



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

www.mcminnvilleoregon.gov

MINUTES

May 20, 2021
Planning Commission
Work Session Meeting

6:30 pm
Zoom Online Meeting
McMinnville, Oregon

Members Present: Roger Hall, Robert Banagay, Gary Landenwaller, Sylla McClellan, Brian Randall, Lori Schanche, Dan Tucholsky, Beth Rankin, Sidonie Winfield, and Ethan Downs – Youth Liaison

Members Absent:

Staff Present: Heather Richards – Planning Director 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

• April 15, 2021

Commissioner Langenwaller noted there were question marks in the minutes for someone's last name. He said it should be Kathleen McKinney.

Commissioner Tucholsky asked if Planning Director Richards had looked into spacing standards between childcare homes. Planning Director Richards would give an update later in the meeting.

Commissioner Schanche moved to approve the April 15, 2021 meeting minutes as amended. The motion was seconded by Commissioner Banagay and passed 9-0.

3. Citizen Comments

None

4. Public Hearing:

A. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-20) and Zone Change, including Planned Development Overlay Designation (ZC 3-20) – (Exhibit 2)

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

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. Chair Hall asked if any Commissioner needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing. There was none. Chair Hall asked if any Commissioner had visited the site. If so, did they wish to discuss the visit to the site? Several Commissioners had visited the site, but had no comments to make on the visit.

Staff Presentation: Senior Planner Schauer said this was a request for a Comprehensive Plan Map amendment and zone change to go from Industrial/M-2 to Commercial/C-3 with a Planned Development overlay. The site was 37.74 acres of a 90.4 acre parcel including 4.25 acres for future transportation improvements. He discussed the applicable criteria, additional written testimony, and subject site. He then summarized the key issues. They had to demonstrate there was a need for this change and if the proposal met the need quantitatively. The proposal had to be suitable to meet the need qualitatively from the public perspective. Was this the right location and were there considerations for that location? Were there other compatibility/issues with the Comprehensive Plan? Did it meet the eligibility criteria for a PD overlay? Was this the right timing? Were there issues/effects associated with the provision of public facilities/transportation associated with the new zoning? Was there suitable mitigation associated with the change? There was a deficit of commercial land in the City and a surplus of industrial and the proposed amendment was consistent with the need that was identified in the Comprehensive Plan. What was proposed in terms of quantity did not fully meet the identified need but it met a portion of it. Staff thought the proposal with the conditions of approval was the right proposal to meet the need. The C-3 designation with Planned Development overlay would allow for specific issues related to the ongoing planning in this area to be addressed. Deferring the Development Plan provided additional time to work through the issues in the Three Mile Lane area. The eligibility criteria to use the PD overlay were satisfied. The timing was appropriate in terms of meeting the land need. There were unique issues regarding timing with this coming in before the Three Mile Lane Plan work was completed, but there was a condition to address that. There were no capacity issues identified with this change. Still pending were the issues associated with the provision of transportation and the mitigation proposed in the traffic analysis. Staff recommended continuing the hearing to July so staff and the applicant could continue to work on these issues.

In December 2020, the City adopted an amendment to the Urban Growth Boundary and adopted amendments to the Comprehensive Plan and zoning ordinance. Part of what was included in the plan was recognition of the need for an area plan for the Three Mile Lane area. That work was currently underway. By re-designating some of the industrial land that was already in the Urban Growth Boundary, the City could reduce the footprint of the UGB. He showed a map of the draft preferred alternative for the Three Mile Lane area plan. All the issues other than transportation mitigation had been satisfied or satisfied with conditions. The transportation mitigation was contingent on further information to be prepared and submitted by the applicant for review in advance of the July 15, 2021 continued hearing. He then reviewed the recommended conditions of approval. The questions and comments received from the Planning Commission included clarifying the location of the site relative to the Three Mile Lane area plan and he provided a map for the approximate location. They also asked if there were other Planned Developments that had been approved with deferred development plans. The answer was yes, many Planned Developments had chosen this option over the past 40 years. Another question was if this was the total acreage that was expected to be zoned commercial. This met a majority of the deficit, but not all of it and other rezoning could occur. Another question was how to address retail leakage without permitting duplication of retail services found elsewhere in town. Staff would like to know what retail leakage was actually occurring. They needed to clarify the more vague aspects of the Three Mile Lane plan market analysis table and discuss how to be careful not so much with the anchors but with the smaller shops and services. Stating it would be done so it didn't disturb downtown merchants was too vague. Staff suggested Economic Development and the developer work together on this issue. There was a request that in the design document some of the terminology needed to be more explicit in what things meant that were more general in nature. It was suggested to address directional signs as part of the wayfinding signage. There were also suggestions about front approaches for parking to address environmental issues as well as compact development. There were also some comments about human scale design and traffic mitigation.

