

BEFORE THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of a Comprehensive Plan	)	
Amendment from Very Low Density	)	
Residential to Industrial and a Zone Change	)	Ordinance 918
From VLDR-2.5, Very Low Density	)	Board Order 22-135
Residential to LI, Light Industrial, and	)	
Imposition of a Limited Use Overlay;	)	
Planning Docket PAZ-04-21; Tax Lot	)	
4411-01300 & 4411-0101; Applicant:	)	
Town Investments; and Declaring an	)	
Emergency	)	

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the Board) sat for the transaction of county business on April 28, 2022, Commissioners Lindsay Berschauer, Mary Starrett, and Casey Kulla being present.

IT APPEARING TO THE BOARD as follows:

WHEREAS, Town Investments, LLC requested a plan amendment (from Very Low Density Residential to Industrial) and zone change (from Very Low Density Residential-2.5 to Light Industrial) for 13-acres over two parcels, with Tax Lot 4411-01300 measuring approximately 3-acres and Tax Lot 4411-01301 measuring approximately 10-acres, located at the junction of Highway 99W and NE Lone Oak Road North; and

WHEREAS, This matter came before the Planning Commission for public hearing on December 2, 2021, and the Planning Commission voted 6-0 to recommend approval of the application by the Board of Commissioners, subject to a Land Use Overlay condition limiting use of the tract an agricultural business; and

WHEREAS, The Board held a public hearing on the application on March 3, 2022, and after leaving the record open for a period of 21 days, reconvened on March 31 to deliberate on the matter. Following deliberation, the Board voted 2-1 to approve the application subject to the Land Use Overlay; NOW, THEREFORE

THE BOARD ORDAINS AS FOLLOWS:

Section 1. The findings attached as Exhibit "A" and incorporated herein by reference are hereby adopted in support of this ordinance.

Section 2. The Comprehensive Plan Map and Zoning Map of Yamhill County are hereby amended to reflect a Plan Map designation of "Industrial" and a Zoning Map designation of "LI-Light Industrial" for the approximately 10-acre Tax 4411-01300 and the approximately 3-

acre Tax Lot 4411-1301, as identified on the attached Exhibit "B" map, incorporated herein by reference.

Section 3. A Limited Use Overlay District (YCZO section 904) is hereby applied to the subject property, limiting allowed use of the tract to agricultural business, which may include a supply store, a retail store, office space, and/or a storage warehouse.

Section 4. This Ordinance being necessary for the health, safety and welfare of the citizens of Yamhill County, and an emergency having been declared to exist, is effective immediately.

DONE this 28th day of April, 2022, at McMinnville, Oregon.

ATTEST:

YAMHILL COUNTY BOARD OF COMMISSIONERS

BRIAN VAN BERGEN
County Clerk



Chair

Lindsay Berschauer

LINDSAY BERSCHAUER

By: *Carolina Rook*
Deputy Carolina Rook

Commissioner

Casey Kulla

CASEY KULLA

FORM APPROVED BY:

Commissioner

Mary Starrett
MARY STARRETT

Jodi Gollehon
Jodi Gollehon
Office of County Counsel

EXHIBIT A
FINDINGS IN SUPPORT OF APPROVAL
ORDINANCE 918
(Board Order 22-135)

DOCKET NO.: PAZ-04-21

REQUEST: Approval of a Comprehensive Plan amendment from Very Low Density Residential to Industrial and a zone change from VLDR-2.5, Very Low Density Residential to LI, Light Industrial.

APPLICANT: AKS Engineering & Forestry, LLC

OWNER: Town Investments, LLC

TAX LOT: 4411-01300 & 4411-01301

LOCATION: Northwest of the junction of Highway 99W and NE Lone Oak Road North; also, west and south of the parcel with a situs address of 3225 Lone Oak Road North.

CRITERIA: Sections 502, 702, and 1208.02 of the Yamhill County Zoning Ordinance. Section 904, Limited Use Overlay may also be applied. Comprehensive Plan policies may be applicable. OAR 660-12-0060 Transportation Planning Rule.

REFERRALS: *Public Works* – No comments received to date.
McMinnville Rural Fire District – “There are no Fire Hydrants in this area. Before construction of a light hazard industrial complex begins, the developer should provide plans for the improvement of the water infrastructure at the site.”
ODOT – No comments received to date.
Water Master – No comments received to date.
City of McMinnville – No comments received to date.
Sanitarian – “Future development must meet the sanitation requirements.”
Additional comments from the public available upon request.

FINDINGS:

A. Background Facts:

The Board adopts by reference the Background Facts, specifically Findings 1 through 8 set forth in the Staff Report, dated November 25, 2021.

B. Procedural Findings:

1. On September 10, 2021, Applicant filed an application for a plan amendment and zone change. Staff deemed the application complete and scheduled it for hearing before the Planning Commission. The Planning Commission held a hearing on the application on December 2, 2021.
2. The Planning Commission held a public evidentiary hearing on December 2, 2021. At the hearing, the Planning Commission considered the report from staff, and Applicant's presentation and testimony. The Staff Report contained discussion of whether a Limited Use (LU) overlay was appropriate to support findings of approval under YCZO 1208.02. Applicant presented supplemental evidence and argument for why a LU overlay was not necessary for the Planning Commission to recommend approval under YCZO 1208.02. After receiving public testimony, including opposition from neighbors like Evergreen Memorial Cemetery, the Planning Commission asked for staff's input on the LU overlay. After hearing the public testimony and staff's input, the Planning Commission deliberated and, following deliberations, concluded that the evidence in the record supported approval of the application and unanimously approved recommending to the Board of County Commissioners, and that the applications should be approved subject to a LU overlay condition limiting the use of the tract to an "agricultural business which includes a supply store, a retail store, office space, and storage warehouse."
3. Following the Planning Commission hearing, on February 18, 2022, staff issued notice for a public hearing in front of the Board of County Commissioners for March 3, 2022.
4. The Board of County Commissioners held a public hearing on March 3, 2022. At the hearing, the Board acknowledged the comments and submittals received to date and accepted testimony and argument from Applicant and the public, including Evergreen Memorial Cemetery. Following the testimony, the Board closed the public hearing and left the record open a period of 21 days with new evidence accepted through 5 pm on March 20, 2022, rebuttal evidence accepted through 5 pm on March 17, 2022, and Applicant's final legal argument accepted through 5 pm on March 24, 2021.
5. On March 31, the Board reconvened to consider the submittals since the March 3, 2022 hearing and deliberate on the matter. The Board recognized the additional evidence Applicant submitted, discussing the extent of the needs analysis and the evidence already in the record to support findings under YCZO 1208.02 without the LU overlay condition. Notwithstanding the additional evidence, the Board deliberated and decided to approve the application subject to the LU condition language, as recommended by the Planning Commission. The Board directed staff and county counsel to prepare findings of fact and conclusions to document the decision, and on Thursday, April 28, the Board adopted the presented findings of fact and conclusions of law.

C. Substantive Findings:

The applicable approval criteria and review standards are set forth in YCZO 502, 702, and 1208.02 of the YCZO. Comprehensive Plan policies may be applicable. OAR 660-12-0060 Transportation Planning Rule applies.

1. YCZO 1208.02, Plan Amendment and Zone Change

(A) The proposed change is consistent with the goals, policies, and any other applicable provisions of the Comprehensive Plan.

Regarding criterion (A) above, the Board adopts by reference the findings presented in Section (B)(3) of the Staff Report. These findings are based on Applicant's application narrative, specifically findings on pages 3-6 and 13-15, which the Board also incorporates by reference to support its findings under YCZO 1208.02(A). The Board notes that some public comments touched tangentially on the application's consistency with the County's Comprehensive Plan policies, such goals and policies are aspirational and not approval criteria. The Board finds that when considering the applicable goals and policies, and the evidence in the record, on balance, the application is consistent with the Comprehensive Plan as required by YCZO 1208.02(A).

(B) There is an existing demonstrable need for the particular uses allowed by the requested zone, considering the importance of such uses to the citizenry or the economy of the area, the existing market demand which such uses will satisfy, and the availability and location of other lands so zoned and their suitability for the uses allowed by the zone.

Regarding the need for the proposed use, criterion (B), Applicant submitted a report and supplemental report from Johnson Economics, LLC assessing the demand and supply of light industrial land in Yamhill County. To support findings of compliance with YCZO 1208.02(B), the Board adopts by reference the entirety of Applicant's analysis in Section E(2) of its Final Legal Argument, dated March 24, 2022, as follows:

"This criterion [YCZO 1208.02(B)] requires the Board to consider 'demonstrable need' for LI uses considering three factors set forth in YCZO 1208.02(B). The three factors help frame the Board's analysis of 'demonstrable need.'"

The first factor for "demonstrable need" is the importance of the particular uses (allowed in the zone) to the citizens or economy of the County. As summarized in Supplemental Economic Needs Memo (Attachment 3), the three rural industrial uses that were considered in Applicant's demonstrable needs analysis were the following YCZO 702.02, Permitted Uses:

A. Manufacture of machine tools, medical and dental equipment, electronic instruments, mobile homes, and food products not generating noxious odors;

B. Farm, industrial or contractor's equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage;

C. Warehousing, wholesale storage and distribution, and motor freight terminals contained only within a building;

There is a known importance of the agricultural economy to the citizens of Yamhill County, including vineyard and the wine industry. The LI uses described above are all rural industrial uses that directly serve or support that agricultural economy. See Attachment 2 (Economic Needs Analysis), Figure 5 Past and Projected Employment Growth at pages 6-7.

The second factor for “demonstrable need” is existing market demand. The Economic Needs Analysis found a trend of growth and projected additional growth in the coming decade, thus demonstrating the existing market demand for uses that serve or support the agricultural economy. See Attachment 2 (Economic Needs Analysis) at pages 6-8.

The third factor for “demonstrable need” is availability and location of other LI lands. The Economic Needs Analysis and the Supplemental Economic Needs Memo evaluated the availability and location of other LI zoned land within the County. Figure 7 of the Economic Needs Analysis identifies the vacant LI land in the County, consisting of 4 sites (9 tax lots) totaling 25.6 acres. The analysis revealed that the remaining vacant LI sites

“Have significant challenges in accommodating the county’s projected growth in rural industrial uses. Three of the four identified sites (Sites 1,3,4) have great challenges based on location and/or odd parcel size/shape to be directly comparable to the location and layout of the subject site. The remaining site, Site 2, was raised at the hearing as a potential substitute for the subject site. Site 2 is 4.5 acres, located on a highway, in an existing industrial cluster, and had decent visibility and access for business operations. * * * Site 2 is currently under an active use for RV storage. Recently it has been paved for this purpose and shows evidence of full usage and should no longer be considered vacant.”

Attachment 3 (Supplemental Economic Needs Memo) at page 1.

Applicant hopes that this parsing of the criterion helps respond to the Board’s questions concerning need and what must be considered when making findings under YCZO 1208.02(B). The criterion does not require that no LI land be available in order to find “demonstrable need.” Moreover, the availability of other LI sites is only one of three factors that must be analyzed when determining “demonstrable need” under YCZO 1208.02(B). The Economic Needs Analysis and Supplemental Economic Needs Memo, together, address all three factors for determining “demonstrable need” and are the “market analysis” the County can rely on when making findings under YCZO 1208.02(B). See *DLCD v. Yamhill County*, 42 OR LUBA 126 (2002). Based on the evidence in the record, the County may find that Applicant has satisfied YCZO 1208.02(B) and proven a demonstrable need for the LI uses in YCZO 702.02(A)-(C).

Further, the Board adopts the following findings from the Staff Report:

“The applicant conducted an analysis of all available land zoned for light industrial use within the unincorporated areas of the county. This analysis found that most light industrial zoned land is found near the outskirts of incorporated cities or in rural unincorporated communities where light industrial uses were established prior to Oregon’s zoning regulations. The analysis found that many of these light industrial zoned lots are smaller with established uses in place with approximately 25.6-acres of vacant light industrial zoned property available in the county or approximately 15% of the total light industrial land (approximately 171-acres) in the county.”

The applicant has identified four largely vacant light industrial zoned properties in the county and found that these four locations each have distinct challenges when compared to the applicant's tract. The applicant has identified that the undeveloped size of a property would be the most significant factor for developing the envisioned agricultural supply, warehousing, and retail business. Two of the vacant light industrial lots are comparable in size to the applicant's tract. The first light industrial property that is similar in size is located along the southwestern outskirts of Sheridan and measures approximately 12-acres, Tax Lot 5634-00100. This 12-acre lot is split-zoned with approximately 7-acres zoned for Light Industrial use, approximately 4-acres located within city limits, and the remaining acreage zoned for Exclusive Farm use in the EF-80 zone. Although suitably sized for the proposed use, this property has challenges identified by the applicant which include more limited access options for delivery of material and for customers of the business. This property has no access to a highway or major arterial road so delivery vehicles and guests would need to travel through central Sheridan along local roadways. An additional challenge to future development of this property that was not identified by the applicant is that this parcel is also located within a hazard area, the South Yamhill River 100-year floodplain, so any construction occurring on the property would need to go through an additional land use process—the floodplain development permitting process.

The second site identified by the applicant as comparable in size is an approximately 8.5-acre area of land located approximately 0.8-miles south of Dundee, north of SE Fulquartz Landing consisting of five Tax Lots including 3335-04400, 3335-04402, 3335-04407, 3335-04408, and 3335-04410. One of the challenges identified by the applicant for developing these 8.5-acres is that the lots that constitute this undeveloped light industrial land is a patchwork of differing owners. While these lots may be ideal for many uses permitted in the light industrial zone, the access to these lots is limited due to the current interface of Highway 99W and SE Fulquartz Landing which currently only allows 'right in/right out' access to and from Highway 99W and does not allow for left turns onto or from the highway. The applicant also identifies the railroad crossing, just east of the Highway 99W and Fulquartz Landing intersection, as a feature that would likely need to be improved to facilitate the safe use by patrons and delivery vehicles to the applicant's business.

The third undeveloped site identified by the applicant is 4.5-acres in size and is located approximately equidistant from McMinnville and Amity, along Highway 99W. This 4.5-acre tract is comprised of two lots, Tax Lots 5405-01205 and 5405-01206, both measuring approximately 2.5-acres in size. In 2017, the westernmost of the two lots received land use approval for the operation of an RV storage business on the property which means that currently only 2.5-acres are currently unused. The applicant cites the smaller size and distance from McMinnville as factors that make developing this site less viable than the applicant's 13-acre tract.

The final available site identified by the applicant is a 1.5-acre property, Tax Lot 4411-03803, located northeast of McMinnville and just 0.1-mile east of the applicant's property, also on Highway 99W. It appears as though approximately 0.5-acre of the property is currently being used in conjunction with the tractor dealership located on an adjacent lot. This partial use of the property leaves only an acre available for use by another business, and the applicant indicates that a single acre of available land is far too small to accommodate the proposed farm supply business.

The Board's analysis of YCZO 1208.02(B) is limited to lands within the County's jurisdiction. The Board acknowledges that arguments were made to the contrary, but the Board maintains that it is inappropriate to consider land inside city limits because such lands are outside of the County's planning jurisdiction. The Board finds that notwithstanding Applicant's arguments to the contrary, that the Johnson reports were limited in nature and therefore the Board must apply a narrow LU overlay. Applicant argued for an LU overlay limiting uses to those specified in YCZO 702.02(A)-(C) since those were the uses addressed in the Johnson reports. There was disagreement on the Board about the scope of the Johnson reports and the Board opted to disagree with Applicant, finding that a LU overlay limiting the use of the property to "the manufacture, storage, sales, repair, or service of agricultural equipment or materials, or other similar use" was more appropriate. On this basis, the Board finds that the evidence in the record and the findings above, including findings incorporated by reference, the Board finds that YCZO 1208.02(B) is met subject to the LU overlay.

(C) The proposed change is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment and the availability of utilities and services likely to be needed by the anticipated uses in the proposed district.

Under YCZO 1208.02(C), the Board must consider whether the proposed zone change is "appropriate" considering four factors. The Board acknowledges the concerns raised by Evergreen Memorial Cemetery on the record, noting that Evergreen's comments primarily focused on whether uses on the adjacent parcel would be compatible with Evergreen's existing use. Compatibility of a particular use or uses is not the focus of YCZO 1208.02(C). Compatibility is a consideration for site design review under YCZO 1101. Thus, to the extent Evergreen's arguments raise issues under YCZO 1208.02(C), the Board addresses them below but for the most part, the Board finds that the majority of Evergreen's concerns are more appropriately addressed during site design review when the County has before it a specific development proposal. At this stage, Applicant has only presented a representative yet hypothetical development for purposes of the analysis under YCZO 1208.02(C).

