

NEWBERG PLANNING COMMISSION MINUTES
August 10, 2017, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

Chair Jason Dale called the meeting to order at 7:00 p.m.

ROLL CALL

Members Present: Allyn Edwards
Gary Bliss
Ron Wolfe
Jason Dale, Chair
Philip Smith
Cathy Stuhr

Members Absent: Miranda Piros, excused
Patricia Watson, excused

Staff Present: Doug Rux, Community Development Director
Steve Olson, Senior Planner
Cheryl Caines, Associate Planner
Brad Allen, Assistant Planner
Bobbie Morgan, Office Assistant II
Kaaren Hofmann, City Engineer

PUBLIC COMMENTS:

None

CONSENT CALENDAR:

Approval of the July 13, 2017 Planning Commission meeting minutes

MOTION: PC Smith/PC Wolfe moved to approve the July 13, 2017 Planning Commission meeting minutes. The motion carried (6 Yes/0 No).

QUASI-JUDICIAL PUBLIC HEARINGS (complete registration form to give testimony - 5 minute maximum per person except for principals, unless otherwise set by majority motion of the Planning Commission).

1. **North Valley Friends Church & Veritas School annexation (continued):** Consider an annexation application for seven properties located at 4020 N College Road (24.33 acres total). The zoning will change from PAI (County) and AF-10 (County) to R-1 (City low density residential) and I (City institutional).
 APPLICANT: North Valley Friends Church and Veritas School
 FILE NO.: ANX-17-002 RESOLUTION: 2017-331
 CRITERIA: Newberg Development Code Sections: 15.250.020 & 15.250.030

Chair Dale called the public hearing to order at 7:01 p.m.

CALL FOR ABSTENTIONS, BIAS, EX PARTE CONTACT, AND OBJECTIONS TO JURISDICTION:
PC Wolfe recused himself from the hearing due to a conflict of interest related to work.

PC Smith stated he was a member of the church associated with this application, however he thought he could consider the matter fairly.

LEGAL ANNOUNCEMENT:

Chair Dale read the legal announcement.

STAFF REPORT:

Assistant Planner Brad Allen said this was a continued hearing from June 8. It was a request to annex 24.33 acres into the City and to rezone the property. The property was located at 4020 N College Road. The application had been modified since the June hearing. The original application requested rezoning to R-1 and R-2, but that had been changed to rezoning to Institutional and R-1. The Comprehensive Plan designation was PQ, Public/Quasi-Public, and there was a stream corridor overlay on part of the site. The requested zoning of I and R-1 was consistent with the Comprehensive Plan designation. He discussed the location of the property. It was inside the Urban Growth Boundary and adjacent to the City limits. The legal description of the property included the adjacent rights-of-way. Most of the property would be zoned Institutional, and about 5 acres would be zoned R-1. Part of the site was currently under construction as Veritas School and ball fields. The North Valley Friends Church was also on the site as well as a walking path around the entire site. He explained the original concept development plan from 2003. The plan included allowing the school, duplexes, and a social services building before annexation and they were able to get a Conditional Use permit from the County to start construction of the school. Part of the agreement was that they would file for annexation into the City as well. Regarding the criteria, the rezoning was consistent with the Comprehensive Plan designation and public utilities had been extended to the site. Included in the agreement was that when surrounding properties developed in the future, frontage improvements and extension of the utilities would be required. The Commission had continued the hearing in order for the applicant to change the zoning request. The issue had to do with the Comprehensive Plan policy that stated for large residential annexations, a mix of zoning would be applied to include R-3. Now that it was being requested as Institutional, that was not an issue. The R-1 was required because the Institutional zone did not allow primary or secondary schools, so the 5 acres where the school was being built had to be zoned R-1. Staff recommended approval of the resolution.

PC Edwards asked about the taxation ramifications for Institutional as opposed to R-2. Community Development Director Doug Rux responded the zoning did not directly relate to whether a property paid taxes or not. The church could go through the process for tax exemption, but it did not relate to the zoning.

