

MINUTES

**September 21, 2023
Planning Commission
Regular Meeting**

**6:30 pm
Hybrid Meeting
McMinnville, Oregon**

Members Present: Sidonie Winfield, Dan Tucholsky, Beth Rankin, Rachel Flores, Megan Murray, Brian Randall, Sylla McClellan, and Matt Deppe

Members Absent: Gary Langenwalter

Staff Present: Heather Richards – Community Development Director, Tom Schauer – Senior Planner, Bill Kabeiseman – Bateman Seidel, Contracted Legal Counsel, and Beth Goodman – ECONorthwest, Consultant

1. Call to Order

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

2. Citizen Comments

None

3. Public Hearings

A. Quasi-Judicial Hearing: Stratus Village: Planned Development Amendment (PDA 2-23), Three Mile Lane Design Review (TML 1-23), and Landscape Plan Review (L 25-23)

(Continued from August 17, 2023)

Request: The applicant, Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC), is requesting concurrent review and approval of three applications for the Stratus Village 175-unit multi-dwelling development on a property of approximately 6.5 acres: a Planned Development Amendment (PDA 2-23), a Three Mile Lane Review (TML 1-23), and a Landscape Plan Review (L 25-23).

PDA 2-23. The property is subject to an existing Planned Development Overlay Ordinance which includes the subject properties and adjacent properties. The proposal includes revisions to the original Planned Development master plan for the subject properties, which requires approval of a Planned Development Amendment. The master plan for the subject properties will replace the existing plan for medical offices with the proposed plan for apartments. The new Master Plan is also subject to the provisions of Ordinance 5095, which amended the terms of the previous Planned Development Overlay Ordinance.

TML 1-23. The subject property is within the Three Mile Lane Planned Development Overlay, established by Ordinance 4131 and subsequently revised by Ordinances 4572, 4666, 4988, and 5101. The proposed development is subject to policies and standards of the Three Mile Lane Planned Development Overlay Ordinance.

L 25-23. The proposal includes a landscape plan review, which is required for multi-dwelling development, subject to the provisions of Chapter 17.57 of the Zoning Ordinance.

Location: 235 SE Norton Lane, Tax Lots R4427 400, 404, and 405

Applicant: Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC)

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none. She asked if any Commissioner had visited the site. Commissioners Winfield, Tucholsky, Rankin, Deppe, Flores, and McClellan had visited the site. Chair Winfield 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.

Staff Report: Senior Planner Schauer said the application had been continued from August 17. This was a concurrent review of three applications for Stratus Village, a 175 unit multi-dwelling development. He discussed the additional public testimony that had been received since the August 17 hearing, criteria and standards, proposed development, summary of issues discussed at the last meeting and staff's analysis, parking, and private open space. Staff recommended approval with conditions. The decision document had been updated with the date and procedural findings, incorporated public testimony, revised Condition #16b of the Planned Development regarding stormwater drainage plan to reflect the language in the staff report, and change to the proposed landscape plan regarding the fence.

There was discussion regarding the shared parking agreement.

Applicant's Testimony: Vickie Ybarguen, Housing Authority, said the Housing Authority owned their properties long term and took great pride in their properties. They offered important affordable housing assistance to members of the community.

Mike Andrews, Project Manager, discussed the work they had done to address the concerns from the last hearing. He gave a project overview including the project partners, description, unit mix and affordability, timeline, and housing affordability. He gave a recap of the August 17 hearing feedback and response to feedback including bike parking, trash enclosure, fence, patio privacy, north elevation design, open space, number of parking spaces, and location of the parking.

There was discussion regarding constraints that led to sharing patios rather than individual patios, maintenance of the shared balconies, how there would be no covered sport court, planned play structures, changing the arborvitae to be six feet apart, resident application process, a/c units would not block windows, no current grants to get the sport court

covered, additional details on the windows on the north elevation carried over to other buildings, bike lockers and shelters, and what was submitted for approval and what was their aspiration that they were trying to do to respond to the comments.

Proponents: Cozette Tran-Caffee was in support of the project.

Opponents: None.

Commissioner Deppe MOVED to CLOSE the public hearing. SECONDED by Commissioner McClellan. The motion PASSED 8-0.

