

**Planning Commission
Thursday, January 19, 2023
6:30 PM Regular Meeting**

HYBRID Meeting

IN PERSON – McMinnville Civic Hall, 200 NE Second Street, or ZOOM Online Meeting

Please note that this is a hybrid meeting that you can join in person at 200 NE Second Street or online via Zoom

ZOOM Meeting: You may join online via the following link:

<https://mcminnvilleoregon.zoom.us/j/89368634307?pwd=M0REY3RVSzFHeFdmK2pZUmJNdkdSZz09>

Meeting ID: 893 6863 4307

Meeting Password: 989853

Or you can call in and listen via zoom: 1 253 215 8782

Meeting ID: 893 6863 4307

Meeting Password: 989853

Public Participation:

Citizen Comments: If you wish to address the Planning Commission on any item not on the agenda, you may respond as the Planning Commission Chair calls for "Citizen Comments."

Public Hearing: To participate in the public hearings, please choose one of the following.

- 1) **Email in advance of the meeting** – Email at any time up to 12 p.m. the day before the meeting to heather.richards@mcminnvilleoregon.gov, that email will be provided to the planning commissioners, lead planning staff and entered into the record at the meeting.
- 2) **By ZOOM at the meeting** - Join the zoom meeting and send a chat directly to Planning Director, Heather Richards, to request to speak indicating which public hearing, and/or use the raise hand feature in zoom to request to speak once called upon by the Planning Commission chairperson. Once your turn is up, we will announce your name and unmute your mic.
- 3) **By telephone at the meeting** – If appearing via telephone only please sign up prior to the meeting by emailing the Planning Director, Heather.Richards@mcminnvilleoregon.gov as the chat function is not available when calling in zoom.

----- MEETING AGENDA ON NEXT PAGE -----

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 24 hours in advance by contacting the City Manager (503) 434-7405 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

*Please note that these documents are also on the City's website, www.mcminnvilleoregon.gov. You may also request a copy from the Planning Department.

Commission Members	Agenda Items
Sidonie Winfield, Chair	6:30 PM – REGULAR MEETING
Gary Langenwalter Vice - Chair	1. Call to Order
Matthew Deppe	2. Selection of Chair and Vice-Chair, (Exhibit 1)
Sylla McClellan	3. Minutes:
Meg Murray	<ul style="list-style-type: none"> • October 20, 2022 – (Exhibit 2) • December 15, 2022 – (Exhibit 3)
Brian Randall	4. Public Hearings
Beth Rankin	A. <u>Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-20) and Zone Change, including Planned Development Overlay Designation (ZC 3-20)</u> – (Exhibit 4)
Lori Schanche	(Continued from October 20, 2022 PC Meeting)
Dan Tucholsky	Applicant has requested a continuance to April 20, 2023
	<p>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.</p> <p>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.</p> <p>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.</p> <p>Location: 3310 SE Three Mile Lane, more specifically described at Tax Lot 700, Section 26, T.4S., R 4 W., W.M.</p> <p>Applicant: Kimco McMinnville LLC, c/o Michael Strahs</p>

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B. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 1-21) and Zone Change, including Planned Development Overlay Designation (ZC 2-21) – (Exhibit 5)

(Continued from October 20, 2022 PC Meeting)

Applicant has requested a continuance to April 20, 2023

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 a property of approximately 8 acres.

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: 3330 SE Three Mile Lane, more specifically described at Tax Lot 600, Section 26, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. Representing property owner 3330 TML, c/o Bryan Hays

C. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-21) and Zone Change, including Planned Development Overlay Designation (ZC 3-21) – (Exhibit 6)

(Continued from October 20, 2022 PC Meeting)

Applicant has requested a continuance to April 20, 2023

Request: Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-L (Limited Light Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 21.1 acres of an 89.9-acre property, plus an additional 1.5 acres of the 89.9-acre property proposed to be dedicated for right-of-way at the time of development.

