiple irrigation systems throughout the park system. Work will focus on sports turf, neighborhood parks and heavily used turf stands in community parks.  | Park visitors, staff, recreation program users  |                            |                  |          | x               |                     |                       | x            |                    | x            | x      |                |                 |     | 240,000 | 263,900    |  |
| 17               | Internal Efficiency Effectiveness  | 1                              | ADA Transition Plan                                  | Contract with a consultant to develop an ADA transition plan to address ADA access issues and become compliant with the Federal ADA Act - to improve access and remove barriers to participation (Objective 5 under Engagement and Inclusion of MacTown 2032 Strategic Plan)  | McMinnville community and visitors.<br>Approximately 12% of McMinnville residents identified as disabled (American Community Survey, 2015-2019).  | x                          |                  |          |                 | x                   | x                     | x            | x                  | x            | x      | x              | x               |     | 250,000 | 300,000    |  |
| 18               | Immediate Impact Community Project | 6                              | Backlog in court cases                               | Implement COVID-19 safety measures to facilitate court operations, expand current staffing model to increase speed of case resolution and address backlog of case counts and projects due to pandemic.  | Individuals who have reason to come before the court and their counsel, agency partners such as law enforcement, crime victims, treatment and resource providers, the members of the community at large who benefit from law enforcement and adjudication of those cases. | x                          |                  |          |                 | x                   |                       |              |                    | x            | x      | x              |                 |     | 58,100  | 67,100     |  |
| 19               | Immediate Impact Community Project | 31                             | Mobile Rec Station                                   | 2021 Transit 350 Cargo van with bench seat, branded/wrapping, retractable awning to take out to neighborhood parks for free activities.   | McMinnville residents   | x                          |                  |          |                 | x                   | x                     | x            |                    | x            | x      |                |                 |     | 61,500  | 82,000     |  |

**Staff Recommendation on ARPA Investments - Medium Priority Projects**

| Priority Ranking | Category                           | Project # (from complete list) | Project Name  | Description   | Beneficiaries  | SLFRF Eligibility Criteria |                   |          |                 |                     |            | Investment Principles |                    |              |        |                 | City Values     |     |      |  | Total Cost |         |
|------------------|------------------------------------|--------------------------------|---|---|--|----------------------------|-------------------|----------|-----------------|---------------------|------------|-----------------------|--------------------|--------------|--------|-----------------|-----------------|-----|------|--|------------|---------|
|                  |                                    |                                |   |   |  | PPEcon Recovery            | Water, Sewer, BIB | Prem Pay | Offset Cost Rev | Address Disparities | Resiliency | A better way          | Work with partners | Steward-ship | Equity | Courage /Future | Account-ability | Low | High |  |            |         |
| 21               | Immediate Impact Community Project | 25                             | IS - Technology in Conference Rooms                       | Technology upgrades to the Civic Hall and other City conference rooms to allow for high quality, easy to use and equitable public meeting tools.  | City employees, Council/Committees, Public   | x                          | x                 |          |                 |                     |            | x                     |                    |              |        |                 | x               |     |      |  | 77,000     | 105,000 |
| 22               | Immediate Impact Community Project | 11                             | Document Translation into Spanish                         | This is a request to hire a service to translate the City Code and all externally facing core service forms and applications into Spanish. Approximately 25% of the McMinnville population identifies as Hispanic. Approximately 20% of McMinnville residents do not speak english at home. The City of McMinnville has made an effort to translate some documents into Spanish but only in very discrete and specific situations. The McMinnville City Code, Zoning Ordinance, Permits, Land-Use Applications, Code Enforcement Forms, Legal Forms, Parks and Recreation Participation Forms, etc. have not been translated into Spanish. Translation services can be provided when requested, but many studies show that people who do not speak the host nation language are often reluctant to request translation of government documents into their native language. In January, 2022, we will need to provide equitable access to all public meetings both in a virtual environment and in person. We could livestream meetings with closed caption subtitles in both English and Spanish. | Spanish speaking residents of McMinnville and Spanish speaking customers of the City of McMinnville as well as McMinnville generally by increasing engagement with all members of the community. | x                          |                   |          |                 |                     |            | x                     | x                  | x            | x      | x               | x               | x   | x    |  | 50,000     | 100,000 |
| 23               | Innovative, High Impact Project    | 7                              | Broadband access and technology training                  | Address 2 of 3 barriers to highspeed internet: cost of service for people who can't afford it and training on how to effectively use the internet.  | Residents unable to afford highspeed internet and/or who could benefit from technology training.   | x                          |                   |          |                 |                     |            | x                     | x                  |              |        |                 | x               | x   |      |  | 362,500    | 612,500 |
| 24               | Immediate Impact Community Project | 39                             | Park Maintenance: Neighborhood Park Renovations           | This project is to fund needed playground replacements in several neighborhood parks, replace deficient fall attenuation material and renovate sport court surfaces.  | Park visitors, staff   |                            |                   |          |                 |                     |            |                       |                    |              |        |                 | x               | x   |      |  | 240,000    | 262,600 |
| 25               | Internal Efficiency Effectiveness  | 12                             | Electric vehicle for Library home delivery                | This is the second highest Library priority for ARPA funds. At the beginning of the COVID 19 pandemic, the Library developed a system for delivery of Library materials within the City limits of McMinnville. The service was a success with both patrons and staff, and was soon expanded to include Lafayette, Yamhill, and Carlton. Currently the Library uses an older SUV passed down from the Fire Department. While a great benefit at the time, the hand-me-down vehicle is not a long term solution for Library home delivery. Home delivery is an example of a service where the pandemic has shown us another beneficial method of delivering Library materials. It is the intention of the Library to continue home delivery. Purchasing a new or used electric vehicle will save the City on fuel, and enable the Library to continue home delivery for many more years.  | Library patrons and staff  | x                          |                   |          |                 |                     |            |                       |                    |              |        |                 | x               | x   |      |  | 30,000     | 70,000  |
| 26               | Innovative, High Impact Project    | 52                             | HR - DEI Implementation                                   | Investments to implement diversity, equity & initiatives. Possibly including personnel and/or consultant costs.   | DEI initiatives benefit employees, volunteers, and residents.  |                            |                   |          |                 |                     |            | x                     | x                  |              |        |                 | x               |     |      |  | 55,000     | 225,000 |
| 27               | Immediate Impact Community Project | 36                             | Park Maintenance: Discovery Meadows Splash Pad Renovation | This project is to fund needed renovations to the Discovery Meadows splash pad. Constructed in 2005, this park feature is heavily visited and attracts multiple visitors to Discovery Meadows Park. The work would include renovating the mechanical system, filtration, water quality components, control elements and plaza.  | Park visitors, staff   |                            |                   |          |                 |                     |            |                       |                    |              |        |                 | x               | x   |      |  | 240,000    | 263,900 |
| 28               | Internal Efficiency Effectiveness  | 20                             | IS - Datacenter Move (CC to WWS)                          | The City currently has two main datacenters at the Community Center and Police Department. Recent investments to the WWS facility combined with an uncertain future for the Community Center make this a highly beneficial project to position City infrastructure for years to come.   | City Infrastructure, Cybersecurity and Resiliency postion.   |                            |                   |          |                 |                     |            |                       |                    |              |        |                 | x               |     | x    |  | 52,000     | 105,000 |
| 29               | Internal Efficiency Effectiveness  | 46                             | Remodel: Muni Court more accessible                       | Remodel the first floor of the City Hall to allow the Municipal Court to have its own entrance that is ADA compliant and allows for improved social distancing for both members of the doing business with court staff as well as the staff themselves.   | Individuals who have reason to come before the court, staff working in the City Hall   | x                          |                   |          |                 |                     |            |                       |                    |              |        |                 | x               |     | x    |  | 16,500     | 35,000  |
| 30               | Internal Efficiency Effectiveness  | 54                             | Covid Costs to City Organization                          | City staff time and direct costs for items such as PPE, specialized cleaning, etc. directly related to covid and the response to it continue to be part of the work of the City. This estimates the cost for these activities.  | All city staff, visitors, partners and community members who receive services from the City  | x                          |                   |          |                 |                     |            |                       |                    |              |        |                 | x               |     | x    |  | 125,000    | 250,000 |



## STAFF REPORT

**DATE:** October 26, 2021  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Resources and Sustainable City Services

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### Strategic Priority and Goal:



#### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief

The Council, along with the citizen members of the Budget Committee (to serve as the community's voice), is grappling with the McMinnville City Council's 2021 objective to "address insufficient resources by finding new sustainable funding sources."

The Budget Committee (a statutorily established body made up of all Council members, the Mayor and seven members of the public) have had five work sessions on this topic.

Staff report Attachment A contains the proposed resolution based on the recommendation made by the Budget Committee on 10/20/2021.

### Recommendation

Based on the in-depth Budget Committee discussion and staff research over the last four months culminating in a vote of 12 to 1 of the 13 members of the budget committee present on 10/20/2021 in favor of the provisions of the attached resolution, staff recommends that the Council support the resolution before it.

### Next Steps

Upon ratification of the Council resolution, staff will focus on implementation activities of those elements supported in the final resolution adopted by the Council including:

- Service Fee rate methodology options, refine revenue projections, bringing options to Council regarding implementation and revenue projections to support the cost of service delivery levels desired by Council, create a low-income discount/waiver program, work closely with MWL to establish systems and business processes required – desired implementation date 7/1/2021
- Further discussion of the City's core services and work during the FY2022-23 budget cycle will combine to identify the amount of revenue sought, at a

minimum, for the initial year of the Service Fee.

- Business License Fee rate analysis, bringing options to Council for final approval based on program level to be determined, establish systems and business processes required – desired implementation date 7/1/2021
- Community engagement initiatives regarding all new resource programs approved, including coordination with the City’s Diversity, Equity and Inclusion Advisory Committee

**Fiscal Impact**

These discussions will ultimately have a key impact on the City’s financial sustainability and ability to maintain services in the FY2022–23 budget cycle and beyond.

**Attachments**

- A. Resolution 2021–55

## RESOLUTION NO. 2021 - 55

A Resolution of the Common Council of the City of McMinnville preliminarily adopting certain sustainable funding sources.

### RECITALS:

**Whereas**, in 2021, the McMinnville City Council established an objective to "address insufficient resources by finding new sustainable funding sources;" and

**Whereas**, the Budget Committee of the City of McMinnville held several work sessions to discuss options for new, sustainable resources; and

**Whereas**, the resources were evaluated based on seven (7) criteria, which evaluation was included in the September 22, 2021 staff report; and

**Whereas**, based on that evaluation, staff recommended that a service fee paid via utility billing be established; and

**Whereas**, staff also recommended that the City continue working toward establishing a new fire district, creating a business license program, and utilizing a program of interfund borrowing for capital investments; and

**Whereas**, staff further recommended that the City continue exploring a construction excise tax; and

**Whereas**, staff indicated an intent to continue iterative advancements regarding systems development charges, franchise fees, and cost recovery; and

**Whereas**, the Budget Committee reviewed the staff recommendations and supporting materials provided throughout the Budget Committee's discussions on new, sustainable resources and its recommendation regarding the adoption of certain sustainable funding sources at its meeting on October 20, 2021; and

**Whereas**, the Council has reviewed the Budget Committee's recommendation; and

**Whereas,** the Council understands that further discussions and approvals must occur to determine the scope and implementation of any new, sustainable resources.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:**

1. The Council hereby preliminarily adopts a new service fee to support the general fund with a formal review after X years, subject to needed future approval by the Council regarding the scope and implementation of the service fee.
2. The Council preliminarily adopts a business license program, also subject to needed future approval by the Council regarding the scope and implementation of the business license program.
3. The Council instructs staff to continue the effort of creating a new fire district and utilizing interfund borrowing for capital investments.
4. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 26th day of October, 2021 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26th day of October 2021.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder



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# STAFF REPORT

DATE: October 26, 2021  
TO: Mayor and City Councilors  
FROM: Tom Schauer, Senior Planner  
SUBJECT: Ordinance No. 5105 - Docket G 2-21 – Housing-Related Amendments

## STRATEGIC PRIORITY & GOAL:



**HOUSING OPPORTUNITIES** (ACROSS THE INCOME SPECTRUM)  
Create diverse housing opportunities that support great neighborhoods.

**OBJECTIVE/S:** Collaborate to improve the financial feasibility of diverse housing development opportunities

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### Report in Brief:

This action is the consideration of Ordinance No. 5105, amending the McMinnville Municipal Code (MMC), Title 17 “Zoning” to housing opportunities and remove regulatory barriers associated with the provision of housing in the city center. This is a legislative action, recommended by the Planning Commission.

Specifically, Ordinance No. 5105 amends:

- Chapter 17.33, C-3 General Commercial Zone
- Chapter 17.54, General Regulations
- Chapter 17.60, Off-Street Parking and Loading
- Chapter 17.63, Nonconforming Uses

And adds:

- Chapter 17.66, City Center Housing Overlay Zone

The proposed amendments address three main topics: (a) add provisions allowing existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as permitted uses in the C-3 zone subject to certain parameters, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot. The proposed amendments are attached as **Exhibit B** to Ordinance No. 5105, which is attached as **Attachment 3**.

### Background:

The proposed draft reflects the recommendation of the Planning Commission, which occurred following their August 19, 2021 work session and September 16, 2021 public hearing. (See **Attachment 2**)

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In addition, staff is recommending one additional amendment discussed below.

Staff is also proposing supplemental findings to further elaborate on consistency with applicable state law, with the findings incorporated into the draft decision document.

Below is a summary of each of the three major topics. A summary of the proposed amendments by Chapter is attached as **Attachment 1**.

- 1. Add existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as a permitted use in the C-3 zone.** The C-3 commercial zone doesn't allow single-family dwellings or duplexes as permitted uses, since the primary purpose of the zone is to provide land for commercial use at appropriate locations. The C-3 zone does also allow multi-family development as a permitted use. If new single-family dwellings and duplexes were included as permitted uses in the C-3 zone, that would allow for development which is inconsistent with the purpose of the C-3 zone, opening the door to proliferation of lower-density housing types and subdivisions on C-3 zoned land.

Existing single-family dwellings and duplexes in the C-3 zone are therefore currently classified as nonconforming uses. As such, they are subject to the limitations for nonconforming uses. Nonconforming uses can continue as long as the use continues to operate without being discontinued for more than a year, but they can't be expanded, except to a limited extent within the existing building lines.

The City has recently received several requests for expansion of existing single-family dwellings within the C-3 zone to add on a room, and these requests have been subject to the limitations which apply to nonconforming uses.

By reclassifying existing single-family dwellings and duplexes as a permitted use subject to certain parameters, the existing dwellings could expand on-site and operate in the same manner as permitted uses, as long as the use is continued. This approach would ensure new single-family dwelling and duplexes don't increase in number or on additional lots in the C-3 zone. For purposes of determining continuation of use for single-family dwellings, the proposal would also allow for short-term rentals and owner-occupied short-term rentals to be considered a continuation of residential use.

One item which wasn't discussed with the Planning Commission is whether an existing or new ADU which is accessory to an existing single-family dwelling should also be included as a permitted use in the C-3 zone when located on the same lot as the existing single-family dwelling. Staff also recommends that this be permitted and incorporated into the proposed amendments, as presented in the draft. The approach of allowing existing single-family dwellings and duplexes as a permitted use subject to the specified parameters, may necessitate this, and in any case, is consistent with the intent of the proposed amendments. ORS 197.312(5)(a) requires that, "A city with a population greater than 2,500 or a county with a population greater than 15,000 shall allow in areas within the urban growth boundary that are zoned for detached single-family dwellings the development of at least one accessory dwelling unit for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design." Including ADUs when accessory to an existing single-family dwelling as described above would be consistent with this provision.

These existing residential uses aren't inherently in conflict with other permitted uses in the C-3 zone, as typically is the case with other types of nonconformity uses. The proposed



amendment is intended to provide greater “fine-grained” refinement in how this use is regulated by differentiating between existing single-family dwellings/duplexes and new single-family dwellings/duplexes within the C-3 zone. This would allow the existing uses to continue with less restriction, while addressing the purpose of the zone by preventing proliferation of new low-density residential development within the C-3 zone.

Of different available options, this approach is preferred to other actions such as lot-by-lot spot rezones that could be inconsistent with the long-term development goals of the area. However, some individual properties might also be candidates for rezoning to other zones such as the O-R office-residential zone, but the issue with this proposed amendment is slightly broader than would be addressed by individual rezones. This amendment would not preclude a property owner from applying for a rezone where something like the O-R zone could be appropriate.

2. **Establish a City Center Housing Overlay Zone and associated provisions.** On May 11, 2021, City Council adopted the City Center Housing Strategy Final Report by Resolution 2021-27. This was the culmination of work through a public process that began in 2019, guided by the McMinnville Urban Renewal Advisory Committee (MURAC) and an 18-member Project Advisory Committee, with a recommendation from both entities to City Council.

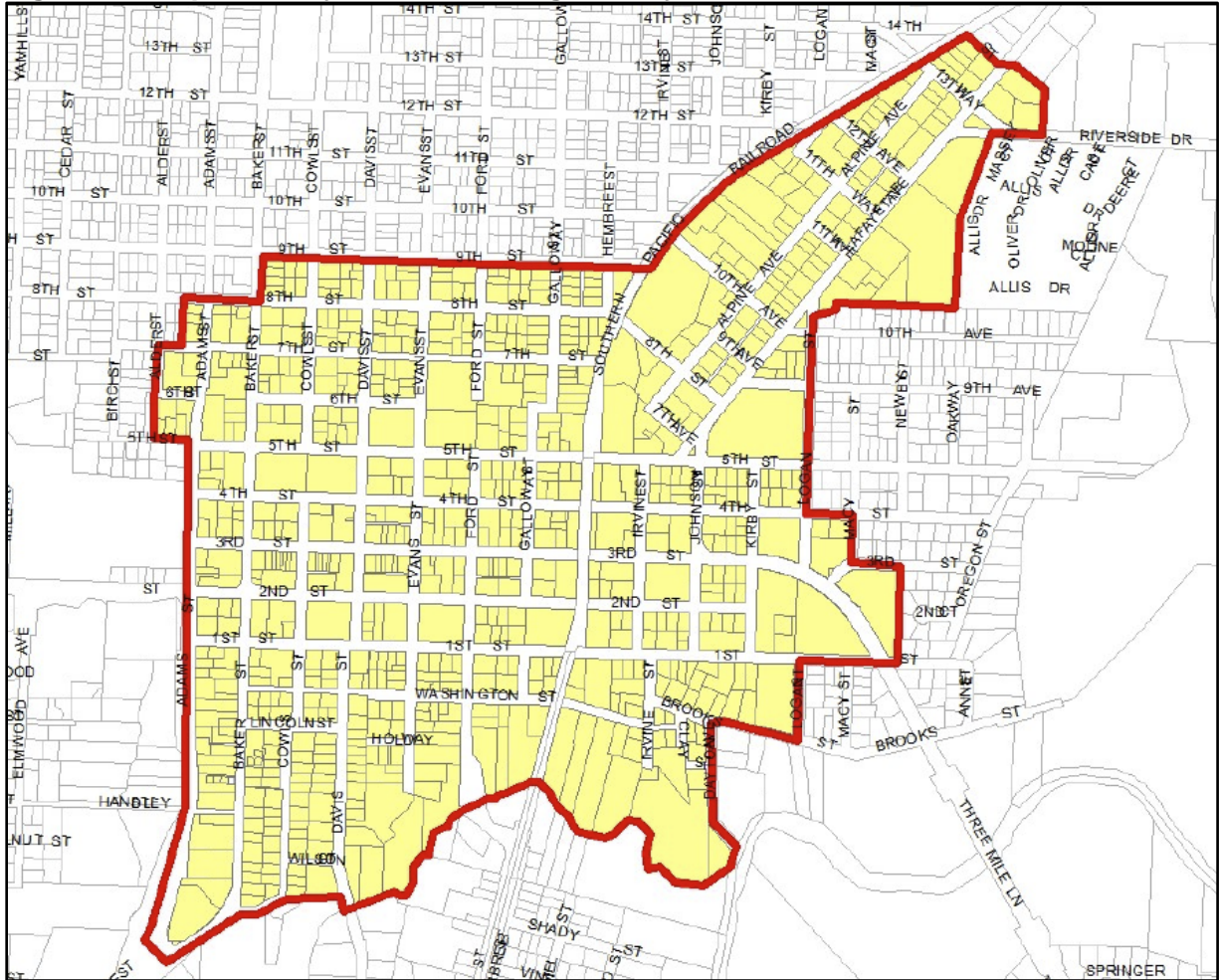
The purpose of the project was to create a strategy to potentially increase and incentivize more housing within the city center area and the surrounding higher density residential zones where there may be capacity for additional housing opportunities

The adopted resolution and final report are available at:

[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/ordinance/22004/res\\_2021-27.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/ordinance/22004/res_2021-27.pdf)

The project included a study area boundary. The boundary for the proposed Overlay Zone generally follows the study area boundary, but doesn't include areas with lower-density residential zoning on the southeastern fringes of the study area and adds a commercial block on the southwest side, including property where a multi-family residential structure was damaged by fire. Some lower density R-2 zoned residential properties on the east side of the study area are still included within the proposed boundary because they are uniquely located within the Urban Renewal Area and Northeast Gateway Overlay Zone. The area includes the School District administrative offices and nearby properties. The Planning Commission discussed the boundary and this issue and recommended that those properties should be part of this Overlay Zone boundary. The proposed boundary for the City Center Housing Overlay Zone is shown in **Figure 1** below.

**Figure 1. Proposed City Center Housing Overlay Zone**



A summary of the City Center Housing Strategy Action Plan is provided in the table in **Figure 2** below. Four categories of actions were identified, the first being removal of barriers to desired housing in the City Center.

The proposed amendment is a first step which establishes the overlay zone and addresses some of the initial barriers, including Actions 1.1 (density), 1.2 (minimum parking), and 1.3 (parking reduction area) below. It also partially addresses Action 1.4 (parking lot standards for small-scale development), by allowing residential parking within the Overlay Zone to be located on a nearby property, as already allowed for other uses. Other Action Items would be brought forward in subsequent steps. For example, Actions 1.5, 1.6, 1.7, and 1.8 below would be brought forward as a separate bundle of amendments together with the work underway on residential design standards. Some of those items have also already been discussed in previous work sessions.

Within the C-3 zone, multi-family housing is also currently subject to standards that apply to multi-family development within the R-4 zone. The proposal makes some modifications so certain R-4 standards wouldn't apply to multi-family housing in the C-3 zone if within the City Center Housing Overlay.

The Planning Commission discussed some of the proposed standards at their August work session and their September public hearing, and the proposed draft incorporates their recommended revisions.

**Figure 2. City Center Housing Strategy – Action Plan Summary Table**

|  | Regulatory | Non Regulatory | Proposed Action   |
|--|------------|----------------|---|
| <b>1.0 Remove barriers to desired housing in city center</b>                   |            |                |   |
| 1.1  | x          |                | Remove density requirements*                              |
| 1.2  | x          |                | Reduce residential parking minimums*                      |
| 1.3  | x          |                | Extend the parking reduction area*                        |
| 1.4  | x          |                | Revise parking lot standards for small scale development* |
| 1.5  | x          |                | Permit townhouses in C3 zone*                             |
| 1.6  | x          |                | Permit or conditionally permit SROs*                      |
| 1.7  | x          |                | C3-specific setbacks for multi-family residential*        |
| 1.8  | x          |                | Residential-specific design standards*                    |
| <b>2.0 Provide incentives and support to desired development</b>               |            |                |   |
| 2.1  |            | x              | City-led pilot projects in partnership with developer*    |
| 2.2  |            | x              | Subsidy gap financing from Urban Renewal funds            |
| 2.3  |            | x              | Evaluate SDC costs  |
| 2.4  |            | x              | Property Acquisition and Reduction of Land Costs          |
| 2.5  |            | x              | Fast-track system for permitting                          |
| 2.6  |            | x              | Small-scale developer bootcamp                            |
| 2.7  |            | x              | Developer guidebook of financial assistance               |
| 2.8  |            | x              | Developer Tours   |
| <b>3.0 Improve street character, connections, and walkability</b>              |            |                |   |
| 3.1  |            | x              | Improvements to 2nd and 4th streets                       |
| 3.2  |            | x              | Streetscape improvements to Adams and Baker               |
| 3.3  |            | x              | Improvements to Lafayette                                 |
| 3.4  |            | x              | Strengthen connections between Alpine District + 3rd St   |
| 3.5  |            | x              | Continue façade improvement program                       |
| 3.6  |            | x              | Free design assistance application                        |
| 3.7  |            | x              | Urban open space network to support downtown housing      |
| <b>4.0 Align enforcement and programming efforts with City's housing goals</b> |            |                |   |
| 4.1  |            | x              | Evaluate short term rental regulations                    |
| 4.2  |            | x              | Transportation modeling of the city center                |
| 4.3  |            | x              | Parking management plan / shared parking plan             |
| 4.4  |            | x              | Review of school capacity and other public services       |
| * Being addressed as part of the City Center Housing Strategy                  |            |                |   |

- 3. Allow temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.** Allowing temporary use of an RV during construction of a dwelling can allow a household to reduce their housing costs. With this option, a household

doesn't need to own and/or rent separate properties while new construction is occurring. This option is currently allowed in some other cities and counties in Oregon, and other jurisdictions are currently considering this option.

The proposed draft reflects revisions discussed and recommended by the Planning Commission at their August work session and September public hearing.

**Discussion:**

The proposed amendments support the Council Goal of Housing Opportunities.

The proposed amendments would address several of the initial key items in the City Center Housing Strategy adopted by Council in May; they would address Comprehensive Plan policies regarding housing in the City Center, including those which were updated with the Comprehensive Plan amendments in December 2020 as part of the package of amendments adopted concurrently with the UGB amendment; and they would include provisions for temporary use of RVs during construction, providing an additional opportunity to help reduce housing costs.

The proposed amendments were reviewed by the Planning Commission through a work session and public hearing. The proposed amendments reflect revisions discussed and recommended by the Planning Commission, with the additional amendment and supplemental findings recommended by staff.

**Attachments:**

- Attachment 1: Summary of Proposed Amendments by Chapter
- Attachment 2: Planning Commission Minutes – September 16, 2021
- Attachment 3: Ordinance No. 5105
  - Exhibit A – G 2-21 Decision Document
  - Exhibit B – Proposed Amendments

**Fiscal Impact:**

There is no immediate fiscal impact to the City of McMinnville with this action.

**Alternative Courses of Action:**

- 1) **ADOPT** Ordinance No. 5105, approving G 2-21 and adopting the Decision, Findings of Fact, and Conclusionary Findings provided in Ordinance No. 5105.
- 2) **ELECT TO HOLD A PUBLIC HEARING** date specific to a future City Council meeting.
- 3) **SEND THE PROPOSAL BACK TO THE PLANNING COMMISSION** for further review and recommendation regarding one or more issues, including the additional amendment and supplemental findings recommended by staff.
- 4) **DO NOT ADOPT** Ordinance No. 5105, providing findings of fact based on specific code criteria to deny the application in the motion to not approve Ordinance No. 5105, or address why the legislative proposal doesn't adequately address the Comprehensive Plan and City Center Housing Strategy.

