



City of McMinnville
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EXHIBIT 1 - STAFF REPORT

DATE: July 16, 2020
TO: Planning Commission Members
FROM: Chuck Darnell, Senior Planner
SUBJECT: PUBLIC HEARING: CU 1-20 (Conditional Use) – 1113 NE 4th Street

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

Report in Brief:

This is a quasi-judicial hearing to consider a request for a Conditional Use (CU 1-20) to allow for the operation of a short term rental lodging use on a property within the Northeast Gateway Planned Development Overlay District

Background:

The subject site is located at 1113 NE 4th Street and is identified as Tax Lot 600, Section 21BD, T. 4 S., R. 4 W., W.M. The location of the subject site is provided in Figure 1 and the proposed site plan is provided in Figure 2 below:

Attachments:

Attachment A: Decision, Conditions, Findings of Fact and Conclusionary Findings for the Approval of CU 1-20

Attachment B: CU 1-20 Application Materials

Figure 1. Vicinity Map (Property Lines Approximate)

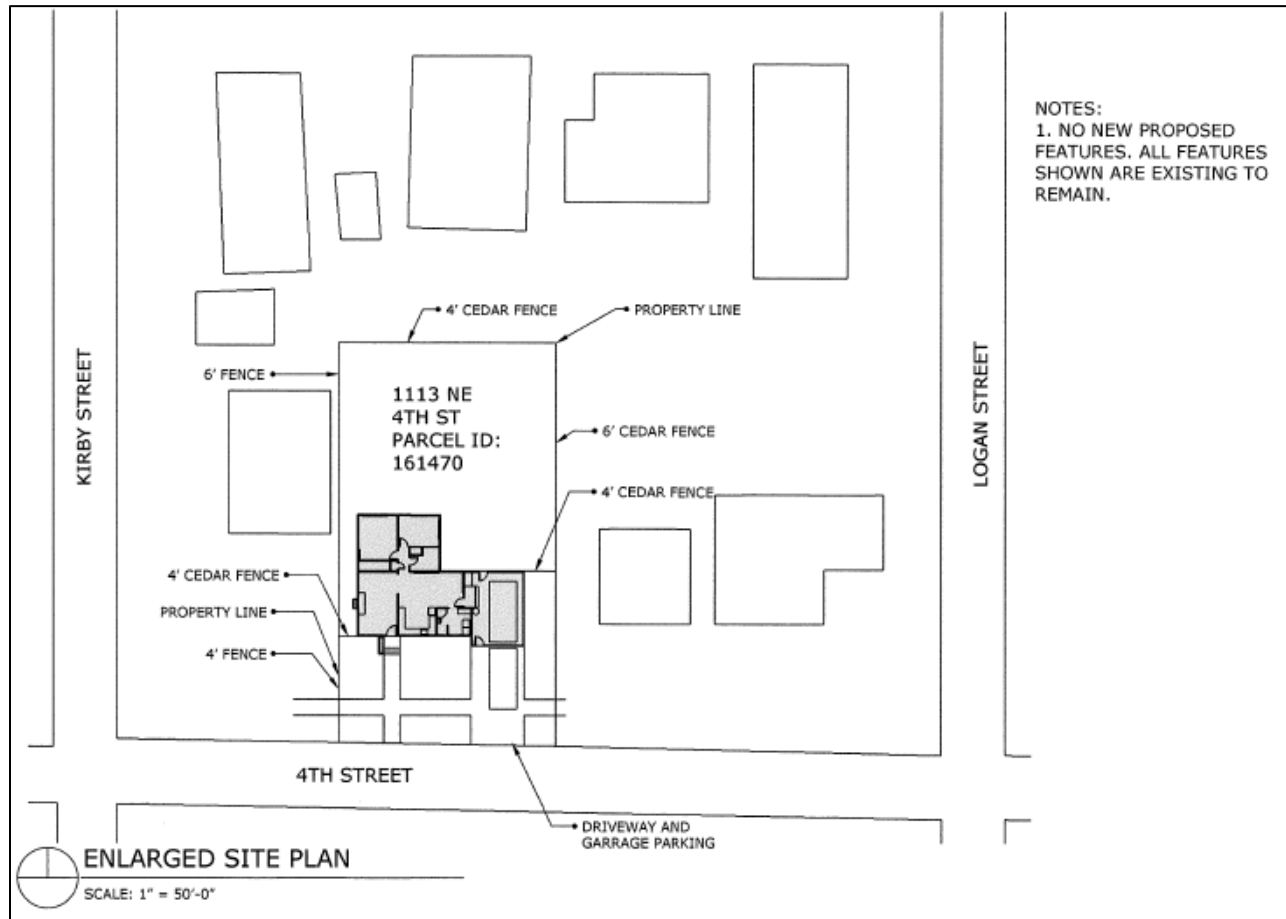


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Figure 2. Site Plan



In July 2013, Ordinance 4971 was approved, establishing the Northeast Gateway Planned Development Overlay District (NEG PD), which includes the subject property at 1113 NE 4th Street. The NEG PD included the establishment of three sub-areas or zones, and the subject property is located in Zone 3 of the NEG PD. The NEG PD also included a table of uses that are permitted and conditionally permitted in each zone. These uses are described in Table 1 of Ordinance 4971, and Section 6 of Ordinance 4971 states that the uses in Table 1 "...supplant the uses that are currently permitted or conditionally permitted in the underlying zones." In Zone 3, "Lodging: Bed and Breakfast/Vacation Home Rental" is listed as a Conditionally Permitted use in Residential zones. The underlying zoning of the subject property is R-2, and therefore a Conditional Use Permit is required for the lodging use.

At the time of adoption of Ordinance 4971 and the establishment of the Northeast Gateway Planned Development Overlay District in July 2013, the use of dwelling units for short term lodging use was described and defined in the McMinnville Municipal Code (MMC) as "vacation home rentals". Vacation home rentals were allowed at that time in residential zones within the city, but only as conditional uses requiring the review and approval of a conditional use permit by the Planning Commission. Since that time, vacation home rentals were changed from conditional uses to permitted uses, subject to some operational requirements (approved by Ordinance 4984 in November 2014). Even more recently, these types of uses were re-defined and are now described as "short term rentals" (approved by Ordinance 5047 in April 2018). Staff believes that the "Lodging: Bed and Breakfast/Vacation Home Rental" use in Table 1 and Section 6 of Ordinance 4971 was likely included as a conditional use at the time of adoption based on how those uses were treated in other residential zones at the time. The current application for a lodging use is being treated as a short term rental use as that type of use is currently defined in the

