

AP 4-26 (Appeal of DDR 1-26)

July 16, 2026, Planning Commission Public Hearing

Public Hearing Process

- This is a quasi-judicial hearing for an appeal of a Historic Landmarks Committee decision of a Downtown Design Review application (DDR 1-26)
- The Planning Commission's decision shall be final, unless appealed to City Council, in a 15-day appeal period following a formal notice of decision

Order of Operations

- 1. Staff Presentation (30 min)**
 - Evan Hietpas, Planning Manager
- 2. DDR 1-26 Applicant Presentation (10 min)**
- 3. AP 4-26 Appellant Presentation (10 min)**
- 4. Public Comments (3 min per person)**
- 5. DDR 1-26 Applicant Rebuttal (5 min)**
- 6. Planning Commission (Close or Continue Public Hearing/Move to Deliberation/Take Action)**

Staff Presentation

1. Applications submitted by Bienestar
2. Appeal request (AP 4-26)
3. Decision-Making Process
4. Supplemental Findings
5. Staff Recommendation

Exhibit 3 – AP 4-26

“Part 2” of packet

- Staff Report (pages 1-8 of packet)
- Attachments:
 1. AP 4-26 Notice of Appeal (pg 9-14)
 2. Applicant Response Letter, including MA 1-26 decision (pg 15-80)
 3. Public Comments Received prior to July 9 (pg 81-92)
 4. Supplemental Findings prepared by staff (pg 93-98)

“Part 3” of packet

5. Downtown Design Review, DDR 1-26, Decision Document and all attachments
- **Separate File: July 15, 2026 Additional Written Testimony**

Summary of Applications

Subject Site – 544 NE 2nd Street



Application Requests

HL 1-26

Demolish a historic resource, designated as a “B” (Significant Resources), by the historic name of “United Methodist Church”



DDR 1-26

Construct a new four-story apartment building on a mixed-use site with a continued church use.



Historic Landmarks Committee

HL 1-26 (Demolition)

- Based on MMC 17.65
- Approved by a motion of 3-1
- Decision became **final** on June 18th



DDR 1-26 (Design Review)

- Based on MMC 17.59
- Approved by a motion of 4-0
- Decision was **appealed** on June 18th



Historic Landmarks Committee

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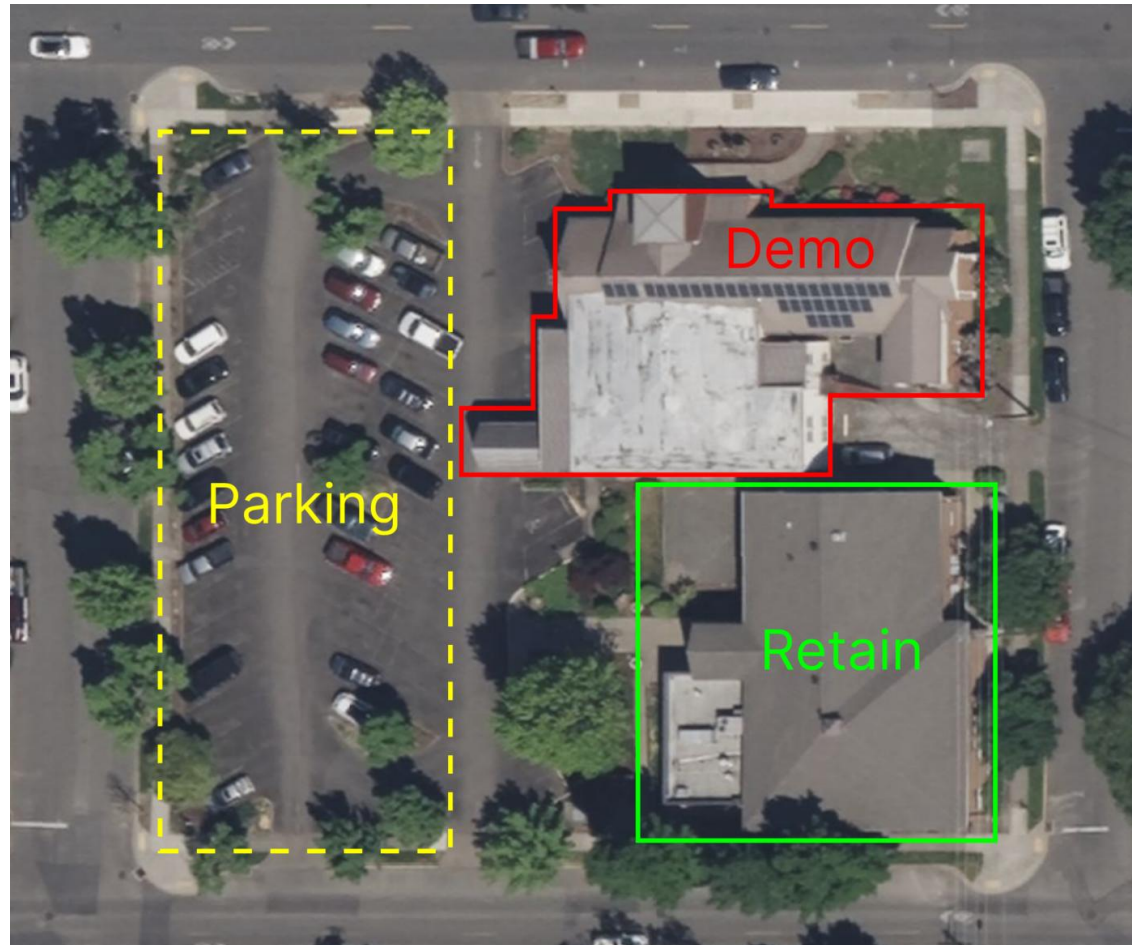
DDR 1-26 (Design Review)