**Recommendation:**

Staff recommends the Council adopt Ordinance No. 5105, which would approve Docket G 2-21, as recommended by the Planning Commission, with the additional amendment and supplemental findings recommended by staff as described above.

**“THAT BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY STAFF AND RECOMMENDED BY THE PLANNING COMMISSION, WITH THE ADDITIONAL AMENDMENT AND SUPPLEMENTAL FINDINGS RECOMMENDED BY STAFF, I MOVE TO ADOPT ORDINANCE NO. 5105.”**



## G 2-21. City of McMinnville Proposed Zoning Ordinance Amendments

- **City Center Housing Overlay Zone**
- **Existing Single-Family Dwellings, Duplexes, ADUs in the C-3 Zone**
- **Temporary Use of an RV as a Residence During Home Construction on Same Lot**

Proposed amendments to the McMinnville Zoning Ordinance to (a) add provisions allowing existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as permitted uses in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot, as follows:

- Amend **Chapter 17.33, C-3 General Commercial Zone**, as follows:
  - Amend Section 17.33.010 to allow existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as permitted uses in the C-3 zone based on the adoption date of this amendment.
  - Amend Section 17.33.010(3) to specify that the density provisions of the R-4 zone don't apply to residential use in the C-3 zone within the City Center Housing Overlay District.
  - Amend Section 17.33.020(F) to specify that residential use in the C-3 zone within the City Center Housing Overlay District which exceeds the density provisions of the R-4 zone is a permitted use in the C-3 zone under Section 17.33.010(3), not a conditional use.
- Amend **Chapter 17.54, General Regulations**, as follows:
  - Add a new Section 17.54.065, adding provisions to allow temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.
- Amend **Chapter 17.60, Off-Street Parking and Loading**, as follows:
  - Amend Section 17.60.050 regarding the location of off-street parking for residential use within the City Center Housing Overlay Zone. Off-street parking need not be on the same property as the residential use if it is located not farther than 500 feet of the building with the residential use, subject to a binding parking agreement.
  - Amend Section 17.60.100 to establish a modified minimum off-street parking standard for residential use within the City Center Housing Overlay Zone as 1 parking space per dwelling unit.
  - Allow for further parking reduction for multi-family residential use within the core area of 0.75 parking spaces per studio or 1 bedroom unit.
  - Add provisions to allow shared driveways subject to a shared access agreement.
- Amend **Chapter 17.63, Nonconforming Uses**, to specify that the limitation on the number of units applicable to replacement of a nonconforming multiple-family structure doesn't apply on property zoned C-3 in the City Center Housing Overlay Zone, when the nonconformity is relative the referenced setbacks of the R-4 zone, but the structure complied with the setbacks of the C-3 zone, and provided the replacement doesn't increase the extent of nonconformity relative to development standards.
- Add a new **Chapter 17.66, City Center Housing Overlay Zone**, to the Zoning Ordinance, establish a boundary for the Overlay Zone, and incorporate standards that apply to residential use within the City Center Housing Overlay Zone.

**Note: Additional land-use actions in the City Center Housing Strategy will be considered for adoption at a future date.**



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# MINUTES

September 16, 2021  
 Planning Commission  
 Regular Meeting

6:30 pm  
 Zoom Online Meeting  
 McMinnville, Oregon

**Members Present:** Roger Hall, Robert Banagay, Gary Langenwalter, Sylla McClellan, Brian Randall, Beth Rankin, and Sidonie Winfield

**Members Absent:** Lori Schanche, Dan Tucholsky, and Ethan Downs – Youth Liaison

**Staff Present:** Heather Richards – Planning Director, Amanda Guile-Hinman – City Attorney, and Tom Schauer – Senior Planner

## 1. Call to Order

Chair Hall called the meeting to order at 6:30 p.m.

## 2. Approval of Minutes

- **August 19, 2021**

Commissioner Banagay moved to approve the August 19, 2021 minutes. The motion was seconded by Commissioner Winfield and passed 7-0.

## 3. Citizen Comments

None

## 4. Public Hearings:

- A. **Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-20) and Zone Change, including Planned Development Overlay Designation (ZC 3-20) – (Exhibit 2)**  
**(Continued from July 15, 2021 PC Meeting)**

**Continuance Requested to October 21, 2021, PC Meeting**

**Request:** Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-2 (General Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 37.7 acres of a 90.4-acre property.

The 37.7 acres includes 4.25 acres intended for right-of-way dedication for a future frontage road. The application also shows a portion of the area subject to the map amendment intended for a north-south extension of Cumulus Avenue and future east-west street connectivity.



The request is submitted per the Planned Development provisions in Section 17.51.010(B) of the Zoning Ordinance, which allows for a planned development overlay designation to be applied to property without a development plan; however, if approved, no development of any kind can occur on the portion of the property subject to the C-3 PD overlay until a final development plan has been submitted and approved in accordance with the Planned Development provisions of the Zoning Ordinance. This requires the application for the final development plan to be subject to the public hearing requirements again at such time as the final development plans are submitted.

Location: The subject site is located at 3310 SE Three Mile Lane, more specifically described at Tax Lot 700, Section 26, T.4S., R 4 W., W.M.

Application: Kimco McMinnville LLC, c/o Michael Strahs

Commissioner Langenwalter MOVED to CONTINUE the hearing for CPA 2-20/ZC 3-20 to October 21, 2021. The motion was seconded by Commissioner Rankin and PASSED 7-0.

**B. Legislative Hearing: Proposed Amendments to the Zoning Ordinance and Establish a City Center Housing Overlay Zone (G 2-21) –(Exhibit 3)**

Requests: This is a legislative amendment, initiated by the City of McMinnville, proposing amendments to the McMinnville Zoning Ordinance related to housing. The proposed amendments would (a) add provisions allowing existing single-family dwellings as a permitted use in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.

Applicant: City of McMinnville

Disclosures: Chair Hall opened the public hearing and asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. He asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Staff Presentation: Senior Planner Schauer said this was a request to approve amendments to the Zoning Ordinance. Staff found that all the criteria were satisfied. One finding was revised regarding consistency with the purpose statement of the Zoning Ordinance. Staff also recommended adding a section to the findings regarding consistency with Goal 10: Housing and applicable state law. One of the amendments proposed was to allow existing single-family dwellings in the C-3 zone as a permitted use. Some of the questions/discussion from the Commission Work Session on this topic were: should this also apply to existing duplexes in the C-3 zone and should there be additional limitations on expansion or redevelopment. Since the Work Session, staff added provisions for existing duplexes and there was additional discussion in the staff report but no changes regarding limits on redevelopment or expansion. The next amendment proposed was to establish a City Center Housing Overlay Zone and associated provisions. The questions/discussion at the Work Session was the zone boundary and putting lower density residential within Urban Renewal and NE Gateway, 500 foot distance for off-street parking on separate property, shared driveways, and an additional parking reduction in the central core area. Since the Work Session, the boundary was left as it was per the discussion at the Work Session, the 500 foot off-site parking allowance was retained but additional information was provided, provisions were added for shared driveways, there was an additional parking reduction in the central core area for studios and 1-bedroom units, a copy of the parking utilization study was provided, and a provision added that allowed a nonconforming multi-family

structure destroyed by calamity to be replaced based on C-3 rather than R-4 setbacks without the current restriction of limiting to the same number of units provided it didn't increase the extent of existing nonconformity. Another amendment was allowing temporary use of an RV as a residence on a property while a home was being constructed or manufactured home installed on the same property. The questions/discussion at the Work Session were: if the requirement for gravel or paved surface was too onerous and questions about "self-contained." Since the Work Session, the provisions were kept as-is regarding the gravel or paving for self-contained and provisions that exempted applicants from connecting to on-site services, clarification that "self-contained" would be motorized for that purpose, additional information from the City of Prineville that nearly all chose to connect to services/remain on site, and a minor change to allow an emergency extension for the timeframe on an active permit.

Commission Questions: Commissioner Langenwalter asked about the intention of providing adequate off street parking. Senior Planner Schauer said the City Center Housing Strategy recommended the parking reduction within the City Center area. At the Work Session there was interest in further reducing the parking requirements in the most central core area. The proposal was for .75 spaces for one bedroom units or studios in the central core area and 1 space per unit in the broader City Center Housing Overlay District.

Commissioner Langenwalter questioned whether .75 spaces would be sufficient.

Commissioner Randall asked about the 1 space per unit for units with more than one bedroom. Senior Planner Schauer said the City Center Housing Strategy was focused on removing barriers to more dense development and there was proximity to services where the parking needs would be less in the core area.

Commissioner Randall did not know if it would be enough in the future, especially since mass transit was not available and there was a lack of City owned parking lots in downtown.

Planning Director Richards said the recent parking utilization study showed there were sufficient public parking lots currently. There was a project in the Urban Renewal Plan to acquire and build more inventory.

Commissioner Winfield thought the changes would allow the flexibility for increased density, but were still narrow enough that they would not get multi-storied tall apartment buildings that would compound the parking issues. It was a small corridor and she did not think it would be a problem.

Commissioner Langenwalter asked if RVs had to leave when demolition started. Senior Planner Schauer said the intention was not to have someone indefinitely live in the RV. They would have to concurrently get a building permit at the same time as the demolition permit. They could keep the RV on the property while the home was being built.

Commissioner Langenwalter asked how the southern boundary would be described. Senior Planner Schauer explained the boundary.

Public Testimony:

Proponents: Nate Ball, property owner, spoke in favor of the amendments. The apartment complex he owned in this area had burned down. It was workforce and Section 8 housing, and he planned to rebuild for the same demographic but increase the energy efficiency of the building as well as add two more units. He would make more efficient use of the building footprint

so it would not get any bigger, but be able to fit a few more units. Regarding parking, many of the tenants biked and about a third drove cars.

Mark Davis, McMinnville resident, was on the Project Advisory Committee and supported the recommendations. He thought there could be even further reductions in parking. There were people who lived without vehicles and had other ways to get around. They needed to have a vision for the future that would make downtown inviting. He did not think they should support more cars in downtown as it would add to the problem, not solve the problem.

Commissioner Randall asked if the one space per dwelling unit was the requirement regardless of how many bedrooms the units had. Senior Planner Schauer said that was correct.

Opponents: None

Chair Hall closed the public hearing.

Commission Deliberation: Commissioner McClellan thought they should further reduce the parking in the central area. The difference would be small and it would encourage more housing. Many who lived in this area did not have vehicles.

Commissioner Randall asked what kind of units people wanted to develop in this area and how many bedrooms. Planning Director Richards said the private market was not currently responding to building housing in the city center area because they could get more money from a lodging use and it was cost prohibitive to provide the parking requirements.

Commissioner Randall said based on those facts, he could support what was being proposed.

Commissioner Rankin suggested having a loading zone in front of the residential structures.

Based on the findings and conclusions, Commissioner McClellan MOVED to RECOMMEND APPROVAL of G 2-21 to the City Council with the amendment that the parking in the central area be reduced from .75 to .5 per studio and one bedroom units. SECONDED by Chair Hall.

There was discussion regarding the pros and cons of requiring a loading zone and how reducing parking might make housing development more competitive with lodging development.

The motion PASSED 7-0.

**C. Legislative Hearing: Proposed Annexation Requirements and Procedures (G 3-21) – (Exhibit 4)**

Request: This is a legislative amendment, initiated by the City of McMinnville, proposing amendments to Title 16 and Title 17 of the McMinnville Municipal Code to establish requirements and procedures for annexation of lands to the City of McMinnville for compliance with the McMinnville Growth Management and Urbanization Plan (MGMUP) and ORS 222, which governs annexations of land into cities in Oregon.

Applicant: City of McMinnville

Disclosures: Chair Hall opened the public hearing and asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. He asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Commissioner Langenwalter left the meeting.

Staff Presentation: Planning Director Richards said this was a proposal to amend the Municipal Code to establish requirements and procedures for annexation. This would make the Code compliant with state regulations, City Charter, and local ordinances. It was a navigable path for land to be annexed into the City based on the framework outlined in the McMinnville Growth Management and Urbanization Plan (MGMUP). It would also be a tool to ensure that future new development was responding to the community's needs. To implement the new annexation process, the amendments to the Code, draft Annexation Agreement, and annexation fees would need to be adopted. The amendments would be to Titles 16 and 17 of the Municipal Code and Chapter IX of the Comprehensive Plan. She discussed the definition of annexation and what annexation was governed by, McMinnville's Urban Growth Boundary, history of annexation in McMinnville, how there were six different ordinances regarding annexation and staff recommended that the process become part of the code instead, past requirement that annexations be approved by a vote of the electorate and how SB 1573 took away that requirement, and how the current ordinance in effect required the vote of the people for approval or denial. She explained how the amendments would bring them in compliance with the MGMUP which would require the process for an area plan, concept master plan, annexation agreement, master plan, and annexation. If the property was less than ten acres, no master plan would be required, but the development needed to be consistent with the area plan and other applicable zoning processes. She described the differences between the proposed and previous process, designations on the UGB amendment map, and UGB Framework Plan. Area plans were adopted as part of the MGMUP. They were needed prior to annexation for all properties with a UH Comprehensive Plan Map designation. The Framework Plan was a guiding document of assigned land needed for the area plans. The area plans would be adopted as a supplemental document to the Comprehensive Plan. After the area plan was adopted, a property could apply for annexation. The process outlined in Title 16 captured all the elements required in ORS 222 and Ordinance No. 4636 that were not clear and objective land use elements. If applicable, it would include a Concept Master Plan. A Concept Master Plan was not a land use application but was an advisory document for the annexation agreement. All properties that wanted to annex into the City would need a City Council approved Annexation Agreement. This was a written agreement between the City and land owners requesting annexation that stated the terms, conditions, and obligations of the parties for the annexation to be approved. These provisions included: public facilities and services to mitigate impacts to the City associated with the annexation and future development of the property, process for ensuring that the annexation was consistent with the Comprehensive Plan, and any other provisions that the City deemed necessary for the annexation to meet the City's ordinances and the community's identified needs. This would give the City the ability to negotiate the dedication and build-out of public facilities and amenities and negotiate community values such as affordable housing, school funding, or public art. Annexation agreements were negotiated on a case-by-case basis and were considered a contract between the property owners and the City. A draft Concept Master Plan was provided with the Annexation Application and would be used as the basis for the negotiations in the review with the Area Plan and community needs at the time. The Concept Master Plan was not a land-use decision. It was a draft plan that showed what the property owner wanted to do and set the stage for the Annexation Agreement. In the end, the applicant would need to submit a Final Master Plan for consideration that not only showed compliance with the Comprehensive Plan goals and policies, but also compliance with the Annexation Agreement. The amendments to Title 17 had to do with the Comprehensive Plan compliance for annexations. All properties that wanted to annex that had a UH Comprehensive Plan Map designation would need to submit a Concept Master Plan with the Annexation Agreement. Those that were 10 acres or more would be required to submit for a Master Plan review and approval

as a Type IV land use process. Residential properties 10 acres or less would need to go through a Zone Map amendment process to achieve City zoning upon annexation. Area plans and master plans were not required for lands identified as either industrial or commercial Comprehensive Plan Map designations in the UGB, but a Zone Map Amendment application and approval was required. The City Council would approve annexations by ordinance in compliance with ORS 222. Annexation would not take effect until compliance with all of the components of the Annexation Agreement was achieved. Concerns had been raised about the process, such as not enough opportunity for public influence on the decision-making process and the end results of the development and some of the language was problematic in terms of what was described as a land-use decision and what was not described as a land-use decision. Staff had amended the language for clarity.

#### Public Testimony:

Proponents: Mark Davis, McMinnville resident, had reservations about these changes when they were first explained. However, what was in front of the Commission was much improved. The City needed to deal with the islands of un-annexed property in the City limits. He thought the ten acre cut off might incentivize people to only bring in ten acres at a time of their property to avoid the master plan process. He was also concerned about potentially losing park land and how they had failed to build parks over the last 20 years. He wanted to make sure the parks were built as promised.

Planning Director Richards explained that was the purpose of the Area Plan process, to make sure the parks were developed as identified. The likelihood that there would be a property that could partition down to ten acres while in the County zoning was minimal. Most of the significantly larger parcels were in EFU or other zoning that would not allow that partitioning. That was why staff felt comfortable with the ten acres.

Opponents: None

Chair Hall closed the public hearing.

Planning Director Richards pointed out a typo in the proposed amendments.

Based on the findings and conclusions, Commissioner Randall MOVED to RECOMMEND APPROVAL of G 3-21 to the City Council. SECONDED by Commissioner Banagay. The motion PASSED 6-0.

#### 5. Commissioner Comments

None

#### 6. Staff Comments

Planning Director Richards said Senior Planner Darnell had resigned and the recruitment process for his position was moving forward. A new planner would begin work on October 1. Staff was still working under a heavy work plan to meet state deadlines. She then discussed upcoming agenda items.

#### 7. Adjournment

Chair Hall adjourned the meeting at 9:05 p.m.

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Heather Richards  
Secretary



## ORDINANCE NO. 5105

**AN ORDINANCE AMENDING TITLE 17 (ZONING) OF THE MCMINNVILLE CITY CODE, ADOPTING DOCKET G 2-21, HOUSING-RELATED LEGISLATIVE AMENDMENTS, AMENDING CHAPTERS 17.33, 17.54, 17.60, 17.63, AND ADDING CHAPTER 17.66**

**RECITALS:**

**WHEREAS**, Docket G 2-21 is a legislative package of City-initiated zoning ordinance amendments related to housing. The amendments are intended to increase housing opportunities and remove regulatory barriers associated with provision of housing, consistent with the Comprehensive Plan; and

**WHEREAS**, on May 11, 2021, City Council adopted the City Center Housing Strategy Final Report by Resolution 2021-27. This was the culmination of work through a public process that began in 2019, guided by the McMinnville Urban Renewal Advisory Committee (MURAC) and an 18-member Project Advisory Committee, with a recommendation from both entities to City Council. The purpose of the project was to create a strategy to potentially increase and incentivize more housing within the city center area and the surrounding higher density residential zones where there may be capacity for additional housing opportunities; and

**WHEREAS**, on July 28, 2021 the Affordable Housing Committee recommended that a bundle of housing-related amendments be taken forward for consideration by the Planning Commission, including amendments addressing actions identified in the City Center Housing Strategy; and

**WHEREAS**, on August 19, 2021, city staff hosted a work session with the Planning Commission to review a draft proposal; and

**WHEREAS**, on September 16, 2021, the Planning Commission held a duly noticed public hearing to consider the request. The Planning Commission recommended approval of the proposed amendments with revisions; and

**WHEREAS**, staff presented and recommended an additional amendment and supplemental findings in the staff report for the October 26, 2021 City Council meeting; and

**WHEREAS**, the City Council, being fully informed about said request, found that the requested amendments conformed to the applicable Comprehensive Plan goals and policies, as well as the McMinnville Zoning Ordinance based on the material submitted by the Planning Department and the findings of fact and conclusionary findings for approval contained in Exhibit A; and

**WHEREAS**, the City Council having received the Planning Commission recommendation and staff report, and having deliberated;

**NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:**

1. That the Council adopts the Decision, Findings of Fact and Conclusionary Findings, as documented in Exhibit A for G 2-21; and
2. That Title 17 of the McMinnville Municipal Code is amended as provided in Exhibit B.

3. That this Ordinance shall take effect 30 days after its passage by the City Council:

Passed by the Council this 26th day of October 2021, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

Attest:

Approved as to form:

\_\_\_\_\_  
CITY RECORDER

\_\_\_\_\_  
CITY ATTORNEY



**CITY OF MCMINNVILLE  
PLANNING DEPARTMENT**  
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**DECISION, CONDITIONS OF APPROVAL, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF LEGISLATIVE AMENDMENTS TO THE MCMINNVILLE CITY CODE, TITLE 17, DOCKET G 2-21, RELATING TO HOUSING AND AMENDING CHAPTERS 17.33, 17.54, 17.60, 17.63, AND ADDING CHAPTER 17.66**

**DOCKET:** G 2-21

**REQUEST:** The City of McMinnville is proposing to amend the Zoning Ordinance to (a) add provisions allowing existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as permitted uses in the C-3 zone subject to certain parameters, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot. The amendments would affect the following Chapters, as summarized in more detail in ***Attachment 1 to the Staff Report.***

Amend:

- Chapter 17.33, C-3 General Commercial Zone
- Chapter 17.54, General Regulations
- Chapter 17.60, Off-Street Parking and Loading
- Chapter 17.63, Nonconforming Uses

Add:

- Chapter 17.66, City Center Housing Overlay Zone

**LOCATION:** N/A, Multiple. This proposal includes some provisions which amend standards and some provisions which would apply within a designated City Center Housing Overlay Zone shown in the Staff Report and in the proposed Chapter 17.66.

**ZONING:** N/A, Multiple

**APPLICANT:** City of McMinnville

**STAFF:** Tom Schauer, Senior Planner

**HEARINGS BODY:** McMinnville Planning Commission

**DATE & TIME:** September 16, 2021, 6:30pm. Meeting held virtually via Zoom meeting software: <https://mcminnvilleoregon.zoom.us/j/88033487320?pwd=SzY5d3A2SDRlVU9VTnVPeHRHZZB1UT09>

**Zoom ID:** 880 348 7320

**Zoom Password:** 947797



## **I. APPLICATION SUMMARY**

This application is a proposal initiated by the City of McMinnville to amend the Zoning Ordinance to (a) add provisions allowing existing single-family dwellings, existing duplexes, and existing or new accessory dwellings which are accessory to existing single-family dwellings, as permitted uses in the C-3 zone subject to certain parameters, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.

The staff report provides more detailed background information regarding each of three topics. See ***Attachment 1*** to the Staff Report for a summary of the amendments by Chapter.

## **II. CONDITIONS OF APPROVAL**

None.

## **III. FINDINGS OF FACT**

1. Docket G 2-21 is a legislative package of City-initiated proposed zoning ordinance amendments related to housing. The proposal is intended to increase housing opportunities and remove regulatory barriers associated with provision of housing, consistent with the Comprehensive Plan.
2. On July 28, 2021 the Affordable Housing Committee recommended that a bundle of housing-related amendments be taken forward for consideration by the Planning Commission.
3. On August 19, 2021, city staff hosted a work session with the Planning Commission to review the draft proposal. The proposal reflects revisions recommended by the Planning Commission.
4. Notice of the application and the September 16, 2021 Planning Commission public hearing were provided to DLCD on August 5, 2021.
5. Notice of revisions to the proposal were provided to DLCD on August 11, 2021.
6. Notice of the application and the September 16, 2021 Planning Commission public hearing was published in the News Register on Wednesday, September 8, 2021, in accordance with Section 17.72.120 of the Zoning Ordinance.
7. On September 16, 2021, the Planning Commission held a duly noticed public hearing to consider the request. The Planning Commission recommended approval of the proposed amendments with additional revisions.
8. Notice of revisions to the proposal were provided to DLCD on October 14, 2021.
9. Notice of Docket 2-21 and the October 26, 2021 City Council meeting was posted on the City website in accordance with Oregon public meetings law.

## **IV. COMMENTS RECEIVED**

Comments provided at the Planning Commission hearing are included in the meeting minutes attached to the Staff Report.

## **V. CONCLUSIONARY FINDINGS:**

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application.

### **Zoning Ordinance**

The Purpose Statement of the Zoning Ordinance serves as a criterion for Zoning Ordinance amendments:

**17.03.020 Purpose.** The purpose of the ordinance codified in Chapters 17.03 (General Provisions) through 17.74 (Review Criteria) of this title is to encourage appropriate and orderly physical development in the city through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, adequate community facilities; and to provide assurance of opportunities for effective utilization of the land resources; and to promote in other ways public health, safety, convenience, and general welfare.

**FINDING: SATISFIED.** The proposed amendments achieve these purposes as further articulated in the Comprehensive Plan, addressed in more detail below. Further, the City Center Housing Overlay provisions further achieve these goals in a manner which carries out some of the action items in the City Center Housing Strategy.

On May 11, 2021, City Council adopted the City Center Housing Strategy Final Report by Resolution 2021-27. This was the culmination of work through a public process that began in 2019, guided by the McMinnville Urban Renewal Advisory Committee (MURAC) and an 18-member Project Advisory Committee, with a recommendation from both entities to City Council.

The purpose of the project was to create a strategy to potentially increase and incentivize more housing within the city center area and the surrounding higher density residential zones where there may be capacity for additional housing opportunities.

### **Comprehensive Plan**

As described in the Comprehensive Plan, the Goals and Policies of the Comprehensive Plan serve as criteria for land use decisions. The following Goals and Policies from Volume II of the McMinnville Comprehensive Plan are applicable to this request:

#### **CHAPTER IV. ECONOMY OF MCMINNVILLE**

##### **GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.**

###### *Downtown Development Policies:*

*36.00 The City of McMinnville shall encourage a land use pattern that:*

- 1. Integrates residential, commercial, and governmental activities in and around the core of the city;*
- 2. Provides expansion room for commercial establishments and allows dense residential development;*



3. *Provides efficient use of land for adequate parking areas;*
4. *Encourages vertical mixed commercial and residential uses; and,*
5. *Provides for a safe and convenient auto-pedestrian traffic circulation pattern.  
(Ord.4796, October 14, 2003)*

**FINDING: SATISFIED.** The proposal is consistent with the applicable Goal and Policies of Chapter IV of the Zoning Ordinance. The proposed amendments include provisions to help achieve integration of residential use and development in the core, allow dense residential development, and provide more efficient use of land as by addressing parking provisions.

## **CHAPTER V. HOUSING AND RESIDENTIAL DEVELOPMENT**

### **GOAL V 1: TO PROMOTE DEVELOPMENT OF AFFORDABLE, QUALITY HOUSING FOR ALL CITY RESIDENTS.**

#### *General Housing Policies:*

58.00 *City land development ordinances shall provide opportunities for development of a variety of housing types and densities.*

#### *Housing Rehabilitation Policies:*

62.00 *The maintenance, rehabilitation, and restoration of existing housing in residentially designated areas shall be encouraged to provide affordable housing.*

**FINDING: SATISFIED.** The proposal is consistent with Goal V.1 and associated policies of the Zoning Ordinance. The proposed amendments include City Center Housing Overlay provisions to help encourage retention of existing housing in the Overlay area, and to allow for retention, utilization, and restoration of existing housing in core areas.