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

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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: Three Mile Lane and Cumulus Avenue, more specifically described at Tax Lot 100, Section 27, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. representing property owner DRS Land, LLC c/o Dan Bansen

5. Work Session – Short Term Rentals – (*Exhibit 7*)

6. Commissioner Comments

7. Staff Comments

8. Adjournment



EXHIBIT 1 - MEMORANDUM

DATE: January 19, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Agenda Item – Election of Planning Commission Officers

The annual election of officers has been placed on your January 19, 2023 meeting agenda. As part of this process, the Planning Commission shall elect a Chair and Vice-Chair at the first meeting of each year. The Chair presides over the meeting and public hearings. The Vice-Chair will preside over the meetings and public hearings in the Chair's absence.

The following outline is provided to help guide you through this election process.

Nominations of chair and vice-chair

1. Begin with the nominations for the position of the chair. Any Commission member may nominate another member. Commission members can also nominate themselves. Nominations do not have to be seconded. If a nominee does not wish to be considered, that person can decline the nomination. When nominations stop, the chair will call for any more nominations. When no other nominations forthcoming, the chair will state that the nominations are closed. Once the nominations are closed, the chair will state the names of the nominees. Each member must state their vote for the chair. If one person receives a majority of the vote, the chair will declare the result of the vote. If no one receives a majority of the vote, the vote must be done again. No person can be eliminated as a nominee, but any nominee can withdraw their nomination. The voting will continue until one person receives a majority of the vote.
2. The vice-chair will then be elected in the same manner.
3. At the close of the elections, the new chair will preside over the remainder of the meeting.



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
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EXHIBIT 2 - MINUTES

October 20, 2022
Planning Commission
Regular Meeting

6:30 pm
Hybrid Meeting
McMinnville, Oregon

Members Present: Brian Randall, Beth Rankin, Sidonie Winfield, Sylla McClellan, Dan Tucholsky, Matt Deppe, Gary Langenwalter, and Lori Schanche

Members Absent:

Staff Present: Heather Richards – Planning Director and Tom Schauer – Senior Planner

1. Call to Order

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

2. Citizen Comments

None

3. Minutes

- **August 18, 2022**

Commissioner Schanche moved to approve the August 18, 2022 minutes. The motion was seconded by Commissioner McClellan and passed 8-0.

4. Action Items:

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

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: 3310 SE Three Mile Lane, more specifically described at Tax Lot 700, Section 26, T.4S., R 4 W., W.M.

Applicant: Kimco McMinnville LLC, c/o Michael Strahs

Disclosures: Chair Winfield opened the public hearing and 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.

Commissioner Langenwalter MOVED to CONTINUE the hearing for CPA 2-20/ZC 3-20 to January 19, 2023. The motion was seconded by Commissioner McClellan and PASSED 8-0.

B. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 1-21) and Zone Change, including Planned Development Overlay Designation (ZC 2-21)

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 a property of approximately 8 acres.

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: 3330 SE Three Mile Lane, more specifically described at Tax Lot 600, Section 26, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. Representing property owner 3330 TML, c/o Bryan Hays

Disclosures: Chair Winfield opened the public hearing and 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.

Commissioner Rankin MOVED to CONTINUE the hearing for CPA 1-21/ZC 2-21 to January 19, 2023. The motion was seconded by Commissioner Tucholsky and PASSED 8-0.

C. Quasi-Judicial Hearing: Comprehensive Plan Map Amendment (CPA 2-21) and Zone Change, including Planned Development Overlay Designation (ZC 3-21)

Approval to amend the Comprehensive Plan Map from Industrial to Commercial, and an amendment to the Zoning Map from M-L (Limited Light Industrial) to C-3 PD (General Commercial with a Planned Development Overlay), for approximately 21.1 acres of an 89.9-acre property, plus an additional 1.5 acres of the 89.9-acre property proposed to be dedicated for right-of-way at the time of development.

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: Three Mile Lane and Cumulus Avenue, more specifically described at Tax Lot 100, Section 27, T.4S., R 4 W., W.M.