Chair Winfield closed the public hearing.

The applicant waived the 7 day period for submitting final written arguments in support of the application.

Commissioner Randall MOVED to APPROVE Stratus Village: Planned Development Amendment (PDA 2-23), Three Mile Lane Design Review (TML 1-23), and Landscape Plan Review (L 25-23) with the proposed conditions and added conditions that the arborvitae along the perimeter be planted 6 feet apart and the bike lockers and storage units be deleted from the landscape plan. SECONDED by Commissioner Tucholsky. The motion PASSED 8-0.

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

(Continued from September 7, 2023)

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.

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.

Applicant: City of McMinnville

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. Commissioner McClellan was absent at the last hearing, but had watched the meeting on Zoom.

Staff Report: Community Development Director Richards said the request was to recommend to City Council the adoption of the Housing Needs Analysis, Economic Opportunities Analysis, and Public Lands Need Analysis as amendments to the McMinnville Comprehensive Plan. She discussed the population forecast used, planning for growth which was required by state law and was about balance, three steps to growth planning: identification of need, land use efficiencies, and UGB alternative analysis, document review and why they needed to be

updated, process to develop them, public engagement, buildable lands inventory update, and land need for housing, employment, and public/institutional uses. The total land need had changed from 484 acres to 422 acres for the planning horizon of 2021-2041 UGB and 1,638 acres for the planning horizon of 2041-2067 urban reserve area. She pointed out corrections to the record and reviewed staff's response to public testimony. She then discussed parkland need in the Comprehensive Plan policies and Parks Master Plan and the error in the parkland calculations for the 2021 MGMUP UGB expansion. Due to this error, the public land need had been reduced to 32 acres. The findings from the MGMUP indicated that the reduction of the land for greenways and open spaces was calculated and accounted for as part of the park land need for the MGMUP. The location of parks was defined by many attributes and not just whether or not it was part of a floodplain. The Parks Master Plan update was currently underway and there would be discussion regarding how much greenspace and open space should be in unbuildable lands.

She discussed the Friends testimony, and how staff had synthesized the comments and provided options for the Planning Commission to consider, the costs associated with any new directions to pursue, and the staff recommendation. Staff did not think there was anything non-compliant legally. However, two items did not have precedent and case law for interpretation—site specific needs that respond to an Economic Development Plan Strategy that was not captured in the forecast methodology and retail leakage identifying a service deficit. This was a risk for the Commission to consider. Staff also thought they should keep the PAC recommendations when it was based on local data, which was most representative of McMinnville. From staff's perspective, a forecast was not an exact science, regular updates would be required, and moving the goal posts was costly in terms of money and time. They were responsible for making decisions that impacted the lives of both current and future residents who needed to live in the neighborhoods and community that these decisions were forming, 34,500 people today and 47,500 people in the future.

There was discussion regarding the two items that did not have case law.

Bill Kabeiseman, City Attorney, said he did not know other cities that had specifically called out unusual land needs and they increased their land needs analysis by that amount or any that had relied on the concept of retail leakage. He could not tell them that LUBA would find it appropriate. They could just go with the safe harbor, but it could mean they would not have sufficient land.

Beth Goodman, EcoNW consultant, explained the assumption was employment would grow at the same rate as population. Employment growth sometimes happened outside of what was expected. They had looked at how much employment would be on the different needs and backed out that amount of land so they weren't double counting. Including these other needed employment sites was a risk and they did not know how LUBA would rule on it. The retail leakage analysis was about where residents were shopping and for what and if they had that in the City, what could they capture back in McMinnville.

Community Development Director Richards discussed the process for the Economic Development Strategic Plan and how they calculated the land needed to implement the plan. There was a safe harbor where employment grew at the same rate as population and looked at past employment growth and forecasted the future growth from there. The retail leakage was an additional process and came up with a land need to meet the deficit of services in the City.

There was discussion regarding the annexation process for land in the UGB to become part of the City limits and classification of parks and the amount of land assigned to them.

Parks and Recreation Director Muir said the numbers and information in the HNA were correct. The other more detailed categories would be streamlined for the master plan update.