### **GOAL V 2: TO PROMOTE A RESIDENTIAL DEVELOPMENT PATTERN THAT IS LAND INTENSIVE AND ENERGY-EFFICIENT, THAT PROVIDES FOR AN URBAN LEVEL OF PUBLIC AND PRIVATE SERVICES, AND THAT ALLOWS UNIQUE AND INNOVATIVE DEVELOPMENT TECHNIQUES TO BE EMPLOYED IN RESIDENTIAL DESIGNS.**

#### *Policies:*

68.00 *The City of McMinnville shall encourage a compact form of urban development by directing residential growth close to the city center, to designated neighborhood activity centers, and to those areas where urban services are already available before committing alternate areas to residential use. (Ord. 5098, December 8, 2020)*

69.00 *The City of McMinnville shall explore the utilization of innovative land use regulatory ordinances which seek to integrate the functions of housing, commercial, and industrial developments into a compatible framework within the city.*

70.00 *The City of McMinnville shall continue to update zoning and subdivision ordinances to include innovative land development techniques and incentives that provide for a variety of housing types, densities, and price ranges that will adequately meet the present and future needs of the community.*

*Multiple-family Development Policies:*

86.00 *Dispersal of new-multi-family housing development will be encouraged throughout the City in areas designated for residential and mixed-use development to encourage a variety of housing types throughout the community and to avoid an undue concentration of multi-family development in specific areas of the community leading to a segregation of multi-family development in McMinnville from residential neighborhoods. Dispersal policies will be consistent with the Great Neighborhood Principles*

*In areas where there are the amenities, services, infrastructure and public facilities to support a higher density of multi-family development, and the area is commensurate with a higher concentration of multi-family development without creating an unintended segregation of multi-family development, such as McMinnville's downtown, the area surrounding Linfield University and Neighborhood Activity Centers, a higher concentration of multi-family development will be encouraged. (Ord. 5098, December 8, 2020)*

87.00 *Residential developments at densities beyond that normally allowed in the multiple-family zone shall be allowed in the core area subject to review by the City. These developments will be encouraged for (but not limited to) the provision of housing for the elderly.*

90.00 *Greater residential densities shall be encouraged to locate along major and minor arterials, within one-quarter mile from neighborhood and general commercial shopping centers or within neighborhood activity centers, and within a one-half mile wide corridor centered on existing or planned public transit routes. (Ord. 5098, December 8, 2020; Ord. 4840, January 11, 2006; Ord. 4796, October 14, 2003)*

**FINDING: SATISFIED.** The proposal is consistent with Goal V.2 and associated policies of the Zoning Ordinance. The proposed amendments remove barriers and promote efficient residential use within the City Center Housing Overlay, helping to provide opportunities for a variety of housing types, densities, and price ranges.

## **CHAPTER VI. TRANSPORTATION SYSTEM**

### **GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER**

#### **PARKING**

*Policies:*

126.00 *The City of McMinnville shall continue to require adequate off-street parking and loading facilities for future developments and land use changes.*

- 127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*
- 128.00 *The City of McMinnville shall continue to assist in the provision of parking spaces for the downtown area.*

**FINDING: SATISFIED.** The proposal is consistent with applicable Goal and Parking Policies of Chapter VI of the Zoning Ordinance. The proposed amendments provide opportunities for more efficient utilization of land for parking within the City Center Housing Overlay.

### **TRANSPORTATION SUSTAINABILITY**

- 132.37.00 *Through implementation of the TSP and the Comprehensive Plan, the City of McMinnville will, to the extent possible, seek measures that simultaneously help reduce traffic congestion, pollution, crashes and consumer costs, while increasing mobility options for non-drivers, and encouraging a more efficient land use pattern. (Ord. 4922, February 23, 2010)*

**FINDING: SATISFIED.** The proposal is consistent with applicable Goal and Transportation Sustainability Policies of Chapter VI of the Zoning Ordinance. The proposed amendments provide opportunities to increase mobility options for non-drivers, as well as increased opportunities for some trips by other modes in the City Center area, and a more efficient land use pattern.

## **CHAPTER VIII. ENERGY**

### **ENERGY CONSERVATION**

#### **GOAL VIII 2: TO CONSERVE ALL FORMS OF ENERGY THROUGH UTILIZATION OF LAND USE PLANNING TOOLS.**

- 179.00 *The City of McMinnville shall amend pertinent ordinances to allow for design techniques which increase the efficient utilization of land and energy. Areas to examine shall include, but not be limited to:*
- 1. The zoning ordinance requirements, including density, lot areas, and setbacks to increase utilizable space in lots, while maintaining health and safety standards.*
  - 2. The geographic placement of various uses (commercial, industrial, residential) on the Comprehensive Plan Map to encourage energy-efficient locations.*
  - 3. The zoning ordinance and planned development provisions to allow for cluster developments, individually owned, common-wall dwellings, and other design techniques that increase utilizable space and offer energy savings.*
  - 4. The subdivision and zoning ordinances to encourage energy-efficient design such as proper landscaping for solar heating and cooling, solar orientation of dwellings and other site design considerations.*

5. *The building codes to encourage energy-efficient residential, commercial, and industrial building design and construction techniques.*

**FINDING: SATISFIED.** The proposal is consistent with applicable Goal and Energy Conservation Policies of Chapter VIII of the Zoning Ordinance. The proposed amendments provide opportunities for more efficient use of land within the City Center Housing Overlay and core area.

## **CHAPTER X. CITIZEN INVOLVEMENT AND PLAN AMENDMENT**

### **GOAL X 1 TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.**

**FINDING: SATISFIED.** The proposal is consistent with applicable Goal of Chapter X of the Zoning Ordinance. The proposed amendments implement action items in the City Center Housing Strategy, developed through public engagement including work with the McMinnville Urban Renewal Advisory Committee (MURAC) and a Project Advisory Committee, both of which recommended the final report to City Council. The final report was adopted by City Council.

The McMinnville Affordable Housing Committee also recommended that land use proceedings be initiated for the package of proposed amendments.

The Planning Commission held a work session in August to review and discuss the draft amendments, and the proposal incorporates input from the Planning Commission.

The public hearing process provides further opportunity for consideration of citizen involvement and input and associated deliberation.

#### **State Law:**

Changes to the Comprehensive Plan and its implementation ordinances must be acknowledged to continue remain in compliance with applicable state law, including the Statewide Planning Goals, Statutes, and Administrative Rules.

As summarized by DLCD:

“The foundation of Oregon’s statewide land use planning program is a set of 19 statewide planning goals. The goals express the state’s policies on land use and related topics, such as citizen involvement, housing, and natural resources. Most of the goals are accompanied by “guidelines,” which are suggestions about how a goal may be applied.

As noted in Goal 2, guidelines are not mandatory. The goals and guidelines are, however, adopted as administrative rules (Oregon Administrative Rules chapter 660, division 15).”

When amending the Comprehensive Plan, it is necessary to ensure the Comprehensive Plan remains in compliance with and consistent with applicable statewide land-use law, including Statewide Planning Goals, Statutes, and Administrative Rules.

Statewide Planning Goal 10 is the Housing Goal. There are several statutes that relate to Goal 10, and Goal 10 is also implemented through Administrative Rules, including OAR Chapter 660 Division 8 “Interpretation of Goal 10 Housing.”

While the Zoning Ordinance doesn't explicitly identify the statewide planning goals as criteria for comprehensive plan amendments, the relevant state law is applicable nonetheless.

### **Statewide Planning Goals**

**Goal 10: Housing (OAR 660-015-000(10)). To provide for the housing needs of citizens of the state.**

*Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density.*

**Buildable Lands** -- refers to lands in urban and urbanizable areas that are suitable, available, and necessary for residential use. **Government-Assisted Housing** -- means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

**Household** -- refers to one or more persons occupying a single housing unit.

**Manufactured Homes** – means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 USC 5401 et seq.), as amended on August 22, 1981.

**Needed Housing Units** – means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, "needed housing units" also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters.

**FINDING: SATISFIED.** The amendments are intended to provide for McMinnville's housing needs and citizens, helping address its share of "the housing needs of citizens of the state."

The amendments do not affect or change the City's adopted and acknowledged residential buildable land inventory or housing needs analysis.

The amendments are intended to help better "encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density."

There are no conflicts created by the proposed amendments related to Goal 10: Housing.

## **GUIDELINES**

### **A. PLANNING**

- 1. In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.*
- 2. Plans should be developed in a manner that insures the provision of appropriate types and amounts of land within urban growth boundaries. Such land should be necessary and suitable for housing that meets the housing needs of households of all income levels.*
- 3. Plans should provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.*
- 4. Plans providing for housing needs should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.*

**FINDING: NOT APPLICABLE.** The proposed amendments do not amend the adopted and acknowledged Housing Element of the City's Comprehensive Plan. The proposal amends the Zoning Ordinance consistent with the Goals and Policies of the adopted and acknowledged Comprehensive Plan.

### **B. IMPLEMENTATION**

- 1. Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions.*

**FINDING: NOT APPLICABLE.** The proposed amendments update standards and provisions governing residential development. The scope of work doesn't pertain to updating housing needs projections.

- 2. Plans should take into account the effects of utilizing financial incentives and resources to (a) stimulate the rehabilitation of substandard housing without regard to the financial capacity of the owner so long as benefits accrue to the occupants; and (b) bring into compliance with codes adopted to assure safe and sanitary housing the dwellings of individuals who cannot on their own afford to meet such codes.*

**FINDING: SATISFIED.** The proposed amendments regarding existing single-family dwellings and duplexes in the C-3 zone remove a financial disincentive to the continued use and rehabilitation of existing housing, whether standard or substandard, while ensuring compliance with applicable building codes.



The proposed amendments regarding reconstruction of multi-family housing destroyed by calamity, together with other proposed amendments, further incentivize rehabilitation of substandard housing to assure safe and sanitary housing in a manner that also removes barriers to opportunities for greater affordability and more efficient land utilization in the City Center Housing Overlay area.

3. *Decisions on housing development proposals should be expedited when such proposals are in accordance with zoning ordinances and with provisions of comprehensive plans.*

**FINDING: SATISFIED.** The proposed amendments which allow for multi-family residential use at greater than R-4 densities in the C-3 zone within the City Center Housing Overlay area as a permitted use rather than a conditional use have the effect of expediting such proposals.

4. *Ordinances and incentives should be used to increase population densities in urban areas taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities and (3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.*

**FINDING: SATISFIED.** The proposed amendments allow for more efficient land utilization and opportunities for residential density as a permitted use within the City Center Housing Overlay area, consistent with the adopted City Center Housing Strategy and consistent with Comprehensive Plan Goals and Policies. Proposed amendments related to parking remove regulatory barriers to development and re-use of existing space for residential development. For example, in the core area, the only use which requires parking to be on the same site as the use is residential use, which serves as a disincentive to residential use and re-use of existing spaces for housing. Proposed amendments would remove this barrier which currently puts residential use at a disadvantage to uses that are not subject to the same provision.

5. *Additional methods and devices for achieving this goal should, after consideration of the impact on lower income households, include, but not be limited to: (1) tax incentives and disincentives; (2) building and construction code revision; (3) zoning and land use controls; (4) subsidies and loans; (5) fee and less-than-fee acquisition techniques; (6) enforcement of local health and safety codes; and (7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.*

**FINDING: SATISFIED.** The proposed amendments amend zoning and land use controls to remove regulatory barriers to provide greater opportunities for households of all income levels in the City Center Overlay area, as part of a balanced planning program that also plans for dispersal of housing to meet the needs of low-income households at other locations within the planning area, coordinated with other land use and transportation needs to provide for proximity and access to services for households, as evidenced by Comprehensive Plan policies adopted and amended in December 2020 addressing these issues.

The proposal removes these barriers in a manner that still limits development of new low-density residential units in areas that would otherwise displace higher density residential use, consistent with the Comprehensive Plan.

6. *Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.*

**FINDING: NOT APPLICABLE.** The proposed amendments update standards and provisions governing residential development. The scope of work doesn't pertain to updating housing needs projections.

### **Statutes & Administrative Rules**

Statutes and administrative rules which pertain to housing include ORS 197: Comprehensive Land Use Planning I; ORS 227: City Planning and Zoning, and OAR 660 Division 8: Interpretation of Goal 10 Housing.

**FINDING: SATISFIED.** The proposed amendments are consistent with, and do not conflict with, applicable housing-related provisions of provisions of provisions of ORS 197: Comprehensive Land Use Planning I, ORS 227: City Planning and Zoning, and OAR 660 Division 8: Interpretation of Goal 10 Housing. Provisions of these statutes and administrative rules are generally not applicable to the specific amendments which are proposed.

The City adopted a UGB amendment, amendments to the Comprehensive Plan, and amendments to the Zoning Ordinance in December 2020. The amendments were acknowledged in April 2021. The proposed amendments are consistent with the City's adopted and acknowledged Comprehensive Plan and applicable Goals and Policies.

The proposed amendments do not change the City's adopted and acknowledged Buildable Land Inventory, Housing Needs Analysis, or Comprehensive Plan Goals and Policies. There are no conflicts created by the proposed amendments relative to the applicable statutes and/or administrative rules.

Some provisions of state law, including "Middle Housing" amendments will be separately addressed under a separate City initiated-amendment consistent with the required adoption timeline. The proposed amendments in G 2-21 are not intended to address those requirements.

**Note:** The City's initial draft did not include an existing or new ADUs as a permitted use when accessory to and on the same lot as an existing single-family dwelling in the C-3 zone. The updated draft includes this as a permitted use, in part to address ORS 197.312(5)(a), which states, "A city with a population greater than 2,500 or a county with a population greater than 15,000 shall allow in areas within the urban growth boundary that are zoned for detached single-family dwellings the development of at least one accessory dwelling unit for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design."

### **197.610(7) Post-Acknowledgment Procedures and OAR 660, Division 18. Post-Acknowledgment Amendments**

#### **OAR 660-018-0035. Department [DLCD] Participation**

(1) *When the department [DLCD] determines that a proposed change to an acknowledged comprehensive plan or a land use regulation may not be in compliance with land use statutes or the statewide land use planning goals, including administrative rules implementing either the statutes or the goals, the department shall notify the local government of the concerns at least 15 days before the final evidentiary hearing, unless:*

*(a) The local government holds only one hearing on the proposal, in which case the notification must occur prior to the close of the hearing;*

*(b) The proposed change has been modified to the extent that resubmission is required under OAR 660-018-0045; or*

*(c) The local government did not submit the proposed change within 35 days in advance of the final hearing in accordance with OAR 660-018-0020(1), regardless of the circumstances that resulted in that delay.*

*(2) Notwithstanding section (1) of this rule, the department may provide advisory recommendations to the local government concerning a proposed change to the acknowledged comprehensive plan or land use regulation at any time prior to the adoption of the change.*

**FINDING: SATISFIED.** The City has provided the required notice of the proposed post-acknowledgment amendment to DLCD as required by OAR 660 Division 18. DLCD has not provided comment or advisory recommendations to the City concerning the proposed amendments.

**FINDING REGARDING APPLICABLE STATE LAW: SATISFIED.** The proposed package of amendments in G 2-21 contains multiple housing-related provisions, each of which is designed to remove regulatory barriers to continued use, development, reuse, and/or redevelopment of existing and new housing, through implementation of the Comprehensive Plan in a manner that continues to ensure the adopted and acknowledged Comprehensive Plan and its implementing regulations remain consistent with applicable state law.

**PROPOSED AMENDMENTS TO THE MCMINNVILLE CITY CODE  
DOCKET G 2-21: HOUSING-RELATED AMENDMENTS**

New proposed language is represented by ***bold italic font***, deleted language is represented by ~~strikethrough font~~.

Chapter 17.33

C-3 GENERAL COMMERCIAL ZONE

[...]

17.33.010 Permitted Uses. In a C-3 zone, the following uses and their accessory uses are permitted.

[...]

2. ***Existing lawfully established single-family dwellings built and occupied prior to [insert adoption date], 2021.***
  - a. ***Lots for these uses will be limited to their current sizes and cannot be expanded.***
  - b. ***If the single-family dwelling is not occupied for more than a year as a residential use, it is no longer considered a permitted use.***
  - c. ***Short-term rentals and resident-occupied short-term rentals will be considered a continued residential use for this code provision.***
3. ***Existing lawfully established two-family dwellings built and occupied prior to [insert adoption date], 2021.***
  - a. ***Lots for these uses will be limited to their current sizes and cannot be expanded.***
  - b. ***If the two-family dwelling is not occupied for more than a year as a two-family dwelling, it is no longer considered a permitted use.***
4. ***A new or existing lawfully established accessory dwelling unit which is accessory to, and on the same lot as, an existing lawfully established single-family dwelling built and occupied prior to [insert adoption date], 2021, subject to the following standards:***
  - a. ***The accessory dwelling unit may be established by:***
    1. ***Conversion of an attic, basement, or garage or any other portion of the primary dwelling;***
    2. ***Adding floor area to the primary dwelling, including a second story; or***
    3. ***Construction of a detached accessory dwelling unit on a lot with a primary single-family dwelling.******The existing lawfully-established single-family dwelling shall remain designated as the primary dwelling.***
  - b. ***The square footage of the accessory dwelling shall not exceed 50 percent of the primary dwelling exclusive of the garage, or 1,000 square feet, whichever is less. The minimum area shall be as determined by the State of Oregon Building Codes Division.***
  - c. ***The building coverage of a detached ADU may not be larger than the building coverage of the primary dwelling.***

- d. The accessory dwelling shall meet all applicable standards for this zone including, but not limited to, setbacks, height, and building codes in effect at the time of construction. The maximum height allowed for a detached ADU is the lesser of 25 feet or the height of the primary dwelling.
- e. The structure's appearance, including siding, roofing, materials, and color shall coincide with that used on the primary dwelling unit, including roof pitch, eaves, window fenestration patterns, etc.
- f. Not more than one accessory dwelling unit shall be allowed per lot or parcel.
- g. The accessory dwelling unit shall contain a kitchen, bathroom, living, and sleeping area that completely independent from the primary dwelling.
- h. Manufactured homes, recreational vehicles, motor vehicles, travel trailers and all other forms of towable or manufactured structures, not to include modular structures, shall not be used as an accessory dwelling unit.
- i. ADUs are exempt from the residential density standards of this code.
- j. Occupancy and use standards for an ADU shall be the same as those applicable to a primary dwelling on same site.
- k. That a legally non-conforming accessory structure which is accessory to an existing lawfully established single-family dwelling may be converted to an accessory dwelling unit in accordance with the requirements of Chapter 17.63 (Nonconforming Uses).

25. Condominiums subject to the provisions of the R-4 zone, except that within the City Center Housing Overlay Zone designated in Chapter 17.66, density limitations of the R-4 zone shall not apply, and any special development standards of the Overlay Zone shall supersede those of the R-4 zone.

36. Multiple-family dwellings subject to the provisions of the R-4 zone, except that within the City Center Housing Overlay Zone designated in Chapter 17.66, density limitations of the R-4 zone shall not apply, and any special development standards of the Overlay Zone shall supersede those of the R-4 zone.

[...]

17.33.020 Conditional Uses. In a C-3 zone, the following uses and their accessory uses may be permitted subject to the provisions of Chapters 17.72 and 17.74.

[...]

F. Outside of the City Center Housing Overlay Zone, a A multiple-family dwelling or condominium constructed to a higher density than normally allowed in the R-4 multiple-family zone provided that the following conditions are met. It is the applicant's burden to show that the conditions have been met:

[...]

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GENERAL REGULATIONS

[...]

**17.54.065 Use of Recreational Vehicle (RV) As Temporary Residence During Residential Construction.**

**A recreational vehicle (RV) may be authorized as a temporary residence during construction of a new residential structure on the same lot or parcel if found to comply with the following conditions.**

- a. Only one RV shall be allowed on a lot or parcel. The RV shall only be placed on a lot or parcel for which a building permit for a site-built dwelling(s) or a placement permit for a manufactured dwelling meeting the standards of the applicable zone has been obtained and remains active.**
- b. The RV shall only be placed on a vacant lot, or a lot on which any existing dwellings will be demolished or removed. If any existing dwellings on the lot are to be demolished, the RV shall only be allowed on the lot prior to demolition if a demolition permit is issued concurrently with the building permit or placement permit for the new home. Demolition of any site-built home shall begin, or removal of any manufactured home shall occur, within 30 days of placement of the RV.**
- c. The RV shall only be occupied by future residents of a dwelling under construction on the same lot. If the occupants are not the property owner, written authorization from the property owner shall be provided prior to placement of the RV.**
- d. The RV shall not be occupied concurrently with any dwelling on the lot, either prior to demolition or removal of any existing dwelling or upon completion or placement of a new dwelling.**
- e. The RV shall only be occupied during a period in which satisfactory progress is being made towards the completion of the site-built dwelling or placement of the manufactured dwelling for which a permit has been obtained, and in no case shall the time period exceed 18 months involving a site-built dwelling or 6 months involving a manufactured dwelling, including any applicable demolition or removal. The Planning Director may grant one or more emergency hardships extensions provided the building permit or installation permit remains active and upon finding continued progress toward completion.**
- f. The RV shall cease to be used as a temporary residence not later than one month following the completion of a new site-built dwelling or placement of a manufactured dwelling, as applicable.**
- g. Except in the case of a self-contained motorized RV, connections to public sewer and water or any authorized on-site systems shall be provided, as well as electric power. Any on-site connections shall require applicable permits and approvals.**
- h. There shall be no parking of a self-contained, motorized RV or any vehicles on any portion of the site which is not paved or improved with a compacted dust-free gravel surface.**
- i. The Planning Director may revoke authorization for use of the RV as a temporary residence upon finding noncompliance with the provisions of this Section, including evidence of unsatisfactory progress on construction or placement of the permanent dwelling unit(s).**
- j. Nothing in the Section is intended to preclude any other lawful use of an RV as otherwise authorized in the McMinnville Municipal Code, such as the Safe Overnight Parking Program.**

[...]



OFF-STREET PARKING AND LOADING

[...]

17.60.050. Spaces – Location.

~~Except for one or two upper-story residential dwelling units above a non-residential use, off-street parking spaces for dwellings shall be located on the same lot with the dwelling.~~

**A. Except as provided below, required off-street parking spaces for dwellings shall be located on the same lot with the dwelling. For the following residential uses, off-street parking shall be located not farther than five hundred feet from the building or use they are required to serve, measured in a straight line from the building.**

**1. Off-street parking for one or two upper story residential dwelling units above a non-residential use**

**2. Off-street parking for residential uses in the City Center Housing Overlay Zone designated in Chapter 17.66**

**B.** All other required parking spaces shall be located not farther than two hundred feet from the building or use they are required to serve, measured in a straight line from the building.

**C. When parking is provided on a different lot than the use it is required to serve, the applicant shall provide evidence of a binding parking agreement for use of the property for off-street parking consistent with the provisions of this Chapter for as long as the parking is required to serve the property. If the property is in different ownership or subsequently conveyed to a different owner, the parking agreement shall be recorded.**

[...]

17.60.100. Reduced requirements for certain area.

**A.** In the area bounded by Adams Street, Ford Street, and Seventh Street, required off-street parking spaces for commercial establishments may be one-half the number stated for the particular use in Section 17.60.060 (see special parking requirements map below).

**B. Except as provided in Subsection (C), within the City Center Housing Overlay Zone designated in Chapter 17.66, minimum required off-street parking spaces for residential uses shall be one space per dwelling unit.**

**C. Within the areas described in Section 17.60.060 and 17.60.100 and depicted in the “Reduced Parking Requirements” map, minimum required off-street parking spaces for multi-family residential uses shall be 0.5 space per dwelling unit for studio and 1-bedroom dwellings.**

[...]

**17.60.125. Shared access. When it is in the public interest, a shared driveway and circulation subject to a shared access easement and agreement may be authorized by the Planning Director when it would achieve one or more objectives of the Comprehensive Plan or this ordinance, such as reducing access points onto access-managed streets or reducing the amount of land required for access to parking spaces. Except where otherwise provided in this ordinance, a shared driveway to access parking spaces shall not replace the requirements for street frontage or other provisions of this code. The Planning Director may require that a shared driveway be located on the common property line between properties in certain circumstances, such as a situation where access is shared, but parking is not.**

Chapter 17.63

NONCONFORMING USES

[...]

17.63.060 Structure—Destruction.

- A. If a nonconforming structure or a structure containing a nonconforming use in the industrial land use category is destroyed by any cause to an extent exceeding sixty percent of the assessed structural value as recorded in the County Assessor's records at the time of destruction, a future structure or use of the property shall conform to the provisions of this ordinance;
- B. If a nonconforming structure or a structure containing a nonconforming use in a residential, commercial, or public land use category is destroyed by fire, accident, or an act of God, the structure may be rebuilt to the same size (square footage before destruction) and may be occupied by the use which occupied the structure at the time of destruction.
- C. In the case of a destruction of a nonconforming multiple-family residential structure, the structure, if rebuilt, may not contain more living units than existed prior to the destruction; **except, however, in a C-3 zone within the City Center Housing Overlay Zone, this limitation shall not apply to a multiple-family structure that is nonconforming relative to the referenced setbacks of the R-4 zone, but meets the setbacks of the C-3 zone and which does not otherwise increase nonconformity relative to other development standards.** (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

[...]

Chapter 17.66

CITY CENTER HOUSING OVERLAY ZONE

Sections:

|                  |                                     |
|------------------|-------------------------------------|
| <u>17.66.010</u> | <u>Establishment</u>                |
| <u>17.66.020</u> | <u>Purpose and Intent</u>           |
| <u>17.66.020</u> | <u>Applicability and Exemptions</u> |
| <u>17.66.030</u> | <u>Guidelines and Standards</u>     |
| <u>17.66.040</u> | <u>Procedure</u>                    |

17.66.010 Establishment. The City Center Housing Overlay Zone is hereby established. The City Center Housing Overlay Zone boundary is shown in Figure 17.66.1.

17.66.020 Purpose and Intent.

17.66.030. Applicability and Exemptions. Provisions of this Chapter apply to residential development within the City Center Housing Overlay Zone boundary, including new development, and development that increases the square footage or number of existing dwelling units.

The provisions of the Chapter modify the provisions of other Chapters of the Zoning Ordinance as specified herein.

