



**City of McMinnville
Planning Department**
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

STAFF REPORT

DATE: November 15, 2018 Planning Commission Meeting
TO: City of McMinnville Planning Commission
FROM: Tom Schauer, Senior Planner
SUBJECT: G 3-18. Zoning Ordinance Text Amendment: Small-Scale Mixed Use and Upper-Story Residential Use in C-3 General Commercial Zone

Report in Brief:

This is a legislative hearing to consider proposed amendments to the Zoning Ordinance pertaining to small-scale mixed use and upper-story residential use in the C-3 General Commercial zone.

The City of McMinnville is proposing to amend Chapters 17.06 (Definitions), 17.33 (C-3 General Commercial Zone), and 17.60 (Off-Street Parking and Loading) of the McMinnville Zoning Ordinance.

The proposal is related to residential use in the C-3 General Commercial zone. Currently, multi-family residential use (3 or more residential units) is permitted in the C-3 zone, whether as a separate use or as part of a mixed-use development. However, mixed-use development which includes only 1 or 2 upper-story residential units isn't currently permitted in the C-3 zone. The proposed amendment would permit this use in the C-3 zone, and would include an additional change related to ground-floor use. The final proposal also includes an amendment to authorize associated parking to be located within 200 feet of the smaller-scale upper-story residential use.

Background:

The Planning Commission held a work session on this topic on September 20, 2018. The Planning Commission was supportive of the proposal, and staff initiated the amendment.

The City of McMinnville has received requests to build or convert space in building to include one or two residential units above other permitted uses, such as commercial uses, in the C-3 General Commercial Zone. The C-3 zone currently permits multi-family development, defined as 3 or more units, but precludes 1- and 2-family residential structures, without differentiating between them as stand-alone detached uses or as part of mixed-use development. It would also authorize the parking for one or two upper-story residential units to be located within 200 feet of the site, rather than on-site, which could preclude conversion of some existing upper-story spaces to residential use.

The proposed amendment would authorize this smaller-scale mixed use development, and make a related change to existing provisions in the C-3 zone related to ground-floor residential accessory use, removing an owner-occupancy requirement.

Notice of the proposal was published in the newspaper and circulated for agency comment. No comments were received.

Discussion:

The proposal is substantially the same as the draft concept discussed at the Planning Commission work session. Several options related to the ground flood accessory use were discussed. The resulting proposal addressing that issue is consistent with the discussion from the work session. No additional comments have been received regarding the proposal. Since the original draft, staff has proposed amendments to the off-street parking requirements to authorize parking within 200-feet of the site for one or two upper story residential units, as is authorized for non-residential uses. For multi-family residential development of three or more units, the parking requirements would continue to apply the same as currently applies.

Fiscal Impact:

This policy has the potential to increase the City's property tax revenue per acre to allow additional opportunities for efficient use of commercial properties that may not have sufficient area to convert upper story spaces to more intensive multi-family use.

Commission Options:

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

***Note:** This is a legislative hearing, so there is no requirement to continue the hearing or keep the record open.*

Recommendation/Suggested Motion:

“THAT BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY STAFF, THE PLANNING COMMISSION RECOMMENDS THAT THE CITY COUNCIL APPROVE THE PROPOSED ZONING ORDINANCE TEXT AMENDMENTS PRESENTED IN ATTACHMENT 1 TO THE DECISION DOCUMENT FOR DOCKET G 3-18.”