PUBLIC TESTIMONY:

Proponent:

Andy Baker, representing North Valley Friends Church and Veritas School, asked for approval of the annexation and rezone request. The 2003 agreement allowed them to have the church, school, and ball fields on the property before annexation was approved. They were building the school and were in the process of hooking up to sewer, water, and electricity. The pump station upgrade was in process. They had changed the designation of the church property from R-2 to Institutional as requested by the Commission.

Robert Lattus, Veritas School, was excited to get the school done. They were on track to be done in a month.

Opponent: None

CLOSE OF PUBLIC TESTIMONY:

Chair Dale closed the public testimony portion of the hearing at 7:16 p.m.

FINAL COMMENTS FROM STAFF AND RECOMMENDATION:

AP Allen said staff thought the application complied with the annexation criteria and recommended approval. He pointed out two typos in the resolution.

PLANNING COMMISSION DELIBERATION AND ACTION:

PC Smith said the applicant did what the Commission had suggested and he was in favor.

MOTION: PC Smith/PC Stuhler moved to approve Resolution 2017-331 as amended. The motion carried (5 Yes/0 No/1 Recused [Wolfe]).

2. **Conditional Use Permit – 1213 E Fourth St.:** Consider a conditional use permit application to allow use of an existing single-family dwelling as a vacation rental home.

APPLICANT: Michelle Lipka and Andrew Turner
OWNER: Michelle Lipka and Andrew Turner
FILE NO.: CUP-17-003 ORDER: 2017-05
CRITERIA: Newberg Development Code Sections: 15.225.060, 15.445.300-350

Chair Dale called the public hearing to order at 7:20 p.m.

CALL FOR ABSTENTIONS, BIAS, EX PARTE CONTACT, AND OBJECTIONS TO JURISDICTION: None

LEGAL ANNOUNCEMENT:

Chair Dale read the legal announcement.

STAFF REPORT:

Associate Planner Cheryl Caines said this was a request for a Conditional Use permit for a vacation rental home at 1213 East Fourth Street. It was an existing two bedroom single family dwelling in the R-2 zone. She described the location of the site. The surrounding properties were zoned R-2 and R-3 and a few blocks away was the downtown C-3 commercial zone. This was a house in a residential neighborhood close to downtown and the property owners were local business owners and would reside in the home when they were in the area for business. This use was similar to a residential use in design and operating characteristics. There were two off-street parking spaces in the back of the home. They were not proposing any additions to the home. It was an attractive location close to downtown. The owners also provided bikes to renters to use. They had completed upgrades to the home to bring back some of its original character. A single family home being partially used as a vacation rental would be compatible with the other residential uses in the area. The maximum number of guests could be four. There would not be temporary structures or RVs. They had garbage pickup and their contact information would be posted by the front door. Staff thought the application met all of the criteria and recommended approval.

PC Smith asked if in the future the property owners wanted to live in the house permanently, would this application prevent that. AP Caines responded no, it would not.

PC Stuhr asked if the approval would run with the land or would only apply to the owner. Could the next owner rent it without coming back to the City? AP Caines replied yes they could, it ran with the land.

PC Smith asked about the reporting status once they were registered with the City. CDD Rux answered to have a vacation rental in Newberg required a business license and required payment of the Transient Lodging Tax. There would be no required reporting, but the City would be checking in on this property on a regular basis.

PC Bliss asked if the parking area was required to be paved. CDD Rux said this was an older home and many older homes had gravel driveways. There was not a trigger in this process that required them to pave it.

PUBLIC TESTIMONY:

Proponent:

Michelle Lipka and Andrew Turner, applicants, said they bought the cottage in 2015 and had been renovating it ever since to restore it to its original condition. They purchased it due to its proximity to downtown and his business. Mr. Turner thought it would be a great amenity for his visiting clients to stay in the cottage and walk to dinner. They primarily lived in the Cascade foothills and if he stayed in town late, it made sense that he could use the cottage overnight. They would also be staying there every other weekend for events. They had put a lot of work into retaining the character of the home. The driveway and parking pad was gravel.

