

City Manager Towery appreciated the time and energy that the Council put into the relationship with him and City staff. He was encouraged that the collective assessment was close in line with the City Manager's self-evaluation. That indicated to him that they were on the same page.

Mr. O'Day concurred that there was alignment in their thinking for the direction of the City. It was noted that the evaluation process was anonymous. Council President Menke expressed her thanks for all City Manager Towery had done.

Councilor Stassens stated that the work sessions had been working well in helping further inform Council. She appreciated how City Manager Towery tried to meet their needs by taking feedback and coming back with new ideas.

Mayor Hill asked if there was anything that City Manager Towery could do differently to bring up the score for disseminating information and responding to requests in a timely manner.

Councilor Stassens stated that sometimes there were citizens that brought up concerns, but Council did not hear about the resolution. It would be helpful for Council to get a follow up.

Councilor Garvin was very happy with the job of the City Manager and thought the City was fortunate to have him. He asked that if there were going to be meetings about issues that he should give Council a heads up.

Councilor Peralta stated that the City seemed well run and that the management staff were given the opportunity to do their jobs with good oversight.

Councilor Stassens had heard that Department Heads had a collaborative relationship.

Councilor Ruden stated that City Manager Towery had shown excellent leadership and enthusiasm. He thought things were going good and appreciated what he had done.

Mr. O'Day stated McMinnville was well represented in the region as City Manager Towery was seen by his peers as one of the top managers and a leader in his profession.

Mayor Hill commented on the unified approach of staff. The hires had been tremendous and they had great staff. There was a respectful relationship between the Council and City Manager and he looked forward to many years of continuing down this path.

City Manager Towery appreciated everything about McMinnville.

3. ADJOURNMENT: Mayor Hill adjourned the Work Session at 6:24 p.m.

s/s Melissa Bisset
Melissa Bisset, City Recorder

Steve Iverson, McMinnville resident, supported a styrofoam recycling program in the City. It would reinforce the image of McMinnville as a happening place and a good place to visit or live. It would set them apart as a place that cared about quality of life and sustainability. He urged the Council to approve the proposed Option No. 2, a 5.5% rate increase effective January 1 that included styrofoam collection at the McMinnville Transfer Station and the balance of the rate request after the rate review. He thanked the Council and Recology for making this happen.

Annelly Germaine, McMinnville resident, thanked Council and Recology for taking an enormous step in the right direction and supporting the people's advocacy for styrofoam recycling. She gave kudos to Recology for their good response and development of a plan to accept styrofoam at the Recycle Barn. She was thankful that small businesses would be allowed to participate in the program. She asked that this matter not be considered a victory because household styrofoam recycling did not completely solve the problem. She also supported the 5.5% rate increase. The upcoming rate study should include a solid plan and public input for additional recycling. They were on the forefront by addressing the matter at the municipal level. They had the opportunity to make history.

Patriciafaye Marshall, McMinnville resident, echoed what had been said. She asked that on Saturday, December 29, there could be the first collection available at the Depot since it would be right after Christmas.

Dan Hilbert, McMinnville resident, said regarding the Shop with a Cop program, he found it inappropriate for officers to engage in a publicity stunt which portrayed Walmart as giving money to youngsters and officers as santas. He thought it was disingenuous and an attempt to fool children. He also did not think the Fire Department should be used to beg motorists to donate toys and money in the parking lot of Walmart.

Kent Taylor, McMinnville resident, thanked Councilor Ruden for his many years of service to the City. He appreciated the time that they had worked together on the Council and how Councilor Ruden was always very respectful of the public.

