

I. Staff Report & Decision Letter

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

DATE: November 23, 2023

DOCKET NO.: C-15-23

REQUEST: A conditional use request for the operation of a commercial activity in conjunction with farm use to allow the sale of locally produced wine, beer, cider, and other malt beverages at the existing onsite farmstand. The farmstand was approved on June 20, 2023, by Docket SDR-12-23.

APPLICANT: Ground 152, LLC

OWNER: 15660 Ground, LLC

TAX LOT: 3523-02400

LOCATION: 15250 NW Panther Creek Road, Carlton

ZONE: The subject parcel is split-zoned with the majority of the parcel located in the EF-80, Exclusive Farm Use zone and a small portion within the AF-20, Agriculture/Forestry Large Holding zone. The farmstand is located in the EF-80 zoned area of the subject lot.

CRITERIA: Sections 402.02(B), 402.04(G), 402.07(A), 1101, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.

COMMENTS: *Carlton Fire Protection District:* No response to date.
County Sanitarian: No response to date.
Water Master: No response to date.
Public Works: No response to date.
Public Health: No response to date.
Oregon Liquor & Cannabis Commission (OLCC): No response to date.
Soil & Water Conservation District (SWCD): No response to date.
Friends of Yamhill County, P.O. Box 1083, McMinnville: Please see letter in opposition, received on September 25th, 2023.

FINDINGS:

A. Background Facts

1. *Parcel Size:* Approximately 81.5 acres.
2. *Access:* NW Panther Creek Road.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

3. *On-site Land Use and Zoning:* The property has an existing single-family dwelling (manufactured home) and agricultural barns, garage/shop pole building and residential accessory structures. Construction is underway for a replacement dwelling that will replace the existing manufactured home. The Applicant currently farms chickens, pigs, and cows.
4. *Surrounding Land Use and Zoning:* The surrounding properties to the west, south, and northwest are located in the Agriculture/Forestry Large Holding District, with land to the east, southeast, north, and northwest located in the AF-40 zone, land to the west located in the AF-20 zone, and land to the south located in the AF-80 zone. Surrounding properties to the north, east and southeast are located in the Exclusive Farm Use District, with land to the north and east located in the EF-20 zone and land to the southeast located in the EF-80 zone. Land use in the surrounding area runs the gamut of residential, residential with some small farm uses, agricultural uses, and forest uses (predominantly passive). Many of the lots in this surrounding area are composed of lots being used residentially with some small hobby farming activities (livestock grazing, egg collection, small orchards, gardening, etc.), a few larger commercial agricultural uses including grass seed cultivation and cattle grazing. Staff did not identify any commercial forestry uses occurring in the surrounding area.
5. *Water:* The Applicant has indicated that there is an onsite well and access to city water.
6. *Sewage Disposal:* Septic system.
7. *Fire Protection:* Carlton Fire Protection District.
8. *Previous Actions:* The subject farmstand was approved for operation on the parcel in 2023, Docket SDR-12-23. A sign permit was also issued in 2023, through Docket SP-03-23. A single agri-tourism event was approved on the parcel in 2022, Docket E-11-22. An existing dwelling was approved for replacement in 2021, Docket RDI-29-21. A conditional use permit for the operation of a nine (9) guestroom bed and breakfast was approved by the County Board of Commissioners in 2021, Docket C-28-21; this decision is currently under appeal at the Land Use Board of Appeals. A lot line adjustment involving Tax Lots 3523-02200, 3523-02300, and 3523-02400 was approved in 2021, Docket L-04-21. A lot line adjustment involving Tax Lots 3523-00500 and 3523-02400 was approved in 2020, Docket L-16-20. The City of Carlton received site design review and floodplain development approval to replace water distribution pipes that cross a portion of the subject parcel and connect a reservoir serving the city to the city water system, Docket FP-01-20/SDR-03-20. A lot line adjustment involving Tax Lots 33523-01800 and 3523-02400 was approved in 1992, Docket L-11-92.
9. *Deferral:* The Assessor's office records indicate that 75.49-acres of the property are receiving farm tax deferral.
10. *Overlay Districts:* The property is not located in an area identified as sensitive wildlife habitat, nor is it located within the Willamette River Greenway, and the property is not

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

within an airport overlay district. The subject parcel is partially located within the 100-year floodplain of Panther Creek, per FIRM panel 41071C0175D. The farmstand and access to the farmstand are not located within the identified floodplain.

11. *Explanation of Request:* The Applicant is requesting approval for the sale of alcohol and to provide wine-tasting service from the existing approved farmstand on the subject parcel. If approved, there will be minimal construction activities required to the farmstand and the Applicant notes that these improvements will be to the interior of the farmstand. The Applicant does not define what alcohols will be sold in addition to locally produced wine, so staff has decided to limit the sales of alcohols that are permitted by statute in the Exclusive Farm Use and Agriculture/Forestry Districts which include ciders and beer. On October 4th, 2023, the Applicant submitted an addendum to the application which states that the Applicant is requesting the alcohol sales to include wine, cider, beer, other malt beverages, and alcoholic drinks as approved by the OLCC. Because the Applicant has only explicitly defined these beverages to include wine, cider beer and other malt beverages, that is what the Planning Department will evaluate and consider for approval, staff does not find that the Applicant has sufficiently defined or justified a carte blanche approach to approving alcohol sales from a farmstand or attempted to justify how every type of alcohol permitted by OLCC could be considered a commercial activity in conjunction with farm use [emphasis added]. On November 2nd, the Applicant submitted an addendum to the application which provided a farm impacts analysis.