The Board agrees with Applicant's analysis of YCZO 1208.02(C) presented in Section E(3) of its Final Legal Argument, dated March 24, 2022. Therefore, the Board adopts in entirety Applicant's findings, as follows:

"The first factor is surrounding land uses. The subject property is located along Highway 99W, an ODOT-classified regional highway/principal arterial. It is located near the intersection of Highway 47, is about 1,500 feet away from the McMinnville city limits, and is located in a corridor with various other commercial and industries businesses. See Attachment 4 (Applicant Board Presentation) at page 4. Such uses range from industrial operations to car dealerships, auto repair, and commercial businesses. As evidenced from the materials in the record, the Highway 99 corridor supports a range of businesses, industries, services, and employment opportunities. Surrounding zoning includes Neighborhood Commercial ('NC'), LI, Public Assembly/Institution, and VLDR-2.5. The cemetery property itself is zoned Public Assembly/Institutional, not open space or VLDR as Evergreen appears to consider it based on comments on the record regarding expectations of quiet. The area is not quiet as evidenced by Applicant's acoustical study provided into the

record. Applicant's acoustical study was prepared by a registered professional engineer and is a 'stamped' study. Any noise associated with the proposed LI use of the subject property would be similar to that of the surrounding area and other surrounding land uses."

The second factor is the density and pattern of development of the area. It is clear from the aerial photograph of the area, the zoning and parcel size/orientation that the area is already developed commercial and industrial businesses along the Highway 99 corridor. *See Attachment 4* at pages 4-5. Rezoning the subject property would complement the existing pattern of development and be consistent with development patterns across and along the highway. *See also Attachment 1* (Staff Report) at page 9.

The third factor is any changes that may have occurred in the vicinity to support the proposed amendment. There have been recent changes in the vicinity that support rezoning the subject property to LI – two parcels have been rezoned to LI and one parcel has been rezoned to NC. *See Attachment 4* at page 6. This fact also supports findings under the second factor in that the area is continuing to transition towards more commercial and industrial development along a key highway corridor between McMinnville and Lafayette.

The fourth factor is the availability of utilities and services to serve the LI uses anticipated. The area is served by existing electrical, transportation, and communications utilities and services that also serve the nearby commercial and industrial uses. *See Attachment 1* (Staff Report) at page 10. Applicant provided a Transportation Impact Study into the record to demonstrate that the transportation system was adequate to support the proposed zone change. Site-specific utilities and services, including access points on Lone Oak Road will be reviewed and considered during the subsequent Site Design Review under YCZO 1101 when a specific developmental proposal is presented to the County for consideration.

Applicant maintains that nothing raised in the record, including comments from Evergreen, provide any justification for denying the zone change under YCZO 1208.02(C). Specific to the cemetery, it is only one use in what is now a commercial/industrial corridor along a state highway. During the Board hearing, Applicant provided evidence demonstrating that it is not uncommon for cemeteries to be surrounded with commercial and/or industrial development over time. *See Attachment 4* (Applicant Board Presentation) at page 13-16. Further, factors such as noise, visual impacts, and compatibility are not stand-alone factors that the County considers in applying YCZO 1208.02(C). Those factors will be considered and evaluated at the time of site design review under YCZO 1101. As discussed in Applicant's pre-hearing submittal, any future development on the property will trigger site design review and Applicant will need to address the factors like noise and visual buffering for neighboring properties under YCZO 1101.02(A)(4) and "comments and recommendations of adjacent or vicinity property owners whose interest may be affected by the proposed use" under YCZO 1101.02(A)(7). Applicant has sufficient room on the property to propose buffering and screening at that time and it is then, the County can evaluate whether a noise berm or landscaping is appropriate to address Evergreen's development-specific impacts.

Further, the Board adopts the following findings from the Staff Report:

“The subject property is located near the Bunn’s Village development (zoned for Neighborhood Commercial uses) which itself is surrounded by a variety of uses ranging from light industrial, public assembly (Evergreen Memorial Park and cemetery), rural residential uses, as well as the agricultural activities conducted in the area. The subject tract is located adjacent to a major transportation corridor in Highway 99W, and just east of McMinnville the county’s largest population center. This nexus of development is of a much greater density and intensity than of pretty much any other unincorporated area of the county. The long established commercial and industrial uses in this area appear to be adequately served by electrical, transportation, and communications utilities and services. New services that will need to be established on the property include the use of an on-site well for potable water, the establishment of fire hydrants and/or other fire safety improvements that meet the McMinnville Fire Department standards, while wastewater will be managed by a system approved by either the county sanitarian or by the DEQ depending on the size and type of wastewater management system approved for the future use of the property. Access to the property is via NE Lone Oak Road North, which intersects with Highway 99W along the tract’s southeastern property line. If the plan amendment and zone change request is approved, any future development of the tract itself would be subject to the Site Design Review process. This site design review allows for the county to evaluate the potential impacts more specifically to the properties in the surrounding area prior to approval of a use permitted in the Light Industrial zone. The site design review process provides the county and applicant to evaluate the existing services to verify those in place are sufficient to support the specific development, or if not, to what extent improving existing services or establishing new services would be required.”

The Board looks to the evidence in the record and finds that the application adequately addresses each of the factors required by YCZO 1208.02(C) and therefore is “appropriate.” The Board recognizes that Evergreen raised arguments under the first and second factors of the YCZO 1208.02(C) analysis. The Board has considered the evidence presented and agrees with Applicant that the surrounding land uses and the density and pattern of development reflect a light industrial corridor that has developed up over time around Evergreen’s more historic use, similar to other cemeteries within the surrounding counties and cities, as evidenced in the record. Accordingly, the Board concludes that YCZO 1208.02(C) is met subject to the LU overlay, as described above.

(D) Other lands in the county already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses due to location, size, or other factors.

As discussed above under YCZO 1208.02(B), the Johnson reports inventoried the other tax lots currently zoned LI in the County and found that 4 sites were either vacant or partially vacant. These sites were evaluated based on market area, neighboring uses, access, and visibility as compared to the subject site per Figure 7 of the Johnson report. The analysis shows that other lands zoned LI in the County are not as well-suited for the proposed uses. For these reasons, the Board finds that YCZO 1208.02(D) is met.

(E) The amendment is consistent with the current Oregon Administrative Rules for exceptions, if applicable.

There are no Oregon Administrative Rules for exceptions that apply to this application.

2. Goal 12 (Transportation Rule) Provisions and Analysis and OAR 660-12-060

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

Regarding (a) and (b), Applicant submitted a traffic study from Lancaster Mobley that addresses the TPR and concludes the request will not impact, alter or change the functional classification of any existing or planned facility. The County Public Works Department and the Oregon Department of Transportation were sent referrals for comment on the application. No comments have been received to date. For these reasons, the Board finds that this rule is met.

DECISION:

The Board accepts the Planning Commission's recommendations to approve a comprehensive plan amendment from Very Low Density Residential to Industrial and zone change from VLDR-2.5, Very Low Density Residential to LI, Light Industrial. The Board has considered the evidence before it and concludes that substantial evidence supports approving the application. Specifically, Applicant has provided evidence into the record that amounts to evidence upon which a reasonable

person could rely to conclude that the criteria in YCZO 1208.02(A)-(E) have been met. Applicant submitted evidence into the record that includes, but is not necessarily limited to, the following:

- YCZO Narrative from AKS Engineering, dated September 2021;
- Preliminary Plan Set from AKS Engineering, dated August 24, 2021;
- Property Research Report from First American Title, dated July 26, 2021;
- Transportation Impact Study from Lancaster Mobley, dated September 8, 2021;
- Needs Analysis of Supply and Demand for Light Industrial Land in Yamhill County from Johnson Economics, dated August 5, 2021;
- Lone Oak Road Noise Memo from A Acoustics, dated February 23, 2022;
- Additional Comment on the Needs Analysis of Supply and Demand for Light Industrial Land from Johnson Economics, dated March 9, 2022;
- Response to Board Hearing, Lone Oak Road Transportation Impact Study from Lancaster Mobley, dated March 8, 2022;
- PowerPoint Presentation for Planning Commission from AKS Engineering and DWT, dated December 2, 2022; and
- PowerPoint Presentation for Board of Commissioners from AKS Engineering and DWT, dated March 3, 2022 (“Applicant Board Presentation”), included as Attachment 4.

Recognizably, opponents also provided testimony and materials into the record. However, the Board finds nothing convincing in such testimony that would undermine the proposed findings in the Staff Report or evidence Applicant provided. Even if the Board was to view some of the opponents’ evidence as conflicting with Applicant’s evidence, a decision maker is not required to explain his or her reasoning for choosing to rely on particular evidence over other evidence, as long as a reasonable decision maker could reach the same decision based on the evidence as a whole. See *Schwerdt v. City of Corvallis*, 38 Or LUBA 174 (2000). *City of Barlow v. Clackamas County*, 26 Or LUBA 375 (1994). Further, LUBA will defer to a local government’s choice between conflicting evidence if LUBA can conclude that a reasonable person would have reached the decision the local government made in view of all of the evidence in the record. *Tigard Sand and Gravel v. Clackamas County*, 33 Or LUBA 124 (1997). The same standard applies when a decision maker is selecting between expert testimony (but Applicant does not view any of evidence submitted by opponents as expert testimony). See *Willamette Oaks, LLC v. City of Eugene*, 67 Or LUBA 351 (2013). Accordingly, the Board has the discretion to decide which evidence to rely on and which to reject, as long as a reasonable person could make the same decision. The Board finds that it has met this standard when concluding that YCZO 1208.02(A)-(E) are met subject to the following condition.

CONCLUSIONS FOR APPROVAL:

1. The proposed change is consistent with the Comprehensive Plan goals and policies.
2. There is an existing demonstrable need for the particular uses allowed by the requested zone change.
3. The proposed change is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment, and the availability of utilities and services likely to be needed by the anticipated uses.
4. Other lands in the County already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses.
5. There are no Oregon Administrative Rules for exceptions that apply to this application.

CONDITIONS:

1. A Limited Use Overlay (YCZO Section 904) is hereby imposed on the subject tract, limiting allowed uses of the tract to agricultural business, which may include a supply store, a retail store, office space, and/or a storage warehouse.

ATTACHMENTS:

1. Attachment #1: Staff Report
2. Attachment #2: Economic Needs Analysis
3. Attachment #3: Supplemental Economic Needs Memo
4. Attachment #4: Applicant Board Presentation

END

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

HEARING DATES: December 2, 2021 – Planning Commission Hearing
TBD – Board of Commissioners

DATE: November 25, 2021

DOCKET NO.: PAZ-04-21

REQUEST: Approval of a Comprehensive Plan amendment from Very Low Density Residential to Industrial and a zone change from VLDR-2.5, Very Low Density Residential to LI, Light Industrial.

APPLICANT: AKS Engineering & Forestry, LLC

OWNER: Town Investments, LLC

TAX LOT: 4411-01300 & 4411-01301

LOCATION: Northwest of the junction of Highway 99W and NE Lone Oak Road North; also, west and south of the parcel with a situs address of 3225 Lone Oak Road North.

CRITERIA: Sections 502, 702, and 1208.02 of the Yamhill County Zoning Ordinance. Section 904, Limited Use Overlay may also be applied. Comprehensive Plan policies may be applicable. OAR 660-12-0060 Transportation Planning Rule.

REFERRALS: *Public Works* – No comments received to date.
McMinnville Rural Fire District – “There are no Fire Hydrants in this area. Before construction of a light hazard industrial complex begins, the developer should provide plans for the improvement of the water infrastructure at the site.”
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City of McMinnville – No comments received to date.
Sanitarian – “Future development must meet the sanitation requirements.”
Dave Mays, 3333 Lone Oak Road North, McMinnville, email submitted on November 12, 2021 – “My wife and I are the owners of Tax Lot 202. We purchased our property assuming the rural residential feel of our property would be unchanged. This has been an enjoyable place to live. We request that a “buffer zone” be included in the zone change where the subject property is adjacent to residential properties to provide some separation from the new LI zone. We request that this buffer be created as a 100ft setback that only allows uses allowed within the VLDR zone and prevents future light industrial operations from being up against existing residential properties. We would request that all parking, loading and unloading be maintained on site and these activities not be allowed off-site. We support this zone change with the establishment of the noted

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requests and believe a farm supply store, as proposed, would be a good use of this property. We appreciate your consideration of our request.”

- EXHIBITS:**
- I. Application
 - II. Light Industrial Zoning Ordinance
 - III. Public Notice
 - IV. Public Agency Reports
 - V. Comments Received

FINDINGS:

A. Background Facts

1. *Tract size:* A total of 13-acres. Tax Lot 4411-01300 measures approximately 3-acres and Tax Lot 4411-01301 measures approximately 10-acres.
2. *Access:* There is an existing driveway that currently provides ingress/egress from/to NE Lone Oak Road North. This existing access is located approximately 150-feet north of the junction of Lone Oak Road North and Highway 99W. The application indicates that the long-term plan for the development of the property would include the construction of a second driveway further to the north of the existing driveway. This new driveway would be approximately 580-feet north of the Lone Oak Road and Highway 99W intersection.
3. *On-site Land Use:* Aside from a roughed-in driveway the parcel is undeveloped. There are a few scattered trees on the property, however the majority of the lot consists of grasses and shrubbery.
4. *Surrounding Zoning and Land Use:* The surrounding area is a nexus of various zoning designations and land use patterns. Neighboring parcels to the north and east are zoned for Very Low Density Residential (VLDR-2.5) use. These VLDR-zoned lots are all dedicated to rural residential use, with single-family dwellings and accessory buildings (e.g., garages, shops, etc.) commonly found on these properties. One of these VLDR-zoned parcels, Tax Lot 4411-00905, received approval for the operation of a mini-storage facility as a home occupation. The VLDR-zoned land in the surrounding area range in size from 0.25-acre to 14-acres in size, with the majority of the VLDR-2.5 zoned land north of Highway 99W being below the minimum lot size of 2.5-acres. There are several VLDR-2.5 zoned lots located south of Highway 99W that could be further developed, including the aforementioned 14-acre lot, as well as two 10-acre parcels, and two lots that are around 5-acres in size.

There are two Light Industrial (LI) parcels east of the applicant's tract, Tax Lots 4411-01000 (1.9-acres) and 4411-01001 (2.2-acres). These parcels do not currently have land use approval for any light industrial uses, and any future light industrial use on these properties would require land use approval prior to issuance of building permits or commencement of a permitted or conditional use.

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The tract to the west and north of the subject property hosts Evergreen Memorial Park, is composed of two tax lots, 4410-00200 (54.8-acres) and 4410-00600 (54.2-acres), which are zoned for Public Assembly and Institutional (PAI) use. A portion of this tract is used as a cemetery while the remainder of the property is farmed for grass seed and hay production.

There are four parcels to the south and southwest of the subject tract, and these lots are zoned for Neighborhood Commercial (NC) use. One of these lots is “Bunn’s Village”, and land use on this property runs the gamut of uses permitted in the Neighborhood Commercial zone. Another one these NC-zoned lots, Tax Lot 4411-02300, hosts a furniture retail business with five structures located on the property. The remaining two parcels zoned for Neighborhood Commercial use are used as a car dealership.

Further to the north of the subject tract, towards the end of NE Lone Oak Road North, the land is zoned for Exclusive Farm use (EF-80 and EF-40) and the predominant land use is farming. Farm uses in the surrounding area include grass seed and hay production, hazelnut orchards, and nursery stock.

5. *Water:* The application indicates the parcel is to be served by a well.
6. *Sewage Disposal:* The application indicates that any use occurring on the property will be served by a septic system.
7. *Exception:* The property was found to be a committed exception to Goals 3 (Agricultural) and 4 (Forestry) in Code Area 4.5 adopted by Exception’s Statement II, April 23, 1980 and was plan designated VLDR, Very Low Density Residential. The exception area is not within an ‘unincorporated community’ as that term is defined by OAR 660-022-0010(10).
8. *Previous Actions:* There is no previous land use history associated with either of these parcels.

B. Zone Change and Plan Amendment Provisions and Analysis

1. The application states that the intended use of the property is for the establishment of a “agriculturally based warehouse and retail commercial services” business which the applicant believes will directly benefit the extensive farming and local wine industries. The Light Industrial section of the county zoning ordinance, Section 702.02, provides a list of permitted uses in the LI zone, and all permitted uses in this zone are subject site design review. One of the uses permitted in the LI zone is: *Farm, industrial or contractor’s equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage*. It is possible that the applicant envisions applying for their proposed use under this subsection of the county zoning ordinance and the exact details for this use will need to be provided in the site design review process.

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2. This comprehensive plan amendment and zone change application must comply with the Yamhill County Comprehensive Plan, the Oregon Revised Statutes, and the Oregon Administrative Rules, which will be addressed throughout this report.
3. The application must also comply with the standards and criteria in YCZO Section 1208.02. These provisions are:
 - (A) *The proposed change is consistent with the goals, policies, and any other applicable provisions of the Comprehensive Plan.*

Though the majority of the Yamhill County Goals and Policies are aspirational and not to be mistaken for, or interpreted as, approval criteria it is required that they be considered. It is a fact that some of the goals and policies conflict with one another. They are simply to be used as a guide to aid decision makers. For example, where goals or policies conflict the decision makers need to weigh the evidence and decide which goal or policy the request satisfies. Therefore, the Planning Commission and Board of Commissioners would need to decide whether it is more appropriate for the 13-acre tract to be preserved for rural residential use or if it is better suited to rural industrial development.

Since an exception to Statewide Planning Goals 3 and 4 has already been taken for the subject parcel, Comprehensive Plan goals and policies related to agricultural and forest lands are not applicable. In addressing this standard, the application states, in part, that the zone change facilitates the establishment of an agriculturally based warehousing and retail business which the applicant contends will directly benefit the farming community of Yamhill County.