Opponents:

Keith and Deborah Wells thought the applicants had done a wonderful job on the renovation. In a 1998 study it stated how homes provided identity, self-esteem, and a territory over which residents had control. Attachment to a home was an integral component of emotional and physical health. Changes disrupted this attachment. They had raised two children with autism and finding a sense of community and stability was a key reason why they chose this neighborhood to live in. Introducing short term vacation renters into residential neighborhoods injected an element of chaos and disrupted the sense of community. A friend of theirs in Bellingham, Washington, told them about a long time neighbor who converted

their house into a short term vacation rental and how those renters had late night and week-long parties that disrupted the neighborhood. Their friend offered to rent the house for the summer to bring a sense of peace back to the neighborhood, but was told she could not match the income from the rental. They wondered what they could expect from an absentee property owner who had never lived in or been a part of the neighborhood.

PC Smith asked if they would like the policy for vacation rentals changed. Mr. Wells responded yes, when it came to vacation rentals in residential neighborhoods.

Chair Dale asked if this application violated any of the criteria for approval. Mr. Wells did not know of any criteria that had been violated. He wanted to make a general statement on how it impacted the neighborhood.

Rebuttal:

Ms. Lipka understood those concerns. Mr. Turner discussed how he had spent many years working in Dundee and Newberg and was looking forward to being a part-time resident. This was their home and they were not looking to make a cash cow business. Because it was their home, they would be highly selective of who would be staying there. They would also be clear about visitors respecting the neighborhood. These would be clients he would invite to stay in his home. Ms. Lipka said Mr. Turner had owned his business on College Street for the last three years. The clients would be personally known to them. Mr. Turner worked six days a week only three blocks away, and was nearby to take care of any problem at the house.

PC Edwards thought those who were looking for the experience of a vintage home near downtown would respect the neighborhood. They wanted to keep Newberg an attraction for all the right reasons.

Chair Dale commented on the vacation home policy. He thought the property owners had a vested interest to make sure that their renters did not trash the house or disturb the neighborhood. Their interest was aligned with the neighborhood. There were a lot of benefits to this arrangement.

CLOSE OF PUBLIC TESTIMONY:

Chair Dale closed the public testimony portion of the hearing at 7:47 p.m.

FINAL COMMENTS FROM STAFF AND RECOMMENDATION:

AP Caines said staff recommended approval.

PC Stuhr referred to Exhibit B which listed the items that had to be accomplished prior to the house being used as a vacation rental. One of the items was posting contact information at the front door, and that included the vacation rental standards. She did not think those needed to be included on the door. CDD Rux explained what had to be posted so the guests knew what was required.

PLANNING COMMISSION DELIBERATION AND ACTION:

PC Wolfe thought both sides were well meaning and he hoped the applicants were invested in community members and that they would respect those members even though they would not be there full time.

PC Smith thought the application met the criteria.

MOTION: PC Wolfe/PC Smith moved to approve CUP 17-003. The motion carried (6 Yes/0 No).
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LEGISLATIVE PUBLIC HEARINGS:

- 1. Marijuana regulations:** Consider a proposal to amend the Newberg Development Code for marijuana regulations as they relate to the Airport Overlay (AO) Subdistrict and Bypass Interchange (BI) Overlay Subdistrict as permitted, conditional or prohibited uses within the City of Newberg. File No.: DCA-17-001. Resolution No. 2017-333

Chair Dale recused himself from the hearing due to a significant interest in one of the affected properties. As Vice Chair, PC Smith presided over the hearing. PC Smith opened the public hearing.

STAFF REPORT:

CDD Rux said in May staff brought forward a proposal to initiate a Development Code amendment related to marijuana regulations for the Airport Overlay and Bypass Interchange Overlay subdistricts. A marijuana subcommittee was formed and the subcommittee made recommendations for medical and recreation marijuana regulations that the Council adopted through ordinances. It had been a year since those regulations were adopted and implemented and some questions had come up. Warehousing and production of marijuana was allowed in the base industrial zones which would include the Airport Overlay and Bypass Overlay. The Bypass Overlay was intended to protect the future interchange of the Bypass and Highway 219 to not allow commercial activities on industrial land. The Airport Overlay was larger than the displaced threshold, covering almost the entire city. There was a provision in state law that if marijuana activities were prohibited, they could not participate in state revenue sharing. There were two words staff was proposing to strike from the table, removing the word "recreational" from recreational marijuana laboratories and recreational marijuana research certificate. Because the laws had changed, they did not need to say "recreational" anymore. He explained how the maps of the Airport Overlay and Bypass Overlay would be corrected to reflect that no marijuana uses would be allowed in the overlays. Staff recommended adopting the resolution to approve the proposed amendments.

