January 12, 2009 (Revised February 26, 2009)

To: Clark Worth
   Eric Hovee
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From: John Spencer

Re: Summary of Yamhill County EFU and AF Zoning Districts

The purpose of this memo is to summarize the requirements of Yamhill County’s zoning ordinance as it relates to major agricultural areas.

The two primary planning and zoning districts in Yamhill County that regulate activities in agricultural areas are the Exclusive Farm Use District (EF)\(^1\) and the Agriculture/Forestry District (AF)\(^2\). Permitted uses and development standards are very similar for each district. The differences are that EF districts are large, relatively flat properties located in terrace, low foothill and valley-floor areas. The AF districts are primarily foothill and ridge top sites. Both districts allow a wide range of agricultural activities including wineries, limit commercial activities not directly associated with on-site agricultural uses, and limit residential uses.

**Purpose**

The purpose of the Yamhill County Exclusive Farm Use District (EF-80, EF-40 and EF-20) is to identify and protect land that is suitable and desirable for commercial agricultural operations and other uses which are compatible with such operations. Properties in the EF districts are primarily large, contiguous relatively flat terrace, valley-floor or low foothill holdings. Non-farm uses which might likely be affected by normal farm management practices are limited or prohibited.

The purpose of the Agriculture/Forestry District (AF-80, AF-40 and AF-20) is to identify and protect lands that are a mixture of agricultural and forest management operations, and other uses which are compatible with such operations. Properties in the AF districts are primarily foothill and ridge top holdings above the flat terrace and valley-floor commercial agriculture areas, and below the contiguous timberlands of the Coast Range. Uses that do not provide for a sustained production of agriculture or forest products or for soil and water conservation are limited or prohibited.

**Permitted and Conditional Uses**

A wide range of farm and forest product uses, farm stands, accessory uses and processing facilities (maximum of 10,000 square feet of building area but not including areas for preparation, storage, etc.) for crops produced by a farm are permitted outright in both zones. Farm processing facilities larger than 10,000 square feet are not permitted even as a conditional use.
Wineries are permitted uses in both zones and have standards and other requirements specific to that use. Farm use and winery are defined as separate uses for the purpose of prescribing permitted uses and standards associated with these uses. A winery is not a farm use. Non-agricultural related commercial or industrial uses are not permitted in either the EF or AF districts.

Dwellings related to farm and winery use are permitted outright including principal dwellings provided in conjunction with farm uses, secondary dwellings for relatives of the farm operator and for use for farm help, and seasonal farm worker housing. No more than one principal, one secondary, and one non-farm use related dwelling is permitted on any parcel.

In the EF zone only, commercial activities in conjunction with farm use can also include retail sales and promotion of agricultural products, supplies and services including rental or lease of facilities for events such as parties, receptions, etc. and four or more promotional events per year related to marketing of agricultural products that can attract more than 750 visitors daily. These event activities are not permitted in the AF zone. As discussed below, wineries are permitted uses in both zones and events associated with wineries are allowed in both zones.

Uses allowed subject to a conditional use approval include temporary dwellings, residential homes, certain commercial activities that are in conjunction with farm use but are not processing related such as sales of products and equipment used for commercial agriculture, livestock sales, slaughtering facilities and veterinarian clinics, and room and board arrangements for a maximum of five unrelated persons, and home occupations that include bed and breakfast establishment with up to 9 rooms. Golf courses are a permitted conditional use but new courses are not allowed on high-value farmland.

The process for applying for conditional use approval involves a pre-application conference with County officials and preparation of an application that addresses a number of approval criteria. The County provides notice of the application and the opportunity to request a public hearing. If no public hearing is requested the Planning Director can issue an approval or denial subject to appeal to the County Board of Commissioners. If a public hearing is held by either a hearings officer or Planning Commission that decision is also subject to appeal to the Board.

Approval criteria include consistency with the County Comprehensive Plan, suitability of the parcel, avoiding altering the character of the surrounding area, adequate public facilities and services, and compatibility with nearby uses. In addition, a proposed conditional use must show that it will not force significant change or increase the cost of accepted farming practices on surrounding lands.

**Winery as a Specific Use**

A winery is a specific permitted use in both the EF and AF zones, and different from a farm use. A winery must produce and sell wine and have a minimum area devoted to vineyards, either located on-site, located elsewhere but in the same ownership as the winery, or under long-term contract. A winery with an annual production of less than 50,000 gallons must have an associated vineyard/contract of at least 15 acres. Wineries with annual production between 50,000 and 100,000 gallons must have associated vineyard/contract of at least 40 acres. A winery is also permitted as a conditional use when the minimum vineyard area standards are not met.
Retail sales and services at a winery can include wines produced by the winery, and items incidental to the sale of wine including limited service restaurants as long as the sales of the incidental items do not exceed 25% of the gross receipts of the retail facility. This standard appears to apply to the retail sales at the winery itself, not the gross sales from the winery operation. A “limited service restaurant” means a restaurant serving only individually portioned prepackaged foods prepared from an approved source by a commercial processor and nonperishable beverages. (ORS 624.010).

Permitted on-site marketing of wine includes three events annually of up to 3 days in duration with an anticipated maximum capacity of 750 daily visitors. Additional events or the use of space at a winery for parties, receptions, etc. not related to wine marketing are subject to a conditional use approval.

**Conclusions and Observations**

Some key conclusions resulting from this review and considering recent reports on the Future of the Yamhill County Agricultural and Tourism Sectors are identified below.

- Farm crop processing facilities are limited to 10,000 square feet. This may not allow desirable value-added processing facilities, especially as relates to smaller-scale artesional agricultural enterprises.

- Opportunities for lodging, with the exception of bed-and-breakfasts, with convenient access to wineries, are extremely limited in both the EF and AF zoning districts.

- A tourism-opportunity is to increase visitor spending, overnight stays and length of stay. Current standards limit events and marketing activities at both farm uses and wineries and act to constrain a wider range of activities that a visitor may be interested in experiencing.

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1 Section 402.00 – Exclusive Farm Use District, Yamhill County Zoning Ordinance, 2004.
2 Section 403.00 - Agriculture/Forestry District, Yamhill County Zoning Ordinance, 2004.