Applicant: Ken Sandblast, Westlake Consultants, Inc. representing property owner DRS Land, LLC c/o Dan Bansen

Disclosures: Chair Winfield opened the public hearing and 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.

Commissioner Tucholsky MOVED to CONTINUE the hearing for CPA 2-21/ZC 3-21 to January 19, 2023. The motion was seconded by Commissioner Langenwaller and PASSED 8-0.

5. Work Session Discussion

- Short-Term Rentals

Bill Kabeiseman, City Attorney, explained declarations of ex parte contact, actual and potential conflict of interest, and bias in land use decisions as compared to legislative decisions.

There was discussion regarding examples of actual and potential conflict of interest.

Planning Director Richards said the Commission discussed short term rentals in September and wanted to have more discussion on adding a requirement for inspections of permitted properties, separation standard, limiting the number of permitted properties, applying the same rules to short term rentals in commercial zones, charging a fine to a short term rental if they were operating without a permit, signage and permits on the short term rental, and limiting how many short term rentals were in the commercial zone. The Commission asked staff to come back with a survey of what other communities did in terms of fees and maps that showed the impact of a short term rental separation of 100 feet, 200 feet, 300 feet, and 600 feet.

There was consensus that requiring an inspection was unnecessary and eliminating that as a condition for short term rentals, adding a requirement that the contact would be available 24 hours, 7 days per week for emergencies, and making the contact list available to the Police Department.

Senior Planner Schauer reviewed the short term rental separation maps. The current code stated that a short term rental was not to be located within 200 feet of another short term rental.

There was discussion regarding buffer vs. spacing standard numbers as well as how the standard chosen would impact the ability to have future short term rentals, setting a limit on the number of permits that were issued annually, livability, and grandfathering in current short term rentals.

There was consensus to go with a 600 foot separation standard between short term rentals, noting Commissioner Langenwaller preferred 400 feet, to not set a limit to the number of permitted properties, to not apply the same rules to short term rentals in commercial zones, to require permit numbers to be part of the listing but not on a sign outside of the home, to be able to revoke a permit due to habitual nuisance and to have it possibly come to the Planning Commission for a public hearing, and to deny the opportunity to apply for a short term rental permit for a year if the rental was operating without a permit.

There was discussion regarding concern about the loss of affordable housing in commercial zones and how to address it, occupancy limits, changes to the short term rental application, and instituting a short term rental moratorium for 3-5 years or removing short term rentals from the code as permitted uses in residential zones.

There was consensus to finish the current moratorium with the option to extend it if needed based on any new information.

The Commission discussed the information they would like staff to bring back.

6. Action Items

None

7. Commissioner Comments

None

7. Staff Comments

Planning Director Richards discussed Senior Planner recruitment. She explained the recent Work Session with Council regarding code for implementing Measure 109. She noted there might be an appeal of the Commission's recent decision to deny a short term rental application.

8. Adjournment

Chair Winfield adjourned the meeting at 8:49 p.m.

EXHIBIT 3 - MINUTES

**December 15, 2022
Planning Commission
Regular Meeting**

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

Members Present: Brian Randall, Beth Rankin, Sidonie Winfield, Sylla McClellan, Dan Tucholsky, Matt Deppe, Gary Langenwalter, Lori Schanche, and Megan Murray

Members Absent:

Staff Present: Heather Richards – Planning Director and Tom Schauer – Senior Planner

1. Call to Order

Chair Winfield called the meeting to order at 6:33pm.

2. Swearing In of New Commissioner – Megan Murray

Chair Winfield swore in new Commissioner Megan Murray.

3. Minutes

- **September 1, 2022**

Motion to approve by McClellan, 2nd by Schanche. Unanimously approved.

- **September 15, 2022**

Motion to approve by Langenwalter, 2nd by Deppe. Unanimously approved.

- **October 6, 2022**

Motion to approve by Tucholsky, 2nd by Rankin. Unanimously approved.