Ms. Goodman said it was 12 acres for retail leakage and it was 49 acres for the other site needs, totaling 61 acres they were talking about as a risk.

Proponents: None.

Opponents: Mark Davis, McMinnville resident, discussed the buildable land added to the UGB from 2003 to 2023, total land added to the UGB from 2003 to 2023, parks that included unbuildable land, current park acreage, and population comparison. He did not think there was a need to expand the UGB. They already had over 200 acres for parks in the City, which was buildable land. They needed to build these parks before more land was added.

Rob Hallyburton, Friends of Yamhill County, discussed what they were trying to accomplish, to improve the quality of life in the County for both urban and rural residents as well as protect natural resources such as farmland. They wanted the City to be able to accommodate growth in compliance with the statewide planning goals and regulations. Agriculture was the most important industry in Yamhill County. There was a state agricultural policy that stated the preservation of a maximum amount of a limited supply of agricultural land was necessary to the conservation of the state's economic resources. This did not mean that UGBs could not expand on farmland; it only meant that farmland should be lowest priority and that farmland loss should be minimized. UGBs promoted compact urban development which could enhance livability and sustainability inside the boundary.

There was discussion regarding the contention that the land owned by Linfield should be counted as available land.

Sid Friedman, 1,000 Friends of Oregon, said their contention was that Linfield planned to develop the land to support its programs.

Commissioner Deppe asked what was the number of acres they were arguing about. What would it take to get to a yes? Mr. Friedman said it was more important for the City to meet its housing needs and provide housing at price points that met the needs of the population.

Mr. Hallyburton said the argument was about how many acres it took to accommodate the needed housing units. He suggested using the safe harbor density number, 8 units per acre. They were advocating for a more incremental growth.

Community Development Director Richards said the 8 units per acre was a 46% increase over the current 5.46 units per acre. There had to be a basis for the number used to meet the need.

Mr. Hallyburton thought the analysis needed to include historic data and trends in housing, and he did not think the second was done.

Ms. Goodman said for the trends, they had adjusted the housing mix and planning for new types of housing. They were planning for a larger share of housing to be either townhomes or multi-family housing.

Commissioner Randall pointed out that they were not removing farmland tonight, they were planning for the future. They would have to do all of this process again in six years.

Chair Winfield thought it was a balance of doing the best they could for citizens and what they were required to do by law. They had to plan for the future of the community as a whole and not just a land use group.

Commissioner Flores said the 20-year delay to expand the UGB had a human cost that was severe and generational. It was a failure to plan and to consider what the population needed. This was an important plan for the future and 61 acres was not worth the human impact.

Mr. Hallyburton said there was already vacant land in the UGB waiting to be developed. This was a longer term decision they were considering and would take ten years before development could occur. He was in no way advocating the City not provide for the needs of its population. The disagreement was on how much land it took to provide for that.

Mr. Friedman spoke about the HNA and how it reduced planned density. He did not think it would meet the City's needs. He compared the minimum density standards of other cities. He then discussed the EOA and how 8.2% of McMinnville workers worked from home which far surpassed the 5% EOA rate. He discussed jobs on residential land or existing employment sites. The EOA had no deadline for completion, and they could take the time to get it right.

Commissioner Randall said they were building smaller than the minimum densities due to planned developments which had smaller lot sizes.

Commissioner Deppe said they needed 202 more acres of residential land. Mr. Friedman was saying that number was too high. He wanted to know how much too high it was.

Mr. Friedman thought the City should reduce the minimum lot sizes.

Community Development Director Richards said the discussion about minimum lot sizes was a land use efficiency discussion, not a land needs discussion. The way the Friends group was bringing it to the table was for the persuasive argument of the existing 5.46 that came from the calculations of the local data vs. the safe harbor of 8.0.

Mr. Friedman said taking the historic density and adjusting it without considering other factors did not give them the needed density to meet the housing needs going forward. He was on the project advisory committee and staff and the consultant presented options, and this was the one they moved forward with. He had brought forward his concerns then and was continuing to advocate for these changes.