Goals and policies which staff feels are applicable are addressed below:

Industrial Development Goal Statement I.H.1: To concentrate industries of similar types, service needs, and performance characteristics within designated areas of each of the existing urban centers; to encourage adequate land for new industrial development within urban growth boundaries; to encourage the relocation of existing industries from undesirable locations in order to eliminate land use conflicts; to attract new industries in accordance with the need to achieve a more balanced local property tax and employment base, while maintaining a high standard of environmental quality; and to protect the stability and functional aspect of industrial areas by protecting them from incompatible uses.

Policy I.H.1.b: To the greatest extent possible, industrial areas will be located within urban growth boundaries. Those industrial areas located outside urban growth boundaries will be compatible with the industrial development goal and will be located where they can be adequately served by necessary major utility lines, including electric power substations and transmission lines, trunk sewer lines, trunk water lines, and where appropriate, trunk gas lines.

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The above goals and policies encourage the location of industrial uses within the urban growth boundaries. Although not located within an urban growth boundary, the applicant's tract is located approximately 1,500-feet from the McMinnville city limits and along a stretch of Highway 99W that includes a mix of Light Industrial (LI), Neighborhood Commercial (NC), residential (VLDR-2.5 and AF-10), and farm use (EF-40 and EF-80), so much of the necessary infrastructure is in place for the transition of this property from vacant residential land to Light Industrial operation and use. The subject tract is bordered to the south by Highway 99W and the applicant notes that the operation of the farm warehousing and retail business from this location is ideal because it efficiently facilitates the delivery and pick-up of farm supplies and materials. The applicant notes that the farm warehousing and retail business envisioned at this location is compatible with the character and available services of the surrounding area which include other industrial and commercial businesses, such as a winemaking supply shop, tractor dealership, barrel manufacturing, propane gas wholesaler, as well as vehicle storage and sales. The proximity of this tract to the city of McMinnville and other industrial and commercial uses strongly suggests that this industrial area, although outside of an urban growth boundary, can be adequately served by necessary major utility and access services.

The applicant conducted an analysis of all available land zoned for light industrial use within the unincorporated areas of the county. This analysis found that most light industrial zoned land is found near the outskirts of incorporated cities or in rural unincorporated communities where light industrial uses were established prior to Oregon's zoning regulations. The analysis found that many of these light industrial zoned lots are smaller with established uses in place with approximately 25.6-acres of vacant light industrial zoned property available in the county or approximately 15% of the total light industrial land (approximately 171-acres) in the county.

The applicant has identified four largely vacant light industrial zoned properties in the county and found that these four locations each have distinct challenges when compared to the applicant's tract. The applicant has identified that the undeveloped size of a property would be the most significant factor for developing the envisioned agricultural supply, warehousing, and retail business. Two of the vacant light industrial lots are comparable in size to the applicant's tract. The first light industrial property that is similar in size is located along the southwestern outskirts of Sheridan and measures approximately 12-acres, Tax Lot 5634-00100. This 12-acre lot is split-zoned with approximately 7-acres zoned for Light Industrial use, approximately 4-acres located within city limits, and the remaining acreage zoned for Exclusive Farm use in the EF-80 zone. Although suitably sized for the proposed use, this property has challenges identified by the applicant which include more limited access options for delivery of material and for customers of the business. This property has no access to a highway or major arterial road so delivery vehicles and guests would need to travel through central

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Sheridan along local roadways. An additional challenge to future development of this property that was not identified by the applicant is that this parcel is also located within a hazard area, the South Yamhill River 100-year floodplain, so any construction occurring on the property would need to go through an additional land use process—the floodplain development permitting process.

The second site identified by the applicant as comparable in size is an approximately 8.5-acre area of land located approximately 0.8-miles south of Dundee, north of SE Fulquartz Landing consisting of five Tax Lots including 3335-04400, 3335-04402, 3335-04407, 3335-04408, and 3335-04410. One of the challenges identified by the applicant for developing these 8.5-acres is that the lots that constitute this undeveloped light industrial land is a patchwork of differing owners. While these lots may be ideal for many uses permitted in the light industrial zone, the access to these lots is limited due to the current interface of Highway 99W and SE Fulquartz Landing which currently only allows 'right in/right out' access to and from Highway 99W and does not allow for left turns onto or from the highway. The applicant also identifies the railroad crossing, just east of the Highway 99W and Fulquartz Landing intersection, as a feature that would likely need to be improved to facilitate the safe use by patrons and delivery vehicles to the applicant's business.

The third undeveloped site identified by the applicant is 4.5-acres in size and is located approximately equidistant from McMinnville and Amity, along Highway 99W. This 4.5-acre tract is comprised of two lots, Tax Lots 5405-01205 and 5405-01206, both measuring approximately 2.5-acres in size. In 2017, the westernmost of the two lots received land use approval for the operation of an RV storage business on the property which means that currently only 2.5-acres are currently unused. The applicant cites the smaller size and distance from McMinnville as factors that make developing this site less viable than the applicant's 13-acre tract.

The final available site identified by the applicant is a 1.5-acre property, Tax Lot 4411-03803, located northeast of McMinnville and just 0.1-mile east of the applicant's property, also on Highway 99W. It appears as though approximately 0.5-acre of the property is currently being used in conjunction with the tractor dealership located on an adjacent lot. This partial use of the property leaves only an acre available for use by another business, and the applicant indicates that a single acre of available land is far too small to accommodate the proposed farm supply business.

The applicant's analysis found that there were no available Light Industrial properties in the county that were comparably or better situated to the operation of a farm supply, warehousing, and retail business. The applicant found that the proposed zone change and comprehensive plan amendment is the most reasonable alternative available to the applicant. The similar types of uses and existing zoning in the surrounding area appear compatible with the proposed LI zone. An

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appropriate amount of land, properly located in the community, will help to assure a long-term diversified employment base, and will provide a useful service to residents of the local area.

Policy I.H.1.b states in part that industrial uses : . . . *will be located where they can be adequately served by necessary major utility lines, including electric power substations and transmission lines, trunk sewer lines, trunk water lines, and where appropriate, trunk gas lines.* The purpose of this policy is to assure that industrial uses, which are expected to utilize large amounts of water or electricity, will be located within close proximity to places where those utilities are located. The applicant's tract and the surrounding area do not have access to city water or sewer services. The applicant states that a well is already in place on the property which could meet the needs of the proposed business. The application states that any future development of the site will be served by a septic system. The County Sanitarian has said that any further development or change in use will need to meet all applicable wastewater management standards and requirements. As discussed in greater detail above, the subject tract is located in an area with multiple light industrial and commercial uses, as well as being located a short distance from McMinnville along a major highway (99W), so the infrastructure in the surrounding area is fairly extensive and designed to support the industrial and retail businesses of a similar scale to the farm supply business described by the applicant.

The Yamhill County Comprehensive Plan, Section I.H., Goal 1, Policy h., directs Yamhill County to consider that:

Established industrial areas may be extended and new industrial areas designated by plan amendment where development trends warrant such extension or designation and full urban services are extended into the area, if appropriate, and the extension or designation of land use and services is consistent with all other goals and policies of the comprehensive plan.

The applicant's request for a zone change and comprehensive plan amendment on the subject parcel from Very Low Density Residential to Light Industrial represents the designation of a new Light Industrial tract rather than the extension of an existing industrial area. The applicant conducted an economic analysis regarding the present supply and demand for Light Industrial-zoned land. This analysis also estimated the demand for businesses that support the agricultural uses and activities occurring in the local area. This analysis found that approximately 15% of the light industrial land in the unincorporated areas of the county were vacant when the analysis was conducted. Section B.3. of this staff report, above, more fully describes these vacant or partially vacant light industrial lands.

The proposed zone change and comprehensive plan amendment appears to be in keeping with the character of the surrounding area which include a mix of light

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industrial, commercial, and residential uses. The surrounding area appears to have adequate utilities and services in place to serve the proposed use of the property with wastewater management service and fire hydrants or other fire safety service being the new services needed if the plan amendment and zone change request is approved and the applicant proceeds with a site design review request for the operation of a farm supply business on the subject tract. The McMinnville Fire Department also identified that the applicant should provide plans for the improvement of the water infrastructure at the site if it is developed in the future for a use other than residential. Some of the businesses in the surrounding area are served by septic systems that are managed by the Department of Environmental Quality while others may be under the authority of the county sanitarian. Any future development on this property would be required to receive authorization of a wastewater management system prior to the issuance of building permits for any future development. Aside from the development of an approved septic system and fire hydrants or other fire safety service, the subject parcel will not require the extension or expansion of services to accommodate the proposed zone change and plan amendment.

The economic analysis conducted by the applicant found that there appears to be a demand for additional light industrial zoned land to facilitate the growth of standalone industries, as well as for those businesses that support the resource use industries (farm and forest uses) prevalent in local area. The light industrial zoning ordinance also allows for the construction of a caretaker's dwelling in conjunction with an approved use on the property. The onsite residency by a caretaker can provide some additional security to the business owner and potentially low cost housing for an employee or business owner. The applicant's plan for the property, as described in the application, provides a balance to the county's comprehensive planning goals related to industrial and commercial growth without sacrificing the provision of housing for an employee or caretaker.

4. (B) *There is an existing demonstrable need for the particular uses allowed by the requested zone, considering the importance of such uses to the citizenry or the economy of the area, the existing market demand which such uses will satisfy, and the availability and location of other lands so zoned and their suitability for the uses allowed by the zone.*

Regarding the need for the proposed use, criterion (B), the application states that a farm supply store will be established on the tract if the plan amendment and zone change request is approved by the county. This is a permitted use in the LI-zone, per subsection 702.02(B) of the YCZO. The applicant conducted an economic analysis and found that the type of farm supply store envisioned for the property has had one of the fastest growth rates in the area, since 2001, despite some of the economic challenges experienced over the last twenty years. The applicant's analysis found that this growth trend is expected to continue in the Mid-Valley counties which for the sake of this analysis include Linn, Marion, Polk, and Yamhill. The applicant's economic analysis found that the number of farms in

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the county grew slightly since 2017, despite a marginal decrease in the total amount of acreage being farmed. The applicant's economic analysis also forecasts that employment in resource industries will continue to see growth in the future in the local area. The applicant's proposed farm supply and storage business is designed to support and market to the thriving farming community in the local area.

The applicant's analysis found that approximately 85% percent of the available LI-zoned land is currently under use, and that several of the undeveloped sites have some unique challenges including some with smaller lot sizes, limited access to market, location within a 100-year floodplain that make these alternate locations less suitable for the use proposed by the applicant. The availability and suitability of other LI-zoned lands was discussed in greater detail above, in Section B.3. of this staff report. To succeed, the applicant's economic analysis found that access to a major transportation corridor is key, as is the size of the parcel which allows for a larger supply store while also facilitating additional services such as wholesaling and warehousing of farm equipment and goods. The applicant's economic analysis suggests that there is a market demand for businesses that support the local agricultural community. Looking beyond the applicant's proposed use of this property, if rezoned to Light Industrial, a 13-acre lot zoned for light industrial use provides flexible development opportunities as the county's economy grows and evolves.

5. (C) *The proposed change is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment and the availability of utilities and services likely to be needed by the anticipated uses in the proposed district.*

A portion of criterion (C) requires the proposed change to be shown to be appropriate considering the surrounding land uses along with the density and pattern of development in the area. A more comprehensive description of the surrounding land uses, the development pattern in the area, and changes to the surrounding area, as well as existing utilities and services in the area is provided in greater detail in Sections A.4., A.9., and B.3. of this staff report. Staff will consider whether the proposed zone change and comprehensive plan amendment from VLDR to LI is appropriate considering the surrounding land use information presented earlier in this staff report. The subject property is located near the Bunn's Village development (zoned for Neighborhood Commercial uses) which itself is surrounded by a variety of uses ranging from light industrial, public assembly (Evergreen Memorial Park and cemetery), rural residential uses, as well as the agricultural activities conducted in the area. The subject tract is located adjacent to a major transportation corridor in Highway 99W, and just east of McMinnville the county's largest population center. This nexus of development is of a much greater density and intensity than of pretty much any other unincorporated area of the county. The long established commercial and

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industrial uses in this area appear to be adequately served by electrical, transportation, and communications utilities and services. New services that will need to be established on the property include the use of an on-site well for potable water, the establishment of fire hydrants and/or other fire safety improvements that meet the McMinnville Fire Department standards, while wastewater will be managed by a system approved by either the county sanitarian or by the DEQ depending on the size and type of wastewater management system approved for the future use of the property. Access to the property is via NE Lone Oak Road North, which intersects with Highway 99W along the tract's southeastern property line. If the plan amendment and zone change request is approved, any future development of the tract itself would be subject to the Site Design Review process. This site design review allows for the county to evaluate the potential impacts more specifically to the properties in the surrounding area prior to approval of a use permitted in the Light Industrial zone. The site design review process provides the county and applicant to evaluate the existing services to verify those in place are sufficient to support the specific development, or if not, to what extent improving existing services or establishing new services would be required.

Staff did receive comment from a surrounding property owner, David Hays, regarding the applicant's request for a plan amendment and zone change. Mr. Hays owns an adjacent parcel to the north, Tax Lot 4410-00202, and Mr. Hays appears to support the proposed development of the property as a farm supply store so long as there are conditions put in place that mitigate potential impacts to surrounding property owners. Mr. Hays suggests that a "buffer zone" could be established as part of the plan amendment and zone change process, and this "buffer zone" could be a 100-foot setback that permits those uses normally allowed within the VLDR zone and prevents future light industrial operations from being sited too near the existing residential properties. This limitation to the use of the property could be established as a component of a limited use overlay if the Planning Commission or the Board of Commissioners feel such a limitation is justified.

Mr. Hays also requests that all parking, loading and unloading be maintained on site and these activities not be allowed off-site. Typically, this type of limitation could be established during the site design review application process when a project is proposed for operation on the property. Staff recommends that this request by Mr. Hays be taken up if the comprehensive plan amendment and zone change request is approved and when a site design review request is submitted to the planning department for review.

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6. (D) *Other lands in the county already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses due to location, size, or other factors.*

As discussed in greater detail in section B.3. of this staff report, the applicant submitted an analysis of the other lands in the unincorporated area of the county that are zoned for Light Industrial use. The applicant identified several challenges to the use of the limited number of LI-zoned lots in the county. The applicant evaluated these properties based upon the feasibility of these other LI-zoned lots to support the farm supply store that the applicant would like to develop on this property in the future, if the plan amendment, zone change, and subsequent site design review applications are approved. The applicant found that some of the other lots already designated for Light Industrial use have issues with access to major arterial roadways for customers and delivery vehicles, proximity to customers, while other lots were too small for the use being pursued by the applicant. County staff also found that one of the available LI-zoned parcels is located within a hazard overlay district, namely the 100-year floodplain, which presents a challenge for the future development of that specific property. For the reasons provided in greater detail in the applicant's economic analysis and distilled in Section B.3. of the staff report, the applicant was unable to locate any available alternative lands that are as well-suited as the subject tract.

7. (E) *The amendment is consistent with the current Oregon Administrative Rules for exceptions, if applicable.*

As noted above, the property was found to be a committed exception to Goals 3 (Agricultural) and 4 (Forestry) in Code Area 4.5 adopted by Exception's Statement II, April 23, 1980 and was plan designated VLDR, Very Low Density Residential. Goal 14 (Urbanization) requires a limitation on the intensity of development to that which is rural in nature, otherwise, an exception to the Goal is required. Additional limitations, such as setbacks and septic requirements would further limit development of additional structures on the property, thus limiting the scale to conform with other rural Light Industrial properties in the county. Section 702.07(C) in the LI zone states: *The maximum parcel coverage shall be thirty (30) percent for any use.* The subject tract is 13-acres in size, allowing a maximum of approximately 169,884-square feet of structures on the property. Additionally, the Planning Commission or Board of Commissioners has at their disposal the option of putting a Limited Use Overlay in place, described more fully in Section C. of the staff report below, and the establishment of a Limited Use Overlay on the tract can act to place limits on the type of use(s) permitted on the property and/or to place more strict parcel coverage limitations, maximum building height, or other standards and limitations that the Planning Commission or the Board feels are a reasonable way to limit impacts to surrounding properties.

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C. Limited Use Overlay Provisions

1. Section 904.03 of the YCZO contains provisions for limited use overlays. It states:

- (A) *When the Limited Use Overlay District is applied, the uses permitted in the underlying zone shall be limited to those specifically referenced in the ordinance adopting the Limited Use Overlay District.*
- (B) *The Limited Use Overlay District may be used to require conditional use approval for uses normally permitted outright.*
- (C) *Reasonable conditions may be imposed in the Limited Use Overlay District as are necessary to assure compliance with the provisions of the Comprehensive Plan and this ordinance.*
- (D) *Until the overlay has been removed or amended, the only permitted uses in an LU district shall be those specifically referenced in the adopting ordinance.*

If the plan amendment and zone change request is approved, the applicant intends to use the property to establish a farm supply and storage business. A well is currently in place on the property which can be used to supply water to the business. A septic system or other approved wastewater treatment system will need to be established to serve the proposed business. The application indicates that the northernmost of the two existing driveways is tentatively planned to serve the future development of the property, if the zone change and plan amendment request is approved, although this issue will need to be addressed during any future site design review process. Aside from the establishment of a farm supply store with limited storage, the applicant did not consider any alternative Light Industrial uses for the property. If deemed appropriate, the Planning Commission and/or Board of Commissioners can choose to apply a limited use overlay to allow only the specific farm supply store and storage uses described in the application which are permitted uses pursuant to subsections 702.02(B) and 702.02(C) of the YCZO. The Planning Commission and Board could also limit the parcel coverage permitted on the property which could in turn limit the size of the store on the property which may decrease the amount of traffic impacts to the surrounding transportation system. A Limited Use Overlay may be modified in the future through a future zone change request, so while the Limited Use Overlay can be challenging to revise these limitations are not etched in stone so future owners of the property have the opportunity to make changes if market demands change.