PC Bliss asked how the Airport Overlay came to be so large. CDD Rux said it came from FAA and Oregon Department of Aviation regulations to protect surfaces for aircraft.

PC Bliss asked about the southeast corner of the Bypass Overlay which was nowhere near the Bypass. CDD Rux said the overlay was done through negotiations with ODOT and Yamhill County. In the future there would be an interchange in that area and the overlay would limit commercial uses that would add additional traffic into the interchange in the future.

PC Edwards asked if the Sportsman Airpark got federal funds and they expanded the length of the runways, would that affect the overlay or make it larger? CDD Rux responded if the runway was extended an additional 300 feet, it might push out the boundary to the south. That area was farmland.

PC Smith pointed out some typos in the staff report.

PUBLIC TESTIMONY

Proponent: None

Opponent: None

CLOSE OF PUBLIC TESTIMONY:

PC Smith closed the public testimony portion of the hearing at 8:17 p.m.

FINAL COMMENTS FROM STAFF AND RECOMMENDATION:

CDD Rux said staff recommended approval of the resolution.

PLANNING COMMISSION DELIBERATION AND ACTION:

MOTION: PC Bliss/PC Wolfe moved to approve Resolution 2017-333. The motion carried (5 Yes/0 No/1 Recused).

The Commission took a five minute break.

Chair Dale called workshop to order at 8:26 p.m.

VI. WORKSHOPS:

1. Comprehensive Plan Change regarding R-3/Annexation Regulations

Senior Planner Steve Olson stated the City Council had tentatively approved the Dutchman's Ridge annexation application. He wanted to make sure these specific sites were kept separate in their discussions tonight. He read the policy that stated for large residential annexations, there would be a mixture of zoning to include some R-3 to distribute affordable housing throughout the community. Even though this policy was adopted in 2009, there had

not been any annexations since then that fit the policy until recently. Large and some were not defined and the policy had mandatory language, using the word "shall," but it was vague on how to apply it. It also said the City shall apply a mixture of zoning to include R-3 land and the City did not have the option to apply R-3 zoning at the annexation stage if it did not match up to the Comprehensive Plan designation. Applicants would have to apply for a Comprehensive Plan amendment to make some of the property HDR in order to have R-3. Staff was asking for direction on Code changes to bring back to the Commission. He explained how the Comprehensive Plan and Development Code might both need to be changed. He then discussed the options. The first was moving this policy from the annexation stage to the Urban Growth Boundary amendment stage. They would still need to come up with definitions for large and some and look at the location policies.

PC Stuhr thought they should look at the overall size of the amendment as triggering the need for a certain amount of high density residential.

PC Edwards discussed the definition of large and the vision for the future of Newberg. He thought they should promote a planned urban development concept.

PC Smith agreed the change should be made at the Urban Growth Boundary stage. He did not think that should be the only policy. There should be something that acted on annexations of property already in the Urban Growth Boundary. He was concerned that if they came up with a definition for large, most people would try to stay under that amount. He suggested defining large in more than one way. They could say ten acres or more was large, but if developers wanted it to be all R-1, they would make a contribution to the City's affordable housing fund and it would be a stiff contribution. For annexations that were 25-30 acres, the developer would not have to pay the contribution but would have to build 10% as R-3. This would incentivize developers to get larger parcels together and with larger parcels they could organize where the mixed housing would go.

Chair Dale thought the main problem of option 1 was that it would take a long time to get R-3 land. It would not help the people in the community in a timely manner.

SP Olson presented option 2, which spelled out if there was a large annexation, the applicant would have to apply concurrently for a Comprehensive Plan Map amendment to add the R-3 land. They would still need definitions for large and some.

PC Smith thought there needed to be multiple definitions for large.

