

YAMHILL COUNTY PLANNING COMMISSION

Thursday, February 2, 2023 - 7:00 p.m.

Yamhill County Courthouse, Room 32

535 NE Fifth Street

McMinnville, Oregon 97128

Roll Call: Dan Armstrong, Mark Gaibler, Paulette Alexandria, Matt Dunckel, Alan Halstead, John Abrams
Absent: Brett Veatch **Staff:** Ken Friday, Lance Woods, Desire Lundeen, Stephanie Curran

Chair Dan Armstrong opened the public hearing.

DOCKET G-01-22, a proposal to update Sections of the Yamhill County Zoning Ordinance to add “*Roads, highways and other transportation facilities and improvements*” as a permitted use to the following zoning districts.

Parks, Recreation, Open Space District – Section 405 (PRO)

Rural Residential Districts –502 (VLDR), and 503 (LDR)

Public Assembly Institutional District – Sections 801 (PAI)

And adding “*Roads, highways and other transportation facilities and improvements*” as a conditional use to the following zoning districts:

Mineral Resource District – Section 404 (MR)

Rural Residential District – Section 501 (AF-10)

Commercial Districts – Sections 601 (RC), 602 (NC) and 603 (HC)

Industrial Districts – Sections 701 (RI), 702 (LI) and 703 (HI)

Public Works/ Safety District – Section 802 (PWS)

Public Airports/ Landing Fields District – Section 803 (PALF)

The Board of Commissioners has sent this issue back to the Planning Commission to consider the following:

Directives to the Planning Commission:

B.O. 22-353 - Motion 1:

1. Modify bypass overlay district to allow for roads, highways, and expressways. (YCZO 908)
2. Make sure the underlying zoning conforms to the overlay district (i.e. ensure ordinances allow as necessary.) [Motion passed 2:1]

B.O. 22-354 – Motion 2:

1. Provide justification as to why amendments are needed in each zone for roads and highways
2. Clarification as to why it’s conditional and why it’s permitted
3. Define “other transportation facility and improvements”. [Motion passed 2:1]

These amendments are being reviewed based on Section 1207.01 of the Yamhill County Zoning Ordinance.

Ken Friday: The Board of Commissioners have asked us to postpone this item again.

Paulette Alexandria made a motion to continue Docket item G-01-22 to the March 2, 2023 hearing at 7PM in room 32 of the Yamhill County Courthouse, Alan Halstead seconded. Motion passed unanimously.

DOCKET NO.: C-26-22/SDR-35-22
REQUEST: Conditional use and site design review request for a commercial activity in conjunction with farm use for the operation of a by-appointment-only wine tasting room.
APPLICANT: Daniel Diephouse for Corollary Farm, LLC
OWNER: Corollary Farm, LLC
TAX LOT(S): 5434-02100, 5434-02200, and 5434-02800
LOCATION: The tract directly west of the parcel addressed as 6930 SE Sartore Rd., Amity.
CRITERIA: The request is subject to Sections 403.04(G), 403.07(A), 1101.02, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.
ZONE: AF-40, Agriculture/Forestry Large Holding District, and AF-10, Agriculture/Forestry Small Holding District
EXHIBITS:
I. Request for Hearing
II. Application
III. Agriculture/ Forestry Large Holding (AF-20, 40, 80) Zoning Ordinance
IV. Site Design Review Ordinance
V. Conditional Use Ordinance
VI. Public Notice
VII. Public Agency Reports
VIII. Comments Received

Abstentions and objections: Dan developed the parcels that live on the end of Sartore Rd and sold the property off to the current owners. I can be objective.

Ken Friday read the raise it or waive it statement.

Desiree Lundeen provided the staff report.

Proponent:

Daniel Diephouse and Jean Feldkamp, 379 SW 7th, Dundee: We are the owners, we consider this our 50-year project. We use organic dry farming and principals, and have 20 acres set aside for oak restoration. We will be planting the vines this spring when it dries out. It is important for our customers to see how the grapes and land are an integral part of the product (wine) itself.

Dan Armstrong: I'm glad there are grapes going in the ground, because a tasting room with no grapes doesn't work. I hear grapes take about 4 years to be productive, so will the tasting room be open sooner?

Daniel Diephouse: Yes, in about three years.

Dan Armstrong: Where are you producing wine?

Jean Feldkamp: Winter's hill. We have 260 club members.