4. PRESENTATION

4.a. PLANNING COMMISSION ANNUAL UPDATE

Planning Director Richards reviewed the role and responsibilities of the Planning Commission. They were an advisory committee to the City Council and also made legal decisions regarding land use. They were also the Citizen Involvement Committee for the City. There were nine members that represented a cross section of citizens. They served four year terms and could serve three full terms or up to 12 years on the Commission. They were still trying to fill the ex-officio youth position. They looked at current planning projects as well as long range planning projects. For 2018 there had been a focus on long range planning and data gathering and citizen engagement on future growth in the City. They had also

looked at specialty plans, Development Code text amendments, and quirky infill developments. She discussed the Long Range Planning Needs Assessment, Planning Commission Work Plan for the next five years, quasi-judicial decisions, legislative code amendments, Work Session topics, education of the Commission, and planning for growth as well as long range planning. For the future, the Commission would continue to work on the Five Year Work Plan including an update of the Economic Opportunities Analysis, Three Mile Lane Area Plan, City Center Housing Strategy, Park Zone, and Bike/Ped Plan. There had been changes in Planning staff this last year and she recognized the new staff members. Roger Hall, Planning Commission Chair, thought the Commission was balanced and worked well together. He thanked the Council for the people they appointed to the Commission and for their support. He also thanked the Council for the additional Planning staff.

Zack Geary, Planning Commission Vice Chair, also thanked Council for the additional staff. The Commission was a passionate group that were ready to work on the issues.

Council President Menke enjoyed attending the Commission Work Sessions.

Councilor Stassens had been on the Planning Commission with Chair Hall and thought they were doing a tremendous job.

Councilor Ruden agreed that the members of the Commission were quality.

Councilor Garvin appreciated the amount of work the Commission had taken on and had accomplished.

Mayor Hill thanked the Commission for doing the heavy lifting and for their effort and commitment.

5. CONSENT AGENDA

- a. Consider Resolution No. **2018-65**: A Resolution approving the issuance of the certificate for the canvass of the returns of the votes cast at the General Election conducted on November 6, 2018, electing of three City Councilors

Council President Menke MOVED to adopt the consent agenda as presented; SECONDED by Councilor Ruden. Motion PASSED 6-0.

6. RESOLUTIONS

- 6.a. Consider Resolution No. **2018-66**: A Resolution Declaring an Emergency and awarding a Contract for Repairs for the 100LL Fuel Tank at the McMinnville Municipal Airport, Project No. 2018-7
Engineering Services Manager Rich Spofford stated that there was a declaration of emergency due to circumstances. The 100 Low Lead Fuel Tank had not been operating since the end of July. From July to October they had used a work around, however the work around became inoperable. There was no way they could sell any 100LL fuel at the airport. Pilots had to go to other airports to fill

their aircrafts. The emergency declaration allowed them to expedite a contract with Mascot Equipment to refurbish and repair the 100LL tank. That would take 12-14 weeks. If they bought a new tank, it would be a 6-8 month process.

Councilor Ruden was glad that there was a solution to this problem.

Councilor Garvin asked if there was any way the fuel truck could be used in the meantime. Mr. Spofford explained that there was not a current viable solution due to insurance.

Councilor Stassens MOVED to adopt **Resolution No. 2018-66**; declaring an emergency and awarding a contract for repairs for the 100LL Fuel Tank at the McMinnville Municipal Airport, Project No. 2018-7; SECONDED by Councilor Ruden. Motion PASSED 6-0.

- 6.b. Consider Resolution No. **2018-67**: A Resolution approving an out-of-calendar rate adjustment for Recology Inc., of 5.5% for solid waste services, and requiring completion of a rate review study

City Manager Towery said the Council had reviewed an initial proposal from Recology for a 10.47% rate increase. At that time it was staff's recommendation to implement a 5.5% rate increase effective January 1 to accommodate for the change in recycling opportunities and to forestall the balance of the request until a rate review study could be conducted. Council had indicated interest in a styrofoam recycling program and asked Recology to look into the implementation of such a program. Recology responded that they could do a drop off program and requested an additional one half of one percent to implement the program in January 2019.

Carl Peters, Recology, stated they were pleased to provide a styrofoam program for consideration. There were three options for styrofoam, one was not to have a program, one was to approve the program but delay implementation until after the rate review, and one was to approve the program and implement it as soon as possible. They were proposing a drop off program at the Transfer Station that would operate and be available during regular business hours. He explained what they would accept at the Transfer Station. The program would be available to all McMinnville residents and small commercial businesses. He saw the opportunity to work with Zero Waste and look at special collection projects as they came up. He would like to see businesses continue to move away from using styrofoam. He stated that they would like to add programs strategically with small steps first and this addressed a need for residents. He would commit to accepting styrofoam the day after Christmas.