Commission Questions: Commissioner Schanche thought they should consider not having the aisle in front of the store.

Commissioner Randall asked if only the Comprehensive Plan could be approved and not the zone change. Planning Director Richards said no, because they would not be able to amend the map for a commercial Comprehensive Plan map designation without a commercial zone on top of it.

Commissioner Winfield was hoping as they defined the Three Mile Lane design standards that they would allow mixed use developments versus a big box store being incorporated in. Planning Director Richards said this was a request for C-3 that allowed for mixed use. The recommended design standards were to ensure that whatever was developed had a distinctive flavor that reflected well on McMinnville since this was a gateway to the community. The preferred land use alternative for the Three Mile Lane area included a variety of preferred land uses.

Commissioner Langenwaller was not comfortable with the timing of the Three Mile Lane area plan and this proposed use. He was concerned that the application would come in before the Three Mile Lane design standards were adopted and they would not apply. Planning Director Richards said that was why they encouraged the applicant to apply for the Planned Development overlay so they could create that tie to the Three Mile Lane process. There was language in the condition of approval that the more prescriptive standards would apply.

Applicant's Testimony: Sam Knutson, Kimco McMinnville LLC, introduced the applicant's team.

Dana Krawczuk, land use attorney at Stoel Rives LLP, agreed the continuance to July 15 was appropriate so that additional work with ODOT could happen. She discussed the parcel location on SE Three Mile Lane, application proposal, and Three Mile Lane preferred alternative which was consistent with the application. The Planned Development overlay would be subject to the design standards that would be adopted within the Three Mile Lane area plan. The proposal matched the Three Mile Lane area plan object that stated, "a central feature of the preferred alternative was a sizable (over 30 acre) retail center south of Three Mile Lane at Cumulus." The site could offer a mix of commercial opportunity and space formats currently restricted or outright unavailable in downtown McMinnville. There was a current excess of industrial land inventory and a deficit of available commercial acreage of between 35.9 to 39 acres within the City limits and Urban Growth Boundary. By 2041, this commercial land deficit was projected to grow to 286 acres. Currently McMinnville residents completed 23% of their shopping needs outside the City, resulting in over \$192 million in revenue leakage to surrounding counties over 25 miles away. This land use change would make the land more marketable to attract potential commercial uses. The proposal addressed the commercial land deficit with an expedient solution. The legislative timeline for the Three Mile Lane area plan adoption remained in flux. The applicant's team was actively working with ODOT and the City to assess the proposed land use change impacts and associated traffic mitigations. They looked forward to further Planning Commission discussion on the required improvements at the July 15 hearing.

Commission Questions: Commissioner Randall asked if the applicant planned to maintain ownership of the property or would others be allowed to purchase parcels. Michael Strahs, Kimco, stated it would depend on the demand in the market once the zoning was changed. They had owned the property for some time and if there were any sales they would most likely be limited to certain tenants that preferred to own.

Commissioner McClellan referred to the market analysis survey from 2019 and asked about the percentage of retail leakage online vs. in person shopping. Planning Director Richards could get that information from the consultant. She thought it was predominately in person. The study area was a little bit larger than the City limits. It was considered the market for the City. Ms. Krawczuk said it was over \$97 million worth of leakage and a lot of dollars being spent outside of the community.

