



City of McMinnville
Planning Department
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STAFF REPORT *(Draft, 11.18.2020)*

DATE: December 1, 2020
TO: Mayor and City Councilors
FROM: Heather Richards, Planning Director
SUBJECT: Public Hearing – Ordinance No. 5098 – UGB Amendment (Docket Number G 6-20)

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



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

OBJECTIVE/S: Conduct thorough and timely planning and forecasting to ensure that regulatory frameworks for land supply align with market-driven housing needs



ECONOMIC PROSPERITY
Provide economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors.

OBJECTIVE/S: Accelerate growth in living wage jobs across a balanced array of industry sectors



COMMUNITY SAFETY & RESILIENCY
Proactively plan for & responsibly maintain a safe & resilient community.

OBJECTIVE/S: Provide exceptional police, municipal court, fire, emergency medical services EMS), utility services and public works

Report in Brief:

This is a public hearing for the consideration of Ordinance No. 5098, an ordinance approving the McMinnville Growth Management and Urbanization Plan (MGMUP) 2020 UGB Update. The approval of Ordinance No. 5098 and the MGMUP 2020 UGB Update would result in an expansion of the McMinnville urban growth boundary (UGB) to add 662.40 gross buildable acres (862.40 gross acres) of additional land to the UGB to meet identified residential, commercial, industrial, and other public and semi-public land needs for a targeted population forecast of 44,055 people.

The MGMUP 2020 UGB Update also includes Comprehensive Plan Map Amendments that assign urban Comprehensive Plan map designations to all lands proposed to be included in the UGB and those that are currently in the UGB, as well as Comprehensive Plan Text Amendments to amend and/or create policies to guide the implementation of the MGMUP 2020 UGB Update.

This is the result of the work to respond to a Court of Appeals remand of the 2003 MGMUP adopted in 2003 by Ordinance No. 4796, and subsequently amended by Ordinances No. 4840, 4841 and 4961 respectively.

MAC Town Strategic Plan, 2032 Objectives Achieved:

GROWTH AND DEVELOPMENT CHARACTER F-3, Strategically plan for short and long-term growth and development that will create enduring value for the community.

Update long range land-use plans.

Set a policy for updating facilities plans

HOUSING G-2, Conduct thorough and timely planning and forecasting to ensure that regulatory frameworks and land supply align with market-drive housing needs.

Assess urban growth boundaries adjustment.

Background:

On January 22, 2020, staff conducted a work session with the City Council about growth planning, current efforts that were underway at the time, and options for the City to consider to move forward with planning for the growth of the City of McMinnville. At that time staff presented numerous options and paths for moving forward with growth planning, ranging from starting a new UGB study and analysis to doing nothing and waiting for a state-wide fix to the Oregon state-mandated land use planning program. After weighing the potential costs, timeframe, and appeal risk for each option, as well as the potential for each option to achieve land needs and achieve state planning goals, the City Council directed staff to pick up the previous UGB study and expansion work that the City had attempted to adopt in 2003. This previous UGB work is referred to as the McMinnville Growth Management and Urbanization Plan (MGMUP or "Plan"), and was subject to appeals that ultimately resulted in the MGMUP being remanded from the Oregon Court of Appeals in 2011 to the Land Conservation and Development Commission (LCDC) who eventually remanded it to the City on February 29, 2012.

The MGMUP was the product of ten years of community engagement, community visioning and planning by the City of McMinnville from 1994 – 2003. Based on a three year community visioning effort from 1997 – 1999 entitled McMinnville 2020, the MGMUP was first intended to plan for a future McMinnville, 2000 – 2020. However, after a couple of years of opposition and challenges from local and state land-use advocates, the City of McMinnville adjusted its planning horizon to 2003 – 2023, and adopted the MGMUP in 2003 via Ordinance No. 4796, while maintaining the values and vision of McMinnville 2020.

The Plan was very progressive for its time, built upon the premise of smart growth planning of compact, mixed-used neighborhoods that provided residents with amenities, goods and services within a twenty minute walkshed in order to help alleviate pressure on the transportation network and to protect surrounding farmland. The hallmark of the Plan is the need to expand the city's urban growth boundary to accommodate future population growth, where that expansion would take place, and how the land in the expansion area would develop.

As discussed above, the MGMUP encountered some opposition from 1000 Friends of Oregon, Friends of Yamhill County, Ilsa Perse and Mark Davis when it was reviewed by the Department of Land Conservation and Development and the Land Conservation and Development Commission. Eventually it was appealed to the Oregon Court of Appeals (COA) in 2007 by 1000 Friends of Oregon, Friends of Yamhill County and Ilsa Perse. In 2011, the COA issued a decision, which remanded to LCDC for additional analysis and to respond to one assignment of error. In 2012, LCDC remanded it to the City. Upon the receipt of the remand from LCDC, the City elected to pause on its effort to move forward with the Plan and adopted Ordinance No. 4961 which repealed certain aspects of the Plan that had been adopted into the Comprehensive Plan and the Zoning Ordinance.

Since January, 2020, staff has been working on the remanded assignment of error – which is basically the analysis, process and methodology for selecting the land to include in the City's UGB to meet the

needs of 44,055. Throughout the year, staff provided monthly updates to the City Council on the progress of this work during public work session meetings from April 2020 to November 2020.

Ordinance No. 5098, which is now before the City Council for consideration, adopts the proposed Comprehensive Plan Map Amendment for the new UGB, the proposed comprehensive plan map designations for land within the city's UGB, the MGMUP and its appendices, the proposed Comprehensive Plan policy amendments, the proposed Zoning Ordinance code amendments, and the Findings document for the MGMUP. The remand response is referred to within the documents associated with Ordinance No. 5098 as the "MGMUP 2020 UGB Update".

Since this is a remand of a decision that went through considerable public process and engagement for many years in McMinnville, including public hearings with the McMinnville Urban Area Management Committee, the Planning Commission and the City Council, the remand is being considered by City Council.

The City Council will conduct a public hearing to receive public input and testimony on Ordinance No. 5098 and the MGMUP 2020 UGB Update. The public hearing will be held over the course of three successive evenings to ensure that adequate opportunity is provided for public involvement. The public hearing will be held at 6:00 PM on December 1, 2020, 6:00 PM on December 2, 2020, and 6:00 PM on December 3, 2020. Anyone interested in participating in the public hearing may attend any or all of the public hearing dates. However, in order to participate and establish legal standing in the legal record of the proceedings, any interested person/party does not need to attend all three public hearing dates. Participation in just one of the public hearing dates (and/or submission of written comments) will result in formal participation and the establishment of legal standing in the proceedings. Legal standing at the local level is needed to challenge or appeal the decision of the City Council to DLCD and potentially LCDC and the Court of Appeals. The City Council will conduct the public hearing, take testimony, and then make a decision on the proposed amendments.

Prior to the public hearing, the City also offered public information sessions as an additional opportunity for the public to learn more about the recommended UGB and Comprehensive Plan amendments associated with the MGMUP 2020 UGM Update. Those public information sessions were held on November 11th, November 13th, November 17th, and November 23rd.

Following the public hearing on December 3, 2020, the Council will have the option of closing the hearing, deliberating, and making a decision on Ordinance No. 5098 and the proposed UGB amendment. If necessary, the Council may continue the public hearing and/or the deliberation and decision on the Ordinance to a future meeting on December 8, 2020. Should the City Council make a decision to approve Ordinance No. 5098 and the UGB amendment, the proposal would then be forwarded to the Yamhill County Board of Commissioners for their consideration and review during another public hearing held by the County. The Yamhill County Board of Commissioners public hearing, deliberation, and decision is currently scheduled to occur on December 10, 2020, with a potential second date for continued hearing, deliberation, and/or decision on December 17, 2020.

Following review and decision by both the McMinnville City Council and the Yamhill County Board of Commissioners, the UGB amendment and associated Comprehensive Plan amendments will be submitted to the Department of Land Conservation and Development (DLCD) for their review and acknowledgment, in the manner provided for periodic review under applicable Oregon Revised Statute (ORS).

Discussion:

The adoption of Ordinance No. 5098 would result in the adoption of the MGMUP 2020 UGB Update to the 2003 McMinnville Growth Management and Urbanization Plan – McMinnville’s Remand Response to the COA.

Below is a summary of the major components of the MGMUP 2020 UGB Update. Much more detail is provided in the MGMUP and its associated appendices, which are included as attachments to this staff report.

Plan Components

The MGMUP 2020 UGB Update includes the following components:

- McMinnville Growth Management and Urbanization Plan (MGMUP or “Plan”), including:
 - Appendix A – Population and Employment Forecast
 - Appendix B – Buildable Lands Analysis
 - Appendix C – Urbanization Report or the Alternatives Analysis
 - Appendix D – Proposed Comprehensive Plan Policy Amendments
 - Appendix E – Proposed Zoning Ordinance Amendments
 - Appendix F – Proposed Comprehensive Plan Map Amendment
 - Appendix G – The Framework Plan and Area Planning Process

How the Remand Work Interacts with the Original Planning Documents

Staff is suggesting that the City Council should decide to retain most of the original work and documents to honor the years of community visioning that formed the basis for the Plan and to build on the community’s previous investment in this effort. The vast majority of this original work was also affirmed by the COA and not part of the remand or the assignment of error. The MGMUP 2020 UGB Update and its associated appendices all blend both the original work and any updated analysis that was necessary as part of this remand effort. Within the documents, new sections are included to note when the original elements are being retained and when new analysis is being introduced or the original elements are being affirmed with a verification of achievement.

Urban Growth Boundary Amendment

In the original planning work, the City of McMinnville had determined that, in order to accommodate future growth needs for housing, employment and livability, the urban growth boundary (UGB) needed to expand by approximately 1,538.45 gross acres and 880.66 gross buildable acres to accommodate a future planning horizon of 2003 – 2023. Again, staff is suggesting that the City Council retain this original work and land need. Since McMinnville is literally surrounded by high-value farmland, any discussion and analysis of urban expansion into the rural farm lands needs to be very carefully analyzed and thoughtful in terms of overall impact.

The initial MGMUP submittal in 2003 resulted in 259 gross buildable acres of residential land being amended into the UGB boundary in 2004 (hereinafter referred to as “Phase I”). This amendment was substantially less than what was required to meet the City’s identified need for housing, employment and livability needs. The remainder of the land need and UGB amendment was appealed by 1000 Friends of Oregon, Friends of Yamhill County and Ilsa Perse to the Court of Appeals which eventually remanded the effort back to LCDC and subsequently to the City of McMinnville for one assignment of error – the analysis of lands to include within the proposed UGB amendment per the provisions of ORS 197.298, Goal 14, ORS 197.732(1)(c)(B), Goal 2, Part II (c), and OAR 660-004-0020.

This remand effort focuses on the remaining land need identified by the City of McMinnville for housing, employment and livability (parks, public facilities, etc.) as a “Phase II” effort of the MGMUP UGB amendment. The remand effort also updates the analysis of lands for potential inclusion in the UGB as directed within the COA decision.

The focus of this remand effort is the alternatives analysis evaluating where the city’s UGB should expand. That analysis is what the COA determined the City needed to evaluate again. City Council will find that analysis in Appendix C of the MGMUP.

Summary of Future Growth Need

As discussed above, staff is suggesting that the City Council decide to continue to utilize all of the data that informed the original Plan – in terms of the Coordinated Population Forecast, Buildable Land Inventory, Housing Needs Analysis and Economic Opportunity Analysis, as these were all challenged in the past and have since been affirmed. A summary of those evaluations and outcomes can be found in Appendix A and Appendix B of the MGMUP.

Planning Horizon Data*

**See Appendix A, Population and Employment Forecast, and Appendix B, Buildable Lands Analysis, for details.*

<p>Planning Horizon = 2003 – 2023 Population Forecast = 44,055 Increase in Population in Planning Horizon = 15,545 Housing Needed to Accommodate Population Growth = 6,014 Dwelling Units Housing Supply Target = 60% single-family, 40% multi-family Housing Density Target = 5.7 dwelling units/gross buildable residential acre Employment Forecast in 2023 = 22,161 Employees Increase in Employees in Planning Horizon = 7,420 Employees</p>
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Land Need in UGB Expansion*

**Please see Appendix B, Buildable Lands Analysis, for details.*

Table 1: Total additional acres needed in the McMinnville UGB, 2003-2023

Category of Land Need	Needed Gross Buildable Acres
Residential	818.00
Commercial	106.00
Industrial¹	(46.00)
Total	924.00²

¹ The City of McMinnville will retain its surplus in Industrial Land to achieve its economic development strategy.

²The overall land need has increased from the original 880.66 gross buildable acres in 2003 to 924.00 gross buildable acres in 2020 due to the application of a Conservation Easement on 81 acres of buildable land within the city’s existing urban growth boundary that prohibits any future development on the property in perpetuity. This effort though was able to find another 40 acres of land efficiency to decrease that overall impact to 43 acres.

In 2004, 259 gross buildable acres were amended into McMinnville’s UGB as Phase I of this effort. The remaining acres in the proposed UGB amendment were appealed to the Court of Appeals which eventually remanded the work back to the City of McMinnville for further evaluation and refinement.

Table 2: Phase II total additional acres needed in the McMinnville UGB, 2003-2023

Category of Land Need	Phase I Amendment (Gross Buildable Acres)	Phase II Amendment Need (Gross Buildable Acres)
Residential	259.00	559.00
Commercial		106.00
Industrial¹		(46.00)
Total	259.00	665.00

¹ The City of McMinnville will retain its surplus in Industrial Land to achieve its economic development strategy.

Comprehensive Plan Map Amendments (Phase II)

The City Council’s adoption of this Ordinance No. 5098 would result in a Comprehensive Plan Amendment to expand the city’s existing urban growth boundary by 862.40 gross acres with 662.40 gross buildable acres to accommodate the city’s future land need. (See Appendix C, Urbanization Report, for more details).

Staff is recommending that the City use an Urban Holding (UH) Comprehensive Plan Designation for most land in the UGB until Area Planning and Master Planning is completed that enables the adoption of urban land use designations. This will allow for maximum efficiencies of land use within the UGB expansion areas and guarantee that the City’s need for housing types, commercial uses and public amenities is achieved. These future Area Planning and Master Planning processes will be described in more detail below.

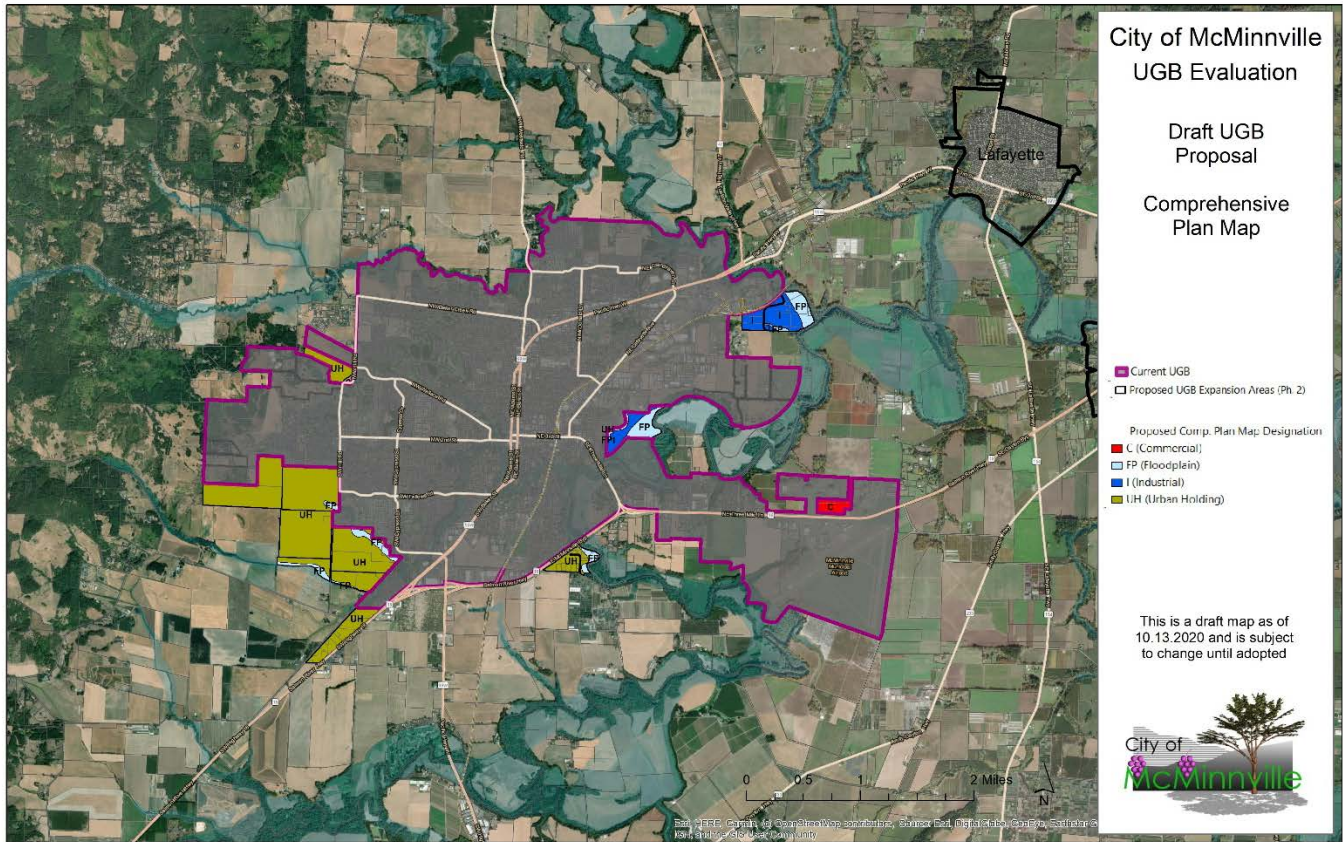
Table 3: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross buildable acres, (Phase II)

Comprehensive Plan Designation	Gross Buildable Acres
Urban Holding	595.40
Commercial	26.70
Industrial¹	40.30
Total	662.40

¹ As a land-use efficiency, the City of McMinnville will rezone 40 acres of industrially zoned property within the existing UGB to a commercial zone, and amend its UGB with an exception area that will be designated industrial to preserve more higher value, higher priority farmland within the UGB expansion study area.

Map 1 below is the proposed comprehensive plan map amendment for the Phase II lands. *Note: Included on the map is land within the City of McMinnville’s floodplains that are not considered buildable and therefore do not meet an identified land need, but which are being included in the UGB amendment as a means to protect the riparian habitat and to mitigate negative agricultural conflicts between urban and rural uses.*

Map 1: McMinnville MGMUP Remand UGB Comprehensive Plan Map Amendment (Phase II)



Comprehensive Plan Designations (Phase I and II)

The final UGB amendment to support the MGMUP 2020 UGB Update (Phase I and Phase II) will be 1,280.30 gross acres, and 921.40 gross buildable acres. Table 4 describes the gross buildable acres needed to accommodate the City’s identified housing, employment and livability needs.

Table 4: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross buildable acres, (Phase I and Phase II)

Comprehensive Plan Designation	Gross Buildable Acres (to satisfy land need)
Urban Holding	854.40
Commercial	26.70
Industrial ¹	40.00
Total	921.40

Some of the proposed UGB expansion includes acreage that is not buildable, such as floodplains, land with slopes that are greater than 25%, and land that already has development on it. Table 5 describes the total gross acres of UGB expansion land needed to accommodate the City’s identified housing, employment and livability needs.

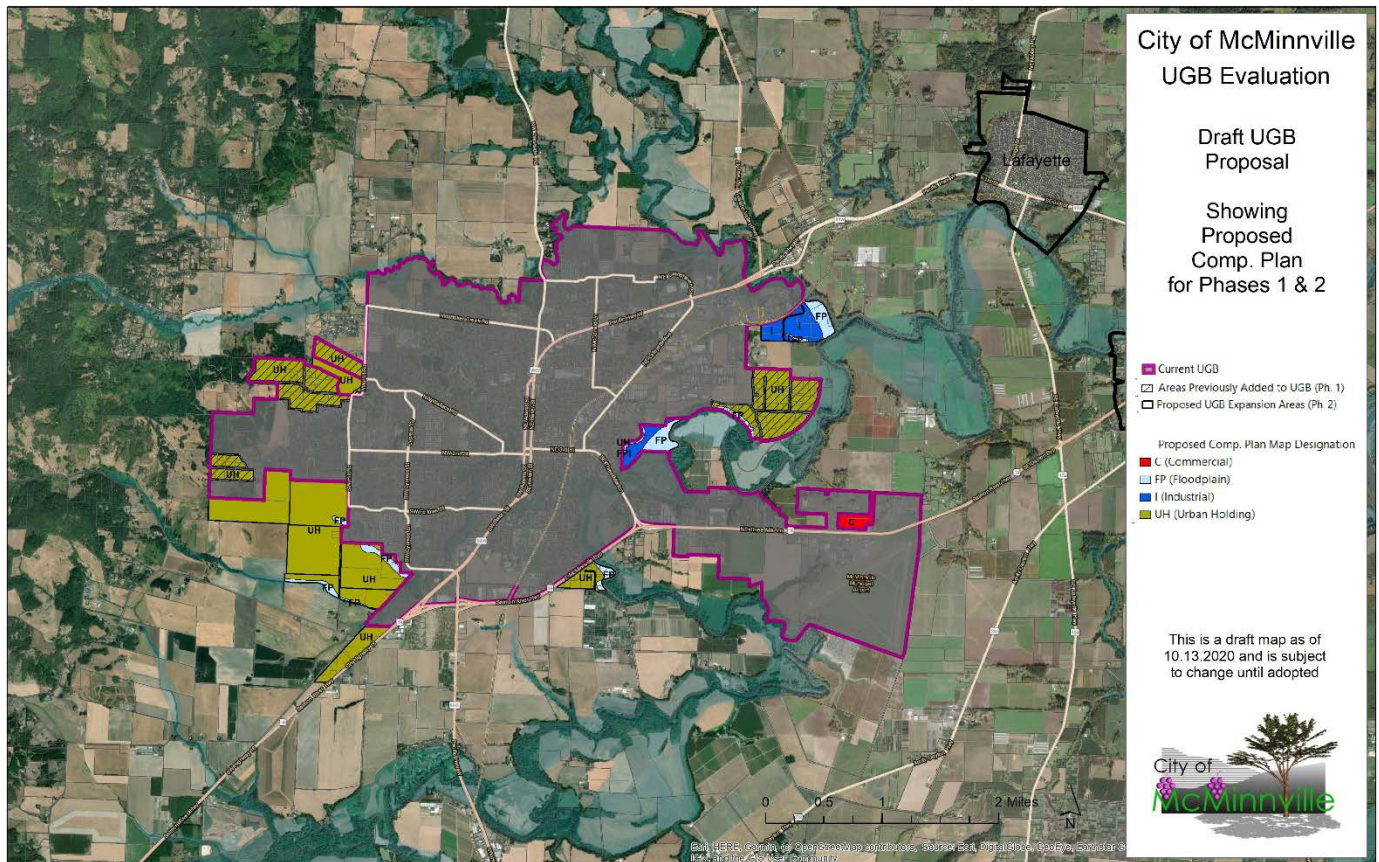
Table 5: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross acres, (Phase I and Phase II)

Comprehensive Plan Designation	Gross Acres
Urban Holding	1039.50
Commercial	27.50
Industrial	92.30
Floodplain	121.00
Total	1280.30

Comprehensive Plan Map Amendment (Phase I and Phase II)

Map 2 below identifies the proposed McMinnville MGMUP 2020 UGB Update comprehensive plan map amendment for both Phase I and Phase II. Staff is recommending that the City Council amend the Comprehensive Plan Map designations of the land that was included in 2004 to the new Urban Holding designation, in order to accommodate more detailed Area Planning and Master Planning (which will be discussed in more detail below). *Note: Included on the map is land within the City of McMinnville’s floodplains that are not considered buildable and therefore do not meet an identified land need, but which are being included in the UGB amendment as a means to protect the riparian habitat and to mitigate negative agricultural conflicts between urban and rural uses.*

Map 2: MGMUP Remand UGB Comprehensive Plan Map Amendment, 2003-2023, (Phase I and Phase II)



Implementation Plan - Proactive Planning Prior to Annexation

The success of the MGMUP 2020 UGB Update is predicated on comprehensive strategic community planning of the UGB expansion land prior to annexation to the City of McMinnville and development. The Plan depends upon the successful implementation of many different Comprehensive Plan proposals (see Appendix D, Proposed Comprehensive Plan Policy Amendments for more details), Zoning Ordinance Amendments (see Appendix E, Proposed Zoning Ordinance Amendments for more details), and a Framework Plan, Area Planning and Master Planning process (see Appendix G – Framework Plan and Area Planning Process for more details). Staff is recommending this Framework Plan, Area Planning, and Master Planning process to provide a mechanism that the City can use to ensure that all of the city's future land needs for housing, employment and livability for the planning horizon of 2003-2023 can be accommodated within the principles of smart growth planning that is the hallmark of the McMinnville 2020 community visioning effort, and can also be supported with the appropriate infrastructure systems.

Comprehensive Plan Policy Amendments

With the adoption of the MGMUP 2020 UGB Update, the City Council would be committing to the necessary planning work to support the appropriate development in the UGB expansion area. Staff is recommending several proposed policies and proposals to update the appropriate public facility plans to serve this expansion area (Parks and Recreation, Wastewater, Transportation, Water, etc.).

The staff-recommended Comprehensive Plan Policy Amendments also include the development and adoption of several new comprehensive plan and zoning designations to clarify land uses per the adopted maps of the City of McMinnville. These proposals include an Open Space and Recreation comprehensive plan designation and Parks Zone, a Public Facilities Zone, an Airport Zone, etc.

The staff-recommended Comprehensive Plan Policy Amendments are included in detail in Appendix D.

Zoning Ordinance Amendments

Staff is also recommending zoning ordinance amendments to carry out the MGMUP 2020 UGB Update. These include a new high density residential zone (R-5) to help the City achieve its affordable housing and density needs for housing, a neighborhood activity center overlay district that enables the smart growth planning that is the hallmark of the Plan, and master planning guidelines to help ensure that new developments on parcels of 10 acres or more are master planned in a thoughtful and coherent manner in relationship with each other to achieve the community's overall future vision for itself.

The staff-recommended zoning amendments are included in detail in Appendix E.

Implementation through Future Planning Processes

Staff is recommending that the City Council implement a three-step planning process for those lands that are included in the UGB expansion areas. This implementation and planning process includes the following steps, listed in the order in which they must be completed:

- Framework Plan
- Area Plan
- Master Plan

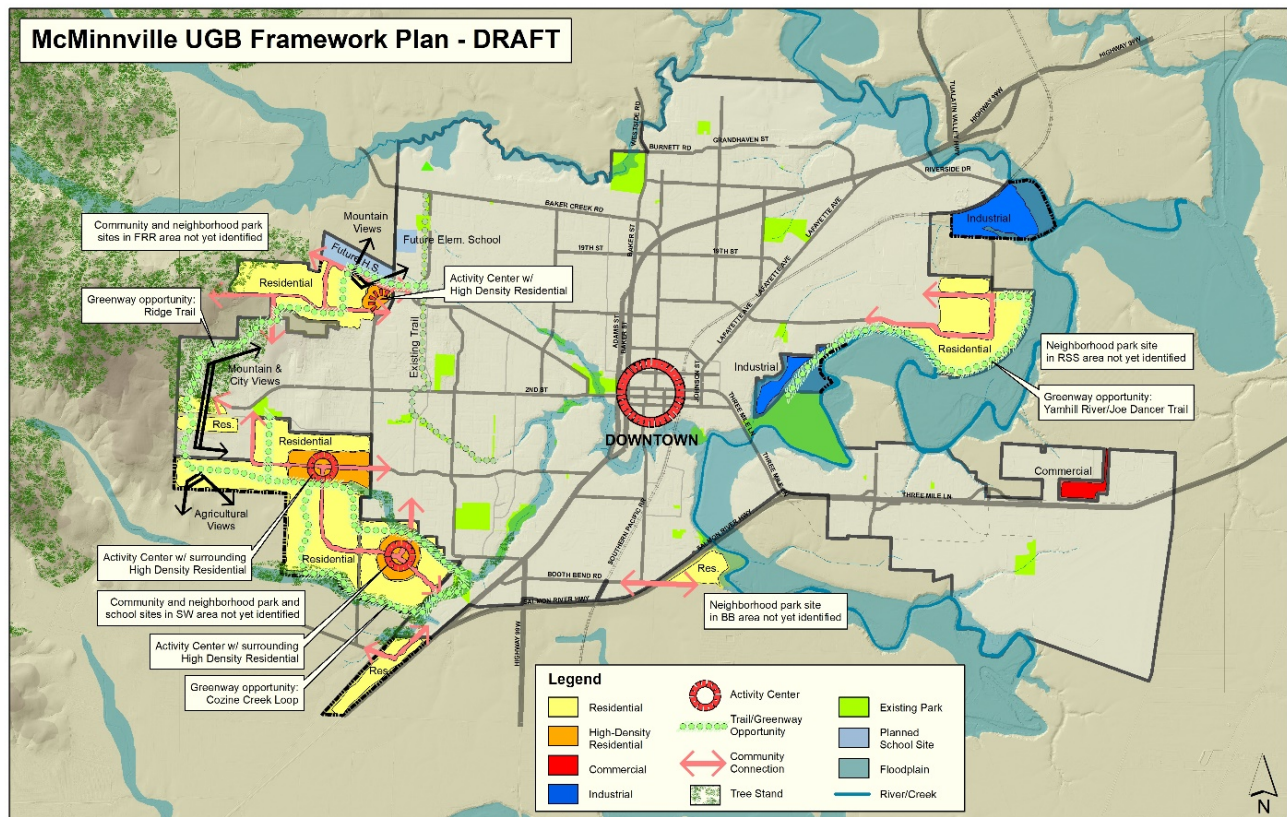
The order in which the planning process occurs is critical, because each step in the process builds upon the previous step and provides guidance for the future step. The ultimate result of the implementation and planning process is the development of the UGB in a manner that is consistent with the MGMUP and consistent with the land development and urban design concepts that the McMinnville community has

embraced. The planning process will also provide future opportunities for the City to demonstrate how it will achieve the overall need for the variety of housing types and land uses as described in Appendix B.

A brief description of the Framework Plan, Area Planning, and Master Planning processes is provided below, but more detail on each planning process is included in Appendix G.

Framework Plan

The McMinnville Framework Plan is recommended to be included as part of the Plan, and would provide general overall guidance for future development in the UGB expansion area. While the Framework Plan is included in the MGMUP and is referenced in it, the Framework Plan is not formally adopted with the MGMUP and is not binding on land owners, developers, or the City. The Framework Plan is intended to be conceptual in nature, but it will serve as an advisory plan that informs and provides guidance for more detailed Area Planning and Master Planning that will be required for lands before they are annexed into the City.



Area Plans

Staff is suggesting that the City create an Area Planning process to allow the City and the community to engage in a thoughtful and intentional area planning process for all of the distinctive areas of the UGB expansion land. The Area Planning process would ensure that the proposed future development in those areas serves the city's needs and values. Area Plans would be required to follow the overall guidance of the Framework Plan. These Area Plans will be informed through a community engagement process and adopted by the City Council. The Area Plans will describe where and what type of housing will be allowed in the area, location of neighborhood serving commercial and office development, major road networks necessary to serve the area, and the general location of parks, trails and public facilities. The

Area Plans will be based on the identified land needs in Appendix B, and will also need to be consistent with the City's adopted Great Neighborhood Principles.

Master Plans

Prior to annexation into the City of McMinnville, any parcel larger than 10 acres will need to submit a concept master plan to the McMinnville City Council for review as part of an annexation agreement. The concept master plan will need to demonstrate how the proposed development achieves the covenants of the adopted Area Plan for that specific area, and how it achieves the City's adopted Great Neighborhood Principles.

This concept master plan will become part of the annexation agreement with the City of McMinnville and will need to successfully be adopted as a Final Master Plan land-use decision with a public review and engagement process prior to city zoning and development entitlements being granted for the property.

Attachments:

- Ordinance No. 5098 (*this will be provided on Tuesday, November 24, 2020*)
- McMinnville Growth Management and Urbanization Plan (MGMUP or "The Plan")
- Appendix A – Population and Employment Forecast
- Appendix B – Buildable Lands Analysis
- Appendix C – Urbanization Report or the Alternatives Analysis, including:
 - Attachment 1 – Alternative Analysis Screening Criteria Workbook
 - Attachment 2 – Technical Memorandums
 - Attachment 3 – Reference Materials
 - Attachment 4 – Maps Repository
 - Attachment 5 – Legal Documents
 - Attachment 6 – Phase 1 Expansion Land Study Areas
- Appendix D – Proposed Comprehensive Plan Policy Amendments
- Appendix E – Proposed Zoning Ordinance Amendments
- Appendix F – Proposed Comprehensive Plan Map Amendment
- Appendix G – The Framework Plan and Area Planning Process
- MGMUP Findings Document (*this will be provided on Tuesday, November 24, 2020*)
- Public Notices (*this will be provided on Tuesday, November 24, 2020*)
- Agency Comments (*this will be provided on Tuesday, November 24, 2020*)
- Public Testimony (*testimony received between now and November 24 will be provided on Tuesday, November 24, 2020*)
 - Letter dated November 13, 2020 - Morris Eagleman, 1886 NW Wallace Road

Alternative Courses of Action:

1. ADOPT Ordinance No. 5098, **APPROVING** G 6-20 and adopting the MGMUP 2020 UGB Update.
2. DO NOT ADOPT Ordinance No. 5098 by providing a motion to **DENY**.

Recommendation:

Staff recommends that the Council adopt Ordinance No. 5098 which would approve G 6-20 and adopt the MGMUP 2020 UGB Update. If adopted, the MGMUP 2020 UGB Update would then be forwarded to the Yamhill County Board of Commissioners for their consideration and action before being submitted to the Department of Land Conservation and Development (DLCD).

“THAT BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS INCLUDED IN THE RECORD, I MOVE TO ADOPT ORDINANCE NO. 5098.”