B. Conditional Use Provisions and Analysis

1. Section 402.04(G) lists commercial activities that are conducted in conjunction with farm use as a conditionally permitted use subject to site design review in the Exclusive Farm Use District. These uses are defined in Section 402.10(B)(2) which lists uses that provide for the *"Retail sales and promotion of agricultural products, supplies and services directly related to the production, harvesting, and processing of agricultural products."* The Applicant's proposed use is for the provision of wine tasting service and alcohol sales from an existing, approved farmstand on a parcel with no onsite wine production and no onsite vineyard. The Applicant indicates that livestock and poultry are farmed on the subject parcel. The Applicant's proposed use is for the retail sales and promotion of processed agricultural products, in the form of alcohol and wine produced by farmers in the local area. State law defines the local area as the State of Oregon. If approved, the farmstand will be limited to wine tasting and the sale of alcohol that has been produced in Oregon. Wines, ciders, beer or other malt beverages sold at the farmstand that are from outside the local area would be considered incidental items, and the sale of any incidental items at the farmstand shall not account for more than 25% of the total sales at the farmstand. As mentioned above, in Section A.11. of the staff report, the Applicant did not define what alcohols will be sold in addition to locally produced wine, so initially staff had decided to limit the sales of alcohols that are permitted by statute in the Exclusive Farm Use and Agriculture/Forestry Districts which include ciders and beer. On October 4th, 2023, the Applicant submitted an addendum to the application which states that the Applicant is requesting the alcohol sales to include wine, cider beer, other

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT STAFF REPORT

malt beverages, and alcoholic beverages as approved by the OLCC. Because the Applicant has only explicitly defined these beverages to include wine, cider beer and other malt beverages, that is what the Planning Department will evaluate and consider for approval. Staff does not find that the Applicant has sufficiently defined or justified a carte blanche approach to approving alcohol sales from a farmstand, nor has the Applicant justified how every type of alcohol permitted by OLCC could be considered a commercial activity in conjunction with farm use [emphasis added]. If the Applicant would like to have a venue at which any alcoholic beverage permitted by OLCC can be sold then the Applicant may wish to consider pursuing a zone change for the subject parcel to a commercial zone, or consider another parcel either in an urban location, or a parcel in one of the county's rural commercial districts which may allow for a use such as a resort or other drinking establishment that does not require justification as being an activity in conjunction with farm use that markets alcohols that are derived from farm products grown in the local area.

Friends of Yamhill County submitted comments regarding the Applicant's request and notes that a request for a commercial activity in conjunction with farm use must be directly related to farming and processing activities, and notes that the Applicant does not produce, harvest, or process wine grapes so the proposed use does not satisfy the definition of a commercial activity in conjunction with farm use.

Staff agrees with Friends of Yamhill County that Section 402.10(B)(2) of the YCZO states that a commercial activity in conjunction with farm use is authorized to include, *"Retail sales and promotion of agricultural products, supplies and services directly related to the production, harvesting, and processing of agricultural products. Such uses include, but are not limited to, the following ... livestock auctions or sale yards; farm equipment storage and repair facilities; storage, distribution and sale of feed, fertilizer, seed, chemicals, and other products used for commercial agriculture; veterinarian clinics; slaughtering of animals, including attendant retail and wholesale sales ..."*. Staff finds that Friends' analysis of this section of the county zoning ordinance is an incomplete reading and perhaps incorrectly assumes that a commercial activity in conjunction with farm use is a use permitted to only commercially market products derived from onsite farm uses when a more comprehensive reading of the ordinance makes it clear that a proposed commercial activity in conjunction with farm use is intended to promote or support farm activities occurring in the local area. Staff comes to this conclusion by reading that veterinarian clinics that only serve onsite livestock, or slaughterhouses that only process onsite livestock would not be viable commercial activities, and also that the plain reading of this section of the ordinance twice references commercial activities in conjunction with farm use that shall be directly related to promotion of a product harvested or processed on the site, and that is the, *"Rental or lease of facilities, with or without a fee, in conjunction with an agricultural use for events such as parties, receptions, and banquets with the primary intent of indirect promotion of the product harvested or processed on the site"* and for, *"Four or more promotional events in a calendar year that are directly related to the marketing of products harvested or processed on the site that are reasonably expected to attract more than 750 visitors daily. An "event" shall not exceed three consecutive days."* Staff finds that the

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

Applicant's request meets the definition of a commercial activity in conjunction with farm use because the other example uses authorized as commercial activities conducted in conjunction with farm use are deliberately not intended to serve only the onsite farm activities but to collectively serve the local community. As addressed in Section B.1. of this staff report, above, staff has found that the Applicant's request meets the definition of a commercial activity in conjunction with farm use, which is a use that is conditionally permitted in the Exclusive Farm Use District. Staff finds that the Applicant's request to provide a sales outlet to local wineries, breweries, and cideries is a valid request under Sections 402.04(G) and 402.10(B)(2) of the YCZO.

The conditional use criteria of YCZO Section 1202.02 are as follows:

(A) *The use is listed as a conditional use in the underlying zoning district;*

Regarding criterion (A), the Applicant is requesting a conditional use permit approval for the sale of alcohol and to provide wine-tasting service from an existing, approved farmstand as a commercial activity in conjunction with farm use. A commercial activity in conjunction with farm use is a conditionally permitted use in the Exclusive Farm Use zone, per Sections 402.04(G) and 402.10(B) of the YCZO subject to Site Design Review, Section 1101 of the YCZO. The Applicant states that the farmstand currently sells local farm products. The Applicant asserts that the sale of these farm products will be enhanced and promoted by pairing with alcohol sales, and the proposed sale of wine from local wineries will further promote local agricultural uses (e.g., wineries, breweries, cideries, etc.). A condition of approval will limit wine-tasting service or alcohol sales to wine and alcohol produced locally, and staff defines the local area as the State of Oregon.