Councilor Drabkin appreciated the efficient and expedited way that they were able to bring back the options the Council asked to see.

Councilor Ruden stated that generally speaking the Council was in support of the increase but the styrofoam was a sticking point. He hoped the rate review could be done in short time.

Councilor Stassens appreciated the partnership and thanked Recology for the work they were doing.

Councilor Garvin stated that the quick turn-around was appreciated.

Mayor Hill added that he was touched by having a solution suggested in the audience and how resources were brought together to make it possible. It was a learning process and it was a partnership to be proud of.

Councilor Ruden MOVED to adopt **Resolution No. 2018-67**: A Resolution approving an out-of-calendar rate adjustment for Recology Inc., of 5.5% for solid waste services, and requiring completion of a rate review study; SECONDED by Councilor Peralta. Motion PASSED 6-0.

- 6.c. Consider Resolution No. **2018-68**: A Resolution making a budgetary transfer of appropriation authority for fiscal year 2018-2019 in the Building Fund

Finance Director Baragary stated this was a budgetary transfer of appropriation authority in the Building Fund for Fiscal Year 2018-2019 due to circumstances that were not anticipated. The transfer would come from Contingency and Capital Outlay and moved to Materials and Services. This was necessary due to costs associated with staff turnover and the transition to the new epermitting software program. The transfer would be \$70,200, of which \$65,000 would come from Contingency and \$5,200 would come from Capital Outlay.

Councilor Ruden asked about the staffing changes. Planning Director Richards stated that the Building Official left his position in April 2018 and she secured a service on a part time basis to serve as the building official. In so doing they took the Plan Review that was normally under the work scope and outsourced it to a vendor. They had maintained this set up for nine months as it was necessary to continue the building program. She expected to have savings in the Personnel Services fund, but thought it would be easier to move Contingency funds. They had been underway in transitioning to a new software system that was free from the State. It allowed epermitting and credit card transactions. They learned that the Building Fee Schedule was out of compliance with the State and they had to hire a consultant to work on an update. That was an unexpected expenditure.

Council President Menke MOVED to adopt **Resolution No. 2018-68**: A Resolution making a budgetary transfer of appropriation authority for fiscal year 2018-2019 in the Building Fund; SECONDED by Councilor Ruden. Motion PASSED 6-0.

- 6.d. Consider Resolution No. **2018-64**: A Resolution appointing and re-appointing members to the various Boards, Committees, and Commissions

Mayor Hill explained interviews took place for the Budget Committee, Landscape Review Committee, Historic Landmarks Committee, and Planning Commission. The recommendations for the Budget Committee would be done at a later time. For the Landscape Review Committee, he recommended reappointment of Josh Kearns for a three year term to expire on December 31, 2021. For the Historic Landmarks Committee, he recommended reappointment of John Mead for a four

year term to expire on December 31, 2022. For the Planning Commission, he asked Planning Director Richards to discuss the recommendations.

Planning Director Richards shared that two members were recommended to be reappointed, Gary Langenwalter and Roger Hall. The two new appointments were Amanda Perrin and Christopher Knapp and she gave their backgrounds. Mayor Hill recommended for Ward 3, Gary Langenwalter to be reappointed and Amanda Perrin to be appointed for a four year term to expire on December 31, 2022. For the at large positions, reappointment of Roger Hall for a four year term to expire on December 31, 2022 and appointment of Christopher Knapp for a one year term to expire on December 31, 2019.

Councilor Drabkin thought this interview process had been far improved. She appreciated that there was a smaller group that did the interviews and made recommendations. She would like to see the applications from all of the applicants in the Council packet in the future.

Mayor Hill said the recommendations for the Airport Commission were to reappoint Andy Benedict for a four year term to expire on December 31, 2022 and to appoint Mark Fowle for a four year term to expire on December 31, 2022.