4. Work Session – Short Term Rentals

Director Richards introduced the topic. Senior Planner Schauer presented maps regarding Short-Term Rentals that showed different spacing standards and locations of Short-Term Rentals and similar small-scale lodging uses relative to commercial zones. The Commission discussed issues related to spacing standards and lodging in commercial zones, and the relationship between STRs and parking in the core area as well as displacement of affordable housing. Director Richards shared information about permitting and enforcement in other cities.

The Commission discussed spacing standards, and a majority expressed preference for a draft proposal to include a 500' spacing standard. The Commission indicated interest in proceeding with a proposal with a scope to address STRs in residential zones at this time and to look at issues related to commercial zones at a different time.

Director Richards suggested bringing back draft code language for the next work session, and the Commissioners expressed concurrence.

5. Commissioner Member Comments

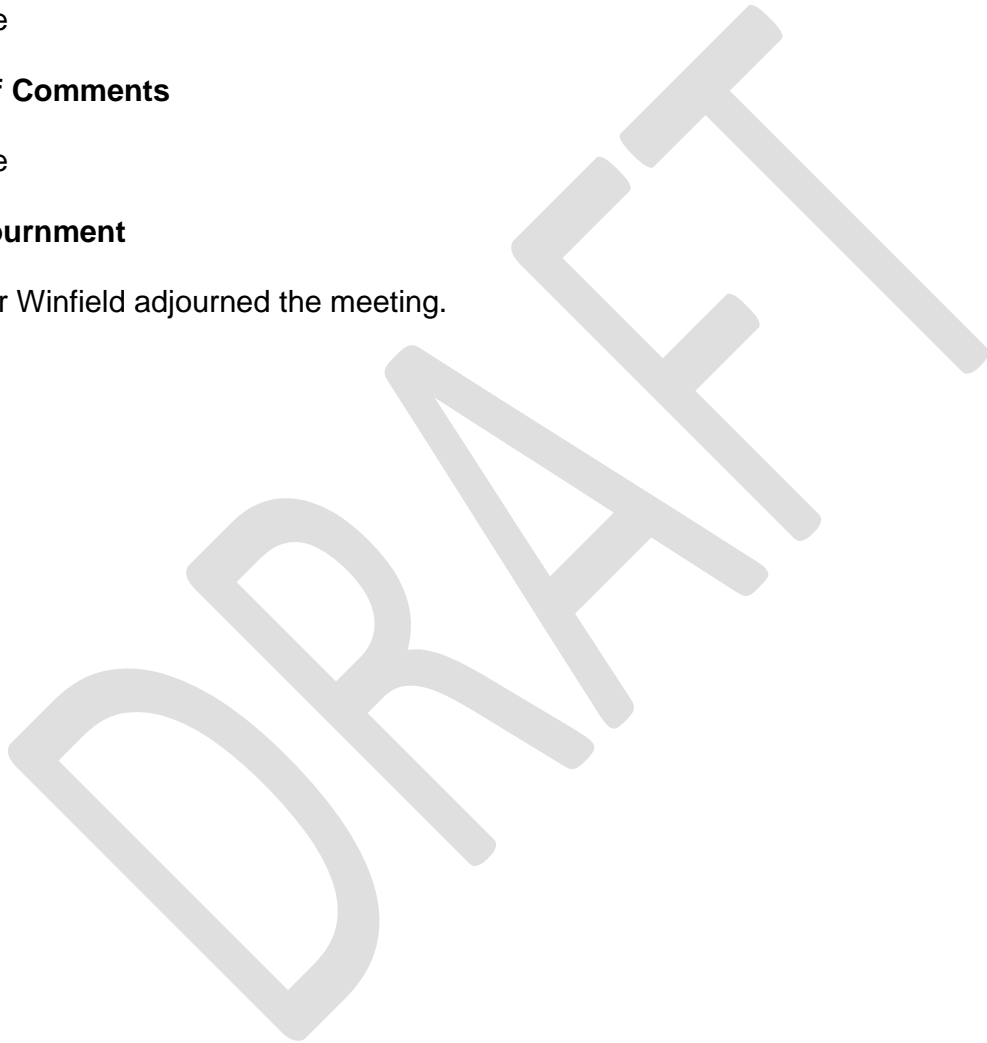
None

6. Staff Comments

None

7. Adjournment

Chair Winfield adjourned the meeting.