- Based on MMC 17.59
- Approved by a motion of 4-0
- Decision was **appealed** on June 18th

Planning Commission **shall only be reviewing the DDR 1-26 decision – based on the standards in MMC 17.59** (Downtown Design Standards and Guidelines).

The review of this appeal (AP 4-26) shall be based on the specific criteria outlined in this code section.

Existing Development



Proposed Development





Updated Design
from May 1

NORTH FACADE



WEST FACADE

Related Records (Administrative Decisions)

Landscape Plan Review (L 2-26)

- Administrative Review, with no public notice
- Conditional Approval issued on February 19

Building Permit for Apartment Building

- Administrative Review, with no public notice
- Submitted on June 26
- CANNOT be approved unless there is a DDR approval

Related Records (Administrative Decisions)

(Docket # MA 1-26) Mandatory Adjustments for Qualifying Residential Development, under Oregon **Senate Bill 1537**

- Requires public notice, but there is no public meeting or public appeal process
- Applicant has demonstrated that the project is eligible for the adjustments

Mandatory Adjustments for Qualifying Residential Development, under Oregon Senate Bill 1537

- May request up to ten (10) adjustments
- Requested six (6) adjustments
 - Common area, open spaces and landscaping (17.11.090.D.5.)
 - Parking Minimums (17.60)
 - Facade materials, color or pattern (17.59.050(C))
 - Façade articulation (17.11.090.D.12.b.4.)
 - Total window area (17.59.050.B.3.c.)
 - Requirements for balconies and porches (17.11.090.D.6.)
- Approval was issued on May 4, 2026, and formally included in AP 4-26 record by applicant.

Applicable Housing State Laws

Senate Bill 1537

- Eligibility: 10 units per acre

(g) A statement of how one of the following criteria apply:

- (A) The adjustment makes housing development feasible when it otherwise would not be due to cost or delay,
- (B) The adjustment reduces the sale or rental price per unit,
- (C) The adjustment will increase the number of units in the application,
- (D) All units are subject to an affordable housing covenant to be affordable to moderate income (80-120% Median Family Income) households for at least 30 years,
- (E) 20% of units are subject to an affordable housing covenant to be affordable to low-income households ($\leq 80\%$ Median Family Income) for at least 60 years,
- (F) The adjustment enables the provision of accessibility or visitability features that would not otherwise be feasible, or
- (G) The units are subject to a zero equity, limited equity, or shared equity ownership model making them affordable to moderate income households for 90 years.

- Per Oregon State Law, there is no analysis method or ability to assess “cumulative impacts” of the adjustments, as requested by the Appellant.

Applicable Housing State Laws

Senate Bill 1537 allows up to 10 adjustments

1. Side or rear setbacks	2. Common area, open spaces, and landscaping*
3. Parking minimums*	4. Minimum lot sizes
5. Maximum lot sizes	6. Building Lot coverage
7. Bicycle parking (minimum spaces)	8. Bicycle parking (location)
9. Building height maximums	10. Unit density maximums
11. Prohibitions on ground floors of mixed use buildings against nonresidential active uses	12. Façade materials, color or pattern*
13. Façade articulation*	14. Roof forms and materials
15. Entry and garage door materials	16. Garage door orientation unless adjacent to or across from school/public park
17. Window materials except bird-safe glazing requirements	18. Total window area*
19. Building orientation requirements, not including transit street orientation requirements	20. Building height transition requirements
21. Requirements for balconies and porches*	22. Requirements for recesses and offsets

Applicable Housing State Laws

ORS 197A.400(1) – “...a local government may adopt and apply only **clear and objective standards**, conditions and procedures regulating: (A) The **development of housing**;...”