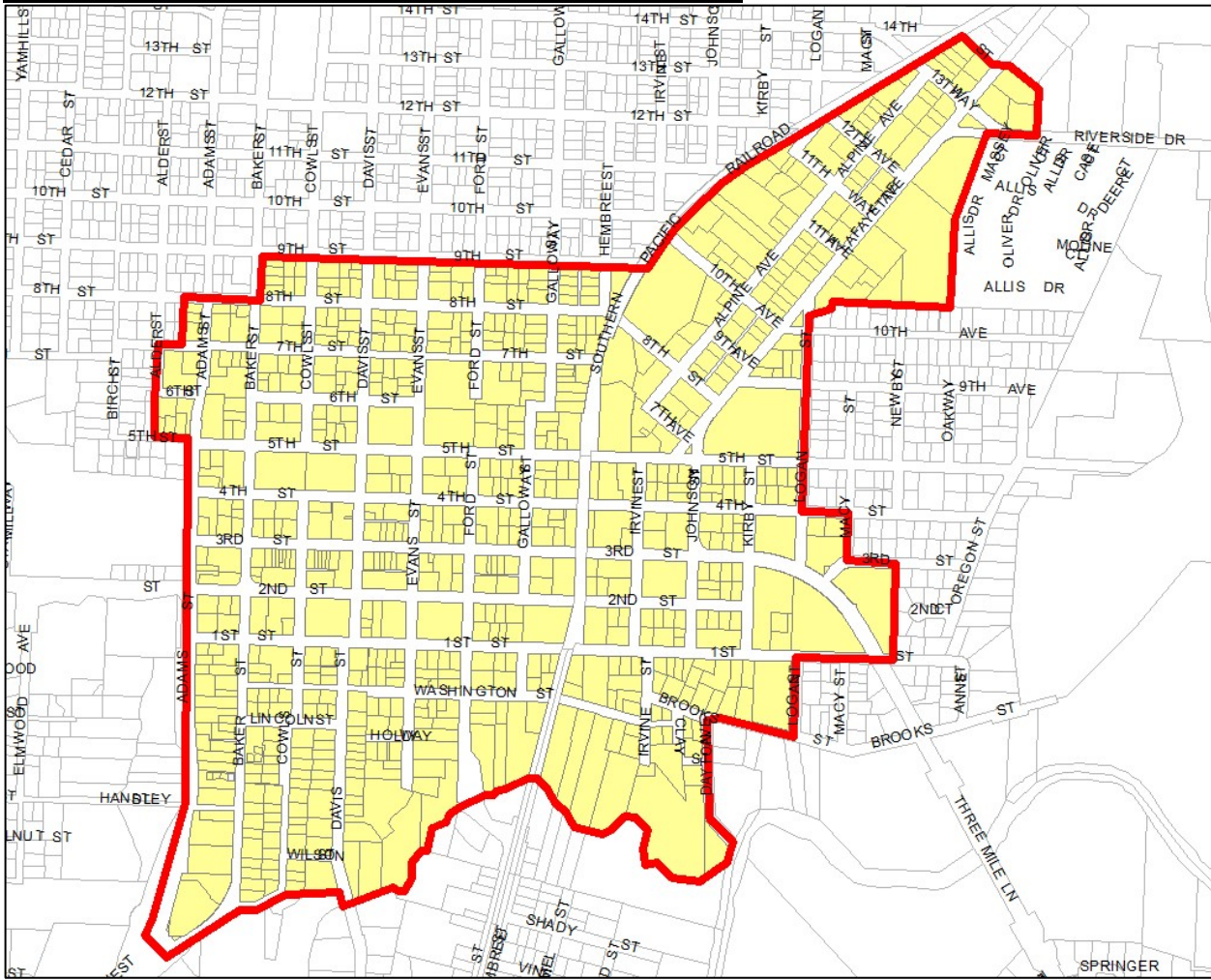
In addition, other Chapters of this Ordinance may specify that certain provisions of those respective Chapters are modified for properties within the City Center Housing Overlay Zone boundary, as specified in those Chapters.

The provisions of this Chapter do not apply to routine maintenance of residential development within the City Center Housing Overlay Zone.

17.66.040. Guidelines and Standards. [Reserved for future use].

17.66.050. Procedures. [Reserved for future use].

**Figure 17.66.1. City Center Housing Overlay Zone Boundary**





# STAFF REPORT

**DATE:** October 26, 2021  
**TO:** Mayor and City Councilors  
**FROM:** Heather Richards, Planning Director  
**SUBJECT:** Ordinance No. 5106, Amending the McMinnville Municipal Code and Comprehensive Plan, Relative to Annexations

## STRATEGIC PRIORITY & GOAL:



### GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

**OBJECTIVE/S:** Strategically plan for short and long-term growth and development that will create enduring value for the community

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## Report in Brief:

This action is the consideration of Ordinance No. 5106, amending the McMinnville Municipal Code (MMC) and McMinnville Comprehensive Plan to align McMinnville's annexation procedures and requirements with state law and the McMinnville Growth Management and Urbanization Plan (MGMUP). This is a legislative action, recommended by the Planning Commission.

Specifically, Ordinance No. 5106

### Repeals:

- Ordinance No. 4636 (as amended by Ordinance No. 4670)
- Title 16 of the McMinnville Municipal Code, entitled, "Subdivisions"

### Adds:

- Title 16 to the McMinnville Municipal Code, entitled, "Annexations"

### Amends:

- Chapter 17.06 of the McMinnville Municipal Code, Definitions
- Chapter 17.09 of the McMinnville Municipal Code, Zone Classifications, Boundaries and More
- Chapter 17.10 of the McMinnville Municipal Code, Area and Master Planning Process
- Chapter 17.72 of the McMinnville Municipal Code, Applications and Review Process
- Chapter IX, "Urbanization" of the McMinnville Comprehensive Plan

**Background:**

Annexation is the process by which a municipality, upon meeting certain requirements, expands its corporate limits.

Oregon statewide planning goals require that each city be surrounded by a boundary which is called an urban growth boundary (UGB). The UGB defines the area which the city has identified as being eligible to be included within the city limits during a 20-year planning period to accommodate growth. Annexation is the process for lands within the UGB to become part of the city limits, and thus developed to an urban intensity in compliance with the city’s comprehensive plan. Lands within the UGB may be considered for annexation into the city limits consistent with ORS 222 and local ordinances. Annexations are governed by state laws (Oregon Revised Statute, Title 21, Chapter 222), City Charters, and local ordinances.

A proposal for annexation of territory to a city may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed. The boundaries of a city may be extended by the annexation of territory that is not within a city and that is contiguous to the city or separated from it only by a public right of way or a stream, bay, lake or other body of water, if the proposal for annexation is approved in the manner provided by the city charter or by ORS 222.111.

Historically in McMinnville, annexations have been governed by Ordinances No. 4130, 4357, 4535, 4624, 4636, and 4670. All of which developed and amended an annexation process for the City of McMinnville over the past forty (40) years. The history of the amendments to these ordinances is nuanced and difficult to administer. (Please see Table 1 below).

The proposed amendments repeal all of these Ordinances and dedicate a chapter of the McMinnville Municipal Code (Title 16) to Annexations for transparency and ease of administration, transferring all of the compliant provisions of the remaining authoritative ordinance, Ordinance No. 4636 as amended by Ordinance No. 4670, to the McMinnville Municipal Code, Title 16, “Annexations”..

| Ordinance | Date of Approval | What it does?  |
|-----------|------------------|--|
| No. 4130  | April 7, 1981    | <ul style="list-style-type: none"><li>• Enacted requirements and procedures for annexation of land to the City of McMinnville.</li><li>• Land must be in the UGB.</li><li>• Land must be contiguous to the city limits.</li><li>• Plan for development must meet comprehensive plan policies.</li><li>• Adequate level of services must be available or made available within three years of annexation.</li><li>• Public hearing at the Planning Commission level. PC provides a recommendation to City Council.</li><li>• City Council public hearing and final decision.</li><li>• City shall attempt to not create islands of non-incorporated territory within the city limits.</li><li>• If an island is created, it needs be annexed within one year.</li><li>• Zoning shall be AH or county zoning until it is rezoned into a city zone for development.</li></ul> |



| Ordinance | Date of Approval  | What it does?  |
|-----------|-------------------|--|
| No. 4357  | February 4, 1986  | <ul style="list-style-type: none"> <li>• Repeals Ordinance No. 4130.</li> <li>• In response to state changes to ORS 222, which no longer required two public hearings if all the property owners of the land to be annexed consent to the annexation.</li> <li>• City elected to retain a public hearing for annexations at the Planning Commission level and eliminate the one required at the City Council level.</li> <li>• Land still must be in the UGB.</li> <li>• Land still must be contiguous to city limits.</li> <li>• Plan for development must meet comprehensive plan policies.</li> <li>• Adequate level of services must be available or made available within three years of annexation.</li> <li>• Public hearing at the Planning Commission level. PC provides a recommendation to City Council.</li> <li>• City Council public hearing and final decision.</li> <li>• City shall attempt to not create islands of non-incorporated territory within the city limits.</li> <li>• If an island is created, it needs be annexed within one year.</li> <li>• Zoning shall be AH or county zoning until it is rezoned into a city zone for development</li> </ul> |
| No. 4535  | April 27, 1993    | <ul style="list-style-type: none"> <li>• Amends Ordinance No. 4357 due to state amendments to ORS 222 relative to nonunanimous consent of property owners to be annexed.</li> </ul>  |
| No. 4624  | May 14, 1996      | <ul style="list-style-type: none"> <li>• Amends Ordinance No. 4357 to require that Islands created by annexations be annexed into the city within one year.</li> </ul>   |
| No. 4636  | November 12, 1996 | <ul style="list-style-type: none"> <li>• Repeals Ordinance No. 4357 in response to local ballot measure No. 36-32 passed on May 21, 1996 to amend the City Charter to read that all annexations except those otherwise mandated by state law, be referred to a vote of the electorate.</li> </ul>  |
| No 4670   | June 23, 1998     | <ul style="list-style-type: none"> <li>• Amends Ordinance No. 4636 relative to the definition of adequate levels of municipal sanitary sewer and water service required within three years of annexation.</li> </ul>   |

The most recent ordinance passed relative to annexations is Ordinance No. 4636, which provides for the following:

All annexations must be:

- Within the UGB
- Contiguous to the city limits
- Complies with the Comprehensive Plan, Volume II, Goals and Policies
- Must have an adequate level of urban services available or made available, within three years time of annexation.
- Findings documenting the availability of police, fire, and school facilities and services shall be made to allow for the proposed annexation.
- Public hearing with the Planning Commission for recommendation of approval to City Council to go to the ballot or denial.
- Cities shall strive to not create Islands of unincorporated territory within the corporate limits of the City
- Land will come into the City based on underlying comprehensive plan designation and be zoned AH if no other zone has been requested or it does not have a county zone.
- Referred to the electorate for a vote of approval or denial

Just like the city ordinances, the McMinnville City Charter has also been amended over time to reflect changing requirements and procedures for annexations. In 1996, Section 3 of the McMinnville City Charter as adopted in 1971, was amended to read that "Unless mandated by State Law, any annexation, delayed or otherwise, to the City of McMinnville may only be approved by a prior majority vote among the electorate." (Ballot Measure 36-32, May 21, 1996.). This then established a history of annexation requests that were determined by a city-wide vote of the electorate.

In 2016, the Oregon State Legislature passed Senate Bill 1573 amending ORS 222.127, stating that essentially if a landowner, or landowners petition the City for annexation, the legislative body of the city shall annex the property without submitting the proposal to the electors of the city if the property is within the UGB, contiguous to the city limits, meets the comprehensive plan, and conforms to all other ordinances of the city. In other words, the City cannot force a proposed annexation to be put to the voters if all landowners within the proposed annexed area agree to the annexation.

#### ORS 222.127

- (1) *This section applies to a city whose laws require a petition proposing annexation of territory to be submitted to the electors of the city.*
- (2) *Notwithstanding a contrary provision of the city charter or a city ordinance, upon receipt of a petition proposing annexation of territory submitted by all owners of land in the territory, the legislative body of the city shall annex the territory without submitting the proposal to the electors of the city if:*
  - (a) *The territory is included within an urban growth boundary adopted by the city or Metro, as defined in [ORS 197.015 \(Definitions for ORS chapters 195, 196, 197 and ORS 197A.300 to 197A.325\)](#);*
  - (b) *The territory is, or upon annexation of the territory into the city will be, subject to the acknowledged comprehensive plan of the city;*
  - (c) *At least one lot or parcel within the territory is contiguous to the city limits or is separated from the city limits only by a public right of way or a body of water; and*
  - (d) *The proposal conforms to all other requirements of the city's ordinances.*
- (3) *The territory to be annexed under this section includes any additional territory described in [ORS 222.111 \(Authority and procedure for annexation\)](#) (1) that must be annexed in order to locate infrastructure and right of way access for services necessary for development of the territory described in subsection (2) of this section at*

*a density equal to the average residential density within the annexing city.*

- (4) When the legislative body of the city determines that the criteria described in subsection (2) of this section apply to territory proposed for annexation, the legislative body may declare that the territory described in subsections (2) and (3) of this section is annexed to the city by an ordinance that contains a description of the territory annexed. [2016 c.51 §2]*

The Oregon Legislature adopted this amendment to ORS 222.127 In 2016 because It had been determined that some cities were using the electorate vote to prevent the necessary growth of the city to meet Its required population absorption. (33 cities were managing annexations in this manner.)

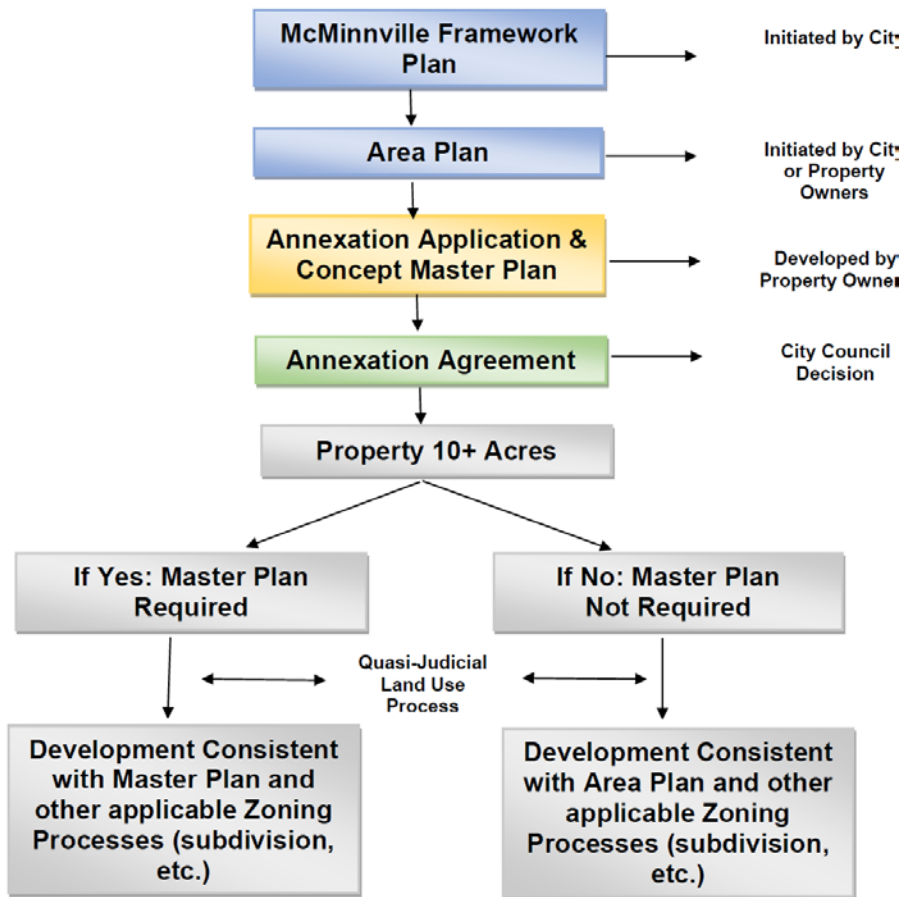
Corvallis and Philomath challenged the law shortly after It was enacted, arguing that the law Infringed on the home rule authority of cities to choose when and where to extend their boundaries. The Court of Appeals ruled In May, 2020 against the two cities, upholding the 2016 law amendments. The court cited key exceptions In the cities' charters that waive election requirements If an annexation Is "mandated by state law". The City of McMinnville has similar language In Its City Charter.

In December, 2020, the McMinnville City Council approved Ordinance No. 5098, adopting the McMinnville Growth Management and Urbanization Plan. Within that plan was a new annexation process for the City of McMinnville that would allow for thoughtful and Intentional planning prior to annexation and compliance with ORS 222, the Oregon Statute that governs annexation processes In the State of Oregon.

This annexation process Is predicated on three major components:

- **Area Plan**
- **Annexation Agreement**
- **Master Plan**

**Summary Graphic of UGB Expansion Planning Process:**



**Comprehensive Plan Policies Governing Annexations:**

71.05 *The City of McMinnville shall encourage annexations and rezoning which are consistent with the policies of the Comprehensive Plan so as to achieve a continuous five-year supply of buildable land planned and zoned for all needed housing types. (Ord.4840, January 11, 2006; Ord. 4243, April 5, 1983; Ord. 4218, November 23, 1982)*

155.00 *The ability of existing police and fire facilities and services to meet the needs of new service areas and populations shall be a criterion used in evaluating annexations, subdivision proposals, and other major land use decisions.*

183.00 *The City of McMinnville, with the cooperation of Yamhill County, shall establish three categories of lands within the Urban Growth Boundary. Future urbanizable lands are those lands outside the city limits, but inside the Urban Growth Boundary. These lands shall be retained in agricultural resource zones until converted to urbanizable lands by annexation to the City of McMinnville. Urbanizable lands are those lands within the city limits which are not yet developed at urban densities. Conversion of these lands to the urban classification shall involve fulfillment of the goals and policies of this plan, provision of urban services, and application of appropriate implementation ordinances and measures. Urban lands are those lands within the city limits developed at urban densities.*

187.40 *The Great Neighborhood Principles shall guide long range planning efforts including, but not limited to, master plans, small area plans, and annexation requests. The Great Neighborhood Principles shall also guide applicable current land use and development applications.*

187.90.00 *Prior to annexation of all lands greater than 10 acres in size, property owners shall submit a Master Plan for approval. (Proposed amended policy language per Attachment C).*

*Comprehensive Plan Proposals Relative to Annexations:*

48.30 **“Urban Holding” (UH) Zoning Map Designation.** *The City shall establish an “Urban Holding” (UH) zone, which may be applied to lands within the UH Comprehensive Plan Map designation. Lands within the UH Comprehensive Plan map designation may be annexed and rezoned to UH as an interim designation before urban zoning is applied, subject to completion of the master planning process consistent with an approved annexation agreement. (Ord. 5098, December 8, 2020)*

48.90 **Annexation Process.** *The City shall update its annexation ordinance (Ordinance No. 4357) to reflect new statutory requirements and a process consisting of an annexation agreement with the City Council that includes a conceptual master plan but is not a land-use process. (Ord. 5098, December 8, 2020)*

48.95 **McMinnville – Yamhill County Urban Growth Boundary Management Agreement.** *The City shall update its urban growth boundary management agreement (Ordinance No. 4146) with Yamhill County. (Ord. 5098, December 8, 2020)*

Comprehensive Plan Proposal 48.90 Instructs the City to update its annexation ordinance to reflect new statutory requirements and a process consisting of an annexation agreement with the City Council that Includes a conceptual master plan but Is not a land-use process.

The new language recommended for Title 16, "Annexations", reflects the provisions of ORS 222, the provisions of local Ballot Measure 36-32 passed In 1996 that are still relevant after Senate Bill 1753 (2016) was adopted and the process and values adopted with the MGMUP In December, 2020.

**Discussion:**

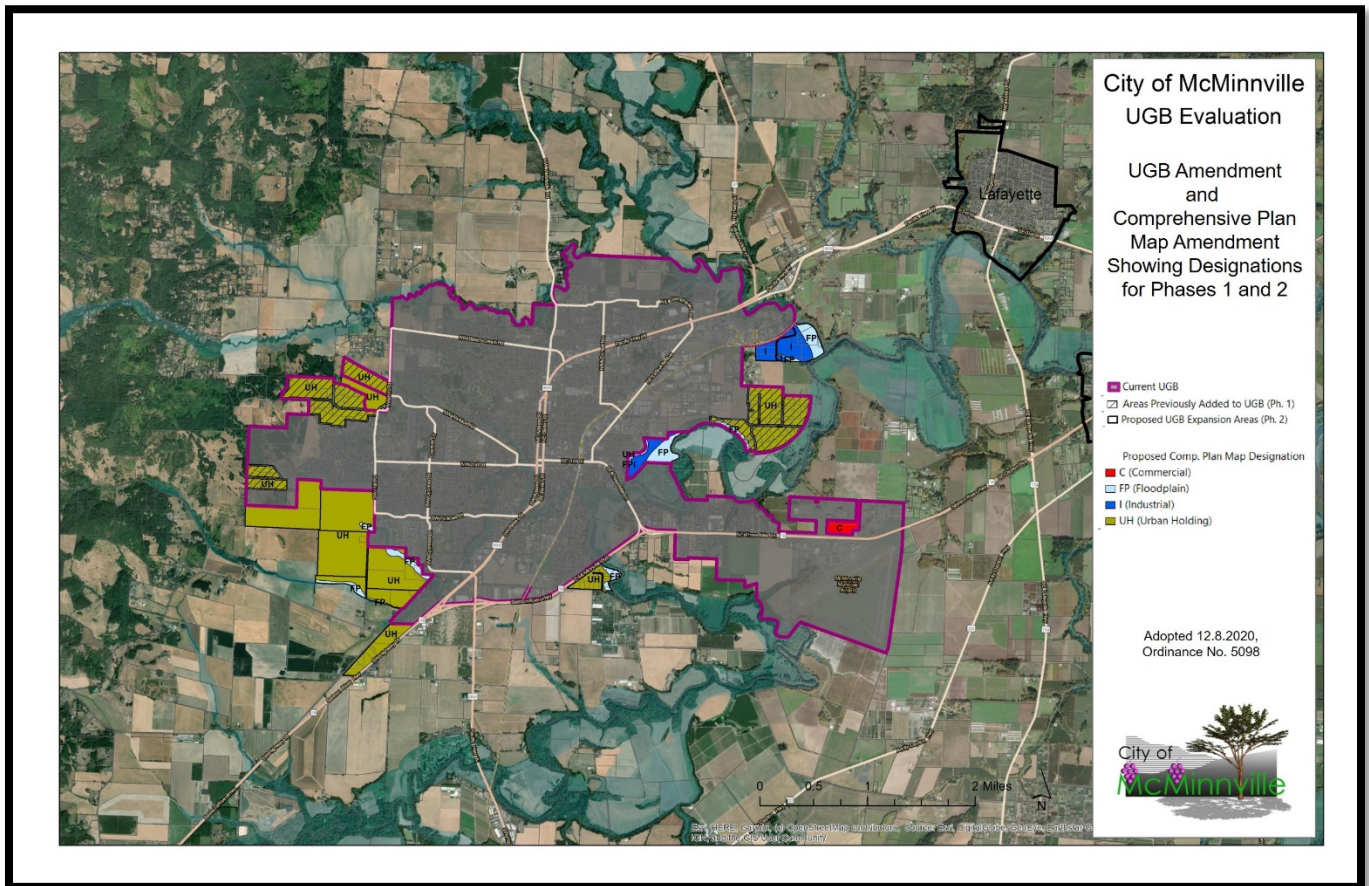
There are two inherent processes associated with an annexation: 1) demonstration of compliance with the McMinnville Comprehensive Plan, which is a land-use process; and 2) process and action of annexation, which is a governance process.

The land-use process demonstrating compliance with the McMinnville Comprehensive Plan is required prior to the property being annexed into the city limits. Per the proposed amendments, properties with a UH Comprehensive Plan Map designation, this process will entail the adoption of an Area Plan as a supplemental document to the McMinnville Comprehensive Plan as well as the adoption of a Master Plan prior to the annexation action for properties larger than 10 acres. For properties with a Residential Comprehensive Plan Map designation, this process will entail a Comprehensive Plan Map amendment and Zoning Map amendment. For properties with a Commercial or Industrial Comprehensive Plan Map designation, this process will entail a Zoning Map amendment. All of these land-use processes are



considered a Type IV land-use process requiring at a bare minimum a public hearing with the Planning Commission, the Planning Commission voting on a recommendation to the City Council and final action by the City Council.

Figure 1: City of McMinnville Comprehensive Plan Map.



The governance process will require an annexation application, an annexation agreement for all annexation requests approved by City Council and a City Council adopted ordinance approving the annexation. The annexation will not take effect until the land-use process is concluded including any associated appeals.

For properties with a UH Comprehensive Plan designation, the first step of the annexation process is the adoption of an Area Plan that delineates a high level land-use plan for the area identifying future comprehensive plan designations and city zoning that will meet the intention of the adopted Framework Plan which outlined the need for housing, employment land, and public amenities in that area to serve the city's acknowledged need for growth and development. This Area Plan will be adopted by the City Council as a supplemental document to the McMinnville Comprehensive Plan. This process will be a Type IV legislative land-use application requiring a public hearing with the Planning Commission and a final decision by the City Council.

Ordinance No. 5098 adopting the MGMUP also adopted amendments to the McMinnville City Code, Chapter 17.10, that provides the criteria and requirements for area plans and master plans.



Figure 2: Framework Plan Map from MGMUP Framework Plan adopted by Ordinance No. 5098.

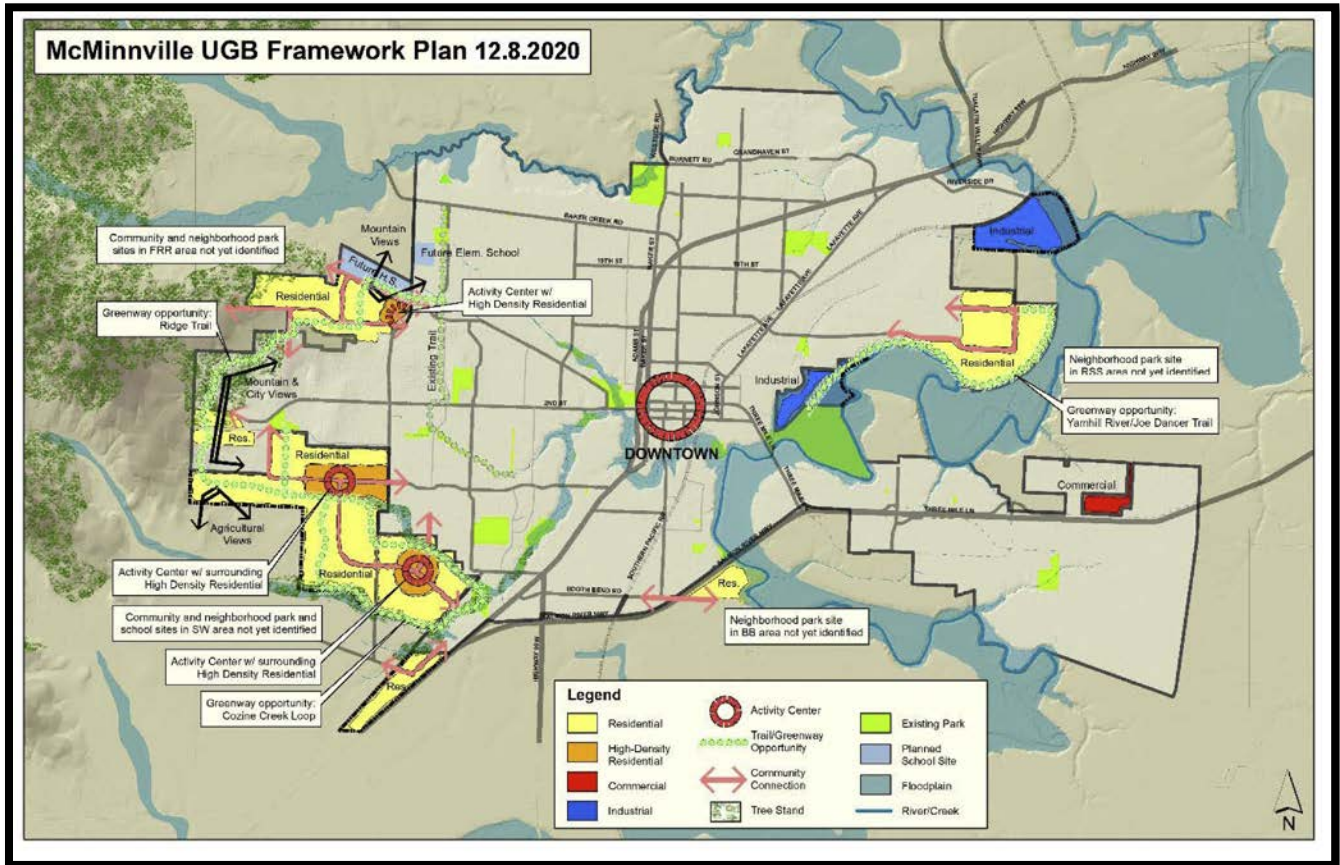


Figure 3: Excerpt of Acknowledged Land Need from MGMUP Framework Plan (Ordinance No. 5098).