Councilor Drabkin MOVED to adopt **Resolution No. 2018-64**: A Resolution appointing and re-appointing members to the various Boards, Committees, and Commissions; SECONDED by Councilor Peralta. Motion PASSED 6-0.

- 6.e. Public Hearing and Consider Resolution No. **2018-62**: A Resolution adopting a Building Fee Schedule and repealing all previous resolutions adopting building fee schedules

Planning Director Richards said this resolution repealed all previous resolutions that adopted a Building Fee Schedule and adopted a new Building Fee Schedule with the fees effective January 28, 2019. She stated that when the new software was turned on they needed to be compliant with the State in terms of the fee methodology and Building Fee Schedule. The fee schedule had not been updated since 2002 and at that time the City policy was that the Building Fund would operate under 100% cost recovery. They needed to become complaint with State regulations by January 28, 2019. The new fee schedule captured a full cost recovery to deliver the building program. She stated what was different about the schedule was that it added appliance permit fees, second plan check fees, "off-hours" inspection fees, phased permit fees, investigation fees, and some miscellaneous fees. She explained the fees were determined through direct program delivery costs and indirect cost allocation plan. Regarding the impact to developers, it would be a difference of about 5 to 7 percent. It would allow for epermitting and credit card transactions which would provide better service to customers. It would also respond to the equity and parity issues that they had heard from the development community. She gave examples of projects that were moving through the process and the differences between the current fee and proposed fee. The significant increases were in the appliance permit fees and she recommended coming in with lesser than full cost recovery for that fee. Staff thought they could still maintain the program at the level they wanted to. She did

a comparison to other municipalities and McMinnville was trending where they should be for single family residential development, hovering around the upper edge for commercial/industrial development, and low on room addition development. The new fee schedule assumed 100% cost recovery, retained a plan review fee of 65% of the building permit fee, and added many unit fees per the requirements of the State. Since this was new for the City, staff recommended a reduced level of collection initially. The new fee schedule would build a six month reserve over five years, would maintain a reserve of 6-12 months operating budget, and would adopt the ICC Building Valuation Data Table on April 1 of each year. The public engagement included a development community meeting in August of 2018, a public hearing notice in the *News Register*, email to the development community, and an article in the *News Register*. No public comments had been received so far.

Council President Menke asked if they were adjusting the fees for inflation as they went along. Planning Director Richards said the fee schedule did not have that. They were doing everything they could to keep expenses down and wanted to be responsive to the development community to keep the fee increases as minimal as possible.

Mayor Hill said when they did not have full cost recovery, the tax payer money made up the difference. Planning Director Richards clarified the Building program had not been underwritten by the General Fund. It had been operating in its own dedicated fund as an enterprise fund. The revenue coming in was paying for the expenses. The increase was due to the indirect cost allocation plan and they did not increase the fee schedule last year.

Mayor Hill opened the public hearing.

Gary Warrington, McMinnville resident, was concerned about the trickle down effect of these increases, especially for affordable housing. He discussed his experience of trying to get a simple permit and how it had taken 90 days. It appeared that staff did not have compassion or empathy for getting the permit when it should have been a simple matter. He thought there should be a customer service element added and a stakeholder review and evaluation of the process to see if it was truly as efficient as it could be.

Ray Kulback, McMinnville resident, did not think the department should operate at a loss and the proposed fees seemed reasonable. Staff had also done extensive work on trying to help bring affordable housing costs to the fees of the City. He suggested looking at other funding sources, such as a slight property tax increase, to help subsidize development fees.

Mark Prine was a builder in McMinnville and the surrounding areas. He had experienced good customer service at the office. He thought the proposed fees would be bad for affordable housing as developers were trying to find a balance to keep housing affordable and encourage growth. The projected increase was 5 to 7%, but some of the fees were greater than a 7% increase. If there was a surplus of funds, would there be a refund or a way to bring the fees back down to be more

manageable? The full recovery costs that were used to justify the fees did not take into account the multiple fee structures. The costs were exorbitant.