Daniel Diephouse: We just buy grapes now, but the idea is this vineyard will

Dan Armstrong: you do tasting by appointment, how many people at this time?

Daniel Diephouse: 28 is capacity.

Dan Armstrong: How long is an appt?

Jean Feldkamp: Typically, 60 to 90 minutes.

Paulette Alexandria: Do you make your own wine?

Jean Feldkamp: Yes

Paulette Alexandria: So, you're at Winter's Hill and you are the winemaker.

Jean Feldkamp: Yes

Paulette: How long have you been doing it to build up you 260 clients?

Jean Feldkamp: We started producing in 2017 and releasing it in 2020.

Paulette Alexandria: Do you source your wine elsewhere, or do you own a vineyard?

Daniel Diephouse: Right now, we just buy grapes, including from down the road. The idea is this vineyard would make up the majority of our production.

Paulette: Will you continue to source after you have your own vineyard.

Daniel Diephouse: We will continue to source from a few of our favorite vendors.

Dan Armstrong: How many acres going in this spring?

Daniel Diephouse: At least 11 acres.

John Abrams to staff: If they have 15 acres of grapes, and a winery is permitted, would a tasting room be a permitted use?

Ken Friday: Yes, it would be permitted.

Matt Dunckel: Do you have a tasting at Winter's Hill where you make your wine now?

Jean Feldkamp: We do pop-up tastings, but Winter's Hill is getting ready to do some expansions, so we need to get our own place.

Dan Armstrong: I have some concerns of the county part of the road holding up, there are some cracks in it, in particular right as you come off of Eola Hills. Your business will generate more traffic than the Christmas tree farm there.

Jean Feldkamp: Our traffic study we submitted addresses some of that, we are willing to take on our share of the road maintenance in proportion to our business.

Dan Armstrong: That's good to hear, because there is a road maintenance agreement for the private portion of Sartore. Some might not have the wherewithal to pay for the public portion, not to put that all on you.

Daniel Diephouse: If people don't want to work with us on that, I don't know what else we can do.

Jean Feldkamp: The agreement is the current residents maintain that road, whether we are there are not, correct?

Dan Armstrong: Again, the road will be a problem, I would be concerned if I lived out there.

Daniel Diephouse: Again, we are willing to take on a share of the maintenance that is proportional to our usage, I think that has to be worked on outside this setting.

Jean Feldkamp: My understanding is the road maintenance agreement is for people behind the gate, and we aren't behind the gate.

Michal Gelardi, attorney for Corollary Wines, 14710 Village Plaza Loop Ste. 165, Eugene: I am legal counsel for the proponents, I wanted to get myself on the record.

Dan Armstrong: do you have a copy of the 15-year-old road maintenance agreement in your file somewhere.

Michael Gelardi: I have not been involved in Sartore Rd before, so no, I do not. But I have worked on road maintenance agreements.

Julie Cattrall: 7575 SE Seawood Rd, Amity, previously lived with my parents on Sartore Rd. I am in support of this project. The owners are ecologically into this and seem like good stewards of the land.

Opponent:

Thomas Scheible, 6600 SE Sartore Rd: To clarify the road maintenance agreement; the 5 residents below the gate to county road put together an agreement that encompassed the entire area behind the gate to the edge of the county road where it culminates at the easement that runs to Eola Hills Rd at the 10-acre parcel that Corollary holds. There have been some concerns about Corollary sharing in the road maintenance agreement, but that isn't necessary because it is already covered to that point. It might be something to consider in the future. I was pleased tonight to hear that Corollary wines have no interest in operating a winery, that simplifies things greatly for us. Water is scarce in this area; I do not know how these people will water their grapes. There is a pond that is a part of this process, the construction and maintenance of which concerns me. If it floods, it will end up on my property. It could ultimately affect the reservoir at the bottom of the hill for the 330 acres of blueberries. I am a public elected official as well; I am on the Board of Amity Fire. I am concerned about emergency vehicles trying to pass a busload of wine tasters. Also, the road is narrow, the residents are aware of the limitations, but not necessarily the visitors. Today there was also a request that came in for quarterly events for their wine club that run until 10 o'clock at night. In July with 8- to 10-year-old kids playing baseball on the road, I am concerned about people leaving Corollary wines after a wine drinking event. I also don't like the access to their tasting room, they should move their gate adjacent to the current easement so they can access from Eola Hills Rd instead of accessing off Sartore for safer access to the tasting room. I would ask the county to move the access parallel to the current easement to allow traffic to move onto Eola Hills Road directly without having to use Sartore at all if we cannot come to an agreement about the access point at the bottom. I read the traffic survey and it didn't address farm use, it didn't address any vehicular traffic for grape production, or workers it only addressed a limited number of users accessing the tasting room on a daily or weekly basis. Their sign should state "by appointment only". In the staff report there is verbiage about usage. It refers to celebratory events in which the wine is the secondary purpose, I would like to change