**Potential Assignment of Land Need:**

| Land Need               |              | Southwest | Fox Ridge Road | Riverside South | Redmond Hill Road | Booth Bend Road | Riverside North |
|-------------------------|--------------|-----------|----------------|-----------------|-------------------|-----------------|-----------------|
| Residential             |              |           |                |                 |                   |                 |                 |
| R-5                     | 36 acres     |           |                |                 |                   |                 |                 |
| Parks                   |              |           |                |                 |                   |                 |                 |
| Neighborhood Park       | 88.11 acres  |           |                |                 |                   |                 |                 |
| Community Park          | 58.84 acres  |           |                |                 |                   |                 |                 |
| Greenways/Natural Areas | 106.81 acres |           |                |                 |                   |                 |                 |
| Schools                 | 43 acres     |           |                |                 |                   |                 |                 |
| Commercial              | 39.3 acres   |           |                |                 |                   |                 |                 |
| Industrial              | Surplus      |           |                |                 |                   |                 |                 |

The next step is for the landowner(s) to submit an annexation application to the City of McMinnville including all of the elements described in proposed Section 16.20.02. One element that will be required in the annexation application is a conceptual master plan demonstrating how the development of their property will achieve the intent of the Area Plan when annexed to the City. The conceptual master plan will be strictly an advisory document for the city's development of an annexation agreement, however it should serve as a baseline for a future land-use application to show compliance with the McMinnville Comprehensive Plan and Municipal Code. For this process the landowner(s) should be meeting with city staff to discuss Area Plan compliance, public infrastructure needs, etc.

After the application is submitted, the landowner(s) will need to enter into an Annexation Agreement with the City Council outlining the contractual terms of annexation. (Proposed Section 16.30.030 and 16.40.020 of the MMC). The Annexation Agreement is an annexation contract between the landowner(s) and the City Council determining what is expected from both parties for the annexation to be successful.

The Annexation Agreement is the opportunity for the City to require elements of the concept master plan that the City deems necessary for the public good associated with the annexation. This typically includes the dedication and development of necessary public infrastructure improvements, as well as the dedication and development of public parks and trails, and in some cities, the development of necessary affordable housing to meet the city's future housing need. The Annexation Agreement is approved by Resolution of the City Council. This action does not bind the Concept Master Plan to the property nor is it a land-use action. However, the Annexation Agreement does identify the land-use process that the applicant needs to follow to demonstrate compliance with the McMinnville Comprehensive Plan as well as a timeframe in which to achieve the appropriate land-use approvals, in order to annex their property into the city. This land-use process needs to be concluded prior to the annexation becoming effective.

After the landowner(s) have achieved all of the performance metrics of the Annexation Agreement, the City Council would then consider the annexation by ordinance. This process would be conducted in adherence with ORS 222.

The proposed amendments to Title 16 of the MMC describe all of the annexation requirements and processes needed outside of the land-use process for annexations in order to be compliant with ORS 222.111 and to reflect historic community values relative to annexations.

The proposed amendments to Title 17 clarify the land-use processes involved with annexations.

**Planning Commission Recommendation** (Please see Attachment 2 for draft minutes of the September 16, 2021 Planning Commission Public Hearing to consider the proposed amendments).

The Planning Commission hosted a public hearing to consider the proposed amendments on September 16, 2021. At that meeting they closed the public hearing and voted to recommend the proposed amendments to the City Council for approval.

**Public Testimony** (Please see Attachment 1 for public testimony received).

The proposed amendments and process were provided to the City Council at a work session on July 21, 2021. The City Council directed staff to move forward with the proposed amendments.

After the work session the City Council received a letter from Mark Davis expressing his concerns about the proposed process. This letter was addressed in follow-up comments by the City Attorney at

the next City Council meeting on July 27, 2021. Mark Davis followed up that City Council meeting with an additional email to city staff on August 1, 2021 and the City Attorney replied on August 5, 2021. .

Mark Davis' testimony primarily focused on whether or not the provision of public participation and opportunity for appeals are being retained in the annexation process with the proposed code amendments. Prior to the legislative amendments in 2016, a McMinnville annexation application was reviewed by the Planning Commission with a public hearing for compliance with the comprehensive plan and zoning ordinance. The Planning Commission made a recommendation of approval or denial to the City Council. The City Council would then review the Planning Commission recommendation and decide whether or not they supported the recommendation (that the proposed development plan associated with the annexation complied with the comprehensive plan and zoning ordinance) and would then approve or deny the request to be put on the local ballot. The decision for compliance with the comprehensive plan and zoning ordinance was a quasi-judicial process with clear and objective criteria and the opportunity for appeal to the Land Use Board of Appeals (LUBA) by both the applicant and opponents depending upon the final decision of the City Council. Then the decision of the electorate was the final action of approval without opportunity for appeal. However, the popular vote by the electorate was, in the view of the 2016 legislature, too discretionary, and was eliminated as an allowed annexation requirement for properties that want to annex into the City that meet the comprehensive plan and local ordinances and has full consent of the property owners in the territory to be annexed.

ORS 222.127 is very specific in that it instructs cities to annex property into the city if it meets the performance metrics laid out in ORS 222.127(2), removing the opportunity for a discretionary decision.

- (2) *Notwithstanding a contrary provision of the city charter or a city ordinance, upon receipt of a petition proposing annexation of territory submitted by all owners of land in the territory, the legislative body of the city **shall** (emphasis added) annex the territory without submitting the proposal to the electors of the city if:*
- (a) *The territory is included within an urban growth boundary adopted by the city or Metro, as defined in [ORS 197.015 \(Definitions for ORS chapters 195, 196, 197 and ORS 197A.300 to 197A.325\)](#);*
  - (b) *The territory is, or upon annexation of the territory into the city will be, subject to the acknowledged comprehensive plan of the city;*
  - (c) *At least one lot or parcel within the territory is contiguous to the city limits or is separated from the city limits only by a public right of way or a body of water; and*
  - (d) *The proposal conforms to all other requirements of the city's ordinances.*

The proposed process eliminates the discretionary popular vote of the electorate based upon the fact that new laws do not allow cities to utilize that process for annexation decision-making in certain instances. However, it retains the quasi-judicial review of the proposal by the Planning Commission and the City Council for compliance with the comprehensive plan and zoning ordinance through an Area Plan process for all properties designated UH on the comprehensive plan map **and** then a master plan and comprehensive plan map amendment/zone map amendment process for properties 10 acres or more with a UH comprehensive plan map designation; or a comprehensive plan map amendment/zone map amendment for parcels less than 10 acres that are in the city's UGB and designated UH on the comprehensive plan map; or a zone map amendment for properties that are in the city's UGB and designated industrial or commercial on the comprehensive plan map. A requirement for compliance with the Comprehensive Plan remains in the process with the opportunity for required public participation and opportunity for appeal.

The final act of Annexation cannot occur unless this compliance is demonstrated, and properties will not be considered annexed until all opportunities for the land-use appeal have been exercised.

The proposed process actually provides an additional layer of public process and opportunity for appeal with the added provision of the need for an adopted Area Plan prior to annexation if the property is located in an urban holding comprehensive plan designation in the urban growth boundary. The Area Plan will be adopted as a supplemental document to the Comprehensive Plan and subject to a public hearing with the Planning Commission and a final decision by the City Council, **and** it can also be appealed to LUBA. The only occasions where an Area Plan is not required is for land that is designated either commercial or industrial land in the UGB on the City's Comprehensive Plan map, or is less than 2 acres in size and attached to a parcel that is partially in the city limits.

This is the process that was proposed and adopted by the MGMUP. It actually adds an additional layer of review to the process outlined in ORS 222.127, by requiring the adopted Area Plan and Master Plan prior to annexation. Since these were adopted as Comprehensive Plan policies and zoning ordinance amendments with Ordinance No. 5098, they qualify as part of the ORS 222.127(2)(d) provision.

All of the other provisions of the McMinnville's previous annexation ordinances that are not considered clear and objective land-use standards but still reflect the value of McMinnville relative to annexations have been captured in the proposed Title 16 amendments, including:

- Must have an adequate level of urban services available or made available, within three years time of annexation. (Proposed MMC 16.20.020(K)(1)).
- Findings documenting the availability of police, fire, and school facilities and services shall be made to allow for the proposed annexation. (Proposed MMC 16.20.020(K)(3)).

Mark Davis provided testimony at the Planning Commission public hearing indicating that his concerns had been alleviated relative to the public process and opportunity to appeal if the property's annexation was not compliant with the comprehensive plan, however he did express his continued concern with the number of UGB islands within the city limits that should be annexed into the City of McMinnville and encouraged the City to consider how to annex those properties into the city limits.

The City also received comments from Sid Friedman on August 18, 2021, expressing concerns about the clarity of the process and the distinction of land-use processes versus governance with some recommended amendments. Staff reviewed those, incorporated the recommended amendments, and restructured some of the proposed amendments to further clarify and distinguish the process, including requiring the annexation application prior to the annexation agreement and requiring a concept master plan as part of the annexation application so that it is required of all properties that want to annex into the city in order to help inform the development of the annexation agreement.

Friends of Yamhill County then provided a letter dated September 15, 2021, appreciating the consideration of Sid Friedman's comments and supporting the final proposed amendments.

### **Attachments:**

- Attachment 1: Public Comments Received
- Attachment 2: Planning Commission Minutes – September 16, 2021
- Attachment 3: Ordinance No. 5106
  - Exhibit A – G 3-21 Decision Document
  - Exhibit B – Proposed Amendments

### **Fiscal Impact:**

There is no immediate fiscal impact to the City of McMinnville with this action.

**Alternative Courses of Action:**

- 1) **ADOPT** Ordinance No. 5106, approving G 3-21 and adopting the Decision, Findings of Fact, and Conclusionary Findings provided in Ordinance No. 5106.
- 2) **ELECT TO HOLD A PUBLIC HEARING** date specific to a future City Council meeting.
- 3) **SEND THE PROPOSAL BACK TO THE PLANNING COMMISSION** for further review and recommendation regarding one or more issues, including the additional amendment and supplemental findings recommended by staff.
- 4) **DO NOT ADOPT** Ordinance No. 5106, providing findings of fact based on specific code criteria to deny the application in the motion to not approve Ordinance No. 5106.

**Recommendation:**

Staff recommends the Council adopt Ordinance No. 5106, which would approve Docket G 3-21, as recommended by the Planning Commission.

**“THAT BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY STAFF AND RECOMMENDED BY THE PLANNING COMMISSION, WITH THE ADDITIONAL AMENDMENT AND SUPPLEMENTAL FINDINGS RECOMMENDED BY STAFF, I MOVE TO ADOPT ORDINANCE NO. 5106.”**





**P.O Box 1083  
McMinnville, OR 97128**

September 15, 2021

Helping to shape the use of our natural resources to protect the quality of life in Yamhill County.

---

McMinnville Planning Commission  
Heather Richards, McMinnville Planning Director  
231 NE Fifth Street  
McMinnville, OR 97128

Re: Docket G-3-21

Dear Commissioners and staff:

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. Our membership includes many McMinnville residents who support the mission and values of the Oregon land use program.

We support McMinnville's efforts to actively plan for and shape the community's future and support the use of area planning and master planning for properties annexed into the city. We believe they can be a valuable tool in guiding future development.

We appreciate your consideration of our previous comments and the resulting revisions to the proposed code language. We look forward to seeing how the new provisions for plans, master plans, and the related requirements for annexation agreements, are implemented as property is annexed into the city.

Sincerely,

A handwritten signature in black ink, appearing to read "Sid Friedman", followed by a horizontal line.

Sid Friedman  
Friends of Yamhill County



Hi Heather,

Thank you for taking the time yesterday to discuss with me the city's area plans, Concept Master Plans, and proposed Annexation Agreements (chapter 17 and proposed chapter 16 of the city code).

To follow-up on our conversation, proposed Chapter 16 outlines two processes for annexation, depending on a property's plan designation and size. Annexation of properties that are 10 acres or more and/or plan-designated urban holding would be subject to requirements for area plans, concept and final master plans, and annexation agreements. (See proposed 17.10.060 at pdf. p. 146). Annexation of all properties that are both smaller than 10 acres and plan designated either commercial or industrial would continue to be processed as quasi-judicial land use proceedings.

As we discussed, I have several concerns.

My first concern is that the city declares by ordinance that certain decisions are not land use decisions, even though they fall squarely within the statutory definition of land use decisions at ORS 197.015.(10)<sup>1</sup>. These decisions include the adoption of area plans, and potentially concept master plans, annexation agreements, and determinations of adequacy of infrastructure and public services.

I have a second concern with respect to the lower level of planning required for commercial and industrial parcels under 10 acres, as opposed to land that is plan-designated urban holding.

We also discussed the opportunity to address the problems that can arise when only a portion of a parcel is annexed, leaving a remnant under county jurisdiction and zoning.

### Area Plans

I support the concept of area plans and believe they can be a valuable tool in guiding future development. That said, I have a serious concern regarding chapter 17.10.040:

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<sup>1</sup> ORS 197.015(10) "Land use decision":

(a) Includes:

(A) A final decision or determination made by a local government or special district that concerns the adoption, amendment or application of:

- (i) The goals;
- (ii) A comprehensive plan provision;
- (iii) A land use regulation; or
- (iv) A new land use regulation;

\* \* \*

(b) Does not include a decision of a local government:

(A) That is made under land use standards that do not require interpretation or the exercise of policy or legal judgment;

\* \* \*

17.10.040 Area plan process. A. The city council shall initiate an area planning process for lands that are designated as Urban Holding (UH) on the McMinnville Comprehensive Plan Map. B. Property owners may initiate the area planning process, if the city council has not yet initiated or completed an area plan for land designated on the comprehensive plan map as Urban Holding (UH) in a UGB expansion area. 1. Area planning may be initiated by property owners for lands 100 acres or greater in size. C. The city council shall adopt an area plan as a guiding land use document. ***The adoption of the area plan is not a land use decision***, and does not result in any changes to comprehensive plan designations or zoning districts. (Emphasis added.)

Adoption of an area plan falls squarely within the statutory definition of a land use decision because it, “concerns the adoption, amendment or application of a comprehensive plan provision.” In fact, it is to be adopted as a supplement to the comprehensive plan and is thus a quintessential land use decision. As your staff memorandum explains:

The first step of the annexation process is the adoption of an Area Plan for the UGB UH Comprehensive Plan designation that delineates a high level land-use plan for the area identifying future comprehensive plan designations and city zoning that will meet the intention of the adopted Framework Plan outlined the need for housing, employment land, and public amenities in that area that serve the city's stated for growth and development. **This plan will be adopted by the City Council as a supplemental document to the McMinnville Comprehensive Plan.** This process will be treated ***similar*** to a Type IV land-use application requiring a public hearing with the Planning Commission and a final decision by the City Council. (Emphasis added.)

Lest there be any doubt that adoption of an area plan involves application of the comprehensive plan and thus falls within the definition of a land use decision, here is an excerpt from the ordinance language that defines their scope and components:

17.10.050 Area plan scope and components.

\* \* \*

Area plans must embody the development principles of the applicable framework plan, UGB expansion plan, McMinnville Comprehensive Plan, and any other city land use policies and standards.

\* \* \*

[A]rea plans for UH areas within the MGMUP areas will be developed to be consistent with:

- i. The guidelines and characteristics of the traditional neighborhood model, as described in the McMinnville Growth Management and Urbanization Plan.
- ii. The potential identification of locations that would be suitable for neighborhood activity centers (NACs) to meet neighborhood commercial land needs as identified in the MGMUP framework plan, and also support surrounding residential development, as

described in the McMinnville Growth Management and Urbanization Plan.

iii. The city's adopted Great Neighborhood Principles, as described in Comprehensive Plan Policies

You state in your staff memo, the adoption of an area plan will be treated *similar* to a Type IV land-use application requiring a public hearing with the Planning Commission and a final decision by the City Council. I suggest that area plans be considered a Type IV decision, rather than similarly to one, leading to amending 17.10.040 as follows:

17.10.040 Area plan process. A. The city council shall initiate an area planning process for lands that are designated as Urban Holding (UH) on the McMinnville Comprehensive Plan Map. B. Property owners may initiate the area planning process, if the city council has not yet initiated or completed an area plan for land designated on the comprehensive plan map as Urban Holding (UH) in a UGB expansion area. 1. Area planning may be initiated by property owners for lands 100 acres or greater in size. C. The city council shall adopt an area plan as a guiding land use document. ***An Area Plan shall be adopted as a supplement to the McMinnville Comprehensive Plan through a legislative land use proceeding if it was initiated by the city council or either a quasi-judicial or legislative land use proceeding, depending on its size and the number of properties it covers, if it was initiated by an application.***

“Area plans” should also be added to the list of decisions requiring a hearing in section 17.72.120.

Finally, on the subject of area plans, the code (17.10.050) says an area plan "shall more specifically identify land uses, their locations" etc. More specifically than what? How specifically? For clarity, it may be beneficial to better explain this in the code.

### Concept Master Plans

Like area plans, the ordinance explicitly states that formal adoption of a concept master plan is not a land use decision.

17.10.065 Master plan process.

A. Concept Master Plan. For the conceptual plan review process, there is no need for the post-acknowledgement plan amendments (PAPAs) to the Oregon Department of Land Conservation and Development, or local Measure 56 notice, although early involvement of nearby property owners and state agencies that may have an interest in the effect of urbanization on state interests is advised, because the decision does not yet amend the McMinnville Comprehensive Plan, as it is being reviewed and approved as part of an annexation agreement with the McMinnville city council and is not considered a land use decision. The concept master plan should consider all of the same elements and factors as the master plan described below.

I think that they may be a final land use decision, given that they are approved by the city council as part of a binding the annexation agreement. The concept plan identifies the location of plan and zone designations and the location of uses. The ordinance doesn't address how much the ultimate plan map amendment may deviate from the concept master plan, but as noted, they are adopted as part of a binding annexation agreement which suggests they are pretty locked-in.

Finally, the reasons that the ordinance cites to explain why a concept master plan is not a land use decision don't hold up. Just because a decision does not amend the comprehensive plan and is reviewed as part of an annexation agreement, does not mean the decision is not a land use decision. The adoption of a concept master plan may or may not be a land use decision, but not because of the reasons stated in the ordinance.

For these reasons, I suggest amending 17.10.065 to either (a) clarify that a concept master plan is non-binding and only advisory in nature; or (b) clarify that approval of a concept plan is a land use decision.

### Annexation Agreement

The proposed annexation agreement between a property owner and the city is also explicitly not a land use decision, even though they seemingly involve application of comprehensive plan provisions. The proposed section 16.10.020 provides: "The agreement is also used to ensure that the annexation is consistent with the McMinnville Comprehensive Plan and that the resulting development meets the community's identified needs." In addition, the proposed section 16.10.030 provides: "The annexation agreement shall address, at a minimum, ... compliance with the McMinnville Comprehensive Plan, approved applicable area plan, and concept master plan."

The annexation agreement certainly seems to be a final land use decision because it locks in plan and zone designations. Here are excerpts from the sample agreement in the packet:

COMPREHENSIVE PLAN/ZONING: At the time of annexation, the City will apply the Comprehensive Plan designations for the Property as identified in the adopted \_\_\_\_\_ Area Plan, "Area Plan", per Exhibit B, and the city zoning identified in the approved Final Master Plan.

\* \* \*

Owner agrees that any development of the property will comply with the applicable approved Area Plan and will incorporate and follow the City's Great Neighborhood Principles (attached as Exhibit C) as applicable. The City Manager or City Manager designee, or Hearings Body shall determine the applicability of the Great Neighborhood Principles to the subject property as necessary.

As currently drafted, the area plan isn't a land use decision, the concept plan isn't a land use decision, and the annexation agreement isn't a land use decision. Nonetheless, the annexation



agreement (a) locks in plan designations shown in the area plan; and (b) addresses compliance with the comprehensive plan. Also, determination of applicability of the Great Neighborhood Principles and compliance with these principles requires interpretation or the exercise of policy or legal judgment which falls squarely within the definition of a land use decision per ORS 197.015(10).

I'm not sure I have any suggested ordinance language to address this, other than to treat annexation agreements as land use decisions. Alternatively, the city may be able to treat the area plans and concept master plans as land use decisions and determine compliance with the comprehensive plan and the applicability of, and compliance, with the great neighborhood principles exclusively through those land use processes, but I haven't completely thought that through.

#### Commercial and Industrial properties

As we discussed, there may be sound reasons to require the same level of planning for commercial and industrial parcels smaller than 10 acres, as for land that is designated urban holding. While the plan-designations are already established for these properties, the relationship of the various zones allowed within those designations are not; nor are the relationships between the various uses allowed in the zones to one. For example, an office park or office building may benefit from employee-serving day care, lunch spots, or public plaza. An industrial park could benefit from the same.

Moreover, to the extent that the city believes the use of annexation agreements can result in more "extractions," like walking paths, parks, etc., this certainly holds true for employment land, just as much as urban-holding land.

#### Other considerations

As we discussed, the city can use this opportunity to address the problems that can arise when only a portion of a parcel is annexed, leaving a remnant under county jurisdiction and zoning. The city could add to Chapter 16 a provision requiring/encouraging that only whole parcels be annexed.

As we also discussed, the potential exists for a developer/property owner to "game" the system by bringing in multiple annexations just under 10 acres so as to avoid the requirements that only apply to parcels greater than 10 acres. Requiring annexation of whole parcels would partially address this. So could a requirement that only one application for annexation be filed per year (or some other time period) for parcels and/or contiguous land under the same ownership.

I hope these comments are helpful. Please feel free to share them with the planning commission.

Sid

**From:** [Amanda Guile-Hinman](#)  
**To:** [mark@startlivingthetruth.com](mailto:mark@startlivingthetruth.com)  
**Cc:** [Heather Richards](#)  
**Subject:** RE: Change in Annexation Process  
**Date:** Thursday, August 5, 2021 12:34:07 PM  
**Attachments:** [Chapter 17.10 MMC.pdf](#)

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Hi Mark,

I've attached the Code language regarding Area Plans and Master Plans for your reference, as well as a link to Appendix G from the McMinnville Growth Management and Urbanization Plan, which explains area planning and master planning processes that are now in the City Code, and which this process is further implementing. [https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix\\_g\\_-\\_framework\\_plan\\_final\\_12.8.2020.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix_g_-_framework_plan_final_12.8.2020.pdf)

As far as the annexation approval process, nothing is changing to the process to annex other than addressing the change codified in ORS 222.127. In other words, the applicant(s) must still fill out an application, which must be considered by Council. If the applicant(s) own all the property to be annexed, the only difference is that after Council approval, it cannot go to a vote. Similarly, the development approval process for construction on the property has not changed. What the City has done is include additional processes earlier in the planning for development to ensure that development is consistent with the community's vision of McMinnville and addresses the necessary infrastructure, parks, schools, and other community needs that are needed for new growth in McMinnville.

When the City went through its UGB amendment, the City wanted to ensure that the City properly planned for new development in the areas designated as Urban Holding by requiring area plans for large swaths of land, rather than looking at each parcel individually. That way, issues such as infrastructure, preservation, parks, density, etc. can be planned more intentionally and strategically. In the MGMUP, the City identified 6 areas to undergo an area planning process. Area plans are legislative decisions to be made by the City Council after a community engagement process. Area plans, as explained in Appendix G, "must embody the development principles of the MGMUP and other City land use policies and standards." Area planning is generally initiated by the City, will go through a public engagement process, and will be approved by the City Council. It is not an administrative process. All land that has an Urban Holding designation will be subject to an area plan.

Master plans are required for annexation into the City for any properties that are 10 acres or larger that are currently designated Urban Holding in the City's Comprehensive Plan Map. The property owner will develop a concept master plan that must address all the submittal requirements listed in the City Code and be compliant with the related area plan and the Comprehensive Plan. The concept master plan will initially be approved by the City Council along with an annexation agreement through resolution. Again, this is not an administrative process.

The final master plan must go through a quasi-judicial review process before the Planning Commission and City Council, as outlined in the City Code. Like the concept master plan, it must comply with the area plan and the Comprehensive Plan, in addition to meeting all the submittal requirements in the City Code.

If a property is less than 10 acres, or does not have an Urban Holding designation, then it goes through the standard development approval processes, including a quasi-judicial land use approval process, but is not required to have an area plan or master plan.

This new area planning/master planning process ensures that development of the new Urban Holding areas occur within the context of the larger area and the community as a whole. Both Heather and I have extensive experience with this approach and have personally seen that it better addresses issues such as traffic, water/sewer/stormwater infrastructure, park lands, preservation of natural resources, and more when the community is able to have a say from the very beginning stages of planning for what it wants to see with new development and also means that developers cannot just look at their one property when planning out their development.



Heather may have more to add, but I hope this clarification addresses your concerns.

Amanda Guile-Hinman (she/her)  
City Attorney  
amanda.guile@mcminnvilleoregon.gov  
(503) 434-7303

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-----Original Message-----

From: Mark Davis <mark@startlivingthetruth.com>  
Sent: Sunday, August 1, 2021 9:26 PM  
To: Heather Richards <Heather.Richards@mcminnvilleoregon.gov>; Amanda Guile-Hinman <Amanda.Guile@mcminnvilleoregon.gov>  
Subject: Change in Annexation Process

This message originated outside of the City of McMinnville.

Heather and Amanda:

Thank you for taking the time to reply to my letter to the City Council about the annexation process. I have listened again to both Heather's presentation at the Work Session and Amanda's clarification at the last City Council meeting, and I'm sorry but I don't see how this results in "significantly more public input than previously allowed."