2. (B) *The use is consistent with those goals and policies of the Comprehensive Plan which apply to the proposed use;*

Regarding criterion (B), the Yamhill County goals and policies do not provide specific standards or review criteria for a use that provides for the sale of alcohol or the provision of wine tasting service with no complementary onsite agricultural production from which the wine or other alcohols are produced. As noted above, the Applicant is requesting approval for the provision of wine tasting service and alcohol sales from an existing farmstand as a commercial activity in conjunction with farm use, per Sections 402.04(G) and 402.10(B) of the YCZO. The *County Comprehensive Plan* states that agriculture and forestry play a dominant role in the County's economy and calls for preserving that role while increasing economic diversification and employment. The Applicant states that the request is consistent with Section II(A), Goal 1, Section II(A), Policy 1, and Section II(A), Goal 2 of the County's Comprehensive Plan because the request will utilize an existing approved farmstand which will encourage customers to purchase local farm products from the farmstand. Staff has defined the local area as the State of Oregon, and in the spirit of the Applicant's request, any wines or alcohols offered for sale at the farmstand shall be limited to those produced in Oregon.

3. (C) *The parcel is suitable for the proposed use considering its size, shape, location,*

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

topography, existence of improvements, and natural features.

Regarding criterion (C), the application needs to demonstrate that the parcel is suitable for the proposed use considering its size, shape, location, topography, existence of improvements, and natural features. The subject parcel measures approximately 80.5-acres in size. The improvements to the property needed to support the business are already in place on the property because the farmstand has been operating with land use approval, the size, topography, shape, and natural features of the property have not been an obstacle to the operation of the farmstand. A condition of approval will require that any improvements to the farmstand to facilitate the wine tasting service or alcohol sales first receive approved building and/or septic permits prior to construction. Access to the farmstand is via a paved driveway with access to NW Panther Creek Road, a public roadway. The Applicant notes that the county previously approved the operation of the farmstand on the subject parcel and that the existing improvements were found to be satisfactory which justifies the addition of the wine tasting service and the sale of alcohol from the farmstand. Staff did not receive comments or concerns from government agencies such as the Carlton Fire Department, Watermaster, County Sanitarian, or Public Works Department regarding the Applicant's proposed wine tasting service or alcohol sales negatively impacting the local transportation service providing access to the parcel or other public services of the surrounding area.

4. (D) *The proposed use will not alter the character of the surrounding area in a manner which substantially limits, impairs, or prevents the use of surrounding properties for the permitted uses listed in the underlying zoning district.*

Regarding criterion (D), the Applicant is requesting approval for the sale of alcohol and the provision of wine tasting service from an existing, approved farmstand building. Surrounding parcels are located either in the Agriculture/Forestry Large Holding District to the west, southwest, and northwest or in the Exclusive Farm Use District to the east and southeast of the subject parcel. Land use in the surrounding area includes rural residential uses, residential uses with some small farm uses, agricultural uses, and forest uses (predominantly passive). It appears the majority of the surrounding area is composed of lots that are being used residentially with some small hobby farming activities evident (livestock grazing, egg collection, small orchards, gardening, etc.), there are also a few larger commercial agricultural lots in the surrounding area with farm uses that include grass seed cultivation and cattle grazing.

The Applicant addresses this criterion by stating that the sale of wine, beer and other malt beverages, as well as cider at the farmstand will not alter the character of the surrounding area in a way that limits the use of surrounding properties. The Applicant also noted that there are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

The Planning Department received comments from Friends of Yamhill County regarding the Applicant's request for alcohol sales and wine tasting service from an existing, approved farmstand. Friends of Yamhill County notes that the Applicant's findings

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT STAFF REPORT

addressing this criterion are conclusory in nature with no analysis presented to support the conclusion that selling alcohol at the existing, permitted farmstand will not alter the character of the surrounding area in a way that limits use of surrounding properties. Friends also goes on to contend that numerous wineries in the surrounding area create issues that impede or negatively impact the character of the surrounding area and contends that numerous tasting rooms in the area places a heavier burden on the Applicant to show that an additional tasting room will cumulatively alter the character of the area. Friends of Yamhill County asserts that the Applicant did not adequately define or characterize the area surrounding the subject parcel in a manner that sufficiently evaluates the proposed use and how the surrounding area would or would not be negatively impacted by the addition of wine tasting and alcohol sales from the farmstand. Friends of Yamhill County argues that the proposed use should be denied, at least in part, based on the lack of findings to support the conclusion presented in the justifying narrative submitted with the application form.

On October 4th, 2023, the Applicant submitted an addendum to the application addressing comments submitted by Friends of Yamhill County. The Applicant notes that commercial activities in conjunction with farm use can include the selling of irrigation pipes, pumps, fertilizer, and chemicals even though farms obviously cannot manufacture those products in EF zones. The Applicant further notes that a veterinary clinic is allowed even if no animals are raised on site or by the operator. A farm equipment repair facility is allowed even if no farm equipment is otherwise used for farming on the site or by the operator. The Applicant goes on to point out that a commercial activity in conjunction with farm use can include wineries or tasting rooms that can sell wine without having an onsite vineyard. The Applicant also argues that the primary purpose of the farmstand is to sell meat and vegetables and that the sale of alcohol and the provision of a wine tasting service is intended to be a small component of the farmstand's operation and also complementary in nature to the sale of locally produced meat and vegetables. The Applicant asserts that the sale of alcohol is not intended to broaden the customer base of the farmstand but rather provide additional goods and services to the existing customer base. The Applicant then concludes that the wine tasting service and the sale of wine, cider, and beer or other malt beverages is similar to many of the surrounding winery and tasting room uses commonly found in the surrounding area and that the use will not adversely impact the surrounding area. As part of the addendum to the application submitted on October 4th, 2023, the Applicant also submitted a map of area around the greater Yamhill and Carlton area that provides the locations of wineries and tasting rooms shown on a map created using the Google Earth website/application. The Applicant notes that the Yamhill-Carlton American Viticulture Area (AVA) includes more than 2,600-acres of vineyard and more than 50 wineries, and additional tasting rooms. On October 9th, 2023, the Applicant submitted a *Yamhill County Agri-Business Economic and Community Development Plan, Summary Report* prepared by a number of consultants that looked at the agricultural, tourism, and infrastructure of Yamhill County and presented some aspirational goals for growing or taking advantage of the agricultural uses occurring in the county. On November 2nd, 2023, the Applicant submitted a second addendum to the application which provided a farm impacts analysis in order to more comprehensively address section 402.07(A) of the YCZO, and this component of the