Public Testimony:

Proponents: None

Opponents: Mark Davis, McMinnville resident, thought this was a classic case of putting the cart before the horse. The preferred alternative was not a final document and had not been approved. In the December 2020 Urban Growth Boundary amendment it said the City would initiate the zone change. He did not think the applicant had the right to do something the City was supposed to do. The need this application was based on was the 2013 Economic Opportunities Analysis and it ignored the fact that the City recently had an Urban Growth Boundary expansion approved that had significant acres of commercial. He questioned whether there was a deficit of commercial land at this point. He thought the 2013 EOA was paid for by Kimco and it was inappropriate to use as justification for the application. He did not think this was what was best for the City, especially since retail sales had been suffering and it might affect other merchants in the McMinnville market. It was also another step in the direction of destroying the Bypass if they proposed a traffic light that would bring traffic to a halt. If they set

this up as a large retail area, it would inevitably make it very difficult to get the rest of the plan instituted. He thought they would regret it in the long run.

Commissioner Langenwalter asked what grounds could be used to deny the application. Mr. Davis did not think it met the need criteria and the Three Mile Lane area plan had not been approved yet.

Commissioner Tucholsky thought this could become an outlet mall based on other Kimco projects. Mr. Strahs said no decisions had been made for the property's use. They would come back through the site plan review process when they were ready to move forward with a project.

Allen Roodhouse, Kimco, said in 2013 they had asked the City to start an EOA process and the City informed them that they did not have the money to do it. Kimco had only paid for it, but had nothing else to do with the process. The characterization that they had some kind of plan to buy their way into the City was totally wrong.

David Koch, attorney, was speaking on behalf of his client, the owner of the neighboring property located immediately northeast of this property. His client's property was 9.6 acres located within the Three Mile Lane area plan. He thought the application was inconsistent with the community's multi-year efforts to create an implementable vision for the area's future land uses and multi-modal transportation system within the Three Mile Lane area. Many of the proposed findings relied heavily on the Three Mile Lane planning work in order to justify the suitability of this project in this location. However, that work was not yet completed and could not be used as justification. He thought it was likely the application would obstruct the planning efforts. The Planned Development overlay would only apply to a portion of the parcel and it would cause the portion of the parcel to stand apart from the other land within the planning area and would not support fairness and equity among all of the stakeholders. There would be disconnected and piecemeal Comprehensive Plan and zoning designations that would not satisfy the community's greater needs for the master planning and future development of this important gateway. The applicant had no project proposed and the transportation impact analysis would ask the Commission to accept a fictional worst case scenario under the current zoning versus the proposed zoning. He thought this downplaying of the impacts would reduce the amount and type of mitigation that would be required by their project. There were also serious access concerns for this property. While it did have frontage on Highway 18, its only current access point was a small driveway and was not adequate to serve any level of development of the property. The applicant had not acquired any rights of access through neighboring properties despite the fact that development of this property would require the condemnation of private property from a neighboring land owner, either by extending Cumulus Avenue south through his client's property or by building another connector street through private property to the east or west. There were some fundamental planning principles that were being violated—split zoning and spot zoning. The applicant wanted to rezone only a portion of a larger parcel. They should partition the site first and then rezone it. They should not be rezoning a parcel in the middle of a large planned area for special treatment and designation. It was possible that it would be incompatible with the Three Mile Lane plan in the future as this spot zoned Planned Development area would always be out of step with the surrounding properties. There was nothing unique about the application that would allow them a Deferred Development Plan. It was more than applying the Three Mile Lane plan to this site. It was about orderly development of the entire plan area. He asked for the record to remain open so they could evaluate and provide more testimony as information came in.