Gioia Goodrum, McMinnville Chamber of Commerce, voiced concerns the Chamber had about the impact the building fees would have on the community. There was a housing shortage issue and the fees should be decreased to encourage housing development. She also thought the appliance permit fees were concerning as people would have to get a permit to install appliances in their own homes. Before implementing the new fees, she asked that the impact to not only new housing but the impact to residents be taken into consideration.

Mayor Hill closed the public hearing.

Planning Director Richards said regarding affordable housing, the fee schedule memorialized a resolution the City passed a year and a half ago which provided a 50% reduction in both building and planning fees for affordable housing projects. She explained the State had required the appliance permit fees to be included in the methodology. It was based on an hourly rate and if more than one appliance was being installed at the same time, they would assign one fee to that, not charge more than one fee. There was a policy in the resolution that if the amount of money in the reserve fund exceeded 6-12 months by 25% more or 25% less, the fee schedule would be updated. They needed to be able to sustain the program and provide good customer service. They wanted to be a team with the development community. The appliance permit fee would be about \$50 per unit, and if that was not working or seemed exorbitant, they would go back and look at the fee again. The State was trying to standardize the building programs across the state and the City could not customize it.

Councilor Ruden thought the fees were reasonable and the customer service had been improved through the reorganization of the Building Department. As a builder, he thought the overall service was worth the money.

Mayor Hill agreed there had been a rough spot for a while, but they were back up to full staff and with a mindset that customer service was top priority.

Councilor Stassens stated a lot of effort was being put into the Planning and Building Departments to streamline and to be as efficient as possible. Part of the rate increase would go into that. She thought there was a customer service focus and was in support of the fee schedule.

Councilor Garvin asked about the average time it took to get a permit. Planning Director Richards said their performance metric was two to three weeks for a residential project and four to six weeks for a commercial project. They had struggled with that as staff had been transitioned and some of the services were outsourced to another vendor. She thought they were able meet the performance metric now.

Councilor Ruden MOVED to adopt **Resolution No. 2018-62**: A Resolution adopting a Building Fee Schedule and repealing all previous resolutions adopting

building fee schedules; **SECONDED** by Council President Menke. Motion **PASSED 6-0**.

- 6.f. Public Hearing and Consider Resolution No. **2018-63**: A Resolution adopting a Planning Fee Schedule and repealing all previous resolutions adopting planning fee schedules

Planning Director Richards explained this resolution would repeal all previous resolutions that adopted a Planning Fee Schedule and the new fee schedule would take effect on January 28, 2019. The fee schedule had not been updated since 2002, and at that time the City policy was 55% cost recovery. After conducting a Planning Department assessment, the cost recovery was between 10-15% for current planning which eliminated the opportunity to fund the long range planning program. This led to significant deferred long range planning that was out of compliance with state and federal regulations and led to current development challenges. Essentially the general taxpayer was significantly underwriting the current planning costs of new development in the community. The Long Range Planning Needs Assessment showed a deficit of \$1,700,000 and two full time employees. Staff was directed to conduct a full cost recovery study. The analysis was done in April to November, 2018. In August there was a development community meeting and in November a City Council Work Session was held on this topic. The user fee was determined by direct program delivery costs and the indirect cost allocation plan. This year there would be \$238,626 of General Fund subsidy for the current planning program. She thought \$200,000 to \$250,000 could fund a long range planning program and there was over a decade of deferral. The thought process for the fee proposal was to start with the basis of 55% cost recovery working towards 100% cost recovery. They needed to identify those items that the City wanted to incentivize, those items which were common and impactful to smaller development, those items which were rare and impactful to larger development, and compare their fees to similar communities. A comparison to other municipalities was done which showed McMinnville was trending in the middle. At full cost recovery, the City would trend high for a property line adjustment, low for a conditional use permit, and high for a sign permit/review. For the proposed cost recovery of 55%, the comparisons were more in line or lower with other communities. The City did not have sign permitting today and she recommended that sign permits be added to the Planning program. The fee schedule assumed 55% cost recovery with a 10% increase plus CPI over the next five years. It would be updated on July 1 of each year. It added 16 permits that were currently being provided as a free service. It planned for four additional land use applications as part of a long term program and built a six month reserve over five years. Public engagement included a development community meeting in August 2018, a public hearing notice in the *News Register*, email to the development community, and an article in the *News Register*.