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

application will be presented in Section C. of this staff report.

Staff notes that no comments were submitted by surrounding property owners asserting that the proposed wine tasting service or alcohol sales will limit, impair, or prevent the use of farm and/or forest use on surrounding properties. Staff did not receive comments or concerns from any surrounding property owners regarding the proposed use regarding the proposed use negatively impacting the permitted residential use of surrounding properties, in terms of safe access to surrounding properties, increased noise, or an increase in traffic due to the proposed wine tasting service and alcohol sales. Staff notes that the Applicant did not provide any details or examples of local wine, cider, beer or other malt beverage, producers would be supported at the farmstand by the proposed sales of alcoholic beverages.

5. (E) *The proposed use is appropriate, considering the adequacy of the public facilities and services existing or planned for the area affected; and*

Regarding criterion (E), the Applicant states that selling alcohol at the existing, permitted farmstand will not change the burden on existing public facilities and services beyond the existing farmstand use.

Friends of Yamhill County point out that the Applicant addressed this criterion by making a conclusory statement without submitting any supporting evidence. Friends of Yamhill County assert that an applicant should identify and address existing public facilities and services available or planned to serve the existing use and proposed modification to the existing onsite use of a farmstand. Friends of Yamhill County more specifically calls out potential negative impacts to local roadways due to the potential increase in traffic due to customers seeking out wine tasting service or alcohol sales who may not have visited the farmstand if local produce or meats were only being offered onsite. Friends of Yamhill County appears to suggest that a traffic impact analysis should have been conducted by the Applicant to fully evaluate the potential impacts to traffic on the surrounding roadways.

Ordinance 787 was adopted by the county to address public safety infrastructure standards for on-site and off-site traffic safety improvements in connection with commercial development, industrial development, and residential subdivision development in unincorporated Yamhill County. Ordinance 787 authorizes the Public Works Director to request that the planning department impose a condition of approval requiring county road and/or infrastructure improvements. Staff notes that no comments or concerns were submitted by the Public Works Department regarding imposing such a condition, nor did staff receive any comments or concerns from the Carlton Fire Department, from surrounding property owners, nor did staff receive any concerns from the District Watermaster, the County Sanitarian, or any other local government agency. Still, staff agrees with Friends of Yamhill County that the introduction of wine tasting, and alcohol sales may potentially lead to an increase in traffic to the site whether that increase in traffic is intentional or incidental to the existing meat and vegetable sales. Still, there is no evidence in the record that the proposed use will lead to a significant

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

increase in traffic to a degree that exceeds the traffic budget of the surrounding roadways. Absent any evidence, and absent a request from the Public Works Director, staff finds that the traffic to the farmstand is appropriate when considering the adequacy of the surrounding transportation system that provides access to the farmstand. A condition of approval will require that the Applicant have a septic evaluation and/or approval from the County Sanitarian prior to the issuance of building permits or the commencement of wine tasting service or sale of alcoholic beverages from the farmstand. Additionally, the driveway providing access from Panther Creek Road to the farmstand must be inspected and approved by the Carlton Fire Department prior to issuance of building permits or provision of wine tasting service or sale of alcoholic beverages. The Applicant must receive any necessary building, plumbing, mechanical permits, and inspections prior to any new construction activities conducted to facilitate the wine tasting service or alcohol sales.

6. (F) *The use is or can be made compatible with existing uses and other allowable uses in the area.*

Regarding criterion (F), the Applicant addresses this criterion by concluding that selling alcohol at the existing, permitted farmstand is entirely compatible with existing and allowed uses in the area. The Applicant observes that there are numerous wineries in the area that already sell alcohol and have wine tastings without any issue. On November 2nd, 2023, the Applicant submitted an addendum to the application which provides a more in-depth analysis of the existing and other allowable uses in the surrounding area. This analysis and staff's findings are presented in Section C. of this staff report.

Staff observes that notice of the Applicant's proposed wine tasting service and alcohol sales was sent to neighboring property owners for comment, and the county did not receive any comments or concerns from surrounding property owners.