Stewart Kircher, Dayton resident, owned the property to the west of this site. He did not think the zoning should be changed until the Three Mile Lane plan was complete. He thought his early zone change would affect the future plans of the Three Mile Lane district. This was a unique area and creating the district correctly would require joint cooperation and a coordinated timeline from all parties involved. This would affect the future of the development of his property and other surrounding properties. With no pending development plans, he thought this was unnecessary application and should be denied until the entire area stakeholders had a fair and coordinated plan.

Rebuttal: Ms. Krawczuk explained the need for commercial in the City. The Economic Opportunities Analysis stated the City needed 35.8 acres of commercial and this application provided 33.5 acres and the UGB expansion added 26.7 acres. Combined that was 60.2 acres. It was more than the current EOA stated but she thought it was okay to have more as long as there was not a deficit in another category. The recent UGB expansion did not disqualify or provide a legal basis for not approving the application. Looking forward, the current EOA update showed a need for 286 acres of commercial in the future. In terms of the Three Mile Lane area, this application did not rely on its adoption from a legal standpoint. They were very aware of the concepts in the Three Mile Lane plan and were shaping the application to meet those. They were talking about a condition that would require when the policies were adopted they would apply. The comments about transportation would be addressed in the next hearing. There were comments about a Planned Development overlay being an outlier but that was her understanding of how the Planned Development overlay always applied. She thought people were concerned that they might take away the opportunity for other properties to be zoned commercial. That was not true. The Three Mile Lane plan expected many of these properties would be upzoned.

Mr. Roodhouse said their intent was not to jump the Three Mile Lane process so they could somehow get an advantage. There were prospective tenants that needed the property zoned commercial and that was the main reason they were applying for the change now. When the Three Mile Lane plan was adopted, they would be ready to go. They planned to make sure the access worked with Mr. Kircher's property and they would agree to a condition to that affect.

Commission Questions: Commissioner Langenwalter said Mr. Koch suggested the applicant was jumping the gun, but if this was their property they could request rezoning at any time regardless of what neighbors wanted to do. He did not think the Planning Commission had the authority to lump all of the properties together into a plan and enforce it.

Mr. Koch said they could develop their property under the current zoning if it met all of the criteria. However, they were asking for a Comprehensive Plan change and new zoning. He questioned if it was timely and orderly to make this kind of change now. They were trying to change what they were allowed to do on the property and justify why it should be allowed.

Commissioner Tucholsky asked how the property Mr. Koch was representing would be negatively affected by the zone change. Mr. Koch said his client was waiting for the Three Mile Lane plan process to be completed to see how he could develop consistent with that plan. The understanding was everyone was going to work together on the development proposal for this area. This applicant decided to jump forward on their own and it took the neighbors by surprise. His client was concerned about the transportation impacts that would affect the development of his property and that he might be left holding the bag for mitigation that was not covered. His client had discussions with the applicant about the issues, but was still testifying in opposition.

Commissioner Winfield was also concerned that this was coming in before the Three Mile Lane plan was finished. She thought it could wait a few months.

Mr. Koch thought it was more than development standards, it was about planning for this gateway area. He thought the timing was inconsistent with the planning work.

Ms. Krawczuk said they had been waiting for the plan to be finalized, but it was taking a long time. They had applied now so that once the Three Mile Lane area plan was finished they would be ready to develop.

Planning Director Richards said the City had applied for a grant to do this process in 2017 and they had been working on it since. Part of the process included master planning with the three properties owners under discussion tonight. It had taken longer than originally anticipated because they updated the transportation model. She expected the final product from the consultant to be delivered at the end of this month. From there they would be working through a public process for adoption.

Commissioner Winfield wanted to make sure the applicant agreed to follow the Three Mile Lane plan terms so they could have a cohesive gateway.

Ms. Krawczuk said there was a condition that included the design standards in the Three Mile Lane plan as they were currently envisioned and that would be informed by the work received from the consultant. Once the Three Mile Lane plan was adopted, the more stringent standards would apply. She thought the City was protected by this condition.