Comments were received about the appeals fee from Mark Davis, Sid Friedman, and Kathy Jernstedt who were concerned about the increased fee being cost prohibitive for the general public to appeal a land use decision locally. Comments from developers included trying to keep fees to a minimum and thinking about how some fees might be deferred to occupancy. She explained the appeals process in McMinnville and compared the appeals costs of other municipalities to

McMinnville's costs. She then reviewed the recommended amendments to the resolution. One was to add language to the resolution title, "at the time this fee schedule becomes effective." Another was to correct the date in the heading to 1/28/19 as well as changing the appeal fee to \$250 for a Planning Director decision and signage permit fees to \$175 per permanent permit and \$75 per temporary permit. Chris Chennowith emailed the Council today about his concerns about government raising fees. In this case raising the fees would protect the general taxpayer from underwriting a specialty user program.

Councilor Drabkin asked about the suggestion to delay fees until occupancy. Planning Director Richards said other cities did that for SDC fees, which were the bigger costs for development. There were risks to the City for allowing that, but it was something they could explore.

City Manager Towery said in his experience developers often did not use that option as it did not fit in their business models.

Councilor Garvin asked about the 55% cost recovery and bringing it up in five years as opposed to a longer time period. Planning Director Richards said the 55% was based on the City's policy adopted in 2002. The consultant said if they strung it out over too long of a period all they would do would be continuing the problem. They would have to still subsidize the planning program and could not do the long range planning. All of the long range planning was being grant funded currently, however that was not sustainable and they were only at the very beginning of that work. There would be a time when the General Fund would be needed for the long range planning.

Mayor Hill said one of the big problems in the City was lack of available land and they needed to be able to expand the Urban Growth Boundary to keep affordable land in the City. Planning Director Richards agreed land costs in McMinnville were an issue, especially for workforce housing. Without doing long range planning they were not able to protect the charm of the community as they grew.

Councilor Peralta asked how many appeals were made on an annual basis. Planning Director Richards said they had very few appeals.

Councilor Peralta thought the appeals fees should be lower so that no one was prohibited from appealing due to resources.

Councilor Drabkin asked if this decision was delayed, how would it affect the process. Planning Director Richards said they would move forward with the existing fee schedule in the new software program, but would also ghost in the new fees so they would be in the system when the decision was made.

Councilor Ruden asked about the cost recovery for appeals. Planning Director Richards said it was up to the City's value system for assigning the fee, whether it would be full cost recovery or less.

There was discussion regarding the costs for LUBA appeals and how that was not included in this fee schedule.

Mayor Hill opened the public hearing.

Mark Davis, McMinnville resident, was in support of the proposal except for the appeal fees. He thought staff provided good service to the development community. He did not think what was being asked was unreasonable. There was a qualitative difference between the service that was being provided to the development community and the access that a citizen had to speak to the City Council about a planning issue. He thought the current appeal fee of \$600 was high, and if it was increased there would be no citizen participation and he did not think that was fair. If they were really interested in hearing from citizens, they had to keep the fee at a reasonable number.

Steve Iverson, McMinnville resident, discussed the appeal fees. He pointed out that the County charged \$250 for appeals. He urged the Council to keep the appeal fees low.

Gioia Goodrum, McMinnville Chamber of Commerce, did not think there had been enough time and opportunity for businesses to review these fees and the impacts they might have to their businesses. She asked for Council to wait to make a decision until the Chamber could discuss this issue with businesses. Once the Chamber had these discussions, she would like to meet with City officials to review the concerns. She also thought the fees should be put on hold so they did not negatively impact the direction the City was headed.

Lucetta Elmer, McMinnville resident, thought this would be a huge hit that might need to be considered in smaller doses. More understanding of the budget was required. The fees would take away from the smaller local builders and would allow large corporations to have an advantage. It would also have an impact on affordable housing and the price of land would continue to rise. Business growth would be impacted as well. There had not been enough time to process the pros and cons of these fees, and she requested the Council give it more time. She liked the example of a 20% increase, then a 10% increase per year. She asked if other options could be explored. She thought they should slow down and allow the citizens to come alongside the Council so they could handle the increase.