verbiage to regardless of purpose, so those are outlawed. The tasting room will open by appointment only with no more than 12 people at a time, no outdoor service allowed for any patrons. I'm concerned because I keep hearing about 28 people in a 300 sq foot tasting room, and yet the footprint is 1960 square feet. That includes a patio, storage, restrooms. It gives a lot of room for outdoor tastings which would be disruptive, especially to us. Minimum of 6 customer cars in their parking lot at any given time, no commercial events such as weddings will ever be held on the property, regardless of purpose or content. And outlaw the wine club quarterly parties that go over capacity. Sartore residents want some language in there that they won't impact the lifestyle we build. We don't believe our dreams should be overridden by a retail for profit only winery and tasting room.

Dan Armstrong: On road maintenance agreement, it sounds like there is interest in cooperation from applicants. And keeping the brush down will help.

Thomas Scheible: Moving the entrance to where I suggested really cleans up the road maintenance agreement for the 5 residents of Sartore Rd. behind the gates in Thurman Heights.

Dan Armstrong: The secondary entrance you talk about of Eola Hills Rd that cuts down across one of the last lots is zoned AF-10, which is zoned residential. I can see there being a house there at some point in time. It would make that piece less attractive to a buyer if all the traffic we are talking about now was directed that way.

Thomas Scheible: Probably as unappealing as to those who live on Sartore Rd currently.

John Abrams: I feel a little reservation bringing this up, but if they plant 4 more acres of grapes and wait a couple of years to get some wine out of those, then they can do anything they want up there.

Thomas Scheible: Understood.

Mark Gaibler: I just want to say that you don't know what is going to happen 5 years down the road. They can put a winery there. I can attest there are a lot of wineries in the Carlton/Yamhill area, and they get all their water hauled in. We are not a water board.

Thomas Scheible: I understand, that is why I want it to say there can never be a winery on that property moving forward.

Paulette Alexandria: When did that pond happen, or has it always been there?

Thomas Scheible: There is no pond yet, but it is a concern because it can cause bug infestation and I am worried about breech.

John Bush & Pamela Jackson, 6555 SE Sartore: We've lived there since 2015. Our first concern is the safety of people using the road. The traffic study is not adequate. This is a dangerous road, and visitors to this area will not be familiar with this. There are visibility issues, and two cars cannot pass each other at a time. There is only one speed sign on the street, additional signs would be useful. The second concern we have is with the pond. It is an earthen dam and could break, gophers and increased rain could cause that as well as increased insect activity. There are three articles in Sip and other wine magazines that state Corollary wines plans for a winery to produce sparkling wine. We support most of the conditions but would like to see: no wine production on site, limited tasting room occupancy and hours, no quarterly wine club parties until 10 pm, more speed limit signs, "by appointment only" on the one sign they are allowed, to consider alternate access to the property, if

Sartore is determined to be the access point we would like to see a traffic study, the pond and its associated risks are a concern.

John Abrams: Is Sartore a public road privately maintained?

Pamela Jackson: I understand it is a county road up to that parcel, that is maintained by the residents.

John Abrams: The access comes off the private portion of the road?

John Bush: That is what their plan shows.

Matt Dunckel: If this is a suggested condition, is 250 feet what it takes to get to their property?

Pamela Jackson: No, it is from Eola Hills around the corner.

John Abrams: We struggle as a body when we are asked to not permit a vineyard ever. The only thing constant is change.

Dan Armstrong: One advantage of appt only is that there is prior communication, and the owners can educate the visitors on the road and respect for the neighbor.

Thomas Penske, 6200 SE Sartore: The neighborhood committee met on 10/20/22 with the new owners via zoom, and we understood this to be a vineyard and eventually a family home. No mention of the tasting room at that time. Then shortly after, we learned of the plan for a tasting room, shared a letter from Friends of Yamhill County stating this looks like a point of resale and venue event. Then yesterday late, the applicants submitted a request to hold quarterly wine club events. I request Yamhill deny this request until they present a well-developed, comprehensive plan.