C. Exclusive Farm Use District Conditional Use Standards

Section 402.07(A) requires that prior to establishment of a conditional use; the applicant shall demonstrate compliance with the following criteria:

1. *The use will not force significant change in accepted farming or forest practices on surrounding lands devoted to farm or forest use.*
2. *The use will not significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use.*

The Planning Department received comments from Friends of Yamhill County observing that these criteria direct an applicant to identify accepted farming and forestry practices occurring on surrounding lands and that an applicant should address potential negative effects, or lack thereof, on the practice(s) occurring on each of the farm and/or forest operations occurring on the individual surrounding parcels.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

The Oregon Supreme Court weighed in on the methodology for conducting a farm impacts test as outlined by these two conditional use criteria, and this decision was issued relatively recently, in the *Stop the Dump Coalition v. Yamhill County and Riverbend Landfill Co.* (SC S064894) decision issued in 2019. The Supreme Court stated that an applicant must first: properly identify the surrounding lands, the farms on those lands, the accepted farm practices on each farm, and the impacts of the proposed nonfarm use on each farm practice; second, that the local government to determine whether the proposed nonfarm use will force a “significant” change to, or cost increase in, an accepted farm practice, as that term is ordinarily used; and, thirdly, if there is a significant change, the local government to determine whether the applicant has demonstrated that, with conditions of approval imposed pursuant to subsection (2) of the statute, the nonfarm use meets the test.

The Applicant initially addressed these criteria by concluding that selling alcohol at an existing, permitted farmstand will not force any change on surrounding lands in the Exclusive Farm Use District. However, the Applicant submitted an addendum on November 2, 2023, that provided additional and more in-depth analysis of the potential impacts to farm and/or forest operations in the surrounding area.

The Applicant analyzed an area within 1/3 of a mile from the subject parcel. The Applicant found a total of 16 tax lots within the study area, please see Applicant’s table #1 for the complete list of tax lots and identified land use occurring on each of the lots. The Applicant found that land use in the analysis area predominantly consisted of rural residential uses, many of which included small-scale gardening or personal farming activities. The Applicant also identified two parcels without residences that are used as for-profit farm operations in the form of grass seed cultivation and cattle grazing. The Applicant identified a lack of for-profit forestry operations in the analysis area. The Applicant notes that rural residential uses are the most common land use occurring in the analysis area, although many of these lots also exhibited some degree of small-scale or hobby farming uses which were identified as livestock pasturage, poultry farming, small-scale vegetable gardens, and the cultivation of small orchards. Farming practices commonly associated with these farm uses include feeding and pasturing of livestock, egg collection, composting, planting, fertilizing, and harvesting of fruit and vegetables. The two Tax Lots (3523-01800 & 3526-00600) the Applicant identified that appear to be farmed at a for-profit scale are used for grass seed production, and found that planting, irrigation, fertilization, flail mowing, disking, and harvesting are common practices associated with grass seed farming. The Applicant notes that many of these farm practices involve the use of large-scale heavy machinery such as tractors, dump trucks, and harvesters. In some cases, these farm vehicles may either be stored on-site or transported to the farm when needed. Traffic to and from these farm lots is seasonal and typically aligns with times of planting and harvesting when crops need to be transported from the farm to a place of storage or to market. The Applicant identified traffic to and from the farm stand as a potential conflicting activity with these two parcels used for grass seed production.

The Applicant identified that seven of the sixteen lots within the analysis area exhibited

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT STAFF REPORT

evidence of for-profit livestock production and/or grazing. The Applicant notes that cattle, hogs, and poultry are the livestock found in the analysis area. Feeding, grazing, herding, and the gathering of eggs are activities commonly associated with the livestock production identified in the analysis area. The Applicant notes that traffic would be the most likely potential impact to these livestock farming operations, and again notes that traffic to these lots would largely be seasonal and/or sporadic with traffic generally occurring when livestock is being sent to market or when new livestock is being delivered to the farm.

The Applicant finds that an increase in traffic to the farmstand from the addition of alcohol sales and wine tasting will be in keeping with other uses permitted outright in the farm zone, including farmstands without alcohol sales and wineries. The Applicant finds that traffic to the subject parcel will not significantly increase the cost of the grass seed farm operation, nor will it force a significant change in accepted farming practices associated with the farming operations identified in the analysis area that extends approximately 1/3 of a mile from the subject parcel.

Staff notes that the Applicant has addressed a comment submitted by an interested party regarding an initial lack of a farm impacts test. The Applicant's addendum provided an evaluation of the existing farm and/or forest uses occurring within 1/3 of a mile from the subject lot. Staff notes that no comments or concerns were submitted by any of the surrounding farmers regarding the Applicant's proposed use. Staff concurs with the farm impacts analysis and findings submitted by the Applicant in their November 2nd, addendum, and finds that the proposed wine tasting and alcohol sales at an approved farmstand can be mitigated by conditions of approval. Staff finds that, with the implementation of conditions, the Applicant's request will not force a significant change in accepted farming or forest practices on surrounding lands devoted to farm or forest use, nor will the proposed use significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use.

D. Site Design Review

1. Section 1101.02(A) of the YCZO governs site design review.

Review of a site development plan shall be based upon consideration of the following:

Section 1101.02(A)(1): Characteristics of adjoining and surrounding uses;

Regarding standard (1) above, the surrounding properties to the west, south, and northwest are located in the Agriculture/Forestry Large Holding District, with land to the east, southeast, north, and northwest located in the AF-40 zone, land to the west located in the AF-20 zone, and land to the south located in the AF-80 zone. Surrounding properties to the north, east and southeast are located in the Exclusive Farm Use District, with land to the north and east located in the EF-20 zone and land to the southeast located in the EF-80 zone. Land use in the surrounding area runs the gamut of residential, residential with some small farm uses, agricultural uses, and forest uses (predominantly passive). Many of the

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

lots in this surrounding area are composed of lots being used residentially with some small hobby farming activities (livestock grazing, egg collection, small orchards, gardening, etc.), a few larger commercial agricultural uses including grass seed cultivation and cattle grazing. There does not appear to be any commercial forestry uses occurring in the surrounding area.