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D. Goal 12 (Transportation Rule) Provisions and Analysis

1. The provisions of the Transportation Planning Rule, implementing Goal 12, must be addressed. OAR 660-12-060 contains the provisions that must be met:

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

(b) Change standards implementing a functional classification system; or

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

2. Regarding (a) and (b), the applicant conducted a traffic impact analysis in order to estimate the potential consequences to the local transportation system if the plan amendment and zone change request is approved, and the farm supply business is eventually approved for development on the subject 13-acre tract. The traffic impact analysis estimated that a reasonable worst-case scenario for the existing VLDR-2.5 zoned lots, if subdivided and fully developed with a single-family dwelling on each lot. The applicant's 13-acre lot could theoretically be divided to create five buildable lots, each of which could support a single-family dwelling as an outright permitted use. The applicant's traffic analysis estimated that a community of this size could reasonably generate approximately 48-weekday trips per day, on average. The applicant's traffic analysis then estimated the traffic generated from the worst-case scenario for the

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development of the property, if the plan amendment and zone change request is approved. This worst-case scenario includes estimating that the site is developed to the maximum build-out permitted by the Light Industrial zoning ordinance. These assumptions include the development of 169,900-square feet of industrial building space, which accounts for 30% of the area of the subject property. This estimate appears to far exceed the applicant's proposed development of the property, but it does provide a useful worst-case baseline. The applicant's traffic analysis estimates that the worst-case scenario for the maximal development of this property, as a Light Industrial tract, could generate up to 702-weekday trips per day on average.

The traffic analysis also evaluated the current traffic conditions of Highway 99W and the intersection with NE Lone Oak Road North. The traffic analysis outlines how intersections are evaluated and graded in terms of delays and congestion, with an "A" grade having the least congestion and delays while an "F" grade represents long delays and high levels of congestion. The Highway 99W and NE Lone Oak Road North intersection currently has a level of service grade of "C" for morning peak hour westbound traffic, and a "D" grade for afternoon peak hour westbound traffic. For eastbound traffic, this intersection has a "B" grade for morning peak hour traffic and a "C" grade for evening peak hour traffic. The applicant's traffic analysis found that an approval of the plan amendment and zone change request, and a maximum build-out of the property would still have no projected impact to the morning or evening eastbound traffic now or in the future. The analysis projected forward to 2041 and found that an approved plan amendment and zone change followed by the maximum build-out of the property may negatively impact the volume and delays to the future traffic for motorists travelling westbound on Highway 99W leading to a down-grade in the level of service to a "D" for morning peak hour traffic and an "E" for evening peak hour traffic.

The traffic analysis reviewed the crash history for the five most recent years, January 2015 to January 2019, at the eastbound and westbound intersections of Highway 99W and NE Lone Oak Road. The applicant's analysis found that over this five-year period there were a total of three reported accidents, two of which occurred at the westbound intersection with the remaining reported accident occurring at the eastbound intersection. One of the accidents involved property damage only, while another accident involved possible injury or complaint of injury, and the third accident led to the non-incapacitating injury to one or more of the involved motorists. Though unfortunate, this number of accidents over a five-year span on this highway are not indicative of a crash rate that exceeds the ODOT safety threshold which could trigger the implementation of safety mitigation developments at these intersections.

The applicant's traffic analysis concluded that the eastbound and westbound intersections of Highway 99W and NE Lone Oak Road, those evaluated as part of this traffic analysis, are projected to operate within acceptable jurisdictional standards through the 2041 Transportation System Planning Horizon. The applicant's traffic analysis finds that there will remain sufficient capacity at these two intersections to accommodate the increase of traffic that would result from approval of the plan amendment and zone change request, followed by a theoretical maximum build-out of the site. The applicant's findings indicate that the performance of the existing transportation facilities in this area will

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT STAFF REPORT

continue to meet the performance standards identified in the county's transportation system plan.

Planning staff did not receive any comments or concerns from either the county Public Works Department or the Oregon Department of Transportation.

CONCLUSIONS FOR APPROVAL:

1. The request is for a Comprehensive Plan amendment from Very Low Density Residential to Industrial and a zone change from VLDR-2.5, Very Low Density Residential to LI, Light Industrial.
2. The proposal is consistent with Comprehensive Plan goals and policies.
3. The proposal is consistent with Section 1208.02 of the Yamhill County Zoning Ordinance.
4. The applicant has demonstrated that the use complies with the Transportation Planning Rule in that it will not have a significant effect on transportation facilities in the area.

CONCLUSIONS FOR DENIAL:

1. The applicant has not demonstrated that the request satisfies Sections 1208.02(B) and (D) in that it has not been shown that there is a need for those uses allowed in the requested zone and that other land within the County is either unavailable or not as well suited for the use.
2. The applicant has not adequately demonstrated that the use complies with the Transportation Planning Rule.
3. The proposal is inconsistent with Comprehensive Plan goals and policies

RECOMMENDATION:

A staff recommendation will be given after the receipt of additional testimony.

**MEMORANDUM**

DATE: August 5, 2021

TO: Town Investments LLC
PO Box 116
Wilsonville, OR 97070

FROM: Brendan Buckley
Johnson Economics, LLC

SUBJECT: Need Analysis of Supply and Demand for Light Industrial Land in Yamhill County

JOHNSON ECONOMICS have completed a review of the estimated demand and current supply of land zoned for light industrial uses and agricultural-related support businesses specifically. The analysis is prepared regarding a zone change application in unincorporated Yamhill County, to the northeast of McMinnville. The application requests to change the zoning of a roughly 13-acre parcel from VLDR 2.5, Very Low Density Residential to LI, Light Industrial.

This memo reviews the findings of our analysis of demand and available supply of land for this type of use.

I.	Yamhill County Light Industrial (LI) Zoning	2
	Purpose and Permitted Uses	2
	Current Supply of LI Zoned Land	2
II.	Demand for Light Industrial Land in Yamhill County	5
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I. YAMHILL COUNTY LIGHT INDUSTRIAL (LI) ZONING

Purpose and Permitted Uses

The Yamhill County zoning code defines the following purpose for the LI zone:

The purpose of the LI District is to provide for light and general industrial uses with similar service needs within urban growth boundaries and in other locations which are or will be compatible with adjacent urban development. (Zoning Ordinance 702.01)

The LI zone presents a range of permitted uses that have some differences and some overlap with the other two Yamhill County industrial zones (RI, and HI). For the purposes of this analysis, the most relevant permitted uses in the LI zone are found in 702.02(B):

B. Farm, industrial or contractor's equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage; (Zoning Ordinance 702.02)

These are the proposed uses at the subject site of the zone change application. These uses are not listed as permitted uses in the RI or HI zone, and *therefore the relevant county zone for this analysis is limited to the LI zone.*

Current Supply of LI Zoned Land

The Light Industrial zone is typically found near incorporated cities or in rural unincorporated towns where appropriate light industrial uses traditionally existed. Many of these small agglomerations of LI uses likely predate the zoning code, and the LI zone was applied to them to reflect the established uses. These LI zoned areas are typically very small, often covering a limited number of taxlots.

An analysis of the LI zoned parcels, using GIS resources leads to an estimate of 171 acres of LI zoned land, of which the majority (85%) are already occupied by light industrial uses. (This includes the recent rezoning of a 4.1-acre parcel near McMinnville, which is counted as committed to a proposed use, and therefore not vacant.) An estimated 25.6 acres of the LI zone (15%) are vacant.

Figure 1: LI Zoned Areas in Yamhill County

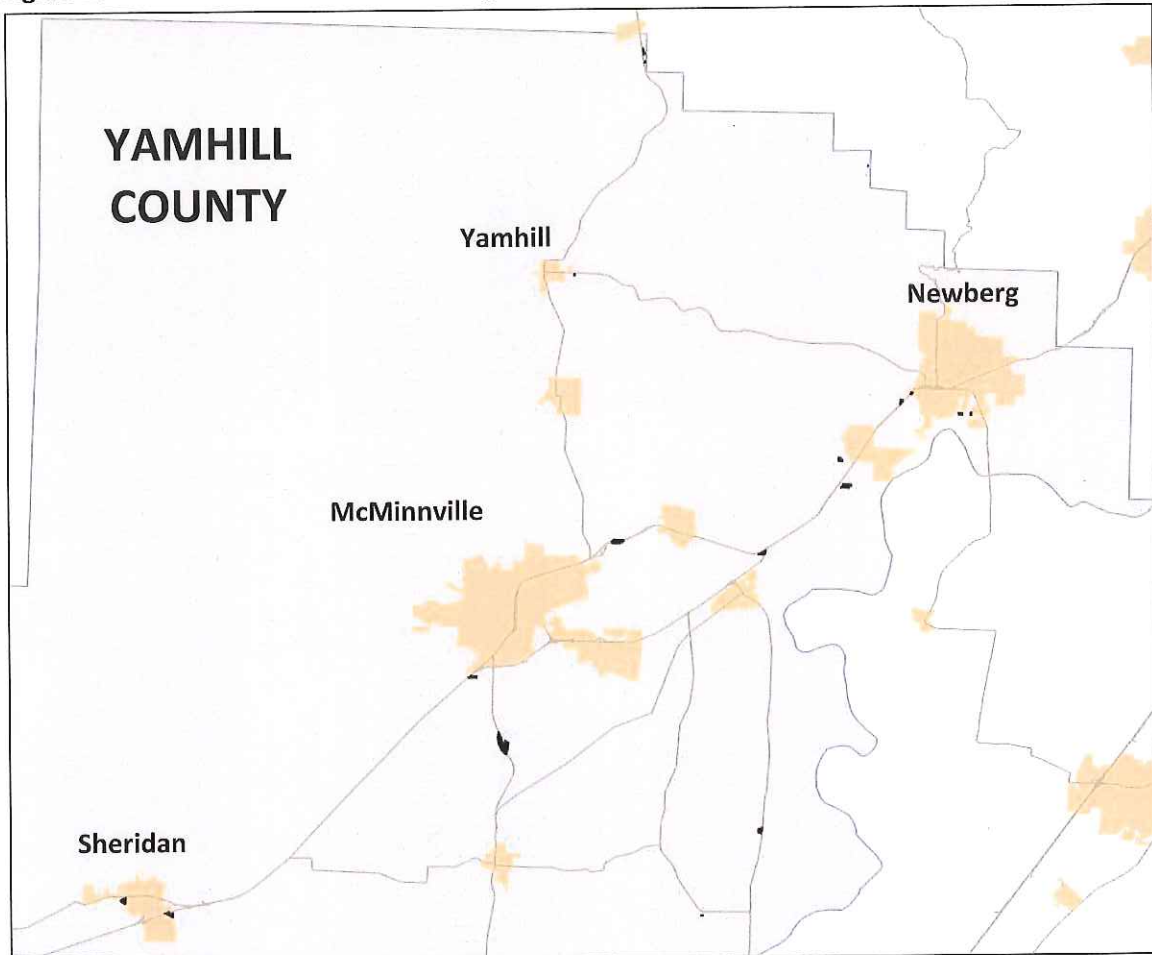
	<u>Area</u>		<u>Share</u>
Total LI Zone:	170.8	acres	100%
Developed:	145.2	acres	85%
Vacant:	25.6	acres	15%

Source: Yamhill Co, State of Oregon, Johnson Economics
Yamhill County Zone Change: LI Market Analysis



The following figure shows the distribution of the LI zone across Yamhill County, represented by the small black dots on the map. As is apparent, they are generally small and well dispersed.

Figure 2: LI Zoned Areas in Yamhill County



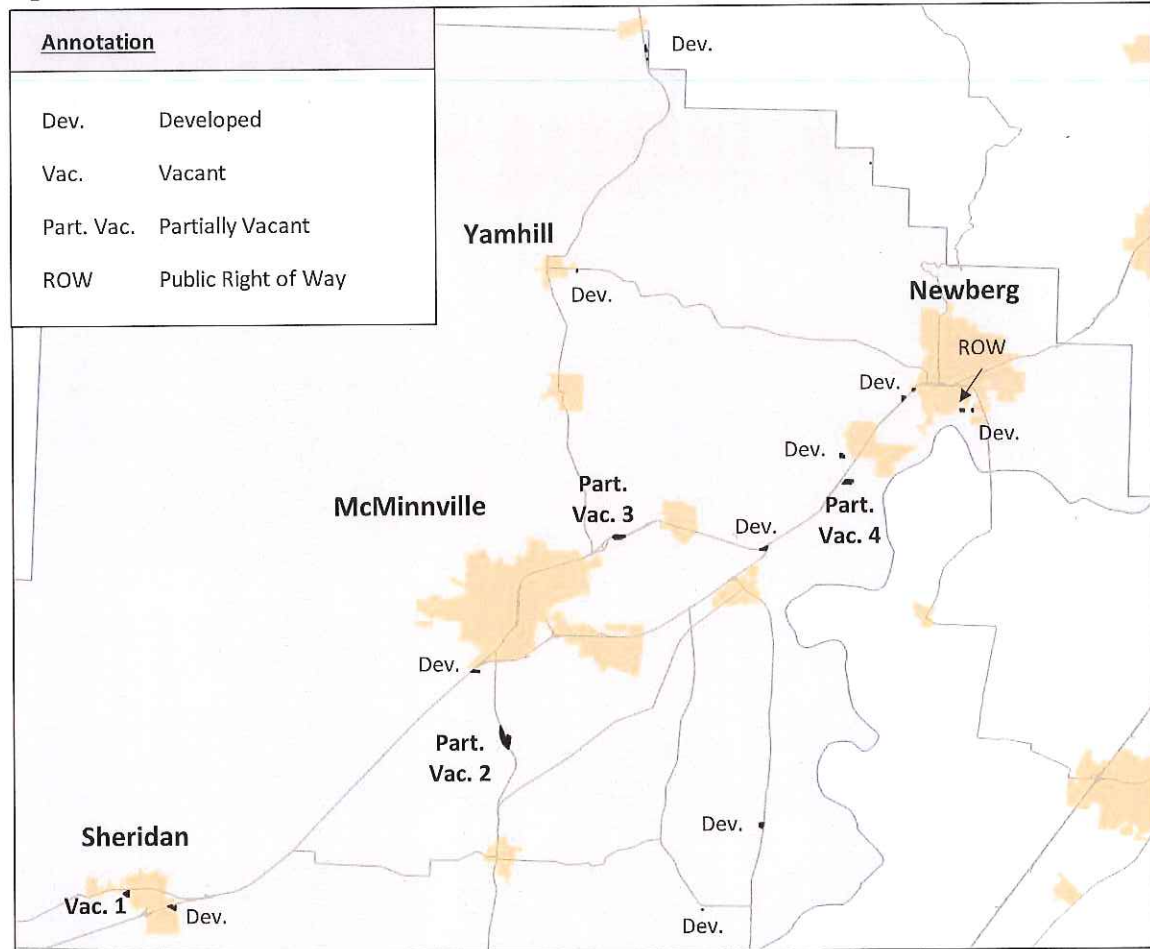
Source: Yamhill Co, State of Oregon, Johnson Economics

Johnson Economics assessed these clusters of LI zoned parcels for current development status. For reference, the following map is annotated by which of the clusters is fully developed or contains some vacant parcels. The “partially vacant” annotation means that the LI cluster contains some vacant taxlots, NOT that the individual taxlots themselves are partially vacant (i.e. half developed).

As the map shows, most clusters of LI zoning in the county are fully developed. One parcel south of Newberg is encumbered by the Newberg Dundee Bypass. A summary of the estimated vacant properties is shown in Figure 4. The number and size of vacant LI parcels is small and has diminished further in recent years.



Figure 3: LI Zoned Areas in Yamhill County



Source: Yamhill Co, State of Oregon, Johnson Economics

Figure 4: Summary of Vacant LI Land

Site	Status	Location	# of Vac. Parcels	Total Vac. Acres
1	Vacant	W edge of Sheridan, S of South Yamhill River	1	11.7
2	Partially Vac.	N of Amity on Hwy 99W, S of McMinnville	2	4.5
3	Partially Vac.	E of McMinnville on Hwy 99W @ NE St. Joseph Rd.	1	~1.0
4	Partially Vac.	S of Dundee, E of Hwy 99W @ SE Fulquartz Landing	5	8.4
TOTALS:			9	25.6

Source: Yamhill Co, State of Oregon, Johnson Economics
 Yamhill County Zone Change: LI Market Analysis



The characteristics and location of the vacant LI parcels identified are discussed more in following sections.

II. DEMAND FOR LIGHT INDUSTRIAL LAND IN YAMHILL COUNTY

Proposed Land Use

The proposed use for the 13-acre subject site is an agricultural supply store, including retail store, office space, and large storage warehouse. This is a use allowed under the LI zone, but not the other county industrial zones (HI, RI).