Mayor Hill closed the public hearing.

Councilor Garvin saw the need to increase the fees for better cost recovery, however he thought it was a bigger bite than he could get behind tonight. He wanted to encourage small town developers and putting this steep of a fee structure in place in such a short amount of time would limit some of the small developments. He would like to start with 25% cost recovery and then go up 10% per year.

Councilor Ruden said after looking at how much the General Fund was subsidizing the Planning Department, he thought they needed to take the hit now and get something going. He was fine with the 55% although he agreed it would affect the small, local builders. It was a question of whether they wanted to get the General Fund healthy as soon as possible in an equitable way or did they want to take more time.

Councilor Stassens thought the lack of long range planning had a huge impact on the building community. Developers were in a tough position now because they did not have the land inventory and planning. Things could become a lot more expensive if they delayed too long. They were already in a deep hole and she thought it was urgent that they get out of it. She was a proponent of moving quickly on this because time was of the essence.

Mayor Hill agreed making appeals reachable for citizens was important. He would like it to be a more appropriate level. The number one concern of employers in the City was workforce housing. The longer they delayed this the deeper the hole would be for available affordable land. It would be a greater impact on businesses and growth in McMinnville. If they did not have full cost recovery, every citizen paid for these services through the General Fund. Councilor Stassens was in support of reviewing the appeal fees. She acknowledged that there needed to be a conversation with the business community as well.

Councilor Peralta was in favor of adjusting the Planning Commission decision appeal fee to \$1,000 and not delaying the decision.

Council President Menke agreed with reducing the proposed appeal fee to \$1,000 as well as making the decision that night.

Councilor Drabkin was concerned with the fees that would affect the affordable housing component and appeals process. Items like Conditional Uses for ADUs, manufactured home park/RV park permits, resident occupied short term rentals, and home occupation permits were considerable jumps in cost and might affect smaller entities and the work that was being done for affordable housing. Councilor Stassens said they were trying to stop using the General Fund which impacted the whole community for something that did not benefit everyone, such as Conditional Use Permits. She thought the affordable housing was being addressed through other methods. The General Fund should be used for the general public benefit. She agreed the appeal fees affected the whole community and that General Fund dollars could be used to subsidize it to make sure citizens could appeal issues that were important to them.

Councilor Ruden MOVED to adopt **Resolution No. 2018-63**: A Resolution adopting a Planning Fee Schedule and repealing all previous resolutions adopting planning fee schedules with the amendments of the appeal fee of a Planning Director decision to be reduced to \$250, appeal fee of a Planning Commission decision to be reduced to \$1,000, \$175 for a permanent sign permit, and \$75 for a temporary sign permit; SECONDED by Councilor Stassens. Motion PASSED 5-1 with Councilor Garvin opposed.

7. ORDINANCE

- 7.a. **Consider Ordinance No. 5060**: An Ordinance amending Title 17 (Zoning) of the McMinnville City Code, specific to multiple chapters to update definitions and

the and the regulation of small-scale mixed-use and upper-story residential use in the C-3 General Commercial Zone

No Councilor present requested that the Ordinance be read in full.

City Attorney David Koch read by title only Ordinance No. 5060.