One of the slides in Heather's PowerPoint presentation states: "Amend Chapter 17 to remove any references to annexation processes and procedures making them administrative and not quasi-judicial." From the presentation it seems clear that the Area Plan, Concept Master Plan and Annexation Agreement are administrative processes managed by Planning staff and subject to approval by City Council. I heard no indication that these overarching decisions of what land get annexed and to what purposes it will be dedicated are subject to any land use hearings (and by extension the right of citizen appeal).

It appears to me that the only point in this process where the public will be allowed to have input and a right to appeal the decision is the hearing for a Master Plan required of properties in excess of 10 acres. While I think this type of citizen participation is still important in reviewing the development plans, I think the hearings will be similar to what we heard about in Baker Creek North and Oak Ridge Meadows. Hopefully, these proposed hearings will be even less contentious since the Great Neighborhood Principles should improve the overall Master Plan that the developers present to the public.

Still, the larger questions about the annexations like infrastructure capacity, green space and park land, housing affordability, and the general layout of the development will all have been settled when the Annexation Agreement has been signed and the public will have no opportunity to address these issues.

I understand the proposed changes will be the subject of an upcoming Planning Commission hearing and I intend to raise these points at that time. If I am incorrect in my understanding that the Area Plan and Annexation Agreement

are administrative actions not subject to quasi-judicial hearings, I would appreciate you clarifying that point.

Just to be clear in making these points I do not intend to question your professional qualifications or personal integrity. I believe in the constitutional principle of checks and balances and Goal One of the State's Land Use System. As City staff and Council members change over the years, I believe allowing the citizens' right to testify and appeal important decisions helps ensure the integrity of the land use system.

Mark Davis

Mark Davis  
652 SE Washington Street  
McMinnville, OR 97128

July 25, 2021

McMinnville City Council  
230 NE Second Street  
McMinnville, OR 97128

Dear Mayor Hill and Members of the Council:

The Council's decision at the July 21<sup>st</sup> work session to move forward with a new annexation process was disappointing on several levels. Most obviously, you made that decision in a closed session that did not allow anyone from the public to comment. Not that the public could have commented about the documents under discussion anyway, since they were provided to the Council the day before work session but not made available to the public until the day after you met.

I realize you can hold that legal fig leaf in front of yourselves and righteously say you haven't made a legally binding decision so you don't have to invite the public to address you. But from a psychological perspective you have committed to very specific results from this process and such prior commitments are very hard to change even if compelling information is later provided at the required public hearing.

Despite Goal One declarations about the importance of public participation, it is hard for individual citizens who lack professional standing to be taken seriously during the formal land use hearing process. The proposal you agreed to on Wednesday evening removes even that citizen's right to be heard by turning annexation requests from land use hearings into administrative matters settled in private by staff and rubber-stamped by the Council.

The State Legislature removed our right to vote on annexations. The City Council is now proposing to take away our right to even testify about specific elements of annexation proposals and appeal misapplications of the law to the Land Use Board of Appeals (LUBA). Yes, that does happen. In 1996 I appealed approval of a city annexation to LUBA based on inadequate public infrastructure, a decision that was ultimately remanded to the city.

At the heart of the discussion about how to handle annexations is a basic philosophy of how government makes important decisions that impact the entire community. One method is to allow appointed bureaucrats with professional expertise to make those decisions subject to approval of the governing body; at the other end of the political spectrum is permitting the public to vote on those decisions.

Given our 20-year experiment with voting on annexations, I think it is instructive to look at what happened in the community before and after the implementation of voting on

annexations in the mid-90s. The early 90s was a period of rapid growth that overwhelmed our aging public infrastructure. Long-time residents complained bitterly about the increase in traffic, and the main sewer line from the west side of town was broken and leaking directly into Cozine Creek near Linfield, a situation exacerbated whenever it rained and stormwater leaked into the sewer system overwhelming its capacity.

Citizens including myself repeatedly asked the Council and Planning staff to slow the annexation process down to allow for infrastructure improvements to handle future growth. The response varied between claiming there was nothing they could do (land use law forced them to keep annexing more property) and claiming all this growth was really good for the community.

This response led directly to the voter approval of the charter amendment to require a vote on annexations. To my recollection the only annexation ever defeated at the ballot box was the proposed 172-acre Shadden Claim annexation. All other annexation votes for smaller additions to the UGB were approved, including later attempts by other developers to bring smaller chunks of the Shadden Claim property into the city limits.

Voters clearly had a vision of slow, steady growth of the community in line with our capacity to support that growth. Supporters of the defeated Shadden Claim proposal lamented the loss of the huge planned subdivision, but the developer insisted on developing it out within 5 years which would have had a dramatic impact on population which was already surging.

All this was taking place during the initial planning for a new UGB expansion that used a population projection growth rate of 3 percent. Had this vision of Shadden Claim and continued rapid population growth been realized we would have had a population of 45,000 in 2020 and be heading for 85,000 residents in 2040. Voting on annexations slowed things down so we could get the sewer infrastructure updated and new roads constructed. I personally believe that the community benefited greatly from the gentle braking that annexation votes put on what was becoming runaway growth.

That is not to say the proposal you considered on Wednesday night was without merit. I like the idea of annexations not being the automatic process that they have been. Property owners entering the city limits are being granted access to city infrastructure and services worth millions of dollars. They should be asked set aside land for parks and affordable housing. The current system puts them in the city with a few minor fees and reduced system development charges and then the expectation is that the existing taxpayers will pay the difference.

I think we currently have a good, dedicated Planning Director. I also think we have conscientious, public-spirited City Council. Having watched people come and go over the past few decades, I don't believe public policy should be based on assuming both of those things are always going to be true. However you decide to proceed with annexations, I think you should provide some ability for the public to inspect the details

of the process and maintain the right of public to appeal to LUBA those decisions lacking in legality.

I would also request that when the Council is going to look at draft planning documents and make decisions about whether they are acceptable or not that you provide them for the public to look at and allow the public the opportunity to comment on them. Work sessions are being used to avoid your Goal One responsibilities.

Thank you for considering my viewpoint on these matters.

Sincerely,

//S//

Mark Davis



**City of McMinnville**  
**Planning Department**  
 231 NE Fifth Street  
 McMinnville, OR 97128  
 (503) 434-7311

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

# MINUTES

**September 16, 2021**  
**Planning Commission**  
**Regular Meeting**

**6:30 pm**  
**Zoom Online Meeting**  
**McMinnville, Oregon**

**Members Present:** Roger Hall, Robert Banagay, Gary Langenwalter, Sylla McClellan, Brian Randall, Beth Rankin, and Sidonie Winfield

**Members Absent:** Lori Schanche, Dan Tucholsky, and Ethan Downs – Youth Liaison

**Staff Present:** Heather Richards – Planning Director, Amanda Guile-Hinman – City Attorney, and Tom Schauer – Senior Planner

## 1. Call to Order

Chair Hall called the meeting to order at 6:30 p.m.

## 2. Approval of Minutes

- **August 19, 2021**

Commissioner Banagay moved to approve the August 19, 2021 minutes. The motion was seconded by Commissioner Winfield and passed 7-0.

## 3. Citizen Comments

None

## 4. Public Hearings:

- A. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-20) and Zone Change, including Planned Development Overlay Designation (ZC 3-20) – (Exhibit 2)**  
**(Continued from July 15, 2021 PC Meeting)**

**Continuance Requested to October 21, 2021, PC Meeting**

**Request:** Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-2 (General Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 37.7 acres of a 90.4-acre property.

The 37.7 acres includes 4.25 acres intended for right-of-way dedication for a future frontage road. The application also shows a portion of the area subject to the map amendment intended for a north-south extension of Cumulus Avenue and future east-west street connectivity.



The request is submitted per the Planned Development provisions in Section 17.51.010(B) of the Zoning Ordinance, which allows for a planned development overlay designation to be applied to property without a development plan; however, if approved, no development of any kind can occur on the portion of the property subject to the C-3 PD overlay until a final development plan has been submitted and approved in accordance with the Planned Development provisions of the Zoning Ordinance. This requires the application for the final development plan to be subject to the public hearing requirements again at such time as the final development plans are submitted.

Location: The subject site is located at 3310 SE Three Mile Lane, more specifically described at Tax Lot 700, Section 26, T.4S., R 4 W., W.M.

Application: Kimco McMinnville LLC, c/o Michael Strahs

Commissioner Langenwalter MOVED to CONTINUE the hearing for CPA 2-20/ZC 3-20 to October 21, 2021. The motion was seconded by Commissioner Rankin and PASSED 7-0.

**B. Legislative Hearing: Proposed Amendments to the Zoning Ordinance and Establish a City Center Housing Overlay Zone (G 2-21) –(Exhibit 3)**

Requests: This is a legislative amendment, initiated by the City of McMinnville, proposing amendments to the McMinnville Zoning Ordinance related to housing. The proposed amendments would (a) add provisions allowing existing single-family dwellings as a permitted use in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.

Applicant: City of McMinnville

Disclosures: Chair Hall opened the public hearing and asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. He asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Staff Presentation: Senior Planner Schauer said this was a request to approve amendments to the Zoning Ordinance. Staff found that all the criteria were satisfied. One finding was revised regarding consistency with the purpose statement of the Zoning Ordinance. Staff also recommended adding a section to the findings regarding consistency with Goal 10: Housing and applicable state law. One of the amendments proposed was to allow existing single-family dwellings in the C-3 zone as a permitted use. Some of the questions/discussion from the Commission Work Session on this topic were: should this also apply to existing duplexes in the C-3 zone and should there be additional limitations on expansion or redevelopment. Since the Work Session, staff added provisions for existing duplexes and there was additional discussion in the staff report but no changes regarding limits on redevelopment or expansion. The next amendment proposed was to establish a City Center Housing Overlay Zone and associated provisions. The questions/discussion at the Work Session was the zone boundary and putting lower density residential within Urban Renewal and NE Gateway, 500 foot distance for off-street parking on separate property, shared driveways, and an additional parking reduction in the central core area. Since the Work Session, the boundary was left as it was per the discussion at the Work Session, the 500 foot off-site parking allowance was retained but additional information was provided, provisions were added for shared driveways, there was an additional parking reduction in the central core area for studios and 1-bedroom units, a copy of the parking utilization study was provided, and a provision added that allowed a nonconforming multi-family

structure destroyed by calamity to be replaced based on C-3 rather than R-4 setbacks without the current restriction of limiting to the same number of units provided it didn't increase the extent of existing nonconformity. Another amendment was allowing temporary use of an RV as a residence on a property while a home was being constructed or manufactured home installed on the same property. The questions/discussion at the Work Session were: if the requirement for gravel or paved surface was too onerous and questions about "self-contained." Since the Work Session, the provisions were kept as-is regarding the gravel or paving for self-contained and provisions that exempted applicants from connecting to on-site services, clarification that "self-contained" would be motorized for that purpose, additional information from the City of Prineville that nearly all chose to connect to services/remain on site, and a minor change to allow an emergency extension for the timeframe on an active permit.

Commission Questions: Commissioner Langenwalter asked about the intention of providing adequate off street parking. Senior Planner Schauer said the City Center Housing Strategy recommended the parking reduction within the City Center area. At the Work Session there was interest in further reducing the parking requirements in the most central core area. The proposal was for .75 spaces for one bedroom units or studios in the central core area and 1 space per unit in the broader City Center Housing Overlay District.

Commissioner Langenwalter questioned whether .75 spaces would be sufficient.

Commissioner Randall asked about the 1 space per unit for units with more than one bedroom. Senior Planner Schauer said the City Center Housing Strategy was focused on removing barriers to more dense development and there was proximity to services where the parking needs would be less in the core area.

Commissioner Randall did not know if it would be enough in the future, especially since mass transit was not available and there was a lack of City owned parking lots in downtown.

Planning Director Richards said the recent parking utilization study showed there were sufficient public parking lots currently. There was a project in the Urban Renewal Plan to acquire and build more inventory.

Commissioner Winfield thought the changes would allow the flexibility for increased density, but were still narrow enough that they would not get multi-storied tall apartment buildings that would compound the parking issues. It was a small corridor and she did not think it would be a problem.

Commissioner Langenwalter asked if RVs had to leave when demolition started. Senior Planner Schauer said the intention was not to have someone indefinitely live in the RV. They would have to concurrently get a building permit at the same time as the demolition permit. They could keep the RV on the property while the home was being built.

Commissioner Langenwalter asked how the southern boundary would be described. Senior Planner Schauer explained the boundary.

Public Testimony:

Proponents: Nate Ball, property owner, spoke in favor of the amendments. The apartment complex he owned in this area had burned down. It was workforce and Section 8 housing, and he planned to rebuild for the same demographic but increase the energy efficiency of the building as well as add two more units. He would make more efficient use of the building footprint

so it would not get any bigger, but be able to fit a few more units. Regarding parking, many of the tenants biked and about a third drove cars.

Mark Davis, McMinnville resident, was on the Project Advisory Committee and supported the recommendations. He thought there could be even further reductions in parking. There were people who lived without vehicles and had other ways to get around. They needed to have a vision for the future that would make downtown inviting. He did not think they should support more cars in downtown as it would add to the problem, not solve the problem.

Commissioner Randall asked if the one space per dwelling unit was the requirement regardless of how many bedrooms the units had. Senior Planner Schauer said that was correct.

Opponents: None

Chair Hall closed the public hearing.

Commission Deliberation: Commissioner McClellan thought they should further reduce the parking in the central area. The difference would be small and it would encourage more housing. Many who lived in this area did not have vehicles.

Commissioner Randall asked what kind of units people wanted to develop in this area and how many bedrooms. Planning Director Richards said the private market was not currently responding to building housing in the city center area because they could get more money from a lodging use and it was cost prohibitive to provide the parking requirements.

Commissioner Randall said based on those facts, he could support what was being proposed.

Commissioner Rankin suggested having a loading zone in front of the residential structures.

Based on the findings and conclusions, Commissioner McClellan MOVED to RECOMMEND APPROVAL of G 2-21 to the City Council with the amendment that the parking in the central area be reduced from .75 to .5 per studio and one bedroom units. SECONDED by Chair Hall.

There was discussion regarding the pros and cons of requiring a loading zone and how reducing parking might make housing development more competitive with lodging development.

The motion PASSED 7-0.

**C. Legislative Hearing: Proposed Annexation Requirements and Procedures (G 3-21) – (Exhibit 4)**

Request: This is a legislative amendment, initiated by the City of McMinnville, proposing amendments to Title 16 and Title 17 of the McMinnville Municipal Code to establish requirements and procedures for annexation of lands to the City of McMinnville for compliance with the McMinnville Growth Management and Urbanization Plan (MGMUP) and ORS 222, which governs annexations of land into cities in Oregon.

Applicant: City of McMinnville

Disclosures: Chair Hall opened the public hearing and asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. He asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Commissioner Langenwalter left the meeting.

Staff Presentation: Planning Director Richards said this was a proposal to amend the Municipal Code to establish requirements and procedures for annexation. This would make the Code compliant with state regulations, City Charter, and local ordinances. It was a navigable path for land to be annexed into the City based on the framework outlined in the McMinnville Growth Management and Urbanization Plan (MGMUP). It would also be a tool to ensure that future new development was responding to the community's needs. To implement the new annexation process, the amendments to the Code, draft Annexation Agreement, and annexation fees would need to be adopted. The amendments would be to Titles 16 and 17 of the Municipal Code and Chapter IX of the Comprehensive Plan. She discussed the definition of annexation and what annexation was governed by, McMinnville's Urban Growth Boundary, history of annexation in McMinnville, how there were six different ordinances regarding annexation and staff recommended that the process become part of the code instead, past requirement that annexations be approved by a vote of the electorate and how SB 1573 took away that requirement, and how the current ordinance in effect required the vote of the people for approval or denial. She explained how the amendments would bring them in compliance with the MGMUP which would require the process for an area plan, concept master plan, annexation agreement, master plan, and annexation. If the property was less than ten acres, no master plan would be required, but the development needed to be consistent with the area plan and other applicable zoning processes. She described the differences between the proposed and previous process, designations on the UGB amendment map, and UGB Framework Plan. Area plans were adopted as part of the MGMUP. They were needed prior to annexation for all properties with a UH Comprehensive Plan Map designation. The Framework Plan was a guiding document of assigned land needed for the area plans. The area plans would be adopted as a supplemental document to the Comprehensive Plan. After the area plan was adopted, a property could apply for annexation. The process outlined in Title 16 captured all the elements required in ORS 222 and Ordinance No. 4636 that were not clear and objective land use elements. If applicable, it would include a Concept Master Plan. A Concept Master Plan was not a land use application but was an advisory document for the annexation agreement. All properties that wanted to annex into the City would need a City Council approved Annexation Agreement. This was a written agreement between the City and land owners requesting annexation that stated the terms, conditions, and obligations of the parties for the annexation to be approved. These provisions included: public facilities and services to mitigate impacts to the City associated with the annexation and future development of the property, process for ensuring that the annexation was consistent with the Comprehensive Plan, and any other provisions that the City deemed necessary for the annexation to meet the City's ordinances and the community's identified needs. This would give the City the ability to negotiate the dedication and build-out of public facilities and amenities and negotiate community values such as affordable housing, school funding, or public art. Annexation agreements were negotiated on a case-by-case basis and were considered a contract between the property owners and the City. A draft Concept Master Plan was provided with the Annexation Application and would be used as the basis for the negotiations in the review with the Area Plan and community needs at the time. The Concept Master Plan was not a land-use decision. It was a draft plan that showed what the property owner wanted to do and set the stage for the Annexation Agreement. In the end, the applicant would need to submit a Final Master Plan for consideration that not only showed compliance with the Comprehensive Plan goals and policies, but also compliance with the Annexation Agreement. The amendments to Title 17 had to do with the Comprehensive Plan compliance for annexations. All properties that wanted to annex that had a UH Comprehensive Plan Map designation would need to submit a Concept Master Plan with the Annexation Agreement. Those that were 10 acres or more would be required to submit for a Master Plan review and approval

as a Type IV land use process. Residential properties 10 acres or less would need to go through a Zone Map amendment process to achieve City zoning upon annexation. Area plans and master plans were not required for lands identified as either industrial or commercial Comprehensive Plan Map designations in the UGB, but a Zone Map Amendment application and approval was required. The City Council would approve annexations by ordinance in compliance with ORS 222. Annexation would not take effect until compliance with all of the components of the Annexation Agreement was achieved. Concerns had been raised about the process, such as not enough opportunity for public influence on the decision-making process and the end results of the development and some of the language was problematic in terms of what was described as a land-use decision and what was not described as a land-use decision. Staff had amended the language for clarity.

#### Public Testimony:

Proponents: Mark Davis, McMinnville resident, had reservations about these changes when they were first explained. However, what was in front of the Commission was much improved. The City needed to deal with the islands of un-annexed property in the City limits. He thought the ten acre cut off might incentivize people to only bring in ten acres at a time of their property to avoid the master plan process. He was also concerned about potentially losing park land and how they had failed to build parks over the last 20 years. He wanted to make sure the parks were built as promised.

Planning Director Richards explained that was the purpose of the Area Plan process, to make sure the parks were developed as identified. The likelihood that there would be a property that could partition down to ten acres while in the County zoning was minimal. Most of the significantly larger parcels were in EFU or other zoning that would not allow that partitioning. That was why staff felt comfortable with the ten acres.

Opponents: None

Chair Hall closed the public hearing.

Planning Director Richards pointed out a typo in the proposed amendments.

Based on the findings and conclusions, Commissioner Randall MOVED to RECOMMEND APPROVAL of G 3-21 to the City Council. SECONDED by Commissioner Banagay. The motion PASSED 6-0.

#### 5. Commissioner Comments

None

#### 6. Staff Comments

Planning Director Richards said Senior Planner Darnell had resigned and the recruitment process for his position was moving forward. A new planner would begin work on October 1. Staff was still working under a heavy work plan to meet state deadlines. She then discussed upcoming agenda items.

#### 7. Adjournment

Chair Hall adjourned the meeting at 9:05 p.m.

---

Heather Richards  
Secretary



ORDINANCE NO. 5106

AN ORDINANCE REPEALING ORDINANCE NO. 4636 AND TITLE 16 OF THE MCMINNVILLE MUNICIPAL CODE ENTITLED “SUBDIVISIONS”, ADOPTING A NEW TITLE 16 ENTITLED “ANNEXATIONS”, AMENDING TITLE 17 (ZONING), 17.06, 17.09, 17.10, 17.72 AND AMENDING CHAPTER IX, “URBANIZATION” OF THE MCMINNVILLE COMPREHENSIVE PLAN.

RECITALS:

**WHEREAS**, the City of McMinnville’s most recent Ordinance (Ordinance No. 4636 as amended by Ordinance No. 4670) regarding annexations was adopted on November 12, 1996 and amended on June 23, 1998; and

**WHEREAS**, Oregon Revised Statutes governing annexations has changed since 1998, rendering Ordinance No. 4636 (amended by Ordinance No. 4670) not compliant with state law; and

**WHEREAS**, on December 8, 2020, the McMinnville City Council adopted Ordinance No. 5098 adopting the *McMinnville Growth Management and Urbanization Plan*; and

**WHEREAS**, on July 21, 2021, city staff hosted a work session with the McMinnville City Council to review draft amendments to the McMinnville City Code to bring the City’s governing codes in compliance with state laws and the *McMinnville Growth Management and Urbanization Plan* relative to annexations; and

**WHEREAS**, on September 16, 2021, the Planning Commission held a duly noticed public hearing to consider the proposed amendments and the Planning Commission recommended approval of the proposed amendments; and

**WHEREAS**, Docket G 3-21 is a legislative package of City-initiated Comprehensive Plan and McMinnville Municipal Code amendments related to housing. The amendments are intended to align the City’s annexation procedures with state laws and *the McMinnville Growth Management and Urbanization Plan*; and

**WHEREAS**, the City Council, being fully informed about said request, found that the requested amendments conformed to the applicable Comprehensive Plan goals and policies, as well as the McMinnville Municipal Code based on the material submitted by the Planning Department and the findings of fact and conclusionary findings for approval contained in Exhibit A; and

**WHEREAS**, the City Council having received the Planning Commission recommendation and staff report, and having deliberated;

**NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:**

1. That the Council adopts the Decision, Findings of Fact and Conclusionary Findings, as documented in Exhibit A for G 3-21; and
2. That Title 16 and Title 17 of the McMinnville Municipal Code is amended as

provided in Exhibit B.

3. That Chapter IX of the McMinnville Comprehensive Plan is amended as provided in Exhibit B.

4. That Ordinance No. 4636 as amended by Ordinance No. 4670 is repealed.

5. That this Ordinance shall take effect 30 days after its passage by the City Council:

Passed by the Council this 26th day of October 2021, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

Attest:

Approved as to form:

\_\_\_\_\_  
CITY RECORDER

\_\_\_\_\_  
CITY ATTORNEY



**CITY OF MCMINNVILLE  
PLANNING DEPARTMENT**  
231 NE FIFTH STREET  
MCMINNVILLE, OR 97128

503-434-7311  
[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

**DECISION, CONDITIONS OF APPROVAL, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF LEGISLATIVE AMENDMENTS TO THE MCMINNVILLE CITY CODE, TITLE 16, TITLE 17, AND THE MCMINNVILLE COMPREHENSIVE PLAN, VOLUME II, GOALS CHAPTER IX, DOCKET G 3-21, RELATING TO ANNEXATIONS.**

**DOCKET:** G 3-21

**REQUEST:** The City of McMinnville is proposing to amend the McMinnville City Code by repealing Chapter 16, “Land Division Standards” and replacing with Title 16, “Annexations”, amending Title 17 to clarify the adoption process for Area Plans and to update the code for compliance with ORS 222.127, and to amend Chapter IX, “Urbanization” of the McMinnville Comprehensive Plan to clarify the adoption process for Master Plans.

**LOCATION:** N/A. This proposal includes provisions which amend standards and provisions for future annexations into the McMinnville city limits.

**ZONING:** N/A

**APPLICANT:** City of McMinnville

**STAFF:** Heather Richards, Planning Director

**HEARINGS BODY:** McMinnville Planning Commission

**DATE & TIME:** September 16, 2021, 6:30pm. Meeting held virtually via Zoom meeting software:  
<https://mcminnvilleoregon.zoom.us/j/88033487320?pwd=SzY5d3A2SDRI VU9VTnVPeHRHZzB1UT09>

**Zoom ID:** 880 348 7320  
**Zoom Password:** 947797

**DECISION-MAKING BODY:** McMinnville City Council

**DATE & TIME:** October 26, 2021. Meeting held virtually via Zoom meeting software,  
<https://mcminnvilleoregon.zoom.us/j/87657808368?pwd=Vk1XYXU0RWc5NUE5 SXAvektsM2NGQT09>

**Zoom ID:** 876 5780 8368



## **I. APPLICATION SUMMARY**

This application is a proposal initiated by the City of McMinnville to amend the McMinnville City Code by repealing Title 16, "Land Division Standards" and replacing with Title 16, "Annexations", amending Title 17 to clarify the adoption process for Area Plans and to update the code for compliance with ORS 222.127, and to amend Chapter IX, "Urbanization" of the McMinnville Comprehensive Plan to clarify the adoption process for Master Plans.

## **II. ATTACHMENTS**

- Exhibit B. Proposed Amendments.

## **III. FINDINGS OF FACT – GENERAL FINDINGS**

1. Docket G 3-21 is a legislative package of City-initiated proposed McMinnville Comprehensive Plan and McMinnville Municipal Code amendments related to annexations. The proposal is intended to implement the adopted process of annexations in the McMinnville Growth Management and Urbanization Plan adopted by Ordinance No. 5098, and to bring the McMinnville Municipal Code in compliance with recent changes to ORS 222.

## **IV. FINDINGS OF FACT - PROCEDURAL FINDINGS**

1. City staff conducted a work session with the McMinnville City Council to discuss the proposed draft code amendments on July 21, 2021, at which time the McMinnville City Council directed staff to move forward with the amendments.
2. Notice of the application and the September 16, 2021 Planning Commission public hearing were provided to DLCD on August 5, 2021.
3. Notice of the application and the September 16, 2021 Planning Commission public hearing was published in the News Register on Wednesday, September 8, 2021, in accordance with Section 17.72.120 of the Zoning Ordinance.
4. On September 16, 2021, the Planning Commission held a duly noticed public hearing to consider the request. The Planning Commission recommended approval of the proposed amendments.
5. Notice of Docket 3-21 and the October 26, 2021 City Council meeting was posted on the City website in accordance with Oregon public meetings law.

## **V. CONCLUSIONARY FINDINGS:**

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application.

### **Title 17, McMinnville Municipal Code:**

The Purpose Statement of Title 17 of the McMinnville Municipal Code serves as a criterion for Title 17 Development Code amendments:

17.03.020 Purpose. The purpose of the ordinance codified in Chapters 17.03 (General Provisions) through 17.74 (Review Criteria) of this title is to encourage

appropriate and orderly physical development in the city through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, adequate community facilities; and to provide assurance of opportunities for effective utilization of the land resources; and to promote in other ways public health, safety, convenience, and general welfare.