The proposed use would directly serve the agricultural economy of the unincorporated parts of Yamhill County and is well suited for locations outside of incorporated cities. Location in unincorporated areas facilitates delivery and pick up of farm supplies and materials at the site and allows storage and service of the often bulky and dirty goods outside of a city environment. Rural customers will more easily be able to travel to and access the business without encumbering local city streets.

Demand for LI Land

Support for the ongoing need for LI land in Yamhill County will be driven by the growth of the relevant industries that utilize that land, and the growth of the general agricultural economy which LI businesses tend to serve.

The North American Industry Classification System (NAICS) is the national standard by which industry sectors are classified for economic purposes. The industry subsector best representing the proposed land use are:

NAICS 4442: Lawn and Garden Equipment Supply Stores – This industry group comprises establishments primarily engaged in retailing new lawn and garden equipment and supplies. [This category explicitly includes Farm Supply Stores.]

However, the proposed land use would also compete for other allowed uses in the county's remaining available LI zones. The uses that are most unique to the LI zone exclusively are the following from section 702.02 of the Zoning Ordinance:

A. Manufacture of machine tools, medical and dental equipment, electronic instruments, mobile homes, and food products not generating noxious odors;

B. Farm, industrial or contractor's equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage;

C. Warehousing, wholesale storage and distribution, and motor freight terminals contained only within a building;



In addition to the proposed land use, the remaining available LI-zoned land in the county must provide capacity and appropriate locations for these uses to meet the county's needs. (The LI zone may also accommodate the remaining permitted uses allowed under 702.02, however these uses are also permitted by the HI and RI zones, and therefore have more location options. This analysis focuses on uses that must locate in the LI zone.)

Using data provided by the Oregon Employment Department (OED), the following table provides estimated growth in employment in the NAICS subsectors relevant to these permitted uses since 2001 (the earliest data reported by OED). It also provides the projected growth rate for these industries over the next 10 years based on the most recent projection by OED for the Mid-Valley region (2019-2029).

Figure 5: Past and Projected Employment Growth in LI Subsectors

Zoning Ordinance	NAICS Subsector	Employment					Future Employment		
		2001 Jobs	2020 Jobs	Growth ('01-'20)		Annual	Projected Growth Rate	2030 Jobs	Job Growth
702.02(A) Manufacture of machine tools, medical and dental equipment, electronic instruments, mobile homes, and food products not generating noxious odors;	332-333	420	602	182	43%	1.9%	0.6%	640	39
702.02(B) Farm, industrial or contractor's equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage;	444, 811	476	615	139	29%	1.4%	0.7%	657	42
702.02(C) Warehousing, wholesale storage and distribution, and motor freight terminals contained only within a building;	493	18	41	23	127%	4.4%	1.4%	47	6
TOTAL:		914	1,257	343	38%	1.7%	0.3%	1,344	87

Source: Oregon Employment Department, Johnson Economics

All of these permitted LI uses have experienced growth in recent decades, despite two recessions in this period. Overall growth was nearly 343 jobs or 38%.

- The warehousing subsector (NAICS 493) experienced the fastest growth rate but was building off a low estimated number of initial jobs.
- The two manufacturing subsectors (NAICS 332-333) are the next largest at an estimated 602 and grew by over 180 jobs, or nearly 2% per year.
- The farm supply sales subsector (NAICS 4442) and the repair, service, and storage of equipment subsector (NAICS 811) are the largest combined and grew at a rate of over 1.4% per year.



The estimated annual growth rate for these combined LI subsectors was 1.7% per year. The growth rate for total non-farm employment was 1.4% over this period, so these subsectors have outperformed the average in recent decades. Also, for comparison, the estimated growth rate of the population in Yamhill County was just under 1.3% per year since 2000 (PSU Population Research Center). Therefore, the growth of these LI subsectors has outpaced population growth in the county.

Going forward, the OED forecasts that all of these subsectors will continue to see positive growth in the Mid-Valley region (Linn, Marion, Polk, Yamhill) over the next ten years and beyond. The projected growth rate is more modest than that seen in Yamhill County in recent decades. However, looking at past trends we see that Yamhill County's employment growth rate since 2001 (1.4%) outpaced the other Mid-Valley counties: Linn County (0.8%); Marion and Polk (1.2%). If these trends continue, Yamhill will outpace the OED forecasted rate.

Yamhill County Agriculture

The types of businesses locating on LI land are often dependent on the predominant agricultural uses in the county. These firms in unincorporated areas typically serve the niche needs of surrounding farms, vineyards, natural resources, and other rural businesses and residents. The rural economy of unincorporated Yamhill County is dominated by nursery plants, viticulture, and a variety of field crops. Forestry is predominant in the western part of the county where the valley meets the Coast Range.

The U.S. Census of Agriculture is completed every five years, with the most recent conducted in 2017. It found that the Mid-Valley region (Yamhill, Polk, and Marion Counties; excluding Linn), with 4% of the cultivated acreage in the state, produced 23% of the state's gross agricultural commodity sales. This is an indicator of how productive the cultivated land in this region is with high-value crops. OED estimates that crop production, food and beverage processing make up 13% of regional private-sector employment. Using 2010 data, OED found that Yamhill County specifically has a concentration of employment in crop production 19 times higher than the national average. And the value of Yamhill County wine industry is estimated to have doubled since 2010.

Agriculture remains key to Yamhill's economy and continues to grow. Between the 2012 and 2017 agricultural census, the number of farms in the county grew from 2,028 to 2,138, growth of over 5%. In keeping with the long-term nationwide trend, the acreage of land held in farms fell slightly from 177k acres to 169k acres, however this decline is much less stark than in many other Oregon counties. This is due to the long-term decline of farming as an occupation nationwide, but in productive regions such as Yamhill County, the decline is accompanied by an increase in production-per-acre and the market value of remaining cropland.

OED forecasts that growth in employment in natural resources (agriculture, forestry, mining) in the Mid-Willamette Valley will outpace total employment growth, adding 1,300 new jobs mostly in agriculture over ten years.



LI Land Demand Conclusion: The LI zone is designed to provide land for a range of services that support the farms, businesses and residents of the unincorporated county. Future growth is forecasted for all of these categories going forward, while 85% of LI zoned land is developed. Given the limited remaining capacity of LI land in the county, and limited number of locations, there is current and ongoing need for these lands to supply the rural industrial and service uses envisioned.

III. LOCATION CHARACTERISTICS OF AVAILABLE SITES

Subject Site

The subject site is well suited for the proposed use of an agricultural supply store under the LI zone. The site is located near to neighboring uses that are better suited to light industrial and business use than private rural residences:

- The subject site is bordered along the sound edge by roughly 0.2 miles of Highway 99W. Businesses seek this type of high volume, high visibility route but it is less amenable to rural residences.
- The area that surrounds the subject site features multiple rural businesses, including a winery services business immediately to the north and a vehicle storage facility immediately to the east across NE Oak Road. An additional property across NE Oak Rd. has recently been rezoned for LI use and is planned to be the site of LI compatible business use as well.
- Along Highway 99W, to the east of the subject site is an area of current LI zoning. Businesses in this area include a tractor dealership, barrel maker and propane gas wholesaler. Immediately to the south of the subject site, across the highway, is an area zoned Neighborhood Commercial (NC). This is a county commercial zone and includes a car dealership, furniture store and multi-tenant business park of commercial users.
- The subject site is located less than one mile from McMinnville city limits to the west, and one half mile from the Tualatin Valley Highway (47).

These factors indicate that the subject site is located in an area that will be low-impact for conversion to an LI designation, with minimal impact on neighboring uses, and with real business advantages given the highway-adjacent location and visibility. Many other industrial and commercial businesses already exist in the immediate area, indicating that this segment of highway is an appropriate and successful location for businesses on unincorporated land.

As a residential site: As noted, the subject property is currently in the VLDR-2.5 zone. This is a “very low density” residential zone, meant to allow rural housing on lots that average at least 2.5 acres in size. The subject site is roughly 13 acres and can accommodate roughly five rural residential housing units on 2.5 acres each. Overall, this would be a small addition to the county’s housing stock, especially compared to development in the higher-density urban residential zones in McMinnville and

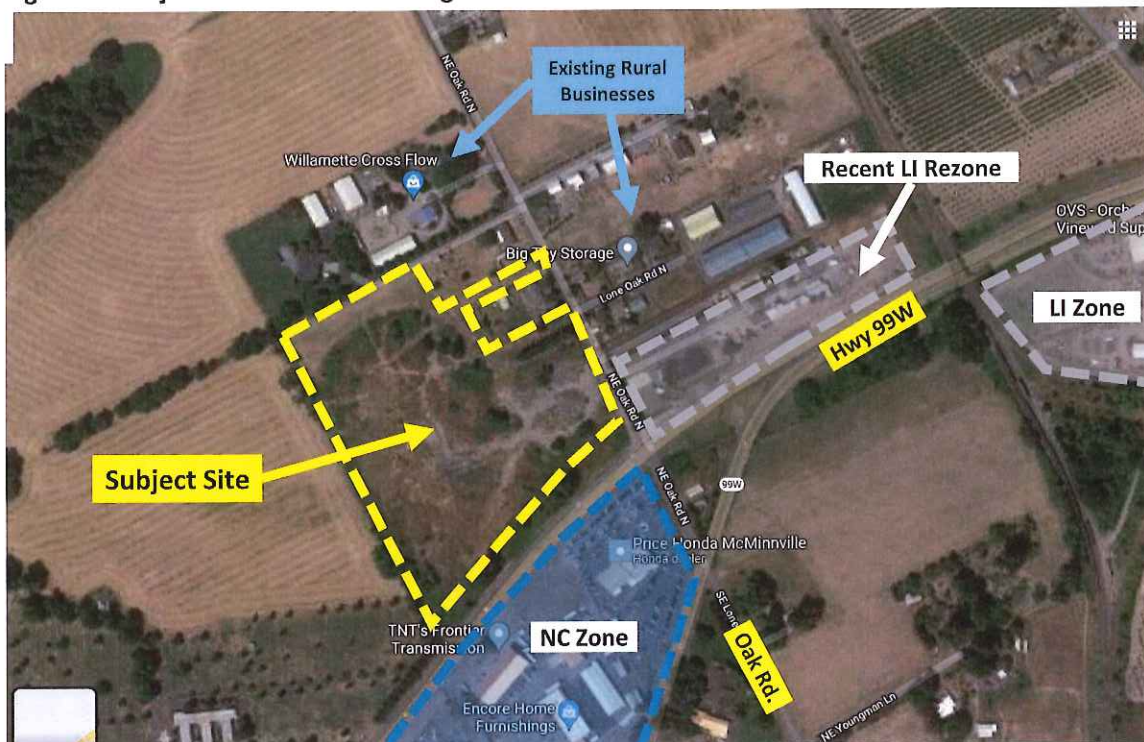


other incorporated parts of the county where this many units might be accommodated on one acre or less.

The combined VLDR zones that allow rural residential development cover an estimated 8,890 acres of unincorporated Yamhill County, or over 50 times the amount of land in the LI zone. Much of the land in these VLDR zones is currently large rural parcels, much of which is vacant, or at least partially vacant, and could hold more housing at the allowed densities.

The 13 acres of the subject parcel represents 0.1% of the VLDR land in the county. As noted, the subject site location is well suited to industrial or commercial uses. As a residential site it can accommodate few housing units and has the significant negative impacts of the high-volume highway adjacent to the property.

Figure 6: Subject Site and Surrounding Area



Source: Yamhill County Maps, Google Earth, Johnson Economics

Other Available LI Sites

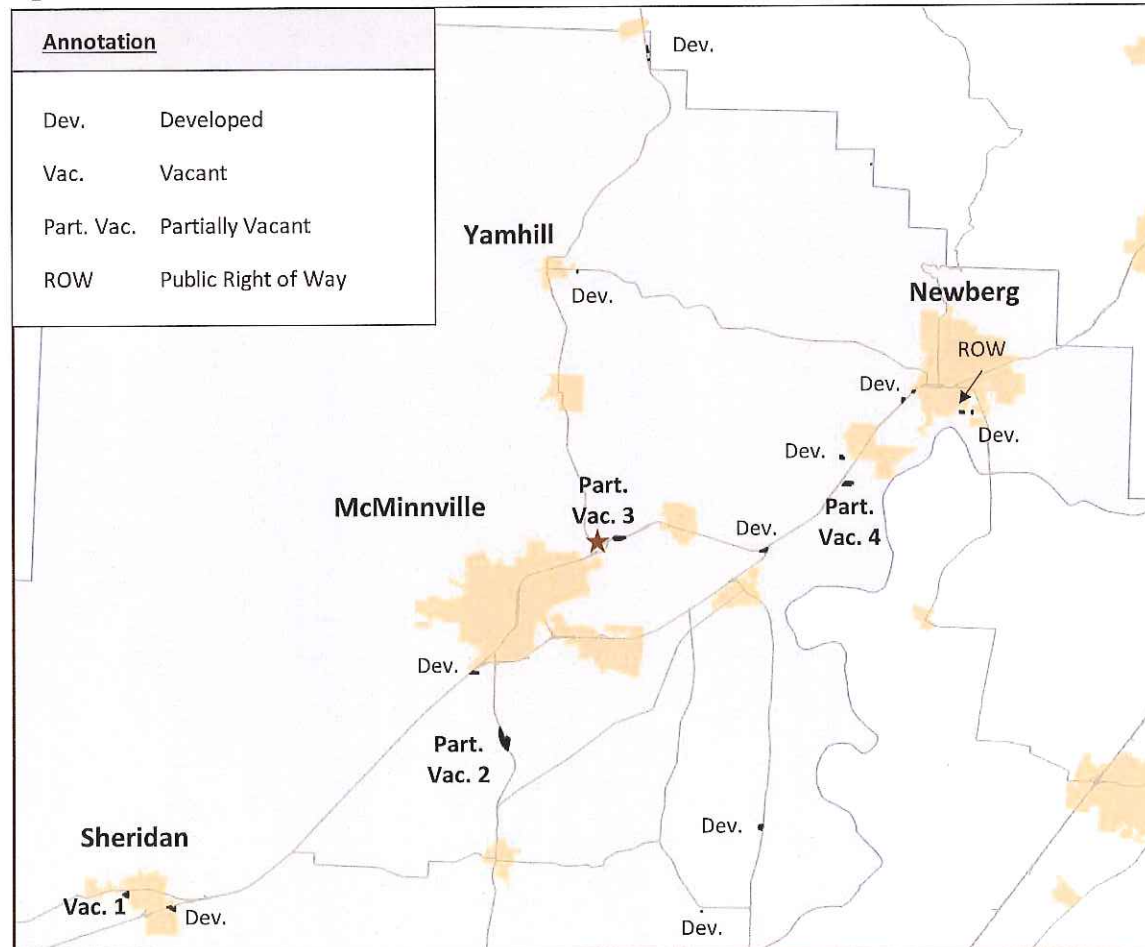
As summarized in Section I of this memo, 85% of the currently LI zoned land in unincorporated Yamhill County is developed. An estimated 15% of LI land, or 25.6 acres are vacant, a supply that has diminished over the past year. The vacant lands are found in four clusters of LI zoning at various distances from the subject site. The summary and map of these vacant LI areas is reproduced below.



Figure 7: Summary of Vacant LI Land

Site	Status	Location	# of Vac. Parcels	Total Vac. Acres	Distance from Subject
1	Vacant	W edge of Sheridan, S of South Yamhill River	1	11.7	16 mi.
2	Partially Vac.	N of Amity on Hwy 99W, S of McMinnville	2	4.5	7.5 mi.
3	Partially Vac.	E of McMinnville on Hwy 99W @ NE St. Joseph Rd.	1	~1.0	0.1 mi.
4	Partially Vac.	S of Dundee, E of Hwy 99W @ SE Fulquartz Landing	5	8.4	7 mi.
TOTALS:			9	25.6	

Figure 8: LI Zoned Areas in Yamhill County



Source: Yamhill Co, State of Oregon, Johnson Economics



In these four areas, there are a total of 9 separate taxlots, but the vacant taxlots in any one of the areas are all contiguous with each other.

- Of the four areas, only the first, a 12-acre parcel in Sheridan is a standalone parcel with LI zoning. In the other three cases, the vacant portions are part of a larger multi-taxlot area of LI zoning, in which some taxlots are developed.
- All of the identified *individual taxlots* within these groups are wholly vacant, other than Site 3. This parcel is a single taxlot of roughly 1.5 acres, of which an estimated 0.5 acres is developed and under use by the neighboring business, with the rest remaining undeveloped.
- The largest contiguous vacant area is Site 1 in Sheridan, at 12 acres. Of these sites, only Site 1 and Site 4 are likely physically large enough to hold a use like the one proposed at the subject site.

Suitability of Other Available LI Sites for Proposed Uses

The sites identified will have the same permitted uses as the subject site if it is rezoned to LI. They have different advantages or disadvantages for these uses. These are summarized in the following table and discussed more below.