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EXHIBIT 4 - STAFF REPORT

DATE: January 19, 2023
TO: Planning Commission Members
FROM: Tom Schauer, Senior Planner
SUBJECT: Public Hearing (Docket CPA 2-20/ZC 3-20) – Kimco Map Amendment, Request for Continuance

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 agenda item is the Comprehensive Plan Map Amendment and Zone Change with a Planned Development Overlay (CPA 2-20/ZC 3-20) for the property owned by Kimco McMinnville LLC located at 3310 SE Three Mile Lane. **The applicant has requested a continuance to the April 20, 2023 Planning Commission meeting.** Staff concurs with the requested continuance.

Background and Discussion:

On July 14, 2021, Kimco requested a continuance to the September 16, 2021 Planning Commission hearing so they could continue to collaborate with their neighbors on coordinated applications for comprehensive plan/zoning map amendments. The continuance was approved by the Planning Commission. On September 7, Kimco requested an additional continuance to October 21, 2021, also approved by the Planning Commission. Kimco has met with and coordinated with the adjacent property owners of the properties to the east and west. The owners have been coordinating on proposed map amendments. On October 8, 2021, Kimco requested an additional continuance to November 18, 2021 to continue with this coordination effort. As noted in the email, “The three property owners are working toward having their applications considered concurrently at the November 18 meeting.” The hearing was reopened on December 16, 2021, and the Planning Commission then continued the hearing to January 20, 2022. Additional continuances were requested to February 17, 2022, March 17, 2022, April 21, 2022, June 2, 2022, September 1, 2022, October 20, 2022, and January 23, 2023.

The applications for the two adjoining properties were submitted on November 18, 2021 and deemed complete on December 16, 2021. Traffic Impact Analyses (TIAs) were submitted with those two applications, with the TIAs prepared by the same consultant for the three property owners.

The initial hearings for the applications for the two adjoining properties were also scheduled for the February 17, 2022 Planning Commission meeting and continued to March 17, 2022, April 21, 2022, June 2, 2022, September 1, 2022, October 20, 2022, and January 19, 2023. The applicants for those properties have also requested continuances to the April 20, 2023 meeting.

Staff supports the continuance request.

Attachments:

N/A

Recommendation:

Staff recommends that the Planning Commission continue the public hearing to the April 20, 2023 Planning Commission meeting.

“I MOVE THAT THE PLANNING COMMISSION CONTINUE THE PUBLIC HEARING FOR DOCKET CPA 2-20/ZC 3-20 TO THE APRIL 20, 2023 PLANNING COMMISSION MEETING.”



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EXHIBIT 5 - STAFF REPORT

DATE: January 19, 2023
TO: Planning Commission Members
FROM: Tom Schauer, Senior Planner
SUBJECT: Public Hearing (Docket CPA 1-21/ZC 2-21) – 3330 TML LLC Map Amendment, Request for Continuance

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 agenda item is the Comprehensive Plan Map Amendment and Zone Change with a Planned Development Overlay (CPA 1-21/ZC 2-21) for the property owned by 3330 TML LLC located at 3330 SE Three Mile Lane. **The applicant has requested a continuance to the April 20, 2023 Planning Commission meeting.** Staff concurs with the requested continuance.

Background and Discussion:

This is one of three adjacent properties that have requested map amendments.

Kimco previously submitted an application and has continued hearings in coordination with the two adjacent properties. Kimco has requested a continuance to April 20, 2023.