**FINDING: SATISFIED.** The proposed amendments achieve these purposes by providing a process of planning and review that evaluates properties proposed for annexation with compliance with the McMinnville Comprehensive Plan and McMinnville Municipal Code as a requirement of annexation.

On December 2, 2020, the McMinnville City Council adopted Ordinance No. 5098 adopting the McMinnville Growth Management and Urbanization Plan (MGMUP) and its appendices as well as Comprehensive Plan Map amendments. The MGMUP delineated a new process for annexation of lands into McMinnville's city limits requiring an area plan for all land designated UH on the comprehensive plan map, and the need for an annexation application, an annexation agreement, and a land-use process for compliance with the McMinnville Comprehensive Plan prior to annexation of land into the city limits.

This new process created several layers of land-use review and governance to ensure that any property annexed into the city limits would be achieving the purpose of the McMinnville Municipal Code and adopted ordinances.

One of the purposes of these proposed amendments is to codify the implementation of that process that was adopted by Ordinance No. 5098.

### **Comprehensive Plan**

As described in the Comprehensive Plan, the Goals and Policies of the Comprehensive Plan serve as criteria for land use decisions. The following Goals and Policies from Volume II of the McMinnville Comprehensive Plan are applicable to this request:

#### **CHAPTER V. HOUSING AND RESIDENTIAL DEVELOPMENT**

**GOAL V 2: TO PROMOTE A RESIDENTIAL DEVELOPMENT PATTERN THAT IS LAND INTENSIVE AND ENERGY-EFFICIENT, THAT PROVIDES FOR AN URBAN LEVEL OF PUBLIC AND PRIVATE SERVICES, AND THAT ALLOWS UNIQUE AND INNOVATIVE DEVELOPMENT TECHNIQUES TO BE EMPLOYED IN RESIDENTIAL DESIGNS.**

*71.05 The City of McMinnville shall encourage annexations and rezoning which are consistent with the policies of the Comprehensive Plan so as to achieve a continuous five-year supply of buildable land planned and zoned for all needed housing types. (Ord.4840, January 11, 2006; Ord. 4243, April 5, 1983; Ord. 4218, November 23, 1982)*

**FINDING: SATISFIED.** Proposed amendment Section 16.30.040(D) and Section 16.40.030(D) require that the property owner complete a land use process for the



necessary comprehensive plan amendments and zone map amendments needed to develop in compliance with the McMinnville Comprehensive Plan prior to annexation. The proposal is consistent with the applicable Goal and Policies of Chapter V of the McMinnville Comprehensive Plan. The proposed amendments include provisions to ensure compliance with the policies of the comprehensive plan for all property annexing into the city limits.

## **CHAPTER VII. COMMUNITY FACILITIES AND SERVICES**

**GOAL VII 1: TO PROVIDE NECESSARY PUBLIC AND PRIVATE FACILITIES AND UTILITIES AT LEVELS COMMENSURATE WITH URBAN DEVELOPMENT, EXTENDED IN A PHASED MANNER, AND PLANNED AND PROVIDED IN ADVANCE OF OR CONCURRENT WITH DEVELOPMENT, IN ORDER TO PROMOTE THE ORDERLY CONVERSION OF URBANIZABLE AND FUTURE URBANIZABLE LANDS TO URBAN LANDS WITHIN THE McMINNVILLE URBAN GROWTH BOUNDARY.**

### *Police and Fire Protection:*

155.00 *The ability of existing police and fire facilities and services to meet the needs of new service areas and populations shall be a criterion used in evaluating annexations, subdivision proposals, and other major land use decisions.*

**FINDING: SATISFIED.** Proposed amendment 16.020.020(K)(3) requires that all annexation applications must provide documentation that, *the availability of police, fire, parks, and school facilities and services shall be made to allow for conclusionary findings either for or against the proposed annexation.* The proposal is consistent with Goal VII.1 and associated policies of the McMinnville Comprehensive Plan.

## **CHAPTER IX. URBANIZATION**

**GOAL IX 1: TO PROVIDE ADEQUATE LANDS TO SERVICE THE NEEDS OF THE PROJECTED POPULATION TO THE YEAR 2023, AND TO ENSURE THE CONVERSION OF THESE LANDS IN AN ORDERLY, TIMELY MANNER TO URBAN USES.**

**GOAL IX 2: TO ESTABLISH A LAND USE PLANNING FRAMEWORK FOR APPLICATION OF THE GOALS, POLICIES, AND PROPOSALS OF THE McMINNVILLE COMPREHENSIVE PLAN**

### *General Development Pattern:*

183.00 *The City of McMinnville, with the cooperation of Yamhill County, shall establish three categories of lands within the Urban Growth Boundary. Future urbanizable lands are those lands outside the city limits, but inside the Urban Growth Boundary. These lands shall be retained in agricultural resource zones until converted to urbanizable lands by annexation to the City of McMinnville. Urbanizable lands are those lands within the city limits which are not yet developed at urban densities. Conversion of these lands to the urban classification shall involve fulfillment of the goals and policies of this plan, provision of urban services,*

*and application of appropriate implementation ordinances and measures. Urban lands are those lands within the city limits developed at urban densities.*

**FINDING: SATISFIED.** The proposed amendments implement a process that will only allow annexations when the necessary urban services are available, and the property must complete a land-use process that results in a city rezone prior to annexation. The rezone will become effective upon annexation. The proposal is consistent with Goal IX 1 and 2 and associated policies of the McMinnville Comprehensive Plan.

*Land Use Development Tools:*

187.00 *The City of McMinnville shall adopt additional implementation ordinances and measures to carry out the goals and policies of the McMinnville Comprehensive Plan. These shall include, but not be limited to, the Zoning Ordinance and Map, Annexation Ordinance, and Mobile Home Development Ordinance.*

**FINDING: SATISFIED.** The proposed amendments to Title 16 of the McMinnville Municipal Code adopt a process for annexation updating the annexation ordinances bringing them into compliance with the recently adopted MGMUP and ORS 222. The proposal is consistent with Goal IX 1 and 2 and associated policies of the McMinnville Comprehensive Plan.

*Great Neighborhood Principles:*

187.40 *The Great Neighborhood Principles shall guide long range planning efforts including, but not limited to, master plans, small area plans, and annexation requests. The Great Neighborhood Principles shall also guide applicable current land use and development applications*

**FINDING: SATISFIED.** Compliance with the Great Neighborhood Principles are a requirement of the Master Plan process which is a requirement of annexation for all properties greater than 10 acres that are designated UH on the comprehensive plan map. The proposal is consistent with Goal IX 1 and 2 and associated policies of the McMinnville Comprehensive Plan.

*Master Planning:*

187.90.00 *Prior to annexation of all lands greater than 10 acres in size, property owners shall submit a Master Plan to be reviewed by the City Council and acknowledged in an Annexation Agreement. (Ord. 5098, December 8, 2020)*

**FINDING: SATISFIED.** Proposed amendments to Title 16 of the McMinnville Municipal Code do require an approved Master Plan prior to annexation of land greater than 10 acres in size. However due to some confusion with the language of this policy relative to the land-use process of approving a Master Plan and the annexation agreement, the proposed amendments recommend amending this policy to: *Prior to annexation of all lands greater than 10 acres in size, property owners shall submit a Master Plan **for approval.** ~~to be reviewed by the City Council and acknowledged in an Annexation Agreement.~~* The proposal is

consistent with Goal IX 1 and 2 and associated policies of the McMinnville Comprehensive Plan.

*Proposal:*

**48.90 Annexation Process.** *The City shall update its annexation ordinance (Ordinance No. 4357) to reflect new statutory requirements and a process consisting of an annexation agreement with the City Council that includes a conceptual master plan but is not a land-use process. (Ord. 5098, December 8, 2020)*

**FINDING: SATISFIED.** The proposed amendments to Title 16 of the McMinnville Municipal Code will update Ordinance No. 4357 to reflect new statutory requirements and a process consisting of an annexation agreement with the City Council that includes a conceptual master plan but is not a land-use process.

## **CHAPTER X. CITIZEN INVOLVEMENT AND PLAN AMENDMENT**

### **GOAL X 1 TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.**

**FINDING: SATISFIED.** Goals X 1 is satisfied by this proposal in that the proposed modifications were reviewed at a public hearing by the McMinnville Planning Commission on September 16, 2021

#### **State Law**

Changes to the Comprehensive Plan and its implementation ordinances must be acknowledged to continue remain in compliance with applicable state law, including the Statewide Planning Goals, Statutes, and Administrative Rules.

**ORS 222** is the primary statute that pertains to annexations, entitled, *City Boundary Changes; Mergers; Consolidations; Withdrawals*

**FINDING: SATISFIED.** The proposed amendments to the McMinnville Municipal Code and Comprehensive Plan align with ORS 222.

#### **Oregon's Statewide Planning Goals and Administrative Rules:**

Oregon Statewide Planning Goal 14, Urbanization (OAR 660-015-0000(14)), and OAR 660-014-0060 and OAR 660-014-0070 are the statewide planning goal and administrative rules most aligned with annexations.

**Oregon Statewide Planning Goal 14: Urbanization (OAR 660-015-0000(14)) - To** provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services.

Comprehensive plans and implementing measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned.

## GUIDELINES

### A. PLANNING

1. Plans should designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account

- (1) the growth policy of the area;
- (2) the needs of the forecast population;
- (3) the carrying capacity of the planning area; and
- (4) open space and recreational needs.

2. The size of the parcels of urbanizable land that are converted to urban land should be of adequate dimension so as to maximize the utility of the land resource and enable the logical and efficient extension of services to such parcels.

3. Plans providing for the transition from rural to urban land use should take into consideration as to a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

4. Comprehensive plans and implementing measures for land inside urban growth boundaries should encourage the efficient use of land and the development of livable communities.

### B. IMPLEMENTATION

1. The type, location and phasing of public facilities and services are factors which should be utilized to direct urban expansion.

2. The type, design, phasing and location of major public transportation facilities (i.e., all modes: air, marine, rail, mass transit, highways, bicycle and pedestrian) and improvements thereto are factors which should be utilized to support urban expansion into urbanizable areas and restrict it from rural areas.

3. Financial incentives should be provided to assist in maintaining the use and character of lands adjacent to urbanizable areas.

4. Local land use controls and ordinances should be mutually supporting, adopted and enforced to integrate the type, timing and location of public facilities and services in a manner to accommodate increased public demands as urbanizable lands become more urbanized.

5. Additional methods and devices for guiding urban land use should include but not be limited to the following:

- (1) tax incentives and disincentives;
- (2) multiple use and joint development practices;
- (3) fee and less-than-fee acquisition techniques; and
- (4) capital improvement programming.

6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.

**OAR 660-014-0060,**

**Annexations of Lands Subject to an Acknowledged Comprehensive Plan**

A city annexation made in compliance with a comprehensive plan acknowledged pursuant to ORS 197.251(1) or 197.625 shall be considered by the commission to have been made in accordance with the goals unless the acknowledged comprehensive plan and implementing ordinances do not control the annexation

**660-014-0070,**

**Annexations of Lands not subject to an Acknowledged Comprehensive Plan**

(1) All appropriate goals must be applied during annexation by the city. If the annexation is subject to the jurisdiction of a local government boundary commission, the boundary commission may utilize the findings of the city. The boundary commission, however, remains responsible for ensuring that the annexation is in conformance with the statewide goals.

(2) For the annexation of lands not subject to an acknowledged plan, the requirements of Goal 14 (Urbanization) shall be considered satisfied only if the city or local government boundary commission, after notice to the county and an opportunity for it to comment, finds that adequate public facilities and services can be reasonably made available; and:

(a) The lands are physically developed for urban uses or are within an area physically developed for urban uses; or

(b) The lands are clearly and demonstrably needed for an urban use prior to acknowledgment of the appropriate plan and circumstances exist which make it clear that the lands in question will be within an urban growth boundary when the boundary is adopted in accordance with the goals.

(3) Lands for which the findings in section (2) of this rule cannot be made shall not be annexed until acknowledgment of an urban growth boundary by the commission as part of the appropriate comprehensive plan.

**FINDING: SATISFIED.** The proposed amendments are consistent with, and do not conflict with, applicable annexation provisions Oregon State Land Use Goal #14 (OAR 660-015-0000(14), OAR 660-014-0060, OAR 660-014-0070).

**197.610(7) Post-Acknowledgment Procedures and OAR 660, Division 18. Post-Acknowledgment Amendments**

**660-018-0035. Department [DLCD] Participation**

(1) When the department [DLCD] determines that a proposed change to an acknowledged comprehensive plan or a land use regulation may not be in compliance with land use statutes or the statewide land use planning goals, including administrative rules implementing either the statutes or the goals, the department shall notify the local government of the concerns at least 15 days before the final evidentiary hearing, unless:

(a) The local government holds only one hearing on the proposal, in which case the notification must occur prior to the close of the hearing;

(b) The proposed change has been modified to the extent that resubmission is required under OAR 660-018-0045; or

(c) The local government did not submit the proposed change within 35 days in advance of the final hearing in accordance with OAR 660-018-0020(1), regardless of the circumstances that resulted in that delay.

(2) Notwithstanding section (1) of this rule, the department may provide advisory recommendations to the local government concerning a proposed change to the acknowledged comprehensive plan or land use regulation at any time prior to the adoption of the change.

**FINDING: SATISFIED.** The City has provided the required notice of the proposed post-acknowledgment amendment to DLCD as required by OAR 660 Division 18. DLCD has not provided comment or advisory recommendations to the City concerning the proposed amendments.



**PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE –  
DOCKET 3-21, ANNEXATIONS**

Title 16 will be replaced in its entirety with the following language.

*Note: Title 16 is currently a duplication of Chapter 17.53, “Land Division Standards”.*

**TITLE 16  
ANNEXATION**

**Chapters:**

- 16.10 General Provisions**
- 16.20 Annexation Initiation**
- 16.30 Properties Subject to MMC 17.10.060**
- 16.40 Properties Not Subject to MMC 17.10.060**

**CHAPTER 16.10**  
**General Provisions**

|                  |   |
|------------------|---|
| <b>Sections.</b> |   |
| <b>16.10.010</b> | <b>Purpose</b>  |
| <b>16.10.020</b> | <b>Definitions</b>                                      |
| <b>16.10.030</b> | <b>Applicability</b>                                    |
| <b>16.10.040</b> | <b>Annexation Approval</b>                              |
| <b>16.10.050</b> | <b>Zoning of Annexed Areas</b>                          |
| <b>16.10.060</b> | <b>Effective Date and Notice of Approved Annexation</b> |
| <b>16.10.070</b> | <b>Annexation of Non-Conforming Uses</b>                |

**16.10.010 Purpose**

This Chapter is intended to establish procedures and criteria for annexation under the provisions of the Oregon Revised Statutes including, but not limited to, Chapter 222. The City recognizes that annexation of land is both an act of governance and land-use. This Chapter lays out the process necessary to annex property into the city of McMinnville. This Chapter aims to achieve orderly and efficient annexation of land to the City that will result in providing a complete range of public services and public facilities for the annexed territory and to ensure consistency with the McMinnville Comprehensive Plan. The City recognizes that the development of lands at an urban density must include the provision of an adequate level of required urban services, including, but not limited to, such as sanitary sewer, water, stormwater, roads, and parks.

**Cross reference:** See ORS 222.855 for annexation to abate a public danger. Also, see ORS 222.111 for annexation eligibility and ORS 222.010 – 222.750 for annexation procedures.

**16.010.020 Definitions**

Annexation – The process by which a municipality, upon meeting certain requirements, expands its corporate limits.

Annexation Agreement – The written agreement between the City and owners of land requesting annexation that states the terms, conditions and obligations of the parties for the annexation to be approved, including but not limited to provisions for public facilities and public services to mitigate public facility and public service impacts to the City associated with the annexation and future development of the property, a process for ensuring that the annexation is consistent with the McMinnville Comprehensive Plan, and any other provisions that the City deems necessary for the annexation to meet the city’s ordinances and the community’s identified needs.

**16.10.030 Applicability**

The following conditions must be met prior to or concurrent with City processing of any annexation request:

- A. The subject site must be located within the McMinnville urban growth boundary.
- B. The subject site must be contiguous to the existing City limits.

#### **16.10.040 Annexation Approval**

A. City Council approval of annexation applications shall be by ordinance. Procedures for approval shall comply with the provisions of Oregon Revised Statutes, particularly ORS 222.

B. If an annexation is initiated by property owners representing less than 100 percent of all owners of property to be annexed, after holding a public hearing and if the City Council approves the proposed annexation, the City Council shall call for an election within the territory to be annexed. Otherwise no election on a proposed annexation is required.

#### **16.10.050 Zoning of Annexed Areas**

The McMinnville Comprehensive Plan Map provides for comprehensive plan designations on all land within the City's urban growth boundary. Land that is currently designated as a Urban Holding comprehensive plan designation needs to undergo an Area Planning process per Section 17.10.010 – 17.10.050 of the McMinnville Municipal Code and at the time of annexation a new comprehensive plan designation will be applied to the subject property that will identify the future City zoning classifications of that property.

#### **16.10.060 Effective Date and Notice of Approved Annexation**

A. The effective date of an approved annexation must be set in accordance with ORS 222.040 or 222.180.

B. Notice of Approved Annexation:

1. Not later than 10 working days after the passage of an ordinance approving an annexation, the City Manager or designee will:

- a. Send by certified mail a notice to public utilities (as defined in ORS 757.005), electric cooperatives and telecommunications carriers (as defined in ORS 133.721) operating within the City.
- b. Mail a notice of the annexation to the Secretary of State, Department of Revenue, Yamhill County Clerk, Yamhill County Assessor, affected districts, and owners and electors in the annexed territory. The notice must include:
  - i. A copy of the ordinance approving the annexation;
  - ii. A legal description and map of the annexed territory;
  - iii. The findings, if applicable; and
  - iv. Each site address to be annexed as recorded on Yamhill County assessment and taxation rolls.
- c. The notice to the Secretary of State will also include a copy of the statement of consent as required in Section 17.68.030, Annexation Initiation.

2. If the effective date of an annexation is more than one year after the City Council passes the ordinance approving it, the City Manager or designee will mail a notice of the annexation to the Yamhill County Clerk not sooner than 120 days and not later than 90 days prior to the effective date of the annexation.

**16.10.070 Annexation of Non-Conforming Uses**

- A. Generally. When a nonconforming use is annexed into the city, the applicant shall provide, in the annexation application, a schedule for the removal of the nonconforming use. At time of approval of the annexation, the city council may add conditions to ensure the removal of the nonconforming use during a reasonable time period. The time period may not exceed 10 years.
- B. Exception. A legal nonconforming residential structure is allowed to remain indefinitely. Notwithstanding the foregoing, any proposed changes to an existing residential structure will be subject to Chapter 17.63.

**CHAPTER 16.20**  
**Annexation Initiation**

**Sections.**

**16.20.010 Annexation Initiation**

**16.20.020 Annexation Application**

**16.20.010 Annexation Initiation**

An annexation application may be initiated by City Council resolution, or by written consents from electors and/or property owners as provided below.

**16.20.020 Annexation Application**

An annexation application shall include the following:

- A. A list of owners, including partial holders of owner interest, within the affected territory, indicating for each owner:
  - 1. The affected tax lots, including the township, section and range numbers;
  - 2. The street or site addresses within the affected territory as shown in the Yamhill County Records;
  - 3. A list of all eligible electors registered at an address within the affected territory; and
  - 4. Signed petitions as may be required in Subsection B below.
  
- B. Written consents on City-approved petition forms that are:
  - 1. Completed and signed, in accordance with ORS 222.125, by:
    - a. All of the owners within the affected territory; and
    - b. Not less than 50 percent of the eligible electors, if any, registered within the affected territory; or
  
  - 2. Completed and signed, in accordance with ORS 222.170, by:
    - a. More than half the owners of land in the territory, who also own more than half the land in the contiguous territory and of real property therein representing more than half the assessed value of all real property in the contiguous territory (ORS 222.170(1)); or
    - b. A majority of the electors registered in the territory proposed to be annexed and a majority of the owners of more than half the land (ORS 222.170(2)).
  
  - 3. Publicly owned rights-of-way may be added to annexations initiated by these two methods with consent(s) from the property owner(s).
  
- C. In lieu of a petition form described in Subsection B above, an owner's consent may be indicated on a previously executed Consent to Annex form that has not yet expired as specified in ORS 222.173.
  
- D. Verification of Property Owners form signed by the Yamhill County Assessor/Tax Collector Department.
  
- E. A Certificate of Electors form signed by the Yamhill County Clerk and Elections Department.

- F. An ORS 195.305 waiver form signed by each owner within the affected territory.
- G. A waiver form signed by each owner within the affected territory as allowed by ORS 222.173.
- H. A legal description of the affected territory proposed for annexation consistent with ORS 308.225 that will include contiguous or adjacent right-of-way to ensure contiguity as required by ORS 222.111.
- I. A map stamped by a licensed surveyor that is to scale and highlights the affected territory and its relationship to the city limits.
- J. A list of the districts currently providing services to the affected territory.
- K. An adequate level of urban services must be available, or made available, within three (3) years of annexation. An adequate level of urban services is defined as:
  - 1. Municipal sanitary sewer and water service meeting the requirements enumerated in the McMinnville Comprehensive Plan for provision of these services. The sanitary sewer service overall will be considered adequate if the municipal operations are in accordance with federal and state regulations, permits, and orders.
  - 2. Roads with an adequate design capacity for the proposed use and projected future uses. Where construction of the road is not deemed necessary within the three-year time period, the City will note requirements such as dedication of rights-of-way and easements, waivers of remonstrance against assessment for road improvement costs, and/or participation in other transportation improvement costs, for application at the appropriate level of the planning process. The City will also consider public costs of the improvements.
  - 3. Documentation of the availability of police, fire, parks, and school facilities and services shall be made to allow for conclusionary findings either for or against the proposed annexation. The adequacy of these services shall be considered in relation to annexation proposals.
- L. A written narrative addressing the proposal's consistency with the approval criteria specified in Chapter 16.30, if applicable.
- M. A fee as established by Council resolution.
- N. If applicable, a concept master plan as required in MMC Chapter 17.10.060 *et seq.*



**CHAPTER 16.30**  
**Properties Subject to MMC 17.10.060**

**Sections.**

- 16.30.010**     **Applicability**
- 16.30.020**     **Area Planning and Master Planning**
- 16.30.030**     **Annexation Agreement**
- 16.30.040**     **Review Process**

**16.30.010**     **Applicability.**

This Chapter applies to all properties that are subject to MMC 17.10.060.

**16.30.020**     **Area Planning and Master Planning.**

Properties in areas that the City has determined are subject to area planning as provided in Chapter 17.10 and in other adopted plans, such as the McMinnville Growth Management and Urbanization Plan, must have an approved area plan and master plan, as provided in Chapter 17.10, and have an annexation agreement to be annexed into the City.

**16.30.030**     **Annexation Agreement.**

Properties subject to this Chapter 16.30 must enter into an annexation agreement with the City. The City Council may adopt by resolution an annexation agreement with the owner(s) of property that is proposed for annexation to the City. The annexation agreement shall address, at a minimum, provisions for connection to and extension of public facilities and services to the annexed property. Connection to public facilities and services shall be at the discretion of the City, unless otherwise required by the Oregon Revised Statutes. Where public facilities and services are available and can be extended, the applicant shall be required to do so. The annexation agreement shall also describe a process and timeframe for compliance with the McMinnville Comprehensive Plan. The annexation agreement can also have additional requirements for annexation into the city at the discretion of the City Council that responds to the overall future growth and development needs of the community.

**16.30.040 Review Process.**

- A. Annexation Application Submittal. The applicant must submit an annexation application consistent with the requirements of Section 16.20.020.
- B. The property owner will sign an annexation agreement to be considered for approval by the City Council either concurrently with or after the annexation application.
- C. The City Council will approve an annexation agreement that establishes the expectations of the city for the annexation to be successful.
- D. The property owner will initiate and complete the land-use process as described in the annexation agreement to rezone the property into a city urban zone which will become effective upon annexation. This process shall be a quasi-judicial land-use process that will need to be concluded prior to annexation.
- E. The City Council will undertake a legislative review process to determine whether to approve the annexation. The burden is on the applicant to prove compliance with the requirements of this Title and to provide applicable findings.
- F. The City Council may annex properties where urban services are not and cannot practically be made available within the three-year time frame noted in subsection (b) of this section, but where annexation is needed to address a health hazard, to annex an island, to address sanitary sewer, stormwater, or water connection issues for existing development, to address specific legal or contract issues, to annex property where the timing and provision of adequate services in relation to development is or will be addressed through legislatively adopted specific area plans or similar plans, or to address similar situations. In these cases, absent a specific legal or contractual constraint, the city council shall apply an interim zone, such as a limited-use overlay, that would limit development of the property until such time as the services become available

**CHAPTER 16.40**  
**Properties Not Subject to MMC 17.10.060**

**Sections.**  
**16.40.010**    **Applicability**  
**16.40.020**    **Annexation Agreement**  
**16.40.030**    **Review Process**  
**16.40.040**    **Quasi-Judicial Annexation Criteria**

**16.40.010**    **Applicability.**

This Chapter applies to all properties that are not subject to MMC 17.10.060.

**16.40.020**    **Annexation Agreement.**

Properties subject to this Chapter 16.30 must enter into an annexation agreement with the City. The City Council may adopt by resolution an annexation agreement with the owner(s) of property that is proposed for annexation to the City. The annexation agreement shall address, at a minimum, provisions for connection to and extension of public facilities and services to the annexed property. Connection to public facilities and services shall be at the discretion of the City, unless otherwise required by the Oregon Revised Statutes. Where public facilities and services are available and can be extended, the applicant shall be required to do so. The annexation agreement shall also describe a process and timeframe for compliance with the McMinnville Comprehensive Plan. The annexation agreement can also have additional requirements for annexation into the city at the discretion of the City Council that responds to the overall future growth and development needs of the community.

**16.40.030**    **Review Process.**

- A.    Annexation Application Submittal. The applicant must submit an annexation application consistent with the requirements of Section 16.20.020.
- B.    The property owner will sign an annexation agreement to be considered for approval by the City Council either concurrently with or after the annexation application.
- C.    The City Council will approve an annexation agreement that establishes the expectations of the city for the annexation to be successful.
- D.    The property owner will initiate and complete the land-use process as described in the annexation agreement to rezone the property into a city urban zone which will become effective upon annexation. This process shall be a quasi-judicial land-use process that will need to be concluded prior to annexation.
- E.    The City Council will undertake a legislative review process to determine whether to approve the annexation. The burden is on the applicant to prove compliance with the requirements of this Title and to provide applicable findings.
- F.    The City Council may annex properties where urban services are not and cannot practically be made available within the three-year time frame noted in subsection (b) of this section, but where annexation is needed to address a health hazard, to annex an island, to address sanitary sewer, stormwater, or water connection issues for

existing development, to address specific legal or contract issues, to annex property where the timing and provision of adequate services in relation to development is or will be addressed through legislatively adopted specific area plans or similar plans, or to address similar situations. In these cases, absent a specific legal or contractual constraint, the city council shall apply an interim zone, such as a limited-use overlay, that would limit development of the property until such time as the services become available

## PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE – Title 17

New proposed language is represented by **bold font**, deleted language is represented by ~~strikethrough font~~.