Senior Planner Tom Schauer explained this was a text amendment to the City's Zoning Ordinance. The criteria included consistency with applicable purpose statements in the Zoning Ordinance and consistency with the Comprehensive Plan. The current Zoning Ordinance did not differentiate whether permitted residential types were stand-alone or part of mixed use, but there could be different considerations. The C-3 zone allowed multi-family whether stand-alone or part of mixed use subject to R-4 zone standards. The C-3 zone did not allow one and two family dwellings, whether stand-alone or part of mixed use. This gap precluded desirable small scale upper-story residential over commercial mixed use. Currently the C-3 zone allowed owner occupied residence in the same building as a business. The upper-story residential amendment would expand C-3 to allow upper story use to include one or two dwelling units without an owner occupancy requirement. C-3 zoning already allowed multi-family whether or not attached to a building with a business. Therefore the owner occupancy requirement for one unit in a building with a business would only apply to a ground floor residential unit. The objectives of the text amendment were to recognize the valid purpose of precluding the subdivision and development of property for stand-alone detached one and two family dwellings in the C-3 zone and to close the gap for mixed use by differentiating and authorizing desirable small scale upper story residential use in the C-3 zone when located above permitted uses in the same building and attached or detached to one another or other buildings. This would allow for one and two upper story residential units on a lot in the C-3 zone which were not permitted now. It would also modify the owner occupancy requirement for ground floor residences. This was a simple, suitable short term solution for this narrow issue now, and a more comprehensive review of residential uses and issues would be done at a future date. The proposal would add definitions to Chapter 17.06, modify the list of permitted uses in Chapter 17.33, and amend the parking provisions in Chapter 17.60. Staff found the proposal to be consistent with the Comprehensive Plan in the economy, housing and residential development, transportation system, and energy chapters. Staff concluded that the proposal addressed the identified objectives and all applicable criteria were satisfied. Staff recommended adoption of the ordinance.

Councilor Peralta thought this was a great idea.

Councilor Drabkin MOVED to consider the second reading of Ordinance No. 5060: An Ordinance amending Title 17 (Zoning) of the McMinnville City Code, specific to multiple chapters to update definitions and the and the regulation of small-scale mixed-use and upper-story residential use in the C-3 General Commercial Zone; SECONDED by Councilor Peralta. Motion PASSED 6-0.

City Attorney Koch read by title only for a second time Ordinance No. 5060.

Council President Menke MOVED to adopt **Ordinance No. 5060**: An Ordinance amending Title 17 (Zoning) of the McMinnville City Code, specific to multiple chapters to update definitions and the and the regulation of small-scale mixed-use and upper-story residential use in the C-3 General Commercial Zone; SECONDED by Councilor Stassens. Motion PASSED 6-0 by roll call vote.

8. MCMINNVILLE WATER AND LIGHT COMMISSION APPOINTMENT

Mayor Hill said an existing Commissioner had been interviewed who was willing to serve another term. He recommended reappointing Pat Fuchs to the Water and Light Commission.

Council President Menke said Mr. Fuchs brought a strong technology background which was welcome to the Commission.

There was consensus to reappoint Pat Fuchs to the McMinnville Water and Light Commission.

9. ADVICE/INFORMATION ITEMS

9.a. Reports from Councilors on Committee & Board Assignments

Councilor Drabkin reported on a strategic doing work session regarding homelessness. There was a lack of clarity within the faith based community about services specific to warming shelters and what they were and were not allowed to provide. She asked Council if they could direct staff to draft an emergency ordinance that clearly stated that churches were allowed to open their doors as emergency shelters during the day for inclement weather. If staff could draft this ordinance, she asked for another meeting in December to pass it.

Planning Director Richards concurred that there continued to be confusion about the intention and allowance of using churches as warming shelters. She thought if there was a way to get the message out that affirmed that it came directly from the Council it would help the situation.

There was discussion regarding the information that had already been given out and how there seemed to be a need for further communication and affirmation.

There was consensus for staff to draft an official letter and Mayor Hill would speak directly with some of the church representatives.

Councilor Stassens reported on the last MURAC meeting where the 3rd Street Streetscape Project was discussed.

Councilor Garvin said YCOM's CAD system would go live tomorrow.

Councilor Peralta was invited to be on the executive board for the Mid Valley COG.

Council President Menke encouraged the Council to review the budget document from last year in preparation for the coming year's budget process.

Mayor Hill announced on Friday there would be a Bypass Committee meeting with Congresswoman Bonamici regarding Phase 2 of the Bypass.

9.b. Department Head Reports

City Manager Towery would be taking the next three Fridays off.

10. ADJOURNMENT: Mayor Hill adjourned the Regular City Council Meeting at 11:00 p.m.

s/s Melissa Bisset
Melissa Bisset, City Recorder