Dan Armstrong: If we put conditions, what time would you like to see?

Thomas Penske: I would like to see it closed at 4 when the children are getting out of school.

John Abrams: Oregon legislature is in control of the winery standards, not Yamhill County.

Brandy Owens, 7000 SE Sartore: The quiet dead-end road only accessed by 11 people was appealing to us, we might not have bought this property had we known of a potential tasting room. With a maximum of 84 customers per day, the owners state this will only be 18 cars, daily. This is my children's neighborhood; we walk the road to the school bus and walk our dogs. It is ¼ mile from our house to the road, I don't want to worry about an increase in traffic of people who have been drinking and do not know the road.

Jim Scofield, 7176 SE Eola Hills Rd.: Until very recently, I was unaware of what their plans were. I have three main concerns 1) safety 2) quality of life 3) potential impact if Sartore Rd as the access for this commercial entity. We are pretty sure if we were looking for a home today, and the tasting room was there, we probably would not have bought there.

Brittany and David Beam, 7275 Sartore Rd: We have three kids that get off the school bus and walk the road home by themselves. When this was first presented to us by the owners, it was understated. We then found out through interviews with the news and various wine publications that they have an extremely large-scale winery planned in the future. Our biggest concern is the commercial operation will increase the traffic exponentially. We witness many close calls and since people can't pass each other if they end up swerving, they end up in

our field. 28 people per 60-to-90-minute tasting at capacity is a huge increase in traffic. We might have thought differently about our purchase if the tasting room was there at the time. I would like to see them change their access. I know it will not eliminate all traffic from Sartore, but it will help. We like the quiet of our neighborhood.

Pauline Perez Soliz, 6000 SE Sartore Rd: I have my CDL, and I wouldn't drive a truck down that road, there is no room to maneuver. We lived on Chehalem Mountain next to Ponzi Winery and moved because as they increased their business, the traffic became unbearable. If there is an emergency, my family will have to fight winery customers to evacuate the area.

Kathryn Jernstedt, Friends of Yamhill County, PO Box 1083, McMinnville: I'm sure that these people have on their deeds the language about living in forestry and agricultural land. The reality of the water situation up there may hinder plans for a future winery. I believe they need to plant their grapes and get them to the point of maturity first, because without the grapes this is not commercial usage in conjunction with agricultural. They need to go through the process like everyone else, they can't start with the commercial aspect first. Of course, if they plant 15 acres of grapes, a winery would be a permitted use. Also, I think more parameters should be placed on the "by appointment" tasting.

Dan Armstrong: So, your heartache is they don't have a vineyard currently in production.

Kathryn Jernstedt: Correct.

Brian Gonzales, 6514 SW Capitol Hwy, Portland: I just bought a lot up there from Dan Armstrong, it is not developed yet. I agree with all the concerns raised here, access, safety, quality of life, property values and water availability. I would like some limitations on this.

Elizabeth Hendricks, 7100 SE Sartore Rd: I have the Christmas Tree farm. I am opposed to Sartore being the access for this vineyard. My concern is safety. I would advise if any of you have not been on that road, to not make a decision until you drive down that road. I don't feel like our residential agricultural neighborhood can handle this commercial enterprise. I would love to have a vineyard there, even a tasting room would be ok. I just ask for a different access.

Dan Armstrong: So next December, the customers coming for your Christmas trees will use Sartore, how will they know not to run over child?

Public Agency Reports: nothing other than in the staff report

Rebuttal:

Michael Gelardi: We want you to know that there are other neighbors that support this endeavor. There are two types of wineries, permitted and conditional. As John Abrams said, if you have 15 acres of vineyard you can have unlimited wine activities in addition to agri-tourism permits. Case law from 1989 went to Supreme Court and won about a guy with hay that wanted to establish a tasting room with grapes yet planted. We are asking for a small portion of what a permitted winery gets. People have been talking about their quality of life, but that is not criteria for approval. As far as the water issue, their well is already drilled, and this is also not within the jurisdiction of the Planning Commission.

Dan Diephouse: With the slope coming up that road, we did consider moving the entrance, but it wouldn't accommodate safety vehicles. It was suggested we move the entrance east. There is very little elevation change if we move it east, as the slope starts beyond where our entrance would be.

Paulette Alexandria: Most tasting rooms are open 11 am to 5 pm. What are the realities for the extended hours?