Chair Winfield said the City had been working to increase density and they had to work in the best interest of the citizens of McMinnville. The project advisory committee did not move forward with the safe harbor numbers, and focused on the data points that were in front of the Commission. She thought the safe harbor number went against the best interest of the City based on what other citizens said and based on their historic use. She would like the Friends group to work with them, especially when these choices impacted the housing availability of the community.

Rebuttal: Community Development Director Richards said the assumption that higher density created affordability was inherently flawed. Housing supply helped with affordability. If there was no development occurring, the parks did not get built. The City had operated in the red for the past 12 years and did not have the financial means to meet those amenity needs because of the compressed low growth state. Linfield had not master planned their property and had not indicated they planned to build dorms for new students or new classrooms employing more professors. Those lands were set aside as committed lands and not assigned in the population

or employment forecast. Regarding the parkland, the over 200 acres reflected the need for the overall population and that they were deficient. It would not be specific to the new UGB land, it was the overall deficiency of parkland for the community. If they changed the level of service, they would need to change the Comprehensive Plan policy. She questioned whether now was the time to do that, or in six years when they had to do this process again. Regarding residential density, they needed to ask themselves what was the best minimum lot size for McMinnville. They were trying to build great neighborhoods for people to live in that represented the community. It needed to be a community dialogue. They were moving forward with middle housing, however the market dictated the housing products and this community liked certain housing products and did not like others. Regarding the EOA, the 2013 EOA talked about how it was aspirational in terms of what it was trying to achieve for density for jobs. The recent analysis showed they were decreasing jobs per acre and they wanted to build the need on reality.

Ms. Goodman noted that the next step would be developing the Housing Production Strategy. Affordability was beyond land use and zoning, and the strategy was an equity centered product and touched on potential financial incentives and ways they could support development of affordable housing.

Community Development Director Richards said the data they had today was pandemic data and things were starting to change in terms of people working from home. She thought they should revisit it during the update in six years.

Chair Winfield closed the public hearing.

There was discussion regarding risk perspective.

City Attorney Kabeiseman said there was no way to get an advance read on what LCDC would do. It was a quick turnaround of about six months for the LUBA process. He thought the retail leakage and need for employment sites was defensible.

There was discussion regarding removing those two calculations from the EOA.

Commissioner McClellan MOVED to RECOMMEND to City Council the adoption of the Housing Needs Analysis, Economic Opportunities Analysis, and Public Lands Need Analysis with the options to remove the calculations for employment sites, retail leakage, and reduction in parkland. SECONDED by Commissioner Flores. The motion PASSED 8-0.

C. Legislative Hearing: Comprehensive Plan Amendment and Zoning Ordinance Amendment (Docket G 3-22)

(Continued from August 17, 2023)

Proposal: **THE CITY OF MCMINNVILLE IS PROPOSING AMENDMENTS TO THE MCMINNVILLE COMPREHENSIVE PLAN AND ZONING ORDINANCE FOR A NATURAL HAZARDS INVENTORY AND MANAGEMENT PROGRAM, AS FOLLOWS:** Amendment to the McMinnville Comprehensive Plan, Volume I - Background Element, adopting the Natural Hazards Inventory and Management Program Options and Recommendations; amendment to the McMinnville Comprehensive Plan, Volume II – Goals and Policies, adding a new Chapter XI, entitled Natural Features; amendments to the McMinnville Municipal Code, Chapters 17.48, Flood Area Zone, and Chapter 17.49, Natural Hazard Overlay

Subdistricts; and the adoption of the Natural Hazard Mitigation Zone (NH-M) and Natural Hazard Protection Zone (NH-P)

Applicant: City of McMinnville

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

Staff Report: Community Development Director Richards explained staff was asking for a continuance.

Commissioner Tucholsky MOVED to CONTINUE the hearing for Comprehensive Plan Amendment and Zoning Ordinance Amendment (Docket G 3-22) to the October 19, 2023 meeting with the record open. SECONDED by Commissioner McClellan. The motion PASSED 8-0.

4. Commissioner Comments

Commissioner Flores invited everyone to the candlelight vigil on October 5.

5. Staff Comments

None

6. Adjournment

Chair Winfield adjourned the meeting 11:03 p.m.