This is one of two additional applications submitted on November 18, 2021 and deemed complete on December 16, 2021. Traffic Impact Analyses (TIAs) were submitted with those two applications, with the TIAs prepared by the same consultant for the three property owners. The initial hearings for this application and the other application submitted on November 18, 2021 were scheduled for the February 17, 2022 Planning Commission meeting. The hearings were previously continued to March 17, 2022, April 21, 2022, June 2, 2022, September 1, 2022, October 20, 2022, and January 19, 2023. The other applicant has also requested a continuance to April 20, 2023.

Staff supports the request for continuance.

Attachments:

N/A

Recommendation:

Staff recommends that the Planning Commission continue the public hearing to the April 20, 2023 Planning Commission meeting.

“I MOVE THAT THE PLANNING COMMISSION CONTINUE THE PUBLIC HEARING FOR DOCKET CPA 1-21/ZC 2-21 TO THE APRIL 20, 2023 PLANNING COMMISSION MEETING.”



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EXHIBIT 6 - STAFF REPORT

DATE: January 19, 2023
TO: Planning Commission Members
FROM: Tom Schauer, Senior Planner
SUBJECT: Public Hearing (Docket CPA 2-21/ZC 3-21) – DRS Land, LLC Map Amendment, Request for Continuance

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 agenda item is the Comprehensive Plan Map Amendment and Zone Change with a Planned Development Overlay (CPA 2-21/ZC 3-21) for the property owned by DRS Land, LLC located near Cumulus Avenue and SE three Mile Lane. **The applicant has requested a continuance to the April 20, 2023 Planning Commission meeting.** Staff concurs with the requested continuance.

Background and Discussion:

This is one of three adjacent properties that have requested map amendments.

Kimco previously submitted an application and has continued hearings to provide for coordination with the two adjacent properties. Kimco has requested a continuance to April 20, 2023.

This is one of two additional applications submitted on November 18, 2021 and deemed complete on December 16, 2021. Traffic Impact Analyses (TIAs) were submitted with those two applications, with the TIAs prepared by the same consultant for the three property owners. The initial hearings for this application and the other application submitted on November 18, 2021 were scheduled for the February 17, 2022 Planning Commission meeting. The hearings were previously continued to March 17, 2022, April 21, 2022, June 2, 2022, September 1, 2022, October 20, 2022, and January 19, 2023. The other applicant has also requested a continuance to April 20, 2023.

Staff supports the request for continuance.

Attachments:

N/A

Recommendation:

Staff recommends that the Planning Commission continue the public hearing to the April 20, 2023 Planning Commission meeting.

“I MOVE THAT THE PLANNING COMMISSION CONTINUE THE PUBLIC HEARING FOR DOCKET CPA 2-21/ZC 3-21 TO THE APRIL 20, 2023 PLANNING COMMISSION MEETING.”

EXHIBIT 7 – STAFF REPORT

DATE: January 19, 2023
TO: Planning Commission Members
FROM: Heather Richards, Community Development Director
SUBJECT: Short-Term Rentals – McMinnville Municipal Code

STRATEGIC PRIORITY & GOAL:



HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

Report in Brief:

This agenda item is a work session to continue discussion of the McMinnville Municipal Code relative to short-term rentals.

Background:

The McMinnville City Council has enacted an extension of the moratorium on short term rental permits from December 29, 2022 to June 29, 2023 while the Planning Commission and Planning Department staff continue to re-evaluate the McMinnville Municipal Code as it pertains to permitting Short-Term Rentals. This action was based primarily on the fact that several residential neighborhoods, especially those closer to the downtown area, are experiencing an increasing number of short terms rentals in their neighborhoods causing residents to become concerned about the quality of life, health, safety and community interaction within the neighborhoods.

Current Code Provisions:

Lodging is represented in many forms in McMinnville. In commercial zones (C1, C2 and C3), lodging is an allowed outright use and does not need any permits. Any rooms rented for short-term stays (30 days or less) are considered lodging.