**Figure 9: Characteristics of Available LI Zoned Areas in Yamhill County**

	<u>SITE 1</u>	<u>SITE 2</u>	<u>SITE 3</u>	<u>SITE 4</u>
Size	11.7 acres	4.5 acres	~1.0 acre	8.4 acres
Distance to Subject	16 mi.	7.5 mi.	0.1 mi.	7 mi.
Market Area	Sheridan area; Not well positioned in center of valley for regional access.	Between Amity & McMinneville; in central valley; South Yamhill, North Polk market.	Just NE of McMinnville; well situated to serve central Yamhill market	0.8 miles SE of Dundee on Hwy 99W; Eastern Yamhill market, and Marion W of I-5.
Neighboring Uses	Bordered to the N by the S Yamhill River and single residential street; rail line to the W and S; lumber mill under the same ownership located immediately to east, in city limits.	S Yamhill River to the NE; farmland to E; auto wrecking yard to W; to the S and W are various light industrial businesses including self- and RV storage, manufacturing, warehousing and agr. processing.	Site is bordered by rail line to the W; Hwy 99W to the N; tractor dealership to the E and S.	Site is surrounded by cultivated farm land to N, E, and S. To W is rail line and Hwy 99W. There are multiple rural residences to the east and north.
Access	Access is limited, with no access from a highway or major arterial. Site is accessed via SW Monroe St. which is a local street with residential uses along the N side. Because the site is hemmed in by the river and rail line, it is currently only accessible via central Sheridan.	Access is generally good via Hwy 99 between Amity and Sheridan at SW Squires Way. However, access is inadequate for the type of business proposed at the subject site.	This site has nearby access to/from Hwy 99W via NE St. Joseph Road. But direct access to the vacant portion of this site is limited via the existing tractor dealership that surrounds it to the E and S. A rail line and the highway create borders from the N or W. The use of this taxlot to anyone other than the neighboring business may be limited.	Access is good via Hwy 99 south of Dundee at SE Fulquartz Landing. The LI zoned area is located roughly 600 feet to the east of the highway, with a rail line and at-grade rail crossing in between. For some industrial users reliant on frequent truck traffic, the rail crossing may make this site inefficient.
Visibility	Poor visibility from any major arterial or highway. Site is on W edge of Sheridan, accessible via local streets.	Good visibility from Hwy 99W. Site has a corner directly on the highway allowing signage.	Good visibility from Hwy 99W which borders the site to the north.	LI businesses at the site will have so/so visibility from Hwy 99W. The LI area is located roughly 600 feet from the highway. SE Fulquartz Landing is a rural access road.

SITE 1 (Sheridan): Site One is a vacant parcel of roughly 12 acres just to the west of Sheridan. It is under the same ownership as the adjacent lumber mill to the east. This site is appropriate for some light industrial uses but is not likely directly competitive with the types of uses that would locate at the subject site. This is because the access and visibility are very poor at Site One for any business that relies on these things, while the subject site rates highly on regional access.

Also, the market area around Sheridan will appeal to different types of businesses because it is not centralized in the valley. At 12 miles distance from each other, prospective businesses will not see Site One and the subject site as being in the same service submarket. The Site 1 location is wholly inappropriate for the type of large agricultural supply store proposed at the subject site. Access for delivery trucks and customers would require traveling on local streets through central Sheridan. For



these reasons, Site One and the subject site are not directly competitive for the same LI uses and are not substitutable.

Figure 10: Light Industrial Zone Site 1



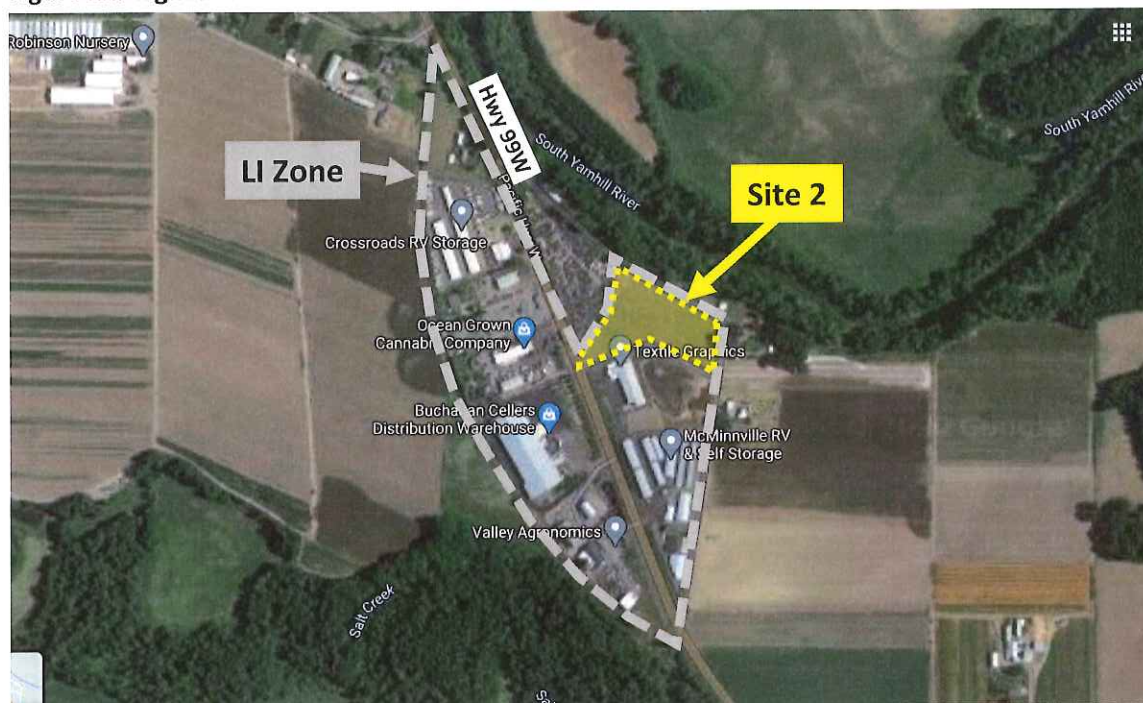
Source: Google Earth

SITE 2 (N of Amity): Site Two is a pair of adjacent vacant parcels under the same ownership in a small LI zoned area on Highway 99W between Amity and McMinnville. The combined site is 4.5 acres, or roughly a third of the subject site. Site Two would be appropriate for many of the same LI permitted uses as the subject site. The main difference is the site size and ease of access from the highway. A large agricultural supply business with warehouse, parking, and circulation space for delivery trucks, would likely be unable to fit on this site, and access for a high volume of customers is somewhat constrained because most of the site sits back from the highway.

At 8 miles from the subject site, and on the far side of McMinnville, Site 2 and the subject site will not serve the same submarket and will not be directly substitutable for most types of LI businesses. The difference in size means the two are likely to attract different types of firms with different scale of operations.



Figure 11: Light Industrial Zone Site 2



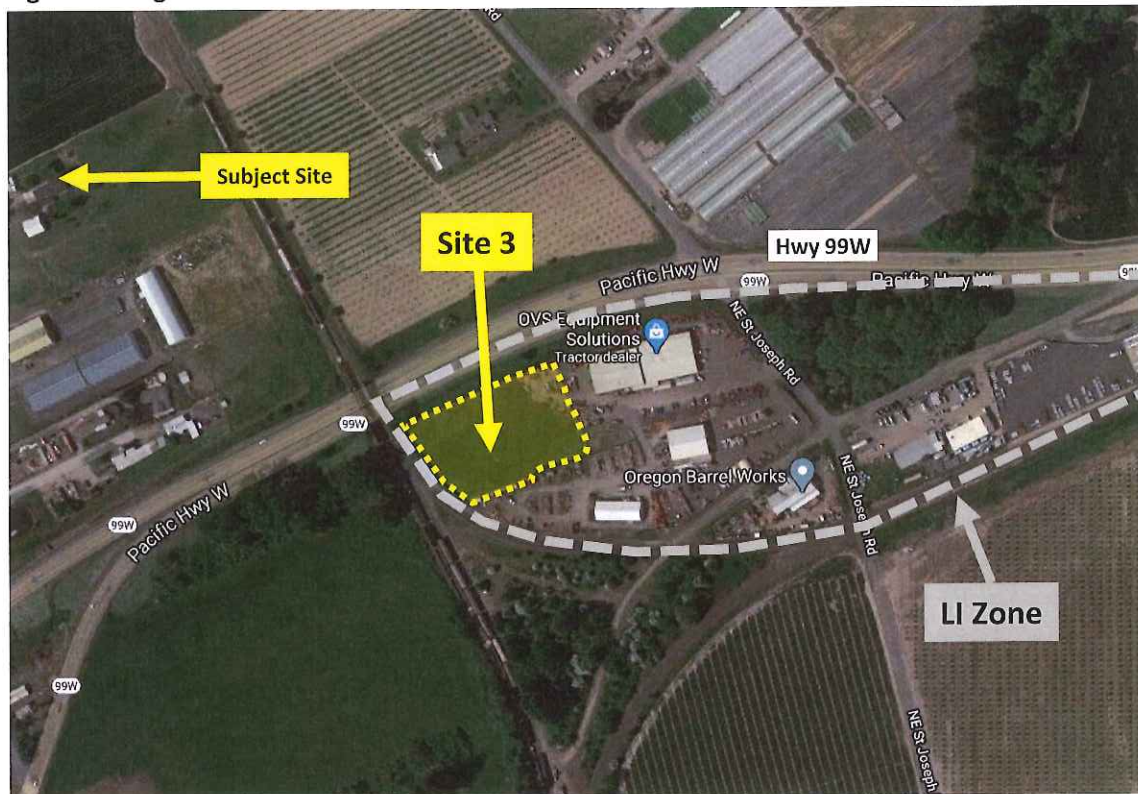
Source: Google Earth

SITE 3 (E of McMinnville): Site Three is the nearest site to the subject site, being located just to the east and on the south side of the highway. This site is significantly smaller than the subject site. The 1.5-acre taxlot is partially used by the neighboring tractor dealership. The remaining vacant portion is estimated at roughly one acre. The likelihood that this parcel can develop with anything other than a further extension of the neighboring business is in doubt. Access to the vacant portion is constrained by a rail line and the highway on three sides, and access from the east appears to require a route through the neighboring business. This parcel is included here because it remains partially vacant and appears to have different ownership than the adjacent parcels.

The location, size, and constrained access to Site 3 makes it wholly inadequate for the scale of business and traffic volume proposed at the subject site. It is considered substitutable with the subject site.



Figure 12: Light Industrial Zone Site 3



Source: Google Earth

SITE 4 (S of Dundee): Site Four is a collection of taxlots totaling 8.4 acres located roughly 0.8 miles south of Dundee, and 7 miles from the subject site. The LI zoned area is located to the east of the highway by 600 feet on SE Fulquartz Landing. The LI zone is surrounded by EFU farmland, and rural homesteads. The unusual location of this LI zone may make it difficult to transition to the envisioned industrial uses. Due to the distance from the highway, access and visibility are not comparable to the subject site.

Currently it appears to be partially vacant, with some vehicles being stored on open fields. The vacant portions are under multiple ownerships and the NE and easternmost portions have recently been developed for rural residential or small farm use. The developed portions leave the remaining vacant parcels in an irregular configuration.

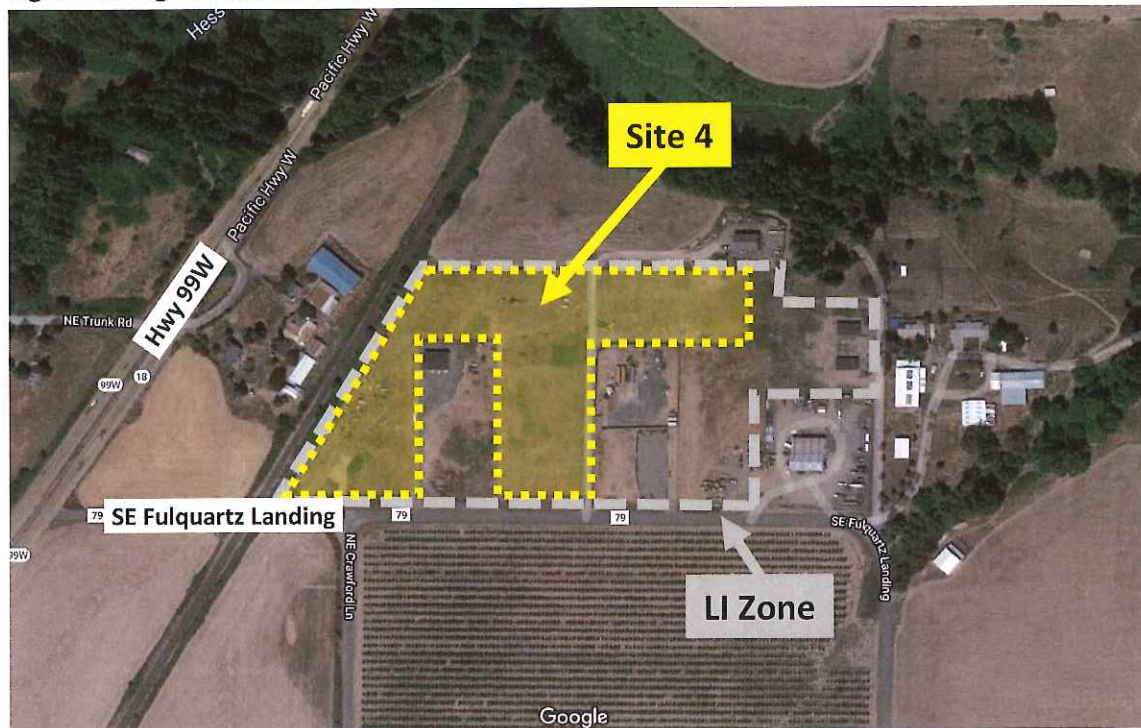
At 8.4 acres, Site Four is the second largest contiguous area of vacant LI zoned land identified in the county. It is likely physically large enough to accommodate the same uses, or multiple uses, that might be attracted to the subject site. However, because of the substandard access and visibility, irregular configuration, and the fractured ownership, this land is unlikely to develop as a single LI site.



The site is accessed from the highway by SE Fulquartz Landing Road. This intersection features “right in/right out” access to and from the highway, which rules out left turns onto and off of Highway 99 heading southbound (westbound). This results in vehicles coming south on 99W have to travel 2.4 miles south to McDougall Rd in order to make a safe U-turn to return to Fulquartz Landing. This significantly hampers practical access to this site. Furthermore, the distance from the highway to the site are not ideal and features an at-grade rail crossing. The rail crossing appears to be in substandard condition, and Fulquartz Road beyond it is an unimproved gravel road.

Site 4 is inadequate for the type of supply store proposed at the subject site. Besides the site’s physical configuration, significant investments would have to be made the Fulquartz Rd. and the rail crossing in order to make it appropriate for customer traffic and deliveries. Assuming such increased traffic at the rail crossing could be approved, the costs of these improvements would be prohibitive to most commercial developers.

Figure 13: Light Industrial Zone Site 4



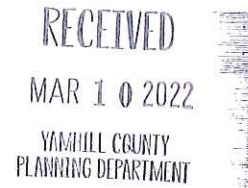
Source: Google Earth



Figure 14: Summary of Vacant Taxlots

SITE	LOCATION	TAXLOTS	ACRES	
SITE 1:	Vacant W edge of Sheridan:	R5634 00100	11.72	
			11.72	ac
SITE 2:	Part vac N of Amity on 99:	R5405 01205	2.2	
		R5405 01206	2.28	
			4.48	ac
SITE 3:	Part vac E of McMinn:	R4411 3803	1.53	
			1.53	ac
SITE 4:	Part vac S of Dundee:	R3335 4400	2.34	
		R3335 4402	2.1	
		R3335 4407	1	
		R3335 4408	2	
		R3335 4410	1	
			8.44	ac
TOTAL:			25.64	ac

Source: Yamhill County, Johnson Economics



MEMORANDUM

DATE: March 9, 2022

TO: Town Investments LLC
PO Box 116
Wilsonville, OR 97070

FROM: Brendan Buckley
Johnson Economics, LLC

SUBJECT: Additional Comment on the Need Analysis of Supply and Demand for Light Industrial Land

JOHNSON ECONOMICS previously completed a review of the estimated demand and current supply of land zoned for light industrial uses and the types of businesses allowed in Yamhill County LI (Light Industrial) zone (dated 8/5/21).

In the Board of County Commissioner's hearing of 3/3/22, some additional comments and questions were raised regarding the analysis in the previous memo. This letter is meant to provide additional context to respond and help interpret the prior memo.

A. Substitutability of Light Industrial Sites

One concern raised in the hearing regarded the need for the subject site, to address projected light industrial job growth, given the availability of other parcels in the county that are currently zoned for light industrial use. Generally speaking, the supply of rural light industrial land is low, and will continue to diminish over time.

The analysis did identify a few remaining sites in the county with LI zoning (Figure 9, pg. 12), and discussed the potential strengths and weaknesses of these sites as substitute locations to the subject site.

The remaining sites have significant challenges in accommodating the county's projected growth in rural industrial uses. Three of the four identified sites (Sites 1,3,4) have great challenges based on location and/or odd parcel size/shape to be directly comparable to the location and layout of the subject site.



The remaining site, Site 2, was raised in the hearing as a potential substitute for the subject site. Site two is 4.5 acres, located on a highway, in an existing light industrial cluster, and had decent visibility and access for business operations.