Jean Feldkamp: That request was just for our wine club events, it is just a pickup party.

Paulette Alexandria: What are hours you requested?

Jean Feldkamp: From 9 am to 6 pm but we usually set appointment for 11, 1 and 3. We just wanted the flexibility. 20% of our business happens during school days.

John Abrams: What is the issue with moving the gate?

Jean Feldkamp: It wouldn't address the issue of the steepness as it is the same grade.

Matt Dunckel: And you have grapes going in?

Daniel Diephouse: They are in cold storage just waiting for weather to go in the ground.

Staff Recommendation: Recommended with conditions listed in staff report.

Alan Halstead: Does the Septic evaluation count as the sanitarian's approval?

Desiree Lundeen: No.

John Abrams: Have we ever allowed a tasting room in other zones before the grapes are planted. Would we be setting a precedent?

Ken Friday: The commercial use in conjunction with farm use, the farming does not need to be on the property itself.

Closed hearing 9:52

Deliberation:

Dan Armstrong: Seems like you ought to have a vineyard before you have a tasting room. Condition 1 I would add "including the planting of 11 acres of wine grapes in 2023".

Alan Halstead: He already paid \$40,000 for vines; I don't think he would sit on them.

Paulette Alexandria: I don't know what we can deliberate.

Dan Armstrong: We can add conditions for the road.

Alan Halstead: I am satisfied, I will support the application.

Matt Dunckel: I will support application with the change in condition 1 that Dan Armstrong mentioned.

Mark Gaibler: I don't think we can oppose it, but I think the applicant should put their own road in.

Mark Gaibler: I would add, either spend the money to make the existing road better, or for applicant to make the road off of their own access.

Alan Halstead moved to recommend with changes to condition 1 as proposed by Dan Armstrong, Matt seconded. Motion approved unanimously.

DOCKET NO.: Z-01-22
REQUEST: Approval of a zone change from Resource Industrial (RI) to the Light/General Industrial District (LI).
APPLICANT: Roy Spry
OWNER: Roy Spry
TAX LOT(S): 2402DD-00400 & 2402DD-00500
LOCATION: 27225 Highway 47, Gaston
CRITERIA: The request is subject to Sections 701, 702, and 1208.02 of the *Yamhill County Zoning Ordinance*. Section 904 of the *Yamhill County Zoning Ordinance*, Limited Use Overlay may also be applied. Comprehensive Plan policies may be applicable. OAR 660-12-0060 Transportation Planning Rule.
ZONE: Resource Industrial (RI)
EXHIBITS: I. Application
 a. Letter of Incompleteness
 b. Response to Letter of Incompleteness
II. Light Industrial (LI) and Resource Industrial (RI) Zoning Ordinances
III. Public Notice
IV. Public Agency Reports
V. Comments Received

Abstentions and objections: None

Ken Friday read the raise it or waive it statement.

Lance Woods provided the staff report.

Proponent:

Wayne Spry, 28350 Madison Rd, Gaston: We've lived in area for three generations. My property used to be used for processing onions, hence it's zoning designation. That use is obsolete. I wish to put a business there, a small storage area. This would be the only one between Gaston and Sherwood. It will only be 30 units, not big, it will not affect traffic. I've talked to my neighbors about it, and they are supportive.

Paulette Alexandria: Is it both sides of the road?

Wayne: No just one side. I am ready to change businesses, and this is a needed service in the community. I already own the land; I want to be able to utilize it.

Dan Armstrong: Is there a residence on the property?

Wayne Spry: Not on that one, but there is on the next property.

John Abrams: Any onions there?

Wayne Spry: Not since I was 12, my dad was one of the last people to grow them.

Opponent:

Kathryn Jernstedt, Friends of Yamhill County, PO Box 1083 McMinnville: Is what he is doing allowed in the current zone?

Dan Armstrong: It isn't.

Kathryn Jernstedt: I had a difficult time getting a hold of the applicant prior to this hearing, but now that I've heard the applicant, I withdraw my opposition.

Public Agency Reports: listed in staff report.

Staff Recommendation: Recommends approval.

Matt Dunckel motioned for approval, Paulette Alexandria seconded; motion passed unanimously.

Other business: We are temporarily out our building; it has mold issues, and we got a 15-minute notification that we had to vacate. Things might be a little slower, but we are doing business as usual.

Hearing Adjourned: 10:25