In McMinnville's residential zones (R1, R2, R3, R4 and OR) lodging is allowed in the form of Short-Term Rentals and Resident Occupied Short-Term Rentals. Both Short-Term Rentals and Resident Occupied Short-Term Rentals are only allowed with a Type 2 permit. Type 2 permits are permits based on clear and objective standards and reviewed by planning staff but with notification to surrounding property owners. Please see attached Resident-Occupied Short Term Rental code provisions and Short Term Rental code provisions. The primary difference between the criteria

for Resident-Occupied Short Term Rental permit criteria and Short Term Rental permit criteria is the 200 foot spacing standard (property line to property line) that is a provision for Short Term Rentals, the requirement for a neighborhood meeting for a Short Term Rental, and the requirement for one off-street parking space per bedroom for Short Term Rentals versus one off-street parking space per guest bedroom of a Resident-Occupied Short Term Rental.

When the McMinnville Planning Commission last evaluated and amended the McMinnville Municipal Code relative to Short Term Rentals in 2018, they wanted to make it easier to permit Resident-Occupied Short Term Rentals and encourage them in commercial zones rather than residential zones.

History of Dialogue:

Short Term Rental permits have been an active dialogue in McMinnville for many years.

- In 2008, the City approved Ordinance No. 4902, adopting regulations that allowed vacation home rentals in residential zones and the office-residential zone as conditional use permits. At this time the permit was permanent and a 660-foot buffer from other vacation home rentals was required.
- In 2012, the City removed the spacing buffer between vacation home rentals largely because the Planning Department had not received any complaints about vacation home rentals in the four years since they were initially allowed.
- In 2014, the City amended the code to transfer the approval of vacation home rentals from the Planning Commission to the Planning Director. At this time they became a Type I permit and not a conditional use permit.
- In 2017, a neighborhood approached the Planning Commission about reconsidering the vacation home rental codes as their neighborhood, which was a historic neighborhood in close proximity to the downtown had seen many homes converted to vacation home rentals recently. The Planning Commission hosted four work sessions and a public hearing and made a recommendation to differentiate between Short Term Rentals where the whole home was rented out as lodging and Resident Occupied Short Term Rentals where the occupant of the home rented out a room as lodging. They also recommended reinstating the 200-foot spacing buffer between Short Term Rentals. This recommendation was adopted by Ordinance No. 5047 on April 10, 2018, and became effective on May 10, 2018.

McMinnville Data for Short Term Rentals:

Below is the data for permitted Short Term Rentals in McMinnville, meaning only those within the residential zones (R1, R2, R3, R4, OR). Short Term Rentals are only allowed in single-dwelling units, common wall single dwelling units (Townhomes) and accessory dwelling units (ADUs). Only one short term rental is allowed per property (ie either ADU or primary dwelling unit) and the spacing standard applies to the property (ie if an ADU or a primary dwelling unit is a permitted short term rental, another short term rental would not be permitted within 200 feet of that property (property line to property line).

Currently, there are 68 permitted short-term rentals in residential zones in McMinnville and 29 permitted Resident Occupied Short Term Rentals. For perspective, there are approximately

13,000 housing units in McMinnville (including multi-family and housing in commercial zones). However, most of the Short-Term Rental permits are still in the neighborhoods closest to the downtown (please see attached map), and in the past nine months sixteen Short Term Rental permits have been issued, compared to an average of five new permits per year previously. There were three additional pending Short Term Rental permit applications as of September 9, 2022 (all submitted prior to the August 2 deadline).

Discussion:

At Planning Commission meetings on September 15, 2022, October 20, 2022, and December 15, 2022, Commissioner Sylla McClellan and Chair Sidonie Winfield led the Planning Commission through the research that they had conducted, the issues that they had identified and the opportunities for code revisions that they saw practiced in other communities.

Below is the result of those discussions:

RECOMMENDATIONS CONSIDERED:

STR guidelines proposal for discussion.

1. STR is defined as a dwelling unit and one permit will be issued per property (tax lot? Not sure how to define this?). If an ADU is on the property and the permit is issued for the ADU, the home cannot be listed as an STR.
(Staff note: this provision is in the current code.)

Commission Discussion: Keep it in the code

2. A local person (or property manager's) contact information must be provided.
(Staff note: this provision is in the current code.)

Commission Discussion: Local defined as residing within the 97128 zip code. Keep this in the code but add a provision that the contact information is handed out to adjacent properties and YCOM. Add that the contact needs to be available 24/7.

3. All city and state taxes must be remitted in a timely manner.

Commission Discussion: Add to the code.

4. Permitted properties cannot be within 600 feet of one another.

Commission Discussion: At the December 15, 2022 work session, a majority of Commissioners expressed support for a 500-foot space standard for Short-Term Rentals in residential zones.

5. There is a limit to how many properties can be permitted (this limit could be defined by an actual number or a percentage of residences within the city limits).

Commission Discussion: At the December 15, 2022 work session, a majority of Commissioners indicated they felt a cap on the number or percentage of Short-Term Rentals within City limits would not be necessary, and felt a 500-foot spacing standard would also effectively limit the total number of Short-Term Rentals in the city.

6. Existing permits would not pass-through to new owners should the property change ownership.

(Staff note: this provision is in the current code.)

Commission Discussion: Keep it in the code

7. ~~Establish a moratorium so these rules cannot be changed for five years.~~
8. These same rules would apply to STRs in commercial zones (not sure about this?) Commercial zoning STRs – set a maximum number of rooms. If over this number, the property becomes a B & B or falls under the codes for lodging. Commercial zoning space limits apply? Is the permit for the property or per dwelling unit?

Commission Discussion: At the December 15, 2022 work session, a majority of Commissioners indicated their preference to limit the current scope to addressing regulations for Short-Term Rentals in the residential zones at this time and consider whether to evaluate regulations for lodging and Short-Term Rentals in commercial zones at another time if needed, which could also be undertaken as part of broader planning efforts such as downtown planning.

9. Operations without current permits will receive a warning letter and then be fined.
(Staff note: currently they are shut down and need to get a permit prior to resuming operations)

Commission Discussion: Add a daily citation to enforcement and a habitual clause denying them the opportunity to apply for a permit for 12 months. See what other communities are doing.

10. STR guidelines will be easier to find on the city's website.
11. The permit number is required to be part of the listing (AirBnB, VRBO, [booking.com](https://www.booking.com), etc) for the STR.

Based on the above discussions and direction on each item over the course of the work sessions, staff suggested preparing draft code language for consideration at the January 19 work session. Additional materials will be distributed in advance of the meeting with draft language.

Attachments:

The September 15, 2022 Staff Report included the following attachments:

- Attachment A: Current Short Term Rental Code
- Attachment B: Current Resident-Occupied Short Term Rental Code
- Attachment C: Other Code Provisions That Impact Short-Term Rentals
- Attachment D: Map of Short Term Rentals in McMinnville (September 9, 2022)
- Attachment E: Comparison of 11 Other Communities (2018)
- Attachment F: Short Term Rental Moratorium Ordinance
- Attachment G: Public Testimony Received for Short Term Rental Moratorium Ordinance
- Attachment H: Public Testimony Received from Affordable Housing Committee

The October 20, 2022 Staff Report included the following attachments:

- Attachment I: Comparison chart of short-term rental fees with 11 other communities
- Attachment J: Maps showing spacing standard of 200', 400', and 600' for neighborhood northwest of downtown, with updated Short Term Rental permit data

The Planning Commission asked staff to provide the following additional information, which is attached, to assist with the December 15, 2022 discussion.

- Updated maps showing spacing standards
- Maps showing 600' spacing standard
- Maps showing STRs in the commercial zones (provided at the meeting)
- Review of what penalties other cities do for non-compliance (to be provided at the meeting)
- Maps showing the 500' spacing standard were also presented at the meeting.