New Active Use of Site 2: *Site 2 is currently under an active use for RV storage.* Recently it has been paved for this purpose and shows evidence of full usage and **should no longer be considered vacant**. It appears that this site development took place in recent years, and the site was still registered as vacant in county mapping data, and appeared that way in aerial photography, at the time the prior analysis was completed.

Though there is no built structure on the site, the paving of a 4.5-acre parcel represents a significant investment, and RV parking/storage is a viable long-term business and should not be considered transitory. For this reason, Site 2 should not be considered part of the vacant inventory of Yamhill County and a substitute for the subject site.

The removal of Site 2 from the inventory reduces the remaining vacant acreage of LI zone in the county by 4.5 acres and leaves roughly 21 acres split between three locations. Over half of this remaining acreage is located in one site in Sheridan that has very limited access.

B. Rural vs Urban Light Industrial Uses

An additional concern raised in the hearing regards the substitutability of industrial sites in the county's incorporated areas to accommodate the types of light industrial uses that would be permitted at the subject site under the LI zone.

However, there are certain industrial uses that are better suited for a rural setting, including those that serve, supply, or provide value added to rural uses such as agriculture, mining, or rural residences. These types of rural industrial users and their customers often benefit for more direct access to these complimentary rural uses. The shipping, storage of process of agricultural goods, as well as dirty machinery and equipment are less well suited to traversing city streets.

The types of industrial users are better suited to a rural location than a city location include, but are not limited to:

- Food processors using local inputs
- Storage, packaging, distribution of rural products
- Farm and rural equipment manufacturing, sale, repair, storage
- Wineries, breweries
- Veterinary services
- Heavy equipment storage for contractors



The prior analysis provided projections of job growth for a variety of industry sectors fitting in these categories (Figure 5, pg. 6). The job growth includes, *but is not limited to*, a farm supply store. However, the job growth projections also included a wide range of other rural industrial uses that would be appropriate for the subject site. The specific categories analyzed that fit the definition of rural industrial use were:

- A. Manufacture of machine tools, medical and dental equipment, electronic instruments, mobile homes, and food products not generating noxious odors;
- B. Farm, industrial or contractor's equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage;
- C. Warehousing, wholesale storage and distribution, and motor freight terminals contained only within a building;

The analysis found a trend of growth in all of these industries and projected additional growth in the coming decade. Given the diminishing supply of rural light industrial land in Yamhill County, there may be limited land capacity to house these jobs that are better suited to an unincorporated location.

Lone Oak Road Comprehensive Plan & Zoning Map Amendment

Yamhill County
Board of Commissioners Public Hearing
March 3, 2022 at 7:00 pm



Project Team

Findings - Attachment 4



- » Town Investments, LLC
 - » Property Owner/Applicant
- » Davis Wright Tremaine, LLP
 - » Legal Counsel



- » Elaine Albrich
- » AKS Engineering & Forestry, LLC
 - » Land Use Planning, Civil Engineering, Surveying, Landscape Architecture, Arborist, and Natural Resources Consultant



- » Marie Holladay, Chris Goodell, Rand Waltz
- » Lancaster Mobley
 - » Transportation Engineering



- » Daniel Stumpf
- » Johnson Economics
 - » Land Use Economics
 - » Brendan Buckley



- » A Acoustics



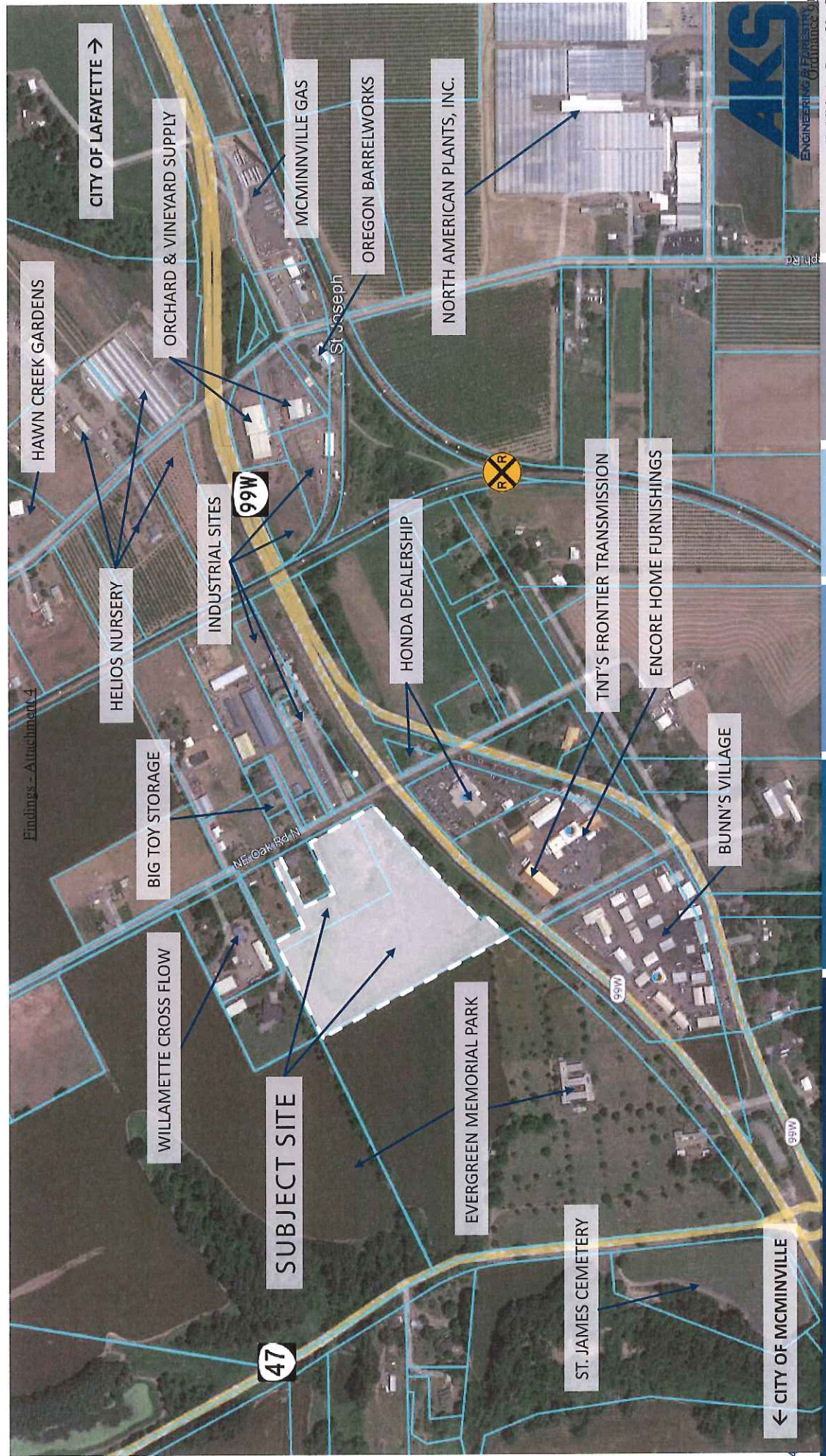
- » Acoustical Engineering
 - » Elki Lahav, PE

Project Overview

- » Property History:
 - » Owned by Town family since 1967
 - » Used for industrial activities for over 50 years
- » Total Site Area:
 - » ±13 gross acres
- » Two applications:
 - » Comprehensive Plan Amendment
 - » Zoning Map Amendment
- » Process Overview:
 - » Type IV Quasi Judicial Review
 - » Planning Commission Recommended 6-0 Approval with Conditions
 - » Board of County Commissioners Decision

Findings - Attachment 4





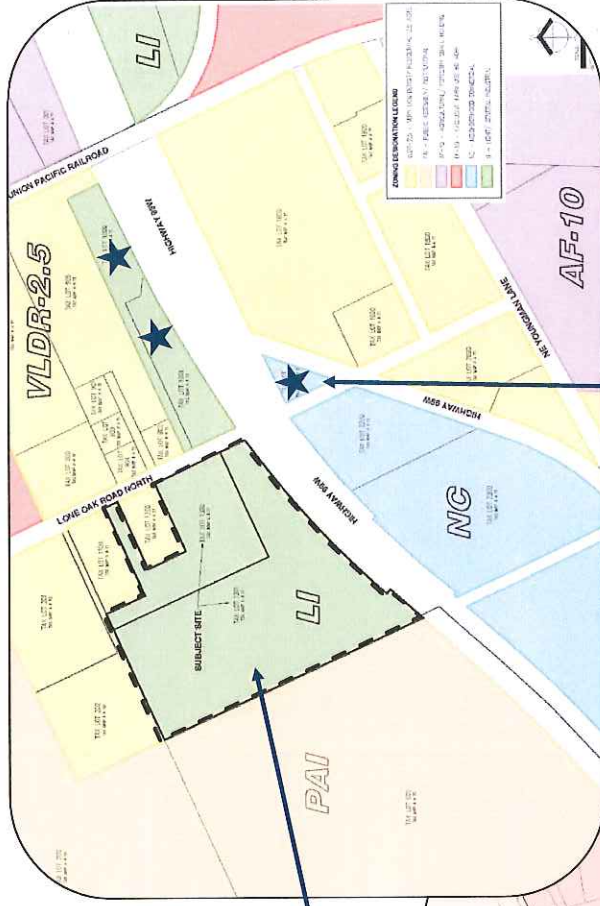
Findings - Attachment 4

Yamhill County Zoning Map

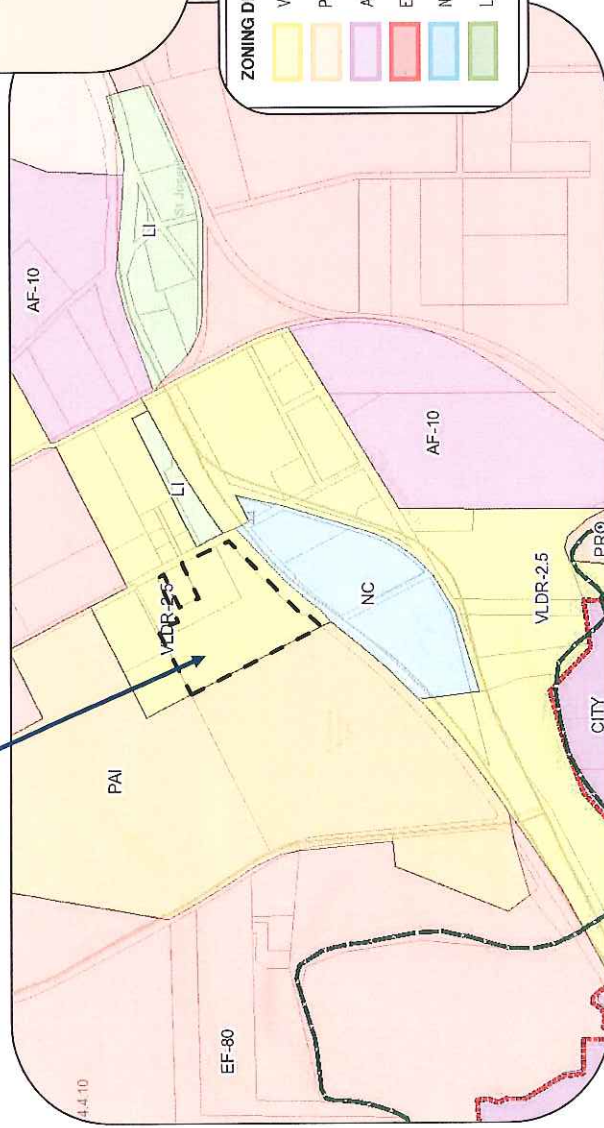


Yamhill County Zoning Map

- » Existing District » Updated District
- » VLDR-2.5 » Light Industrial (LI)



Recent Zone Changes



Planning Commission Hearing

- » The Planning Commission recommended approval of the comprehensive plan amendment and zone change to Light Industrial in a 6-0 vote on December 2, 2021
- » According to evidence in the record, a Limited Use (LU) Overlay District was recommended based on noise concerns and compatibility with adjacent property

Following the PC Hearing:

- » After hearing the concerns from public testimony, the Applicant engaged an expert in the field of noise to investigate
- » After hearing the concerns raised by the cemetery, the Applicant met with the cemetery to discuss possible noise mitigation measures

Zone Change Approval Criteria

- ✓
 - Is consistent with Comprehensive Plan goals and policies
 - Compatible with the character and available services of the area
 - Concentrates industries of similar types and enhances a viable corridor
 - Provides a useful service to residents and businesses
- 
 - The use complies with the Transportation Planning Rule (TPR)
 - Consistent with the Transportation System Plan (TSP)
 - There are no significant effects on transportation facilities in the area
 - All study intersections are projected to operate acceptably per County and ODOT standards
- ✓
 - Is consistent with YCZO Section 1208.02

Approval Criteria – YCZO 1208.02

- » A quasi-judicial change to a zoning map may be authorized, pursuant to Subsection 1208.01, provided that the request satisfies all applicable requirements of this ordinance, and also provided that the applicant demonstrates compliance with the following criteria:

✓ A. Is consistent with the Comprehensive Plan Goals and Policies

✓ B. There is an existing market demand for Light Industrial zoned land



JOHNSON
ECONOMICS

- » LI permitted uses have experienced 38% growth between 2001-2020
 - » Warehousing subsector experiences fastest growth rate at 4.4% per year
 - » Manufacturing subsector at 1.9% per year
 - » Farm supply sales subsector/repair, service, and storage of equipment grew at 1.4% per year

✓ D. Other lands in the County already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses due to location, size or other factors

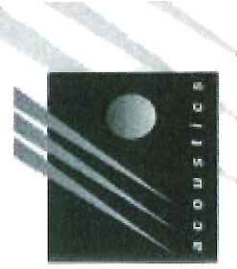
Approval Criteria – YCZO 1208.02(C)

YCZO 1208.02 requires that the Applicant meet four criteria. One criterion, YCZO 1208.02(C), is particularly relevant to the Board given the public comments to date and concerns over Light Industrial zoning noise and compatibility.

✓ **C.** Is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment and the availability of utilities and services likely to be needed by the anticipated uses in the proposed district.

- » Is a suitable location for a variety of LI uses
- » Enhances a viable corridor of commercial/industrial activity
- » Supports the Commission's recent decisions for zone changes nearby
- » Promotes an efficient transition from rural to urban uses

Acoustical Study



- » A Acoustics Engineering's study compared the existing ambient sounds pressure levels near the businesses in Bunn's Village, the Evergreen Memorial Park, and the subject site.