- Per Oregon State Law, the City cannot review housing developments based on broad “purpose or compatibility” statements, as requested by the Appellant.
 - Zoe Powers’ letter (Attachment 2) also draws attention to this fact (page 15 of packet part 2)
- Walt Gowell Letter (Attachment 7 of DDR 1-26)
 - Clarifying Downtown Design Standards (17.59) language
 - “The word “**shall**” was intended to be mandatory, **required** and directive. As to certain primary design criteria standards. The term “*should*” was intended to designate *preferred* (but not required) design guidelines...”

Appeal Request (AP 4-26)

Summary of Appeal (AP 4-26)

Submitted by Alexa McClain on June 18, 2026. The appellant's letter did not cite any specific code criteria that the appeal is based on. The appellant identified three (3) "grounds" for the appeal:

1. The findings do not adequately address the loss of a significant public parking resource.
2. The findings do not adequately address the cumulative effect of the numerous adjustments, waivers, and design departures approved for this project.
3. The findings not adequately demonstrate compatibility with the historic character, scale, and development pattern of downtown McMinnville.

Appeal (AP 4-26)

- Notice of Appeal submitted: June 18th
- Public Hearing Notice Mailing: June 25
- Written Public Testimony (10): July 7 – July 15
- DDR 1-26 Applicant (Zoe Powers, on behalf of Bienestar) Testimony: July 8
- Meeting Packet Posted, with Supplemental Findings Document: July 9
- Applicant Presentation Materials: July 15

Review Process and Criteria

Downtown Design Review

- **Chapter 17.59, primarily Section 17.59.050** “Building and Site Design”
- The word “**shall**” is used for design **requirements**
- The term “*should*” is used for design *preferences*.

Historic Landmarks Committee Review

- March 12th – Public hearing held and continued
- April 23rd – Continued public hearing held
 - At the **April 23, 2026** Public Hearing, the HLC and Applicant agreed to a 7-7-7 extension process to allow for additional written testimony to be submitted
- May 28th – HLC deliberated and made a final decision. No additional verbal public testimony was taken at the meeting. The Historic Landmarks Committee **approved DDR 1-26 by a motion of 4-0.**

Section 17.59.050(B) – Building Design

Criteria	Should or Shall	Finding
1. Massing and Configuration, similar to other historic buildings on same block	<i>Should (preferred)</i>	Not applicable
2. Special design considerations for buildings above 60 ft	<i>Should (preferred)</i>	Not applicable
3. Storefront design (belt course, bulkhead, glazing, entry door, decorative cornice)	<i>Should (preferred)</i>	- Satisfies some city requirements - Mandatory Adjustments applied - Local waiver request approved for glazing alternative
4. Roofline design	Shall (required)	- Satisfies city requirements
5. Primary entrance (open to public ROW and recessed)	Shall (required)	- Satisfies city requirements
6. Window design	Shall (required)	- Satisfies city requirements
7. Alterations and additions to existing buildings	Shall (required)	Not applicable
8. Provide ground floor “base/foundation”	Shall (required)	- Satisfies city requirements

Section 17.59.050(c) – Building Materials

Criteria	Should or Shall	Finding
1. Historic exterior building materials (block, brick, painted wood, smooth stucco, natural stone)	Shall (required)	- Mandatory adjustments applied
2. Prohibited materials	Shall (required)	- Satisfies city requirements
3. Prohibited exterior building colors (low reflective, subtle, neutral or earth tone color)	Shall (required)	- Satisfies city requirements