2. *Section 1101.02(A)(2): Economic factors relating to the proposed use;*

Regarding standard (2) above, a farmstand was approved on the subject parcel earlier this calendar year (2023) and the Applicant notes that that farmstand will market locally produced meat and produce. The Applicant's request is to provide wine-tasting service at the farmstand and to allow for the sale of locally produced alcohol in the form of wine, cider, beer and other malt beverages. Staff has defined the local area as the State of Oregon, so if approved, the Applicant would be able to sell locally produced wine, cider, beer and other malt beverages, at the farmstand.

3. *Section 1101.02(A)(3): Traffic safety, internal circulation and parking;*

Regarding standard (3) above, the wine tasting service and alcohol sales would be conducted from an existing farmstand that received site design review approval earlier this year (2023). Friends of Yamhill County submitted comments regarding the current traffic levels and whether the addition of wine tasting service and alcohol sales will have a significant negative impact to projected traffic levels on surrounding roadways. Planning staff solicited comment from the Public Works Department and received no request for a traffic impact analysis under County Ordinance 787. There is no evidence in the record that demonstrates that the roads in the surrounding area are operating above or close to planned traffic capacity levels. A condition of approval will require that the driveway providing access to the farmstand be inspected and approved by the Carlton Fire Department prior to the issuance of building permits for improvements to the farmstand and/or prior to the commencement of wine tasting services and/or the sale of alcoholic beverages.

4. *Section 1101.02(A)(4): Provisions for adequate noise and/or visual buffering from noncompatible uses;*

Regarding standard (4) above, the wine tasting service and alcohol sales will occur within an existing farmstand on the subject 80.49-acre parcel. Staff did not receive any comments or concerns regarding an increase in noise or visual blight from the farmstand or from the addition of wine tasting or alcohol sales to the farmstand. Staff will place a condition on any approval that prohibits the outdoor artificial amplification of voice or sound in conjunction with the farmstand use, the proposed wine tasting use, and/or the sale of alcohol from the farmstand. Staff also finds that visual buffering is not necessary for the proposed farmstand as staff did not identify any noncompatible uses in the surrounding area. While farming activities on-site may generate noise typical of farm uses, such noise is expected in the farm zone, is seasonal, and with conditions is compatible with surrounding uses.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

5. *Section 1101.02(A)(5): Retention of existing natural features on site;*

Regarding standard (5) above, there are no existing natural features of note located on the property that will be disturbed or lost due to the construction activities that will occur within the existing farmstand. The footprint for the existing farmstand will not be expanded if the proposed use is approved. The request complies with this review standard.

6. *Section 1101.02(A)(6): Problems that may arise due to development within potential hazard areas.*

Regarding standard (6) above, while a small area in the southeastern area of the subject parcel is partially located in the Floodplain Overlay District of Panther Creek, the subject farmstand is not located within the Panther Creek floodplain or other identifiable hazard area. Staff finds that there are no reasonably foreseeable problems that may arise due to the addition of wine tasting service and alcohol sales from the existing, approved farmstand.

7. *Section 1101.02(A)(7): Comments and/or recommendations of adjacent and vicinity property owners whose interests may be affected by the proposed use.*

Regarding standard (7) above, this application was processed as a Type B application so comments and/or recommendations of vicinity property owners were solicited by staff, but while no comments or concerns were submitted by surrounding property owners staff did receive comments and concerns from Friends of Yamhill County that were addressed in Sections B. and C. of the staff report, along with the Applicant's response to the comments submitted by Friends of Yamhill County.

CONCLUSIONS FOR APPROVAL:

1. The request is for a conditional use and site design review for a commercial activity in conjunction with farm use for the provision of wine tasting service and sale of locally produced alcohol including wine, cider, beer and other malt beverages, from the existing farmstand. This request does not include any onsite wine, beer or other malt beverage, or cider production.
2. With conditions, the request can be made compatible with the applicable conditional use review criteria listed in Sections 1202.02, 402.04(G), and 402.07(A) of the *Yamhill County Zoning Ordinance*.
3. With conditions, the request can conform with the site design review standards listed in Section 1101.02 of the *Yamhill County Zoning Ordinance*.
4. The request complies with the goals and policies of the *Yamhill County Comprehensive Plan*.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT

STAFF REPORT

DECISION:

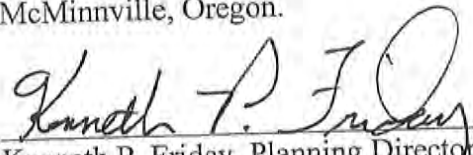
Based upon the above findings and conclusions, the request by Ground 152, LLC for a conditional use permit and site design review approval for the provision of wine tasting service and the sale of wine, cider, beer and other malt beverages, from the existing, approved onsite farmstand as a commercial activity in conjunction with farm use, on Exclusive Farm use zoned property has been approved with the following conditions:

1. The development shall substantially conform to the site maps submitted with this application (see enclosures).
2. The wine tasting service and alcohol sales shall occur within the existing farmstand building located on Tax Lot 3523-02400.
3. Alcohol sales at the farmstand shall be limited to locally produced wine, locally produced beer and other malt beverages, and locally produced cider. The local area is defined as all counties in Oregon.
4. The farmstand shall only sell farm crops and livestock grown on the Applicant's farm operation and other farm operations in the local agricultural area, including the retail sale of incidental items and fee-based activities to promote the sale of farm crops or livestock sold at the farmstand. The annual sale of incidental items and fees from promotional activities shall not make up more than one-quarter (25%) of the total annual sales of the farmstand. The "local agricultural area" is defined as all counties in Oregon.
5. Prior to issuance of building permits, the Applicant shall obtain authorization from the County Sanitarian for the farmstand to use the existing septic system or shall receive approval for a new septic system to serve the farmstand.
6. Parking shall be established and permanently maintained as long as the farmstand is operating so that there is a minimum of one parking space for each employee on maximum working shift, and one (1) parking space per 100 square feet of wine tasting area, and one (1) parking space per 300 square feet of farmstand area pursuant to Section 1007 of the Yamhill County Zoning Ordinance. Parking shall not be permitted along the NW Red Shot Lane, NW Panther Creek Road, or NW Meadow Lake Road right-of-way.
7. The use of outdoor amplified music or sound shall not be permitted.
8. Prior to the provision of wine tasting service or sale of locally produced wine, locally produced beer and other malt beverages, and locally produced cider, the Applicant shall obtain all permits required by the Oregon Liquor Control Commission (OLCC).
9. Prior to issuance of building permits, the water supply and access driveway will be required to meet the Carlton Fire Department standards.
10. Any lighting for the farmstand shall be shielded, deflected, or directed onto the Applicant's property, so it does not shine onto the county road or adjacent lots.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT

11. "Agri-tourism or other commercial events" shall not occur on the subject parcel without additional land use approval. "Agri-tourism or other commercial events" include outdoor concerts for which admission is charged, educational, cultural, health or lifestyle events, facility rentals, and celebratory gatherings.
12. This approval shall expire two years from the date of this letter unless the use has been initiated.
13. This approval shall be deemed personal to the Applicant (Ground 152, LLC), Frank Foti and the current property owner (15660 Ground, LLC) and shall not run with the land.
14. This approval shall expire two years from the date of this letter unless the use has been initiated.
15. The construction of any additional structures or modification to the footprint of existing structure(s) used in conjunction with the farmstand shall require the submission and approval of a Site Design Review application.
16. Modification of any of the above conditions requires approval under Section 1202.05 of the *Yamhill County Zoning Ordinance*. Violation of any of the above conditions may result in revocation of the conditional use permit with the process detailed in Section 1202.07 and 1202.08 of the *Yamhill County Zoning Ordinance*.

DATED AND SIGNED this 1st day of December, 2023, at
McMinnville, Oregon.


Kenneth P. Friday, Planning Director
Yamhill County Planning and Development

KF:lw

Yamhill County

DEPARTMENT OF PLANNING AND DEVELOPMENT

525 NE 4TH STREET • McMINNVILLE, OREGON 97128
Phone: 503-434-7516 • Fax: 503-434-7544 • TTY: 800-735-2900 • Internet Address: <http://www.co.yamhill.or.us/planning>

December 1, 2023

Ground 152, LLC
Attn: Frank Foti
15990 NW Red Shot Lane
Carlton, OR 97111

Re: **Docket No. C-15-23, Tax Lot 3523-02400**

In reference to the conditional use permit and site design review request for a commercial activity in conjunction to allow the sale of locally produced wine, beer, cider, and other malt beverages at the existing onsite farmstand with no onsite wine, beer, or cider production, Planning staff has reviewed your application and finds that it complies with the requirements of the Yamhill County Zoning Ordinance. Your application has been approved with the following conditions:

1. The development shall substantially conform to the site maps submitted with this application (see enclosures).
2. The wine tasting service and alcohol sales shall occur within the existing farmstand building located on Tax Lot 3523-02400.
3. Alcohol sales at the farmstand shall be limited to locally produced wine, locally produced beer and other malt beverages, and locally produced cider. The local area is defined as all counties in Oregon.
4. The farmstand shall only sell farm crops and livestock grown on the Applicant's farm operation and other farm operations in the local agricultural area, including the retail sale of incidental items and fee-based activities to promote the sale of farm crops or livestock sold at the farmstand. The annual sale of incidental items and fees from promotional activities shall not make up more than one-quarter (25%) of the total annual sales of the farmstand. The "local agricultural area" is defined as all counties in Oregon.
5. Prior to issuance of building permits, the Applicant shall obtain authorization from the County Sanitarian for the farmstand to use the existing septic system or shall receive approval for a new septic system to serve the farmstand.
6. Parking shall be established and permanently maintained as long as the farmstand is operating so that there is a minimum of one parking space for each employee on maximum working shift, and one (1) parking space per 100 square feet of wine tasting area, and one (1) parking space per 300 square feet of farmstand area pursuant to Section 1007 of the Yamhill County Zoning Ordinance. Parking shall not be permitted along the NW Red Shot Lane, NW Panther Creek Road, or NW Meadow Lake Road right-of-way.

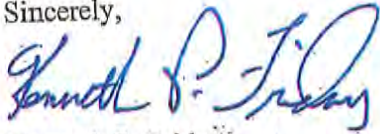
7. The use of outdoor amplified music or sound shall not be permitted.
8. Prior to the provision of wine tasting service or sale of locally produced wine, locally produced beer and other malt beverages, and locally produced cider, the Applicant shall obtain all permits required by the Oregon Liquor Control Commission (OLCC).
9. Prior to issuance of building permits, the water supply and access driveway will be required to meet the Carlton Fire Department standards.
10. Any lighting for the farmstand shall be shielded, deflected, or directed onto the Applicant's property, so it does not shine onto the county road or adjacent lots.
11. "Agri-tourism or other commercial events" shall not occur on the subject parcel without additional land use approval. "Agri-tourism or other commercial events" include outdoor concerts for which admission is charged, educational, cultural, health or lifestyle events, facility rentals, and celebratory gatherings.
12. This approval shall expire two years from the date of this letter unless the use has been initiated.
13. This approval shall be deemed personal to the Applicant (Ground 152, LLC), Frank Foti and the current property owner (15660 Ground, LLC) and shall not run with the land.
14. This approval shall expire two years from the date of this letter unless the use has been initiated.
15. The construction of any additional structures or modification to the footprint of existing structure(s) used in conjunction with the farmstand shall require the submission and approval of a Site Design Review application.
16. Modification of any of the above conditions requires approval under Section 1202.05 of the *Yamhill County Zoning Ordinance*. Violation of any of the above conditions may result in revocation of the conditional use permit with the process detailed in Section 1202.07 and 1202.08 of the *Yamhill County Zoning Ordinance*.