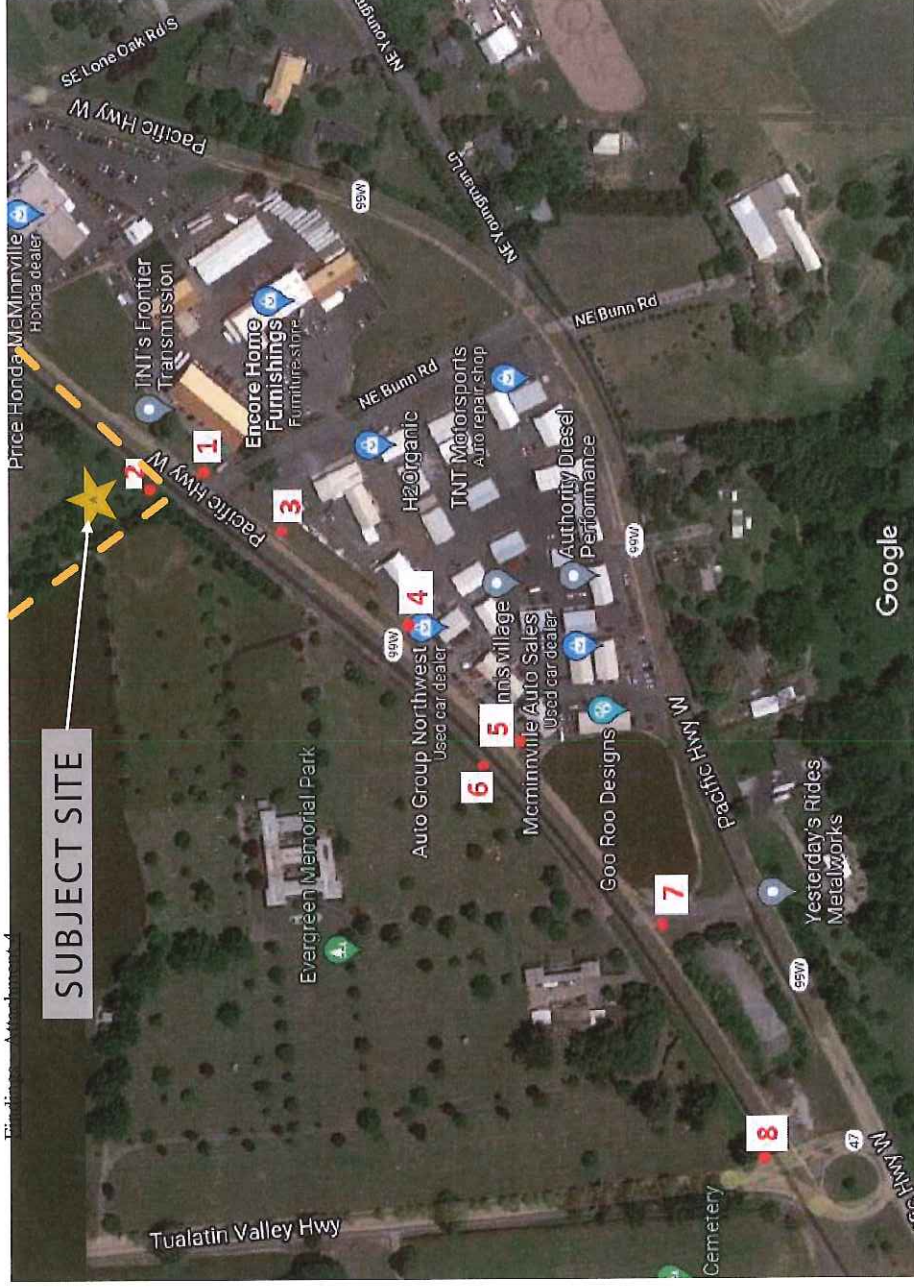


Figure 2: Locations of Sound Recordings

Acoustical Study

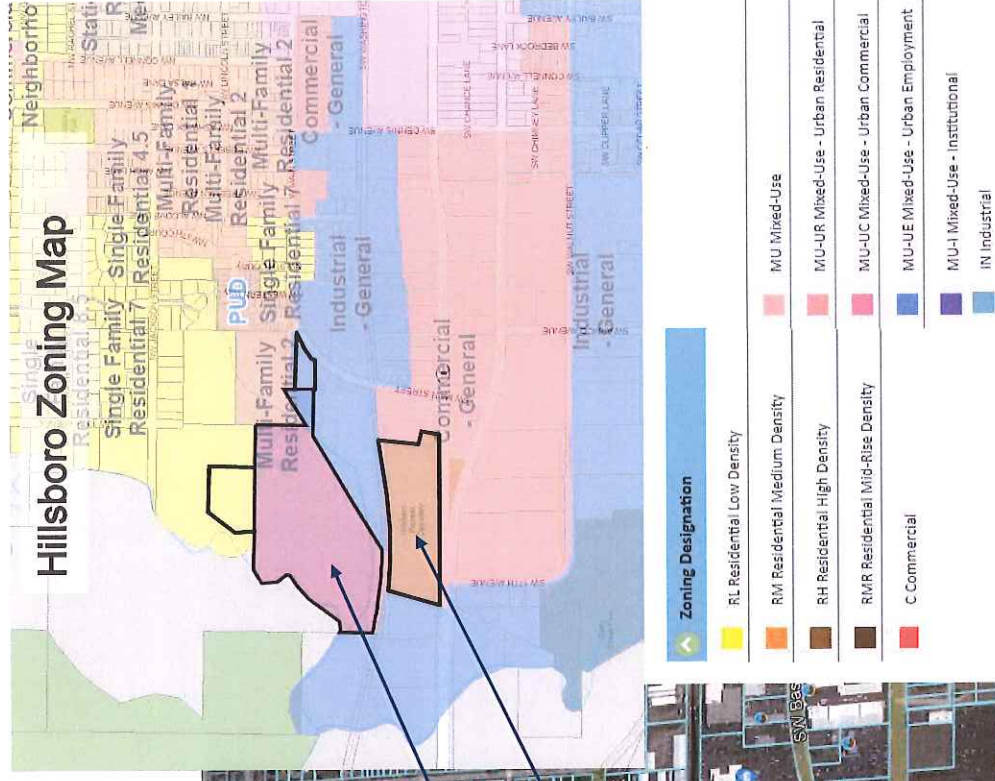
- » The recorded sound at most positions was dominated by highway traffic noise and light airplanes
- » Sound pressure levels for functioning businesses near the site are well below the ambient traffic noise
- » Action is not recommended to be necessary to mitigate potential LI uses

Findings - Attachment 4

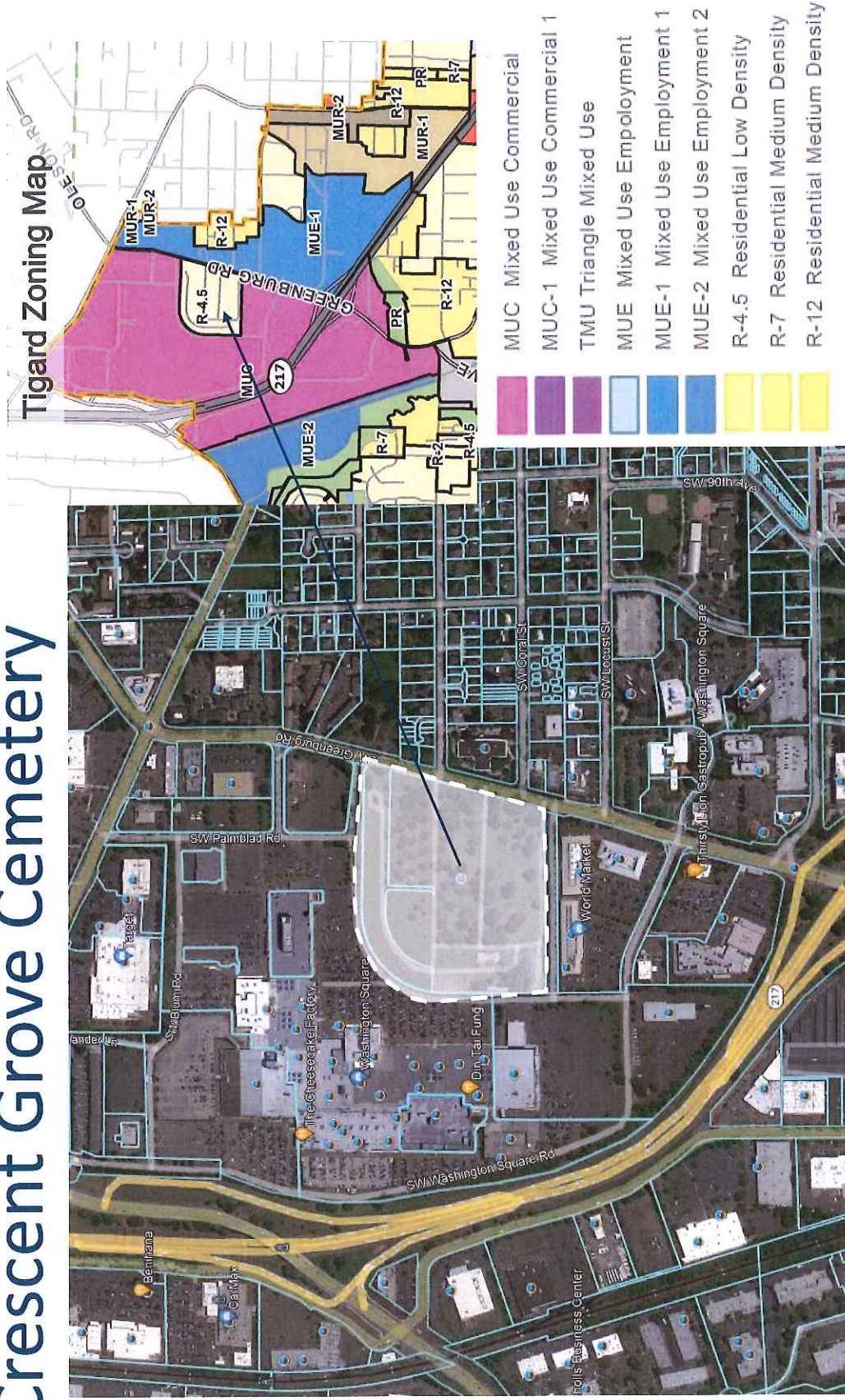


Fir Lawn Cemetery & Hillsboro Pioneer Cemetery

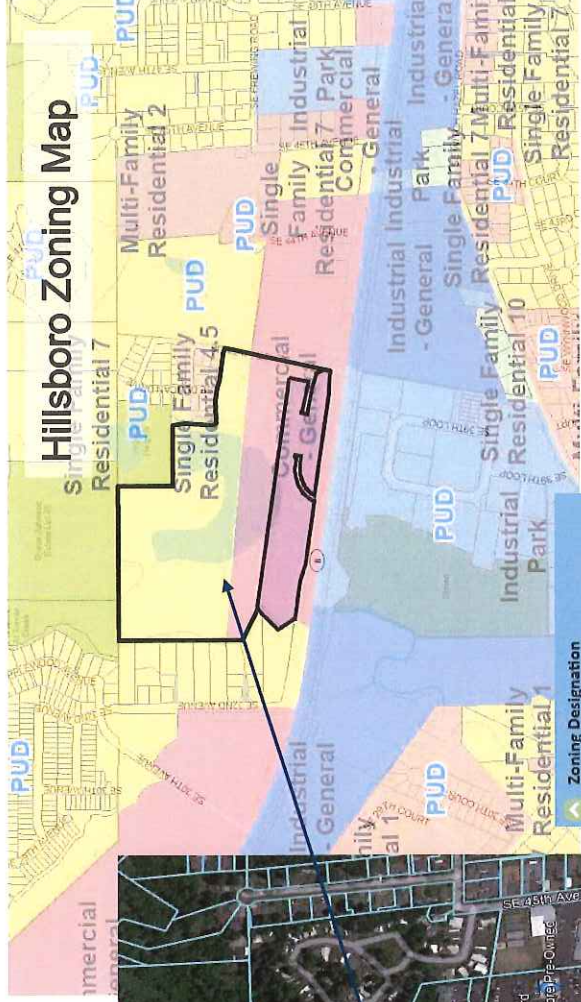
Fir Lawn Cemetery & Hillsboro Pioneer Cemetery



Crescent Grove Cemetery



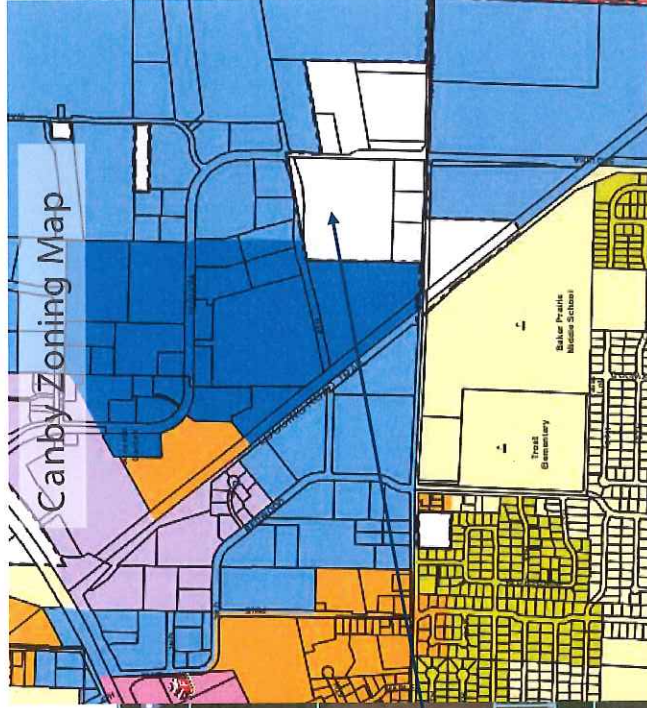
Valley Memorial Park



Zoning Designation

RL Residential Low Density	MU Mixed-Use
RM Residential Medium Density	MU-UR Mixed-Use - Urban Residential
RH Residential High Density	MU-UC Mixed-Use - Urban Commercial
RMR Residential Mid-Rise Density	MU-UE Mixed-Use - Urban Employment
C Commercial	MU-I Mixed-Use - Institutional
	IN Industrial

Findings - Attachment 4



- AKS**
ENGINEERING & FORESTRY
Ordinance 9

Conclusion

- » The Applicant's impact analyses in the record address a range of potential uses allowed in the Light Industrial zone
- » Sound levels were specifically analyzed to evaluate existing background conditions
- » The record supports a finding that the proposed zone change is appropriate under YCZO 1208.02(C)
- » Any future development will be subject to subsequent site design review under YCZO 1101.02, which address factors such as traffic, noise, visual buffering, etc. and comments from adjacent property owners that may be affected by the proposed use. The County may impose screening, buffering, or noise mitigation measures at this time based on the actual design of the proposed development.

Questions?

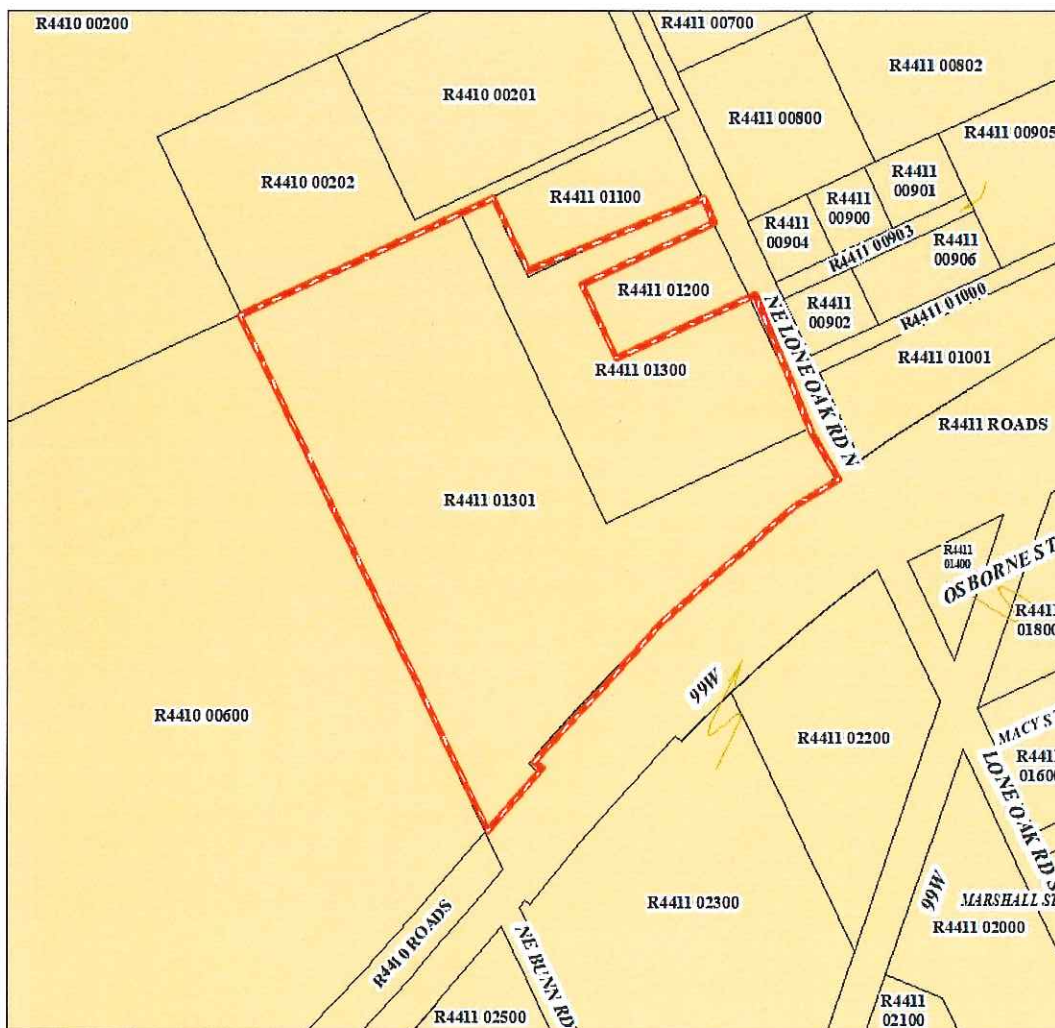
Marie Holladay

AKS Engineering & Forestry, LLC
12965 SW Herman Road, Suite 100
Tualatin, OR 97068
HolladayM@aks-eng.com
(503) 563-6151

Alternative Condition Language

- The Applicant requests an adopted condition specifically reference the YCZO and the permitted uses that will be allowed under the LU overlay
- The Applicant proposes the following language to clarify what uses would be allowed under the LU Overlay:
 - A LU overlay district shall limit the permitted uses and activities to those permitted under **YCZO 702.02(B)** Farm, industrial or contractor's equipment or material manufacture, storage, sales, repair, or services including automobile repair garage, and/or **YCZO 702.02(C)** Warehousing, wholesale storage distribution, and motor freight terminals contained only within a building."

EXHIBIT B - MAP FOR ORDINANCE 918
 ADOPTED BY THE YAMHILL COUNTY BOARD OF COMMISSIONERS
 APRIL 28, 2022
 FOR A PLAN AMENDMENT FROM
VERY LOW DENSITY RESIDENTIAL
 TO
INDUSTRIAL
 AND
 ZONE CHANGE FROM
VLDR-2.5, VERY LOW DENSITY RESIDENTIAL
 TO
LI, LIGHT INDUSTRIAL



YAMHILL COUNTY
TAX LOT INFORMATION
 &
CONTEXTUAL MAP



Property Information

Docket: PAZ-04-21

NE Lone Oak Road

 Subject Tract

Tax Lot: R4411 01301

Lot Acreage: 10

Tax Lot: R4411 01300

Lot Acreage: 3.0

Approximate Locations & Dimensions

1 inch = 200 feet



Last Update: April 20, 2022

CHANGE APPLIES TO TAX LOTS 4411-01300 & 4411-01301 AS HIGHLIGHTED ABOVE.
 APPROXIMATE SCALE - 1 INCH = 200 FEET