Planning Director Richards said if the concern was master planning collaboratively with the two adjacent property owners, she could ask legal counsel how to address it. Transportation connectivity with the surrounding properties was included in the conditions. The improvements at Cumulus Avenue and frontage road system associated with the highway would be part of the Three Mile Lane plan. If the Commission wanted to include that in the conditions, they would make sure the language was included.

Commissioner Banagay asked if all the transportation needs were being analyzed as the adjacent properties were currently situated or was it anticipating development.

Planning Director Richards explained the Three Mile Lane plan was looking at the full build out of the preferred land use alternative in the next 20 years. Since the applicant's property was adjacent to a highway facility, they needed to respond to the Transportation Planning Rule which required analysis for a Comprehensive Plan amendment or zone change that upzoned the intensity of the use to show how that upzone might impact the state's system and what mitigation would be required. At the local level, they required a traffic impact analysis with a preliminary development plan. That would look at local intersections.

Commissioner Banagay said in regard to comments about the applicant jumping the line, what would the applicant not be subject to if the application was approved before the Three Mile Lane plan was approved? Planning Director Richards thought the concern was not going through the process with the three property owners together as a whole and master planning the properties so they would serve the community moving forward.

Commissioner Banagay asked if there was no impending request and they had been working with the neighboring properties, why not wait?

Mr. Roodhouse said they had been working with the neighbors and assured them that they would be cooperative on access and road improvements. He thought they had been good neighbors. The process had already taken a long time and the market was positioned well right now to start the preliminary planning that would involve finding out what tenants really were interested in coming to McMinnville. Waiting any longer would be a mistake. Whatever the Three Mile Lane plan provided, by the time that process was done they would be ready to finalize a project and be subject to it and that would include working with the neighboring properties.

Commissioner Schanche did not see a problem with an application coming in at this stage. They were ready to follow all the rules, some of which had not been written. She was in support of moving forward.

Commissioner Rankin asked what would happen if the City had to put in the infrastructure for future development. Planning Director Richards said transportation was still being discussed. Currently the Three Mile Lane transportation model did not show a need for additional improvements at the intersection of Cumulus with the build out of 40 acres of commercial land at this site. The transportation analysis that the applicant did also did not show a need for improvements. They were still in discussion with ODOT on mitigation measures that the applicant would do. They would not be the responsibility of the City.

Commissioner Randall suggested they add a condition that a development application could not be submitted until the Three Mile Lane plan was adopted. He also did not see how this was a special exception and thought the applicant needed to show how it applied.

Commissioner Tucholsky MOVED to CONTINUE the hearing for CPA 2-20 and ZC 3-20 with the record open to July 15, 2021. The motion was seconded by Commissioner Schanche and PASSED 9-0.

The Commission took a short break.

B. Legislative Hearing: Proposed Amendments to the Comprehensive Plan to adopt: A New Housing Needs Analysis (G 1-20); A New Housing Strategy (G 2-20); and A New Economic Opportunities Analysis (G 3-20) – (Exhibit 3)

Requests: G 1-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Housing Needs Analysis, including a residential buildable land inventory. **Note:** Staff will be requesting a continuance until May 18, 2023. This will provide additional time to amend the analysis to address new provisions of state law, evaluate efficiency measures and update the buildable land inventory to reflect the land added to the Urban Growth Boundary in December 2020.

G 2-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Housing Strategy. **Note:** Staff will be requesting a continuance until May 18, 2023. This will provide additional time to address new provisions of state law.

G 3-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Economic Opportunities Analysis, including a buildable land inventory for employment and other non-residential

land use. **Note:** Staff will be requesting a continuance until May 18, 2023. This will provide additional time to update the buildable land inventory to reflect the land added to the Urban Growth Boundary in December 2020.

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: Planning Director Richards said this public hearing was for consideration of the following documents: Housing Needs Analysis and Residential Buildable Lands Inventory (June 2019 draft), Addendum 1 to June 2019 draft HNA, Housing Strategy (June 2019 draft), Economic Opportunities Analysis, Employment Buildable Lands Inventory, and Other Land Needs (February 2020 draft), and Urbanization Report (June 2020 draft). Notices went out to DLCD and the News Register for this hearing. Staff recommended continuance of the hearing to May 18, 2023. More work needed to be done to reconcile the documents with the recently adopted and approved MGMUP UGB amendment. HB 2003 had thrown a wrinkle into the City's process.