### Chapter 17.06 DEFINITIONS

~~**Annexation**—An extension of the boundary of the City which involves a land use process that evaluates if a property meets the criteria for incorporation into the City limits and a vote by the electorate of McMinnville.~~

### Chapter 17.09 ZONE CLASSIFICATIONS BOUNDARIES AND MAPS

17.09.050 Annexed areas. **If a property is annexed into the City and does not concurrently apply for and obtain urban comprehensive plan designations and urban zone designations, it shall be placed in the urban holding zone and will not be allowed any building permits until the zone is changed to a developable city zone through the procedures set forth in Chapter 17.72 (Applications and Review Process) of this title.** ~~An unzoned area annexed to the City shall be placed in the R-1 zone. A County zoned area annexed to the City shall remain in the County zone classification and shall not be allowed any building permits until the zone is changed to a city zone through the procedures set forth in Chapter 17.72 (Applications and Review Process) of this title.~~ Simultaneous application for annexation and a zone change is allowed provided that the zone change ordinance does not take effect until and unless the property is properly annexed to the City and incorporated within the city limits. (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

### Chapter 17.10

#### AREA AND MASTER PLANNING PROCESS (as adopted per Ordinance 5098, December 8, 2020)

17.10.010 Purpose. To provide a process that will allow for and ensure the transition from rural to urban land uses in a manner that is consistent with the McMinnville Comprehensive Plan, UGB expansion plans, and the City's overall land supply needs identified in applicable UGB expansion plans and documents.

17.10.020 Applicability. The Area Plan and Master Plan processes apply to all lands that are designated as Urban Holding (UH) on the McMinnville Comprehensive Plan Map.

17.10.030 Procedures.

- A. Area Plan Requirement. Prior to annexation or comprehensive plan map amendment, zone change, or development of any land in Urban Holding (UH) Comprehensive Plan Map designations, the City must review and adopt an Area Plan, if applicable.
- B. Master Plan Requirement.

1. Concept Master Plan. A Concept Master Plan is required as a component of an annexation application to annex property into the city limits. ~~The development and approval of a Concept Master Plan is required prior to annexation of any land in a Urban Holding (UH) Comprehensive Plan Map designation.s as part of an annexation agreement.~~ **A Concept Master Plan is not binding and is an advisory document to help inform the annexation agreement. (See Title 16 of the McMinnville Municipal Code for the city’s annexation process.)**
  2. Master Plan. The development and approval of a Master Plan is required prior to a zone change, or development of any land in Urban Holding (UH) Comprehensive Plan Map designations and the UH Zone.
- C. Properties Exempt from Area Planning Requirements. The following properties are exempt from the Area Planning Requirements:**
- 1. Properties Not Designated UH on the Comprehensive Plan Map.**
  - 2. Properties that are partially in the city limits and partially in the urban growth boundary, whereby the amount of property in the urban growth boundary is less than 2 acres. If the remnant property in the urban growth boundary that is less than 2 acres is designated as UH on the Comprehensive Plan Map, that property is subject to the McMinnville Municipal Code provisions for a Comprehensive Plan Map Amendment and Zoning Map Amendment in order to be annexed into the city limits.**

17.10.040 Area Plan Process.

- A. The City Council shall initiate an Area Planning process for lands that are designated as Urban Holding (UH) on the McMinnville Comprehensive Plan Map.
- B. Property owners may initiate the Area Planning process, if the City Council has not yet initiated or completed an Area Plan for land designated on the Comprehensive Plan Map as Urban Holding (UH) in a UGB expansion area.
  1. Area Planning may be initiated by property owners for lands 100 acres or greater in size.
- ~~G.~~ The City Council shall adopt an Area Plan as a guiding land use document. **An Area Plan shall be adopted as a supplement to the McMinnville Comprehensive Plan through a legislative land use proceeding if it was initiated by the City Council or either a quasi-judicial or legislative land use proceeding, depending on its size and the number of properties it covers, if it was initiated by an application.** ~~The adoption of the Area Plan is not a land use decision, and does not result in any changes to comprehensive plan designations or zoning districts.~~

17.10.050 Area Plan Scope and Components.

- A. Area Plans shall ~~more specifically~~ identify land uses, their locations, and their relationship to public facilities, natural resources, and existing urban uses. The land uses identified in an Area Plan must be consistent with the applicable Framework Plan and the identified land use needs for the Urban Holding (UH) area.
- B. Principles and Standards for Area Plans.
  1. Area Plans must embody the development principles of the applicable Framework Plan, UGB expansion plan, McMinnville Comprehensive Plan, and any other City land use policies and standards.
    - a. 2003-2023 McMinnville Growth Management and Urbanization Plan (MGMUP). The MGMUP provides guidance for the planning and development of fully integrated, mixed-use, pedestrian-oriented neighborhoods. Therefore, Area Plans for UH areas within the MGMUP areas will be developed to be consistent with:



- 1) The guidelines and characteristics of the Traditional Neighborhood model, as described in the McMinnville Growth Management and Urbanization Plan.
- 2) The potential identification of locations that would be suitable for Neighborhood Activity Centers (NACs) to meet neighborhood commercial land needs as identified in the MGMUP Framework Plan, and also support surrounding residential development, as described in the McMinnville Growth Management and Urbanization Plan.
- 3) The City's adopted Great Neighborhood Principles, as described in Comprehensive Plan Policies 187.10 through 187.50.

17.10.060 Master Plans. Master Plans are required for annexation into the City of McMinnville, urbanization into City of McMinnville zones and development, for all properties 10 acres or more.

- A. Applicability. This section applies to all properties 10 acres or more proposed for annexation and/or rezoning from the UH zone to a city development zone.
  1. Master Plans shall be required for all lands 10 acres or greater in size.
  2. Lands less than 10 acres in size may be annexed into the city, and subsequently developed.
- B. Purpose. The purpose of a Master Plan is to provide:
  1. Orderly and efficient development of the City consistent with the City's Framework Plans and adopted Area Plans.
  2. Compatibility and/or transition with adjacent developments and the character of the area.
  3. A complementary mix of uses and activities to achieve the Principles of the McMinnville Growth Management and Urbanization Plan.
  4. An interconnected transportation network – streets, bicycle routes, and pedestrian trails – with the master plan area and to existing and planned City streets, routes and trails.
  5. A range of housing choices for areas planned to have residential components.
  6. A range of open spaces and recreation facilities, as needed to facilitate the Framework Plan, adopted Area Plan and Parks and Recreation Facility Plan.
  7. Public and semi-public facilities and services.
  8. Preservation of historic buildings, scenic views, and natural resources to the greatest extent possible.
  9. Transitions or buffers between urban development and rural areas.
  10. Implementation of McMinnville's Comprehensive Plan, including adopted Area Plans and the Great Neighborhood Planning Principles.

17.10.065 Master Plan Process.

- A. Concept Master Plan. For the conceptual plan review process, there is no need for the post acknowledgement plan amendments (PAPAs) to the Oregon Department of Land Conservation and Development, or local Measure 56 notice **as it is an advisory document to help inform the annexation agreement and is a required element of an annexation application. (See Title 16 of the McMinnville Municipal Code).** ~~although Early involvement of nearby property owners and state agencies that may have an interest in the effect of urbanization on state interests is advised, because the decision does not yet amend the McMinnville Comprehensive Plan, as it is being reviewed and approved as part of an annexation agreement with the McMinnville City Council and is not considered a land use decision,~~ **However,** the Concept Master Plan should consider all of the same elements and factors as the Master Plan described below.

- B. Master Plan. For the final master plan approval, legislative review and approval is required as part of a quasi-judicial land-use decision as it will be an amendment to the McMinnville Comprehensive Land Use Plan and Zoning Map. Following the City Council's adoption of an Area Plan, but prior to the annexation, comprehensive plan map amendment, zone change, or development of any land within the subject Area Plan, property owners shall submit a Master Plan for review and approval by the City Council.
1. Applications and requests for the approval of a Master Plan shall be reviewed under the review process described in MMC Section 17.72.120 (Applications – Public Hearing).

17.10.070 Master Plan Submittal Requirements. Applications for the review and approval of a Concept Master Plan and Master Plan shall include the following elements:

- A. Plan Objectives. A narrative shall set forth the goals and objectives of the Master Plan and how it achieves McMinnville's MGMUP and adopted Great Neighborhood Principles.
- B. Plan Area and Context. A map of the plan area and surrounding vicinity shall set the context for the Master Plan.
- C. Land Use Diagram. The land use diagram shall indicate the distribution and location of planned land uses for the Master Plan, including plans for park and open space and community facilities. The plan shall identify proposed comprehensive plan and zoning designations.
- D. Significant Resources Inventory. An inventory of significant natural resources, scenic and historic resources, and open space areas. When significant resources are present, the Master Plan shall include a management plan to protect resource sites.
- E. Natural Hazard Areas. Inventory and identify areas subject to natural hazards.
- F. Mixed Use Areas. Identify areas planned for mixed uses, which may also include Neighborhood Activity Centers if identified in the applicable Area Plan.
- G. Commercial Areas. Identify areas planned for commercial use, which may also include Neighborhood Activity Centers if identified in the applicable Area Plan.
- H. Residential Areas. Identify areas planned for housing development. The housing plan must identify a mix of housing types and densities so that the overall density in the area meets the housing density objectives for the area that are identified in the applicable Framework Plan and Area Plan. The applicable Framework Plan and Area Plan are based on a UGB expansion plan that includes findings that specify the housing types and densities that need to be achieved in order to meet future housing needs. Great Neighborhood Principle #11 also requires that "A range of housing forms and types shall be provided and integrated into neighborhoods to provide for housing choice at different income levels and for different generations."
- I. Parks and Open Space. Identify land suitable for park and recreation use in accordance with the needs in the applicable Framework Plan and Area Plan, and the standards in the McMinnville Parks, Recreation, and Open Space Master Plan.
- J. Transportation Analysis and Plan. Prepare a traffic impact analysis and local street plan that is consistent with street spacing and connectivity guidelines in the McMinnville Transportation System Plan (TSP). The street plan shall show the proposed classification for all streets, proposed bicycle routes, and proposed pedestrian facilities. The street plan shall show how streets, bike routes, and pedestrian facilities will connect with adjacent urban areas that are already existing

and also how those facilities will be extended to adjacent UGB expansion areas that have not yet gone through the Master Planning process.

- K. Public Facilities Analysis and Plan. The plan must include a conceptual layout of public facilities (including at a minimum sanitary sewer, power, water, and storm drainage) needed to support the land use diagram. The Public Facilities Analysis should address overall capacities and must be consistent with the City's adopted facility master plans. Where necessary, the analysis shall identify improvements that may require amending the adopted facility master plans.
- L. Site Design and Development Standards. If unique or innovative development standards are proposed for any area within the Master Plan area that differ from the City's normal development standards, these may be identified in the Master Plan and requested through a Planned Development process.

17.10.080 Master Plan Review Criteria.

- A. In the review of an application for a Master Plan, the Planning Commission and City Council shall consider the following:
  - 1. Whether the proposed Master Plan is consistent with the Framework Plan, Area Plan, and Comprehensive Plan in terms of land use, density, transportation systems and networks, and open space.
  - 2. Whether the proposed Master Plan is generally suitable for the area in which it is proposed, considering existing and planned neighborhoods, shopping and employment areas, and natural resources and hazards.
  - 3. Whether the proposed Master Plan is integrated with existing developed or planned areas.
  - 4. Whether the Master Plan is consistent with the City's adopted Great Neighborhood Principles, which include:
    - a. Natural Feature Preservation. Great Neighborhoods are sensitive to the natural conditions and features of the land.
      - 1) Neighborhoods shall be designed to preserve significant natural features including, but not limited to, watercourses, sensitive lands, steep slopes, wetlands, wooded areas, and landmark trees.
    - b. Scenic Views. Great Neighborhoods preserve scenic views in areas that everyone can access.
      - 1) Public and private open spaces and streets shall be located and oriented to capture and preserve scenic views, including, but not limited to, views of significant natural features, landscapes, vistas, skylines, and other important features.
    - c. Parks and Open Spaces. Great Neighborhoods have open and recreational spaces to walk, play, gather, and commune as a neighborhood.
      - 1) Parks, trails, and open spaces shall be provided at a size and scale that is variable based on the size of the proposed development and the number of dwelling units.
      - 2) Central parks and plazas shall be used to create public gathering spaces where appropriate.
      - 3) Neighborhood and community parks shall be developed in appropriate locations consistent with the policies in the Parks Master Plan.
    - d. Pedestrian Friendly. Great Neighborhoods are pedestrian friendly for people of all ages and abilities.
      - 1) Neighborhoods shall include a pedestrian network that provides for a safe and enjoyable pedestrian experience, and that encourages walking for a variety of reasons including, but not limited to, health, transportation, recreation, and social interaction.

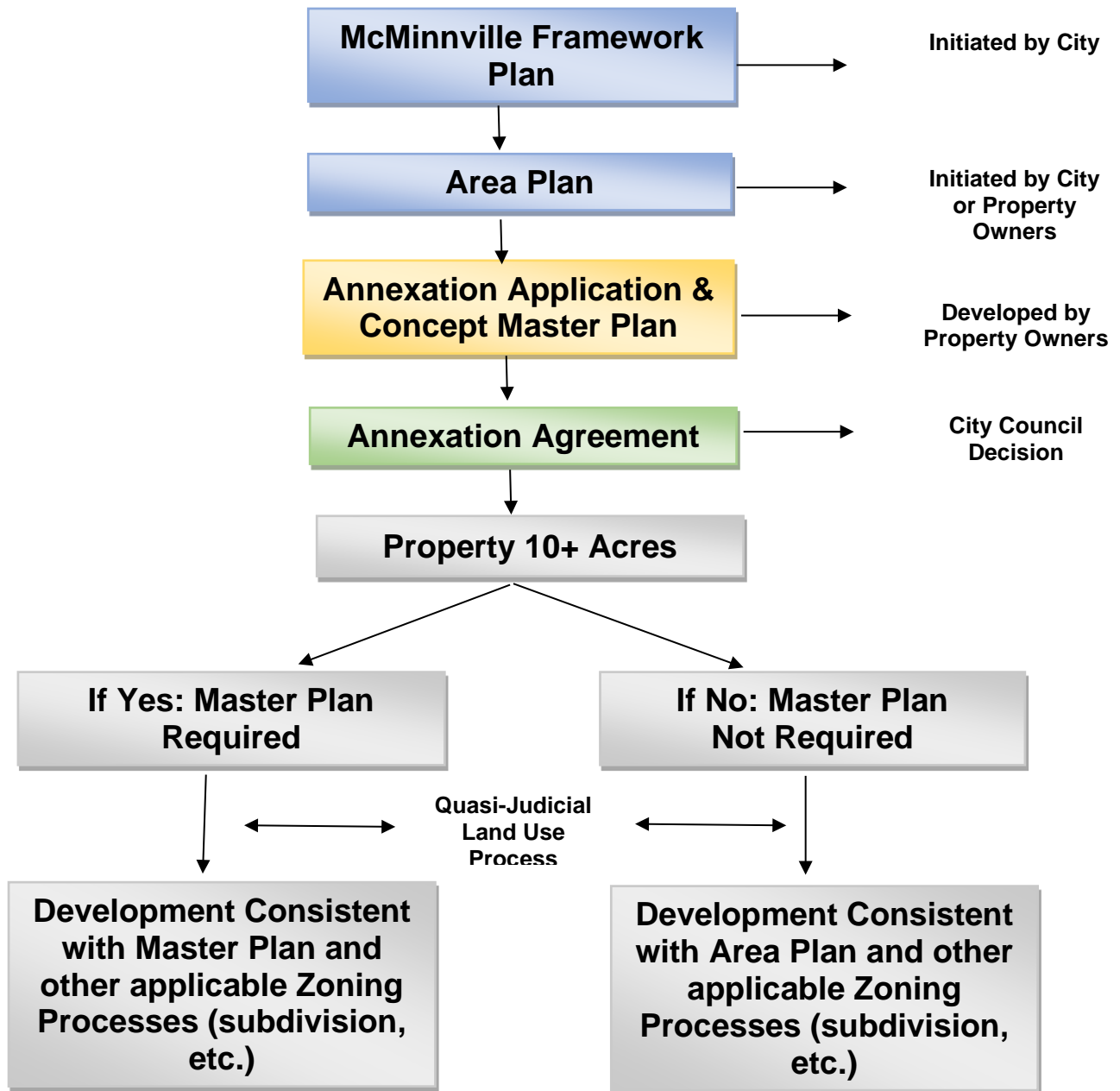
- 2) Pedestrian connections shall be provided to commercial areas, schools, community facilities, parks, trails, and open spaces, and shall also be provided between streets that are disconnected (such as cul-de-sacs or blocks with lengths greater than 400 feet).
- e. Bike Friendly. Great Neighborhoods are bike friendly for people of all ages and abilities.
  - 1) Neighborhoods shall include a bike network that provides for a safe and enjoyable biking experience, and that encourages an increased use of bikes by people of all abilities for a variety of reasons, including, but not limited to, health, transportation, and recreation.
  - 2) Bike connections shall be provided to commercial areas, schools, community facilities, parks, trails, and open spaces.
- f. Connected Streets. Great Neighborhoods have interconnected streets that provide safe travel route options, increased connectivity between places and destinations, and easy pedestrian and bike use.
  - 1) Streets shall be designed to function and connect with the surrounding built environment and the existing and future street network, and shall incorporate human scale elements including, but not limited to, Complete Streets features as defined in the Comprehensive Plan, grid street networks, neighborhood traffic management techniques, traffic calming, and safety enhancements.
  - 2) Streets shall be designed to encourage more bicycle, pedestrian and transit mobility with a goal of less reliance on vehicular mobility.
- g. Accessibility. Great Neighborhoods are designed to be accessible and allow for ease of use for people of all ages and abilities.
  - 1) To the best extent possible all features within a neighborhood shall be designed to be accessible and feature elements and principles of Universal Design.
  - 2) Design practices should strive for best practices and not minimum practices.
- h. Human Scale Design. Great Neighborhoods have buildings and spaces that are designed to be comfortable at a human scale and that foster human interaction within the built environment.
  - 1) The size, form, and proportionality of development is designed to function and be balanced with the existing built environment.
  - 2) Buildings include design elements that promote inclusion and interaction with the right-of-way and public spaces, including, but not limited to, building orientation towards the street or a public space and placement of vehicle-oriented uses in less prominent locations.
  - 3) Public spaces include design elements that promote comfortability and ease of use at a human scale, including, but not limited to, street trees, landscaping, lighted public areas, and principles of Crime Prevention through Environmental Design (CPTED).
- i. Mix of Activities. Great Neighborhoods provide easy and convenient access to many of the destinations, activities, and local services that residents use on a daily basis.
  - 1) Neighborhood destinations including, but not limited to, neighborhood-serving commercial uses, schools, parks, and other community services, shall be provided in locations that are easily accessible to surrounding residential uses.
  - 2) Neighborhood-serving commercial uses are integrated into the built environment at a scale that is appropriate with the surrounding area.

- 3) Neighborhoods are designed such that owning a vehicle can be optional.
- j. Urban-Rural Interface. Great Neighborhoods complement adjacent rural areas and transition between urban and rural uses.
  - 1) Buffers or transitions in the scale of uses, buildings, or lots shall be provided on urban lands adjacent to rural lands to ensure compatibility.
- k. Housing for Diverse Incomes and Generations. Great Neighborhoods provide housing opportunities for people and families with a wide range of incomes, and for people and families in all stages of life.
  - 1) A range of housing forms and types shall be provided and integrated into neighborhoods to provide for housing choice at different income levels and for different generations.
- l. Housing Variety. Great Neighborhoods have a variety of building forms and architectural variety to avoid monoculture design.
  - 1) Neighborhoods shall have several different housing types.
  - 2) Similar housing types, when immediately adjacent to one another, shall provide variety in building form and design.
- m. Unique and Integrated Design Elements. Great Neighborhoods have unique features, designs, and focal points to create neighborhood character and identity. Neighborhoods shall be encouraged to have:
  - 1) Environmentally friendly construction techniques, green infrastructure systems, and energy efficiency incorporated into the built environment.
  - 2) Opportunities for public art provided in private and public spaces.
  - 3) Neighborhood elements and features including, but not limited to, signs, benches, park shelters, street lights, bike racks, banners, landscaping, paved surfaces, and fences, with a consistent and integrated design that are unique to and define the neighborhood.

17.10.090 Development of Areas Less than 10 Acres. Lands less than 10 acres in size may be annexed into the city and rezoned into urban zones without the approval and adoption of a Master Plan. This may occur when the lands are designated for only residential use in the applicable Area Plan, **or are exempt from Area Planning per Section 17.10.030(C).**

- A. Following the annexation of lands that are less than 10 acres in size, the lands shall be subject to the Comprehensive Plan Map Amendment and Zone Change review processes described in MMC Section 17.72.120 and MMC Section 17.74.020. Urban comprehensive plan map designations and urban zoning districts shall be requested for the lands, and the designations and zoning districts must be consistent with the land uses identified in the adopted Area Plan that is applicable to the land in question.
- B. The development of lands less than 10 acres in size must:
  1. Be consistent with the uses identified in the Area Plan, **if** applicable, to the land in question;
  2. Meet the City's adopted Great Neighborhood Principles;
  3. Include a local street plan that complies with the applicable Area Plan, the McMinnville TSP, and other local street spacing and connectivity requirements; and
  4. Be consistent with all other required policies and standards of the McMinnville Comprehensive Plan and Zoning Ordinance.

**Summary Graphic of UGB Expansion Planning Process:**





Chapter 17.72 APPLICATIONS AND REVIEW PROCESS

17.72.080 Legislative or Quasi-Judicial Hearings. The applications listed in this Chapter are either legislative or quasi-judicial in nature and are subject to a public hearing before the Planning Commission or City Council.

- A. A requested amendment to the text of the zoning ordinance or comprehensive plan would call for a legislative-type hearing, the purpose of which is to obtain public input primarily on matters of policy. A legislative amendment may be initiated by the City Council, the Planning Commission or by the Citizens’ Advisory Committee. Any other citizen may petition the City Council requesting them to initiate a text amendment.
- B. An application that is site specific (such as a zone change ~~or annexation request~~) would call for a quasi-judicial hearing. The decisions made as a result of such hearings must be based upon testimony submitted and supported by Findings of Fact. An amendment that is site specific may be initiated by the City Council, the Planning Commission, the Citizens’ Advisory Committee or by application of the property owner.

17.72.090 Application Review Summary Table. The following table offers an overview of land use applications and corresponding review body. Additional information regarding the notification and approval criteria for specific land use applications can be found by referring to the procedural reference section in the right-hand column of the table. Information regarding the hearing body and the hearing procedure can be found in this chapter. (Ord. 5047, §2, 2018, Ord. 5034 §2, 2017; Ord. 4984 §1, 2014).

| Review Process                                      | Land Use Application  | Zoning Ordinance Reference |
|---|---|----------------------------|
| Applications Public Hearing-<br>Planning Commission | <del>Annexations* **</del>  | <del>Ord. No. 4357</del>   |
|   | Appeal of Director’s Decision   | 17.72.170                  |
|   | Application (Director’s Decision) for which a Public Hearing is Requested | 17.72.120                  |
|   | <b>Area Plan</b>  | <b>17.10</b>               |
|   | Comprehensive Plan Map or Text Amendment*                                 | 17.74.020                  |
|   | Conditional Use Permit  | 17.74.030-060              |
|   | <b>Legislative Amendment</b>  | <b>17.72.120</b>           |
|   | <b>Master Plan</b>  | <b>17.10</b>               |
|   | Planned Development Amendment*  | 17.74.070                  |
|   | <del>Legislative Amendment *</del>  | <del>17.72.120</del>       |
|   | Subdivision (more than 10 lots)   | 17.53.070                  |
|   | Variance  | 17.74.100-130              |
| Zone Change*  | 17.74.020   |                            |

\* Following Public Hearing, Planning Commission makes recommendation to City Council

~~\*\* Following City Council recommendation, Annexation requests are subject to voter approval~~

17.72.160 Effective Date of Decision. Unless an appeal is filed, a decision made by the Planning Director or the Planning Commission shall become final fifteen (15) calendar days from the date that the notice of the decision is mailed. Unless an appeal is filed, a decision made by the City Council shall become final 21 (twenty-one) days from the date that the notice of decision is mailed. ~~Annexation requests are subject to voter approval following the City Council's decision.~~

**PROPOSED AMENDMENTS TO THE MCMINNVILLE COMPREHENSIVE PLAN, VOLUME II,  
GOALS AND POLICIES –**

New proposed language is represented by **bold font**, deleted language is represented by ~~strikethrough font~~.

**CHAPTER IX  
URBANIZATION**

- 187.80.20 *Area Plans shall be adopted by the City Council as guiding land use documents. **The Area Plan will be adopted as a supplement to the McMinnville Comprehensive Plan.** ~~adoption of the Area Plan is not a land use decision, and does not result in any changes to Comprehensive Plan designations or zoning districts.~~ (Ord. 5098, December 8, 2020)*
- 187.80.30 *The City of McMinnville shall establish a process for property owners to initiate the Area Planning process, if the City has not yet initiated or completed an Area Plan for land designated on the Comprehensive Plan Map as Urban Holding (UH) in a UGB expansion area. (Ord. 5098, December 8, 2020)*

**MASTER PLANNING**

- 187.90.00 *Prior to annexation of all lands greater than 10 acres in size, property owners shall submit a Master Plan **for approval.** ~~to be reviewed by the City Council and acknowledged in an Annexation Agreement.~~ (Ord. 5098, December 8, 2020)*
- 187.90.10 *Master Plans shall be consistent with the land uses identified in the adopted Area Plan that is applicable to the land in question. (Ord. 5098, December 8, 2020)*
- 187.90.20 *Master Plans shall identify current Comprehensive Plan designations and future urban zoning districts per the policies of the McMinnville Comprehensive Plan and the McMinnville Municipal Code. Uses identified in the Master Plan shall be consistent with the urban Comprehensive Plan designations and zones. (Ord. 5098, December 8, 2020)*
- 187.90.30 *Lands less than 10 acres in size may be annexed without the completion of the Master Planning process. Development of these lands shall be consistent with the land uses identified in the adopted Area Plan that is applicable to the land in question. Development of these lands shall be consistent with the land use development tools and requirements of the McMinnville Comprehensive Plan and the McMinnville Zoning Ordinance. (Ord. 5098, December 8, 2020)*
- 187.90.40 *Master Plans will be required as a land-use decision to rezone property from a rural zone to an urban zone. (Ord. 5098, December 8, 2020)*