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MMC. However, the requirements of Ordinance 4971 do still apply and therefore the Conditional Use Permit was applied for by the applicant.

Discussion:

The decisions for this land-use application is dependent upon whether or not the application meets state regulations, the McMinnville Comprehensive Plan and the McMinnville Municipal Code. The application can either meet these criteria as proposed, or a condition of approval can be provided that either outlines what needs to occur to meet the criteria or when something needs to occur to meet the criteria. Attached is a decision document that provides the Findings of Fact and Conclusionary Findings for the requested Conditional Use. This document outlines the legal findings on whether or not the application meets the applicable criteria and whether or not there are conditions of approval that, if achieved, put the application in compliance with the criteria.

The Conditional Use application (CU 1-20) is subject to the Conditional Use review criteria in Section 17.74.030 of the Zoning Ordinance. The use of the site is also subject to the requirements of the Northeast Gateway Planned Development Overlay District as adopted by Ordinance 4971. The goals and policies in Volume II of the Comprehensive Plan are also independent approval criteria for all land use decisions.

The specific review criteria for Conditional Uses in Section 17.74.030 of the McMinnville Zoning Ordinance require the applicant to demonstrate that:

- A. The proposal will be consistent with the Comprehensive Plan and the objectives of the zoning ordinance and other applicable policies of the City;
- B. That the location, size, design, and operating characteristics of the proposed development are such that it can be made reasonably compatible with and have minimal impact on the livability or appropriate development of abutting properties and the surrounding neighborhood, with consideration to be given to harmony in scale, bulk, coverage, and density; to the availability of public facilities and utilities; to the generation of traffic and the capacity of surrounding streets; and to any other relative impact of the development;
- C. That the development will cause no significant adverse impact on the livability, value, or appropriate development of abutting properties of the surrounding area when compared to the impact of permitted development that is not classified as conditional;
- D. The location and design of the site and structures for the proposal will be as attractive as the nature of the use and its setting warrants;
- E. The proposal will preserve environmental assets of particular interest to the community;
- F. The applicant has a bona fide intent and capability to develop and use the land as proposed and has no inappropriate purpose for submitting the proposal, such as to artificially alter property values for speculative purposes.