Planning Director Richards gave a history of the process. The Housing Needs Analysis was initiated in 2018 as part of preparing for an Urban Growth Boundary expansion process. They hired a consultant, established a Project Advisory Committee, established a planning horizon, and got an updated population forecast from PSU. The process was completed in June 2019. In 2020, the City made some corrections based on new data and changing conditions to the HNA in an updated addendum. There were corrections to the Buildable Lands Inventory for split-zone properties identified during the Economic Opportunities Analysis work. They reduced the capacity in the exception areas per OAR 660-024-0067(6) that were added to the UGB in 2003 but never annexed into the City for development. HB 2001 was adopted in June 2019. Capacity was assigned to high hazard landslide areas. In 2019, the City initiated the Economic Opportunities Analysis and commercial Buildable Lands Inventory to understand economic land needs and opportunities. They hired a consultant, established a Project Advisory Committee, established a planning horizon, and used the updated population forecast from PSU. In 2020, the City decided it needed to provide a user-friendly summary that the general public could understand and initiated an Urbanization Study to be done. The disrupters to all of these documents were: June 2019—Oregon state legislature adopted HB 2001 and HB 2003, both significantly impacted growth planning relative to the Housing Needs Analysis and February 2020—City Council provided direction to pursue a remand response to the 2003 MGMUP UGB submittal to try and expedite relief for land constraints and emerging affordable housing crisis. Staff was working on the final draft of this analysis in January 2020 when the City pivoted to finish the UGB remand. They were asked to finish this product and preserve it for future growth planning efforts. Staff finished the draft in June 2020 and submitted notice to DLCD for a first evidentiary hearing in May 2021. The MGMUP 2020 UGB amendment that was recently approved brought 662.40 gross buildable acres into the UGB. HB 2001 and 2003 attempted to address the housing supply by creating missing middle housing. They required cities to assume 1-3% increase in redevelopment in HNAs. They also attempted to address planning for future supply of housing through participating in a Regional Housing Needs Analysis and a mandate for a Housing Needs Analysis to be done every 8 years and Housing Production Strategies to be created.

Across Oregon, housing had emerged as a paramount concern. There was a deficit of 155,156 housing units from 2000 to 2015 to house Oregon residents. New studies showed that if they continued on the same trend, the deficit would rise to 500,000 housing units statewide. Based on a study put out by Freddie Mac in February 2020, Oregon had the highest deficit of housing in the United States (nearly 9%) followed by California (nearly 6%). To implement HB 2001, the

redevelopment assumptions required were amended into the 2019 HNA and BLI with the HNA Addendum, the redevelopment assumptions required still needed to be added to the new UGB amendment, the missing middle housing code package was currently underway, and the IBTER Infrastructure Study was underway. To implement HB 2003, the Regional Housing Needs Analysis needed to be done, the Housing Production Strategy would need to be completed, and cities would update and adopt a new Housing Capacity Analysis every eight years. McMinnville had to adopt an updated Housing Capacity Analysis by December 31, 2023. The good news was they had that work done. The bad news was it showed the need for more land even with the recent MGMUP UGB remand. McMinnville needed 1,399 acres to accommodate growth through 2041. The City needed an additional 576 acres for housing, 280 acres for commercial employment, and 70 acres for industrial employment. This included the reduction of capacity on the exception lands per recent legislation and HB 2001 calculations. It did not include a true reconciliation of the UGB remand into the new BLI, HB 2001 calculations on the new UGB land, and efficiency measures. They might have to do another UGB amendment in the next two years. The Council agreed to adopt the existing draft of the HNA/EOA and BLI in 2021 but asked to participate in the sequential UGB program. Staff would work with DLCD to put together a work program that would allow for two years to do efficiency measures and two years to do a UGB amendment. This meant the process would take 5-6 years and cost \$390,000.