The Yamhill County Zoning Ordinance provides for appeal of any action or ruling of the Planning Director to the Board of Commissioners within fifteen (15) days of the decision on a proposed action. Anyone wishing to appeal the Director's decision must file an appeal form, together with a \$250.00 fee, with this department no later than **5:00 p.m., December 18, 2023**. If no appeal is filed, the Director's decision will be final and this letter will serve as your official notice of approval of your application.

Docket C-15-23
Ground 152, LLC
Page 3

If you have any questions, please contact this office.

Sincerely,



Kenneth P. Friday
Planning Director

Enclosure

cc: Board of Commissioners
Public Works
Assessor
SPOs
Public Health
Carlton Fire Department
Sanitarian
Watermaster
Soil & Water Conservation District

YAMHILL COUNTY TAX LOT INFORMATION & CONTEXTUAL MAP

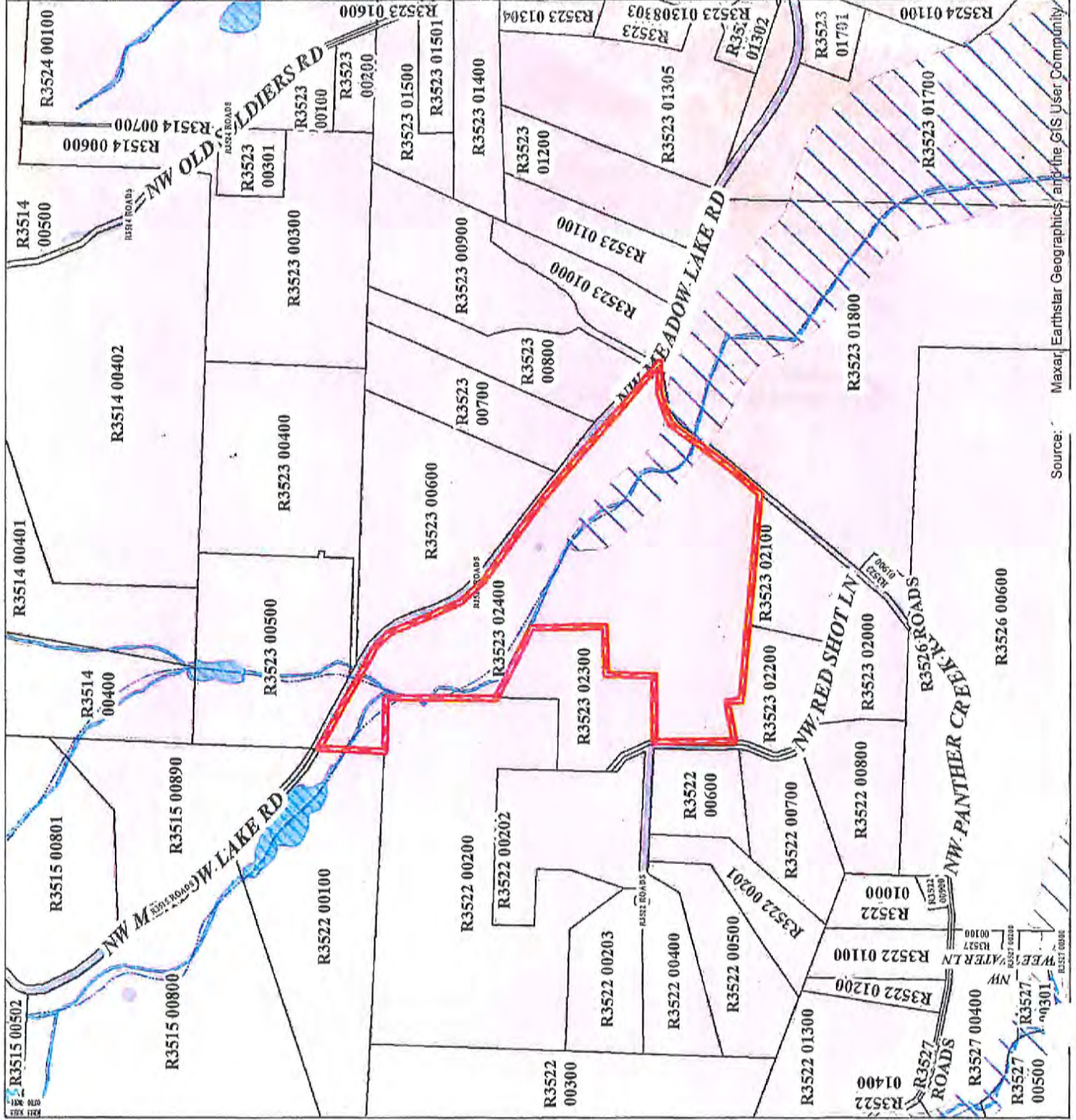


Property Information Docket: C-15-23

15250 NW Panther Creek Rd
Subject Parcel(s)
Tax Lot: R3523 02400
Lot Acreage: 80.49



Wetland
FEMA Flood Zone
Base Flood Elev (ft)
100 Year Zone
Floodway
1 inch = 900 feet



Source: Maxar, Earthstar Geographics, and the GIS User Community

YAMHILL COUNTY TAX LOT INFORMATION & CONTEXTUAL MAP



Property Information Docket: C-15-23

15250 NW Panther Creek Rd



Subject Parcel(s)