In judging whether or not a conditional use proposal shall be approved or denied, the Planning Commission shall weigh its appropriateness and desirability or the public convenience or necessity to be served against any adverse conditions that would result from authorizing the particular development at the location proposed. The applicant has provided a narrative and findings to support the request for the Conditional Use, based on how they believe it meets the applicable review criteria and other Comprehensive Plan goals and policies.

Overall, staff concurs with the applicant's arguments and supports the approval of the Conditional Use, subject to some conditions. The location, size, and design of the building and the other site improvements

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are not proposed to be changed in any way to accommodate the proposed new use of a short term rental. Therefore, the existing dwelling will remain in its residential character and continue to exist in a size and scale that is compatible with the surrounding neighborhood. The surrounding neighborhood includes a variety of uses, but the block on which the subject site is located is primarily single family residential uses.

The subject site is located in the Northeast Gateway Planned Development Overlay District, specifically in Zone 3 of the overlay district. The purpose of the Northeast Gateway Planned Development Overlay District, as described in Section 2 of Ordinance 4971, is to “...guide the transition of a light and heavy industrial area to a vital, mixed use, pedestrian-friendly neighborhood, consistent with the vision described in the adopted NE Gateway Plan. In so doing, this PDO provides a design framework and specific use standards that allows for a complementary mix of uses to include residential, employment, cultural/tourism, education, and neighborhood-scale support services.” More specifically, Zone 3 is described in Section 3 of Ordinance 4971 as being meant “...to allow for the development of a mixed-use, residential zone with a variety of housing types, neighborhood scale commercial uses, and an education component.” The proposed use of a short term rental introduces a mix of uses in the area, and also provides a “cultural/tourism” use that is described in the purpose of the Northeast Gateway Planned Development Overlay District. In addition, the subject site is located directly across the street from a property to the south that is commercially zoned and in Zone 1 of the Northeast Gateway Planned Development Overlay District. Zone 1 allows for a much wider variety of uses, including many that could have comparatively greater impacts on the livability, value, or appropriate development of abutting properties of the surrounding area. The proposed use is of a limited size and scale that is less than impactful than could occur for more intensive permitted uses in the surrounding area.

Staff is suggesting that some conditions of approval be included to ensure that the operation of the short term rental use is compatible with some of the surrounding and existing residential uses. These operational conditions are able to be applied through the conditional use process to protect the best interest of the surrounding area or the community as a whole. These operational conditions include requirements of the applicant to participate in the Transient Lodging Tax program, provide adequate smoke/CO2 detectors in the structure, limit the number of occupants that can use the structure as a short term rental, and also limit the size of any signage for the short term rental use.

Below is a table summarizing the application’s compliance with critical criteria. The Decision Document for the land-use application has the detailed analysis and findings for this compliance:

CU 1-20 (Conditional Use)

Issue	Notes	Condition to Help Meet Criteria
Compatibility of Development with Surrounding Neighborhood	<ul style="list-style-type: none"> • No Changes to Size and Height of Building • Existing Residential Character to be Retained 	Condition of Approval #4 – Limit on the size of signage for the short term rental business to help retain existing residential character
No Impacts on Livability, Value, or Appropriate Development of Abutting Properties	<ul style="list-style-type: none"> • No Changes to Size and Height of Building • Existing Residential Character to be Retained • Existing Driveway Somewhat Shallow 	Condition of Approval #5 – Not allowing parking of vehicles in driveway that extend into sidewalk and pedestrian space

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<p>Operations of Facility</p>	<ul style="list-style-type: none"> • Applicant Proposing Limit on Occupancy, Quiet Hours, and Limit on Parties or Events 	<p>Conditions of Approval #1 - 3 – Require participation in Transient Lodging Tax program, smoke/CO2 detectors for safety, and limit on number of occupants</p>
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Commission Options:

- 1) Close the public hearing and **APPROVE** the application, per the decision document provided which include the findings of fact.
- 2) **CONTINUE** the public hearing to a specific date and time.
- 3) Close the public hearing, but **KEEP THE RECORD OPEN** for the receipt of additional written testimony until a specific date and time.
- 4) Close the public hearing and **DENY** the application, providing findings of fact for the denial in the motion to deny.

Recommendation:

Staff recommends approval of the land-use application with the conditions specified in the decision document. A recommended motion is provided below.

MOTION FOR CU 1-20:

BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE PLANNING COMMISSION APPROVES CU 1-20, SUBJECT TO THE CONDITIONS OF APPROVAL PROVIDED IN THE DECISION DOCUMENT.

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