Commission Questions: Commissioner Randall asked about the odds for success. Planning Director Richards said with the new mandate to adopt a HNA every 8 years, they would have to do the analysis every five years because it took three years to do the work and if there was need try to do another UGB amendment. The City did not have a history of getting through this process in less than 8 years. She had asked DLCD what would happen if they had a UGB submittal sitting in the court system and they were mandated to start a new process. DLCD said they hoped it would not be challenged because 1,000 Friends was at the table when this was put together. There were several cities that had not been able to get through the process in less than 15 years and they had asked the same question. However, this was the way it was set up right now.

Public Testimony:

Mark Davis, McMinnville resident, requested that they stop acting like everything would be appealed. By characterizing and acting like there would be appeals, they were creating an atmosphere where it was more likely to happen. They ultimately had to make decisions and they would not make everyone happy. He thought the Planning Commission, Council, and staff were more open to new ideas that were rejected back in the early 2000's. He would like everyone to work together and be positive going forward.

Commissioner Langenwaller MOVED to CONTINUE the hearing for G 1-20, G 2-20, and G 3-20 to May 18, 2023. The motion was seconded by Commissioner McClellan and PASSED 9-0.

C. Action Item Zoning Ordinance Text Amendments: Allowing Childcare as an Outright Permitted Use in Commercial and Industrial Zones (G 1-21) – Hearing conducted and closed at April 15, 2021, PC Meeting (Exhibit 4)

Request: This is a legislative amendment initiated by the City of McMinnville to remove regulatory barriers for the development of childcare centers in the city's commercial and industrial zones where development standards can be implemented that would allow for the permitted outright use of childcare centers without negative impact to adjacent properties.

Applicant: City of McMinnville

Chair Hall said this hearing was closed on April 15, but written record was kept open until April 30.

Staff Presentation: Planning Director Richards said this item included legislative code amendments to remove barriers for childcare opportunities and become compliant with state regulations. It was a legislative action initiated by the City. A public hearing was held on April 15 and the hearing was closed with the record open for written comment until April 30 per the request of DLCD. The Planning Commission also had follow-up questions for staff to come back with. Notices were published and comments were received from DLCD and the Parks and Recreation Department. The original proposed amendments would: update definitions for registered/certified child care homes and child care centers, allow registered and certified child care homes as outright permitted uses in residential zones and child care centers as conditional uses, allow child care centers as outright uses in employment zones and as conditional uses in the M-2 zone, and require a designated pick-up and drop-off zone for two vehicles for child care centers. Additional amendments per the recommendation of DLCD were: amended language to be less specific for registered and certified child care homes, allow child care centers in a City-owned park or recreation facility, a public school, or a conforming private school, and add "on-site" to the designated pick-up and drop-off zone. The Planning Commission questions were: Can cities regulate how many child care homes are allowed in attached residential dwelling units? The answer was no. Can developers or home owner associations prevent the location of child care facilities in a neighborhood through use of CC&Rs? The answer was yes, it was not expressly prohibited in the legislation regulating this industry. What is the number of children allowed per square foot of space for registered and certified child care homes and child care centers? The answer was it was nuanced. Regulations were attached to the staff report. Commissioner Langenwalter had asked why child care centers were not outright permitted uses in the C-3 zone. The answer was anything allowed in C-1 and C-2 was allowed in C-3 as well.

Based on the findings and conclusions, Commissioner Schanche MOVED to RECOMMEND APPROVAL of G 1-21 to the City Council. SECONDED by Commissioner Langenwalter. The motion PASSED 9-0.

5. Commission Comments

None

6. Staff Comments

Planning Director Richards discussed the Planning Commission's City emails and providing electronic packets instead of printed packets for meetings.

7. Adjournment

Chair Hall adjourned the meeting at 10:30 p.m.



Heather Richards
Secretary