Local Requirement	Mandatory Adjustment	Applicant Proposal
<u>17.11.090 Common Spaces</u> 15% of the site (5,219 sq ft required)	<u>(4)(b)</u> Reduction up to 25% (3,915 sq ft required)	4,321 sq ft provided
<u>17.60 Required Parking</u> 0.5 spaces for units with two bedrooms or less 1 spaces for units with more than two bedrooms	<u>(4)(c)</u> Full adjustment (no parking required) <i>69, two-bedroom or less</i> <i>3, three-bedroom</i>	- Church use requires 38 spaces - Shared parking for mixed-use development will have 59 spaces
<u>17.59.050(C) Building Materials</u> Exterior materials shall consist... [of] block, brick, painted wood, smooth stucco, or natural stone.	<u>(5)(a)</u> Full adjustment allowed for Façade materials	- Some brick on the ground-level façade. - Fiber cement shingles for majority
<u>17.11.090 Wall and Roof Design/Articulation Requirements</u>	<u>(5)(b)</u> Full adjustment allowed for Façade articulation	Provided some recesses, offsets, and articulation elements, and 17.59-compliant roof pitch
<u>17.11.090 Private Porches/Balconies</u>	<u>(5)(h)(C)</u> Full adjustment allowed for Façade articulation	No porches or balconies proposed

Public Testimony Memo – Attachment 3 of DDR 1-26 Decision (page 183 of “part 3”)

Staff Memo was prepared (during the HL 1-26 and DDR 1-26 review) responding to the main topics of testimony received:

- Vehicular Traffic Increases/ Pedestrian Safety
- Parking Supply and Demand
- Acknowledgement and advocacy of the need for increased housing availability and affordability in McMinnville
- Concerns about density and building height
- Incompatibility of building design with downtown
- Value and Significance of church building

Supplemental Findings for DDR 1-26, based on AP 4-26

Exhibit 3 – Attachment 4 (page 93 of packet part 2 of 3)

“Ground 1” – Loss of Public Parking Lot (in “Public Testimony Memo” pg 184 of part 3)

- In 1978, the City of McMinnville and the United Methodist Church entered into a parking lease agreement. The City funded the construction of the parking lot improvements in exchange for the right to use the parking spaces for public parking, outside of conflicts on Sundays during peak congregation times. **After 10 years (1988), the property owner (Church) reserved the right to terminate the lease agreement.**
- In 2025, the City and the current property owner agreed to a lease amendment. The amendment states that the parking lease agreement will continue on a **month-to-month basis** until such a time as either party terminates the Lease by written notice provided to the other party **60 days in advance of termination.**
- The applicant is not proposing to retain public parking as a part of this redevelopment, as it will be used for shared parking for McMinnville Cooperative Ministries and residents.

“Ground 1” – Loss of Public Parking Lot

- Chapter 17.59 (Downtown Design Standards) does not require mitigation for the loss of public parking spaces.
- This mixed-use development (Church and Apartments) requires a **minimum of 38 total parking spaces** onsite (considering the SB 1537 Mandatory Adjustment that eliminates any parking requirements for the qualifying housing development).
- The applicant is proposing 59 total parking spaces, which **exceeds the minimum requirements by 20 spaces**.

“Ground 2” – Cumulative impact of mandatory adjustments

- Per Oregon State Law, there is no analysis method or ability to assess “cumulative impacts” of the adjustments, as requested by the Appellant.
- May request up to ten (10) adjustments
- Applicant requested six (6) adjustments

“Ground 3” – Compatibility with downtown

ORS 197A.400(1) – “...a local government may adopt and apply only **clear and objective standards**, conditions and procedures regulating: (A) The **development of housing**;...”

- Per Oregon State Law, the City cannot review housing developments based on broad “purpose or compatibility” statements, as requested by the Appellant.

Staff Recommendation

120-day review timeline

- Downtown Design Review applications are subject to a 120-day review timeline, based on Oregon State law requirements. The current deadline for a local decision is **Thursday August 27, 2026**.
- This timeline must account for a second required 15-day appeal period following the Planning Commission's decision, of which any appeal would then go to City Council.
- Due to this review timeline, the Planning Commission must render a decision at this public hearing, unless an extension is requested by the docket DDR 1-26 applicant (Bienestar).

Planning Commission Options

- **APPROVE** DDR 1-26, subject to the Decision Document and Supplemental Findings
- **APPROVE** the application, subject to the Decision Document, Supplemental Findings, with specific modifications to the findings or conditions of approval
- **DENY** application, by providing the necessary findings of fact for the denial in the motion to deny.

Staff Recommendation

- **APPROVE** DDR 1-26, subject to the Decision Document and Supplemental Findings
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- **DENY** application, by providing the necessary findings of fact for the denial in the motion to deny.

Recommended Motion

- I MOVE THAT THE PLANNING COMMISSION **DENIES DOCKET AP 4-26, AND APPROVES DOCKET DDR 1-26**, SUBJECT TO THE ATTACHED DECISION DOCUMENT, AND SUPPLEMENTAL FINDINGS.