



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

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

**Planning Commission**  
**McMinnville Civic Hall, 200 NE 2<sup>nd</sup> Street**  
**September 20, 2018**

**6:30 PM**

*Welcome! All persons addressing the Planning Commission will please use the table at the front of the Council Chambers. All testimony is electronically recorded. Public participation is encouraged. Public Hearings will be conducted per the outline on the board in the front of the room. The Chair of the Planning Commission will outline the procedures for each public hearing.*

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

| Commission Members        | Agenda Items   |
|---------------------------|--|
| Roger Hall,<br>Chair      | <b>6:30 PM – COUNCIL CHAMBERS</b>                          |
| Zack Geary,<br>Vice-Chair | <b>1. Call to Order</b>                                    |
| Erin Butler               | <b>2. Citizen Comments</b>                                 |
| Martin Chroust-Masin      | <b>3. Action Items</b>                                     |
| Susan Dirks               | <b>A. Approval of Minutes: August 16, 2018 (Exhibit 1)</b> |
| Gary Langenwalter         | <b>4. Discussion Items</b>                                 |
| Roger Lizut               | <b>A. <u>Planning Commissioner Training</u></b>            |
| Lori Schanche             | <b>B. <u>Mixed Use in Commercial Zones</u> (Exhibit 2)</b> |
| Erica Thomas              | <b>5. Commissioner/Committee Member Comments</b>           |
|                           | <b>6. Staff Comments</b>                                   |
|                           | <b>7. Adjournment</b>                                      |

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](http://www.mcminnvilleoregon.gov). You may also request a copy from the Planning Department.



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# MINUTES – EXHIBIT 1

**August 16, 2018**  
**Planning Commission**  
**Regular Meeting**

**6:30 pm**  
**McMinnville Civic Hall, 200 NE 2<sup>nd</sup> Street**  
**McMinnville, Oregon**

**Members Present:** Chair Roger Hall, Commissioners: Martin Chroust-Masin, Roger Lizut, Gary Langenwalter, Lori Schanche, Susan Dirks, Erin Butler, and Erica Thomas

**Members Absent:** Zack Geary

**Staff Present:** Chuck Darnell – Senior Planner, Jamie Fleckenstein – Associate Planner, Heather Richards – Planning Director, Tom Schauer – Senior Planner, and David Koch – City Attorney

## 1. Call to Order

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

## 2. Citizen Comments

None

## 3. Approval of Minutes

- **June 21, 2018 Work Session Minutes**
- **June 21, 2018 Planning Commission Minutes**
- **July 19, 2018 Work Session Minutes**
- **July 19, 2018 Planning Commission Minutes**

Chair Hall called for action on the Planning Commission minutes from the June 21, 2018 work session and regular meeting and from the July 19, 2018 work session and regular meeting. Commissioner Chroust-Masin MOVED to APPROVE the minutes as presented; SECONDED by Commissioner Langenwalter. Motion CARRIED 7-0, with Commissioner Lizut abstaining.

## 4. Public Hearing

### A. Comprehensive Plan Map Amendment & Zone Change

1601 NE McDaniel Lane (CPA 1-18 & ZC 1-18) – Continued from the July 19, 2018 Meeting (Exhibit 2)

**Request:** Approval to amend the Comprehensive Plan Map designation of a property from Industrial to Residential, and to rezone the property from M-1 (Light Industrial) to R-4 (Multiple-Family Residential) to allow for development of residential uses that are permitted in the R-4 (Multiple-Family Residential) zone.

**Location:** The subject site is zoned M-1 (Light Industrial) and is located at 1601 NE McDaniel Lane and is more specifically described as Tax Lot 7100, Section 16DB, T.4 S., R.4 W., W.M.

**Applicant:** Daniel Danicic

Chair Hall opened the public hearing and read the hearing statement. He 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.

Senior Planner Darnell presented the staff report. This was a request for a Comprehensive Plan map amendment from the existing industrial designation to a residential designation and zone change from M-1 to R-4 for property on NE McDaniel Lane. He described the subject site. A concept plan was provided with the application which showed construction of apartments on the site. He reviewed the Comprehensive Plan Map amendment criteria and how the request met the goals and policies for developing affordable and quality housing for residents and providing a variety of different housing types and densities. Previous analysis was completed in the 2001 McMinnville Buildable Land Needs Analysis and Growth Management Plan and the 2013 Economic Opportunities Analysis that compared residential and industrial land in the City. Those analyses showed a surplus of industrial land and a need for additional residential land. The change in comprehensive plan map designation would not be inconsistent with the surrounding area as there was residential adjacent to the site. The area was not committed to low density development, was not subject to any development limitations, and there were no issues with utilities serving the site with the new comprehensive plan map designation.

Regarding the zone change criteria, Senior Planner Darnell explained there was a need for additional R-4 land, based on the needs identified in the 2001 McMinnville Buildable Land Needs Analysis and Growth Management Plan. The property was a quarter mile from transit service and shopping centers, however there was no park adjacent to the site. NE McDaniel was a minor collector and the applicant had provided a traffic impact analysis. This location was near low density residential, and staff recommended conditions of approval to provide a landscape buffer on the west property line and to increase setbacks based on the proposed building height. Regarding the railroad corridor, staff recommended a condition for a landscape buffer on the south property line. One additional condition was suggested, that because there was no adjacent open space, a dedicated contiguous space within the site be provided at a minimum of 10% of the site. The property was surrounded by a mixture of zones, both low and high density residential. He explained the traffic analysis that was done which showed minimal increases in delay and no increases in levels of service. Based on the traffic analysis, engineering staff found that McDaniel was a suitable access to the site. The Transportation Planning Rule analysis showed the existing zoning could produce more traffic more than the proposed zoning. It assumed the development of 24 apartments, which was less than the maximum allowable density of the property, so staff suggested a condition of approval for a trip cap. The cap would be 176 maximum average daily trips, which is the number of trips generated by the development of 24 apartments, unless an updated traffic impact analysis was provided. Testimony had been received last month. Some of the concerns were the building height, loss of privacy, increased

traffic, and noise. Staff recommended approval of the application with the conditions of approval, which addressed the comments and concerns provided during previous public testimony.

Applicant: Dan Danicic, representing the applicant, requested modification to two of the conditions. The first was to Condition #3, dedication of the 20 foot landscaping area to the south to prevent any encroachments. The concern was the trash enclosure would be within the buffer and it would have to be pulled into the site. He thought the trash enclosure in the buffer would not be a detriment as it would help with the buffering from the railroad. They currently had 45 parking spaces planned, which was more than the 36 required. Moving the trash enclosure would require removing some of the parking spaces. He wanted to provide as much parking as possible so people would not park in the nearby neighborhoods. He asked that the words, "No improvement shall encroach in the dedicated landscape area" be stricken from the condition. The second was Condition #5, the additional open space area. The code provision that spoke to having proximity to open space was one of the criteria that they should consider, but they did not have to meet. There was no open space within a quarter mile, but there was within half a mile. He was concerned about providing contiguous open space, especially since they were providing buffers on the west and south sides. This condition would be difficult to meet, and he did not think it should be required.

Commissioner Langenwaller suggested changing Condition #3 to only allow the trash enclosure in the buffer. Mr. Danicic changed the recommended language to, "No improvements shall encroach on the dedicated landscape area, with the exception of a trash enclosure."

Commissioner Schanche asked what type of apartments these would be. Mr. Danicic said there would be one bedroom apartments to accommodate college students, but the majority would be two bedroom apartments. There would be ADA accessible apartments as well. They had looked at alternatives for the configuration of the buildings to accommodate neighborhood concerns, but found that the current layout was the most efficient.

Commissioner Schanche said regarding Condition #5, they had a lot of extra parking and she asked if they would be willing to lose some of the parking in order to provide more green space. Mr. Danicic thought the current layout provided green space already. As a compromise, he suggested requiring 5% contiguous open space instead of 10%.

There was discussion regarding changing the configuration of the site to allow for the open space.

Proponents: None

Opponents: Don Navarra, McMinnville resident, asked if this would be a two or three story apartment building. Chair Hall stated it would be a three story.

Mr. Navarra said he and his wife were opposed to the application due to the impact that the apartment buildings would have on the neighborhood. For him, it would mean the loss of morning sun and problems with a denser population, and for those abutting the property it would mean a lack of privacy. The property was located close to a commercial marijuana processing plant and railroad tracks. A one story apartment building would be more homogenous to the neighborhood.

Steve Kaer, McMinnville resident, was also concerned about losing the sun and he asked if staff could speak to that issue. He was concerned about the materials that would be used and setbacks as well.

Senior Planner Darnell stated there was nothing in the code to apply a condition to address solar access to surrounding properties. There was a policy in the Comprehensive Plan to review the design to ensure site orientation preserved the potential future utilization of solar energy. This was not a design review, but a zone change, and staff could not provide a condition related to that. The setbacks were to provide spacing between the buildings and other properties. The current zoning would allow for a maximum building height of 80 feet and the maximum building height for the proposed zone allowed for a maximum of 60 feet. There was also a condition that increased the setbacks based on the building height.

Rebuttal: Charlie Parr bought this property as an investment 20 years ago. He planned to do something with it, whether it would be an apartment complex or commercial building. This proposal was the most feasible and the best use of the property.

Chair Hall closed the public hearing.

Commissioner Schanche discussed the proposed alterations to the conditions. She thought they were putting in extra parking spaces to the detriment of needed open space. She was not in favor of changing any of the staff-suggested conditions.

Commissioner Chroust-Masin viewed the buffers as open space. Senior Planner Darnell clarified the open space would be dense evergreen trees and shrubs and fencing. Chair Hall said it would be too dense for recreation, and that there was a difference between usable open space and landscaping for buffering.

Commissioner Thomas thought the trash enclosure could be allowed in the buffer. The middle school was within a quarter mile of this site and could be considered open space. She thought the zone change met the requirements, and that having the extra parking spaces would be beneficial.

Commissioner Langenwaller proposed a 3,000 square foot area for open space and removing some of the parking to accommodate it. Senior Planner Darnell said staff proposed 10% of the lot size as a reasonable portion of the site, but that he could look up different percentages if the Commission was interested. Senior Planner Darnell also stated that the Commission was not reviewing the concept plan as a site plan review or design review, so they did not have the ability to include conditions related to the design of the concept plan.

Commissioner Dirks was in favor of the proposal for more affordable housing and apartments in this area. She was open to a compromise, but thought there should still be a large open space. She thought it was a reasonable request to allow the trash enclosure in the buffer. She suggested capping the parking to 40 spaces.

Senior Planner Darnell stated that the Planning Commission was not able to put in that restriction at this point, as the request before the Commission was for a zone change and did not include a formal site plan review or design review.

There was consensus to change Condition #3 regarding the trash enclosure as proposed.

Commissioner Schanche was not in favor of changing the open space percentage.

Based on the findings of fact, conclusionary findings for approval, and materials submitted by the applicant, Commissioner Schanche MOVED to recommend Council approval of CPA 1-18

& ZC 1-18 subject to the staff recommended conditions of approval as amended. Conditions 1, 2, 4, and 6 would remain as written, Condition 3 would read, "No improvements shall encroach on the dedicated landscape area, with the exception of a trash enclosure", and Condition 5 would be changed from 10% open space to 7% or 3,048 square feet. **SECONDED** by Commissioner Thomas. The motion **PASSED** 6-1 with Commissioner Schanche opposed and Commissioner Lizut abstaining.

The applicant agreed to waive the seven day rebuttal period.

**B. Variance (VR 1-18), 103-115 NE Irvine Street – (Exhibit 3)**

Request: Approval of a zoning variance to reduce the required off-street parking of a Social Relief Facility following a proposed remodel from nine (9) spaces to six (6) spaces.

Location: The subject site is zoned C-3 (General Commercial) and is located at 103-115 NE Irvine Street. It is more specifically described as Tax Lot 9300, Section 21BD, T.4 S., R. 4 W., W.M.

Applicant: The Housing Authority of Yamhill County

**C. Conditional Use Permit (CU 1-18), NE 7<sup>th</sup> Avenue between NE Alpine Avenue and NE Lafayette Avenue – (Exhibit 4)**

Request: Approval of a conditional use permit to allow the operation of a preschool on a C-3 PD (General Commercial Planned Development) zoned property within the Northeast Gateway District.

Location: The subject site is zoned C-3 (General Commercial) and is located off NE 7<sup>th</sup> Avenue (between NE Alpine Avenue and NE Lafayette Avenue) and is more specifically described as a portion of Tax Lot 4800, Section 21BA, T.4 S., R.4 W., W.M.

Applicant: Rhonda Thompson

**5. Discussion Items**

None

**6. Old/New Business**

None

**7. Commissioner/Committee Member Comments**

None

**8. Staff Comments**

None

**9. Adjournment**

Chair Hall adjourned the meeting at

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Heather Richards  
Secretary



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## **EXHIBIT 2 - STAFF REPORT**

**DATE:** September 20, 2018  
**TO:** McMinnville Planning Commission  
**THROUGH:** Heather Richards, Planning Director  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Work Session – Caretaker / Upper Story Residential in the C-3 Zone

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### **Report in Brief:**

This is a work session to discuss a proposed amendment to the C-3 (General Commercial) Zone allowing upper story residential uses and caretaker housing.

### **Background:**

Recently there have been many proposals to develop one or two dwelling units on an upper story of a building in the C-3 Zone as part of a mixed-use development, but currently the zoning ordinance does not allow that type of development. Mixed-uses are allowed if the individual land-use components are allowed.

Currently in the McMinnville City Code, the C-3 zone allows the following residential uses as permitted uses:

- Condominiums subject to the provisions of the R-4 zone,
- Multiple-family dwelling subject to the provisions of the R-4 zone, and
- Owner-occupied residence in the same building as a business.

A multiple family dwelling is defined as three dwelling units or more. One and two-family dwelling units are not allowed in the C-3 Zone. However, staff feels that a mixed-use product with one or two dwelling units on the upper story is just the type of product that the city would like to encourage in certain commercial districts.

### **Discussion:**

While it is a legitimate issue to ensure commercially planned and zoned properties with C-3 zoning aren't subdivided and developed exclusively with single-family and two-family residential development, there is no similar reason to prevent one or two residential units from being located above other uses which are permitted in the C-3 zone. Multi-family development (with 3 or more units) is already a permitted use in the C-3 zone and can be authorized as a standalone use or as part of a mixed-use development.

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**Add Upper Story Residential Use as a Permitted Use:** A simple fix to the issue of one or two upper-story residential units is to simply add a new definition of “Upper Story Residential use” as discussed below, and add it as a permitted use in the C-3 zone. This allows the issue to be resolved directly in a straightforward way.

The simple fix of “Upper Story Residential Use” is a suitable short-term solution that doesn’t entail a more extensive rewrite at this time of the definitions, list of permitted uses, and specific use-related standards and limitations.

**Ground Floor Caretaker Dwelling versus Owner-Occupied Residence in the Same Building as a Business:** The other problematic residential use in the C-3 zone that can be fixed fairly simply is the “Owner-Occupied Residence in the Same Building as a Business”. Currently, multi-family buildings in the C-3 zone don’t have a requirement to be attached to a business. With the above amendment, one or two upper-story dwelling units wouldn’t be subject to the owner-occupancy requirement. Therefore, this would only apply to situations where there is a single ground floor dwelling unit. Owner-Occupied though is problematic. “Owner” is defined as the property owner. If there is any occupancy limitation, it would seem to be more appropriate to limit occupancy to a caretaker or the owner of the business, rather than the property owner. Additionally, it is reasonable to limit the number of ground floor dwellings to just one associated with the business, to preserve ground-floor commercial space. However, there is the potential to have several buildings on a large lot, each with a business and caretaker dwelling that would have similar impact to several individual properties with one building on each property.

Another option would be to change the provision to allow one ground-floor dwelling unit in the same building as a business, without an occupancy limit. However, there are potential issues with changing this provision if it isn’t linked to the business in some way. For example, the residence might be occupied when there is no active business. To further clarify the ground floor residential use, the code could authorize a ground-floor residence in the same building with a business as an accessory use to the business, ensuring it is incidental to the business use but not requiring an association with the business.

#### **Proposed Draft Amendment for Consideration:**

- Add the following definition to Chapter 17.06:
  - **Ground Floor Residential Use / Caretaker Dwelling.** A dwelling unit in the same building as business
  - **Upper-Story Residential Use.** One or more dwelling units located in one or more stories above, and in the same building as, a permitted use on the ground floor, whether the residential unit/s are attached or detached from one another or from buildings on abutting lots or parcels.
- Add “Upper-Story Residential Use” to the list of permitted use in the C-3 zone, in Section 17.33.010.
- Amend 17.33.010(4) as follows:

~~Owner-occupied residence~~ **One ground-floor caretaker dwelling** per property, which must be in the same building as a business and accessory to the business use of the building and property.

The Planning Commission may also want to discuss any other design and development standards associated with the Upper Story Residential Uses or Ground Floor Residential Use, such as parking, entries, etc.

**Fiscal Impact:**

There is no fiscal impact anticipated with this proposed amendment.

**Recommendation/Suggested Motion:**

This is a discussion item, staff is seeking planning commission direction.