SP Olson explained option 3, which left the policy intact and did not change any of the wording and made other changes in the Code so the policy could be applied. They could change the definition of LDR and applicants would not have to apply for a Comprehensive Plan Map amendment as the LDR would allow a certain percentage of R-3.

PC Edwards liked the concept of varying the definition of large.

PC Stuhr thought option 3 was too complex and would create unintended consequences. PC Smith agreed it would cause problems in the future.

Rick Rogers, Newberg resident, said there was a mixed use for commercial and he wondered if they could have a similar mixed use for residential. They could create a zone that allowed for mixed use residential. He was in favor of having different definitions for large. He thought 20 acres should be considered large because there would be the ability to buffer between the densities.

PC Wolfe asked about constrained lands and if they should consider gross or net acres.

PC Stuhr thought they needed to look at the net because the objective was that the parcel would be large enough to include apartments.

PC Smith discussed a new zoning classification with mixed residential. It would be a long term tool and would not have an immediate impact. Mr. Rogers thought it could apply to land to be annexed and changing the Comprehensive Plan designations.

CDD Rux said if they created a mixed residential zone, they would have to decide where to apply it and the property owners would have to accept the change. There were not many large parcels left to annex into the City.

Discussion ensued about short term and long term policy changes.

SP Olson said R-2 was a more flexible zone where single family, duplexes, or apartments could be allowed. They could average out the overall density to fit into R-2.

Chair Dale asked if these changes would affect affordable housing. The parcels had to be large enough that the developers would be able to keep their costs down so the units could be affordable. He thought as the City grew, the definition of large could get larger. They could start at 20 acres to be considered large and that 10% should be used for R-3.

Mr. Rogers commented they needed R-3 and ratcheting down R-2 would not get to that.

PC Stuhr asked if there was a definition for affordable housing. SP Olson said affordable housing and multi-family housing were different. Apartments were not guaranteed to be affordable, but there needed to be a mix of all types of housing in the City. CDD Rux said the Comprehensive Plan defined affordable housing as a dwelling unit that provided housing for a family or individuals with a household income less than the median household income for the Newberg area such that they paid no more than 30% of their annual income on housing. The Comp Plan did not give a source to use for the median household income, and there were different numbers that could be used. SP Olson discussed the location policies for housing. The intent was that R-3 would be scattered around the City, but it was not clear in the language.

Mr. Rogers said he had stopped using the term affordable housing due to the ambiguity of the definition. A range of housing types was what he intended, and he especially wanted more R-3.

There was discussed regarding the options for the definitions of large and some.

Mr. Rogers suggested for any residential annexation, they would contribute a certain amount to the affordable housing fund unless the annexation was a certain size, and then they would build R-3.

Chair Dale suggested there could be a reduction in SDCs if they met a certain threshold in size.

Mr. Rogers said another idea was to create a Construction Excise Tax and use that money as an incentive.

PC Edwards thought developers would build what was in demand, and if R-2 was more in demand, they would not need any incentives to apply for a zone change.

PC Stuhr commented R-3 land was just as expensive as other zones and developers were interested in making money off of the developments. That was difficult when the land was so expensive. They needed to find ways to make it affordable.

SP Olson said staff would see whether there needed to be further discussion or if Code changes could be drafted with the comments that had been made.

ITEMS FROM STAFF:

CDD Rux gave updates on Council items including the Dutchman's Ridge annexation, initiating a Development Code amendment for PUD regulations, and Housing Newberg proposal. He then discussed the upcoming Commission meeting items.

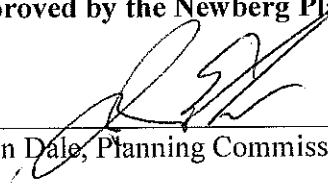
The next Planning Commission meeting was scheduled for September 14, 2017.

ITEMS FROM COMMISSIONERS:

PC Bliss would be out of the country for the next meeting.

Chair Jason Dale adjourned the meeting at 9:40 p.m.

Approved by the Newberg Planning Commission this September 14, 2017.



Jason Dale, Planning Commission Chair

Bobbie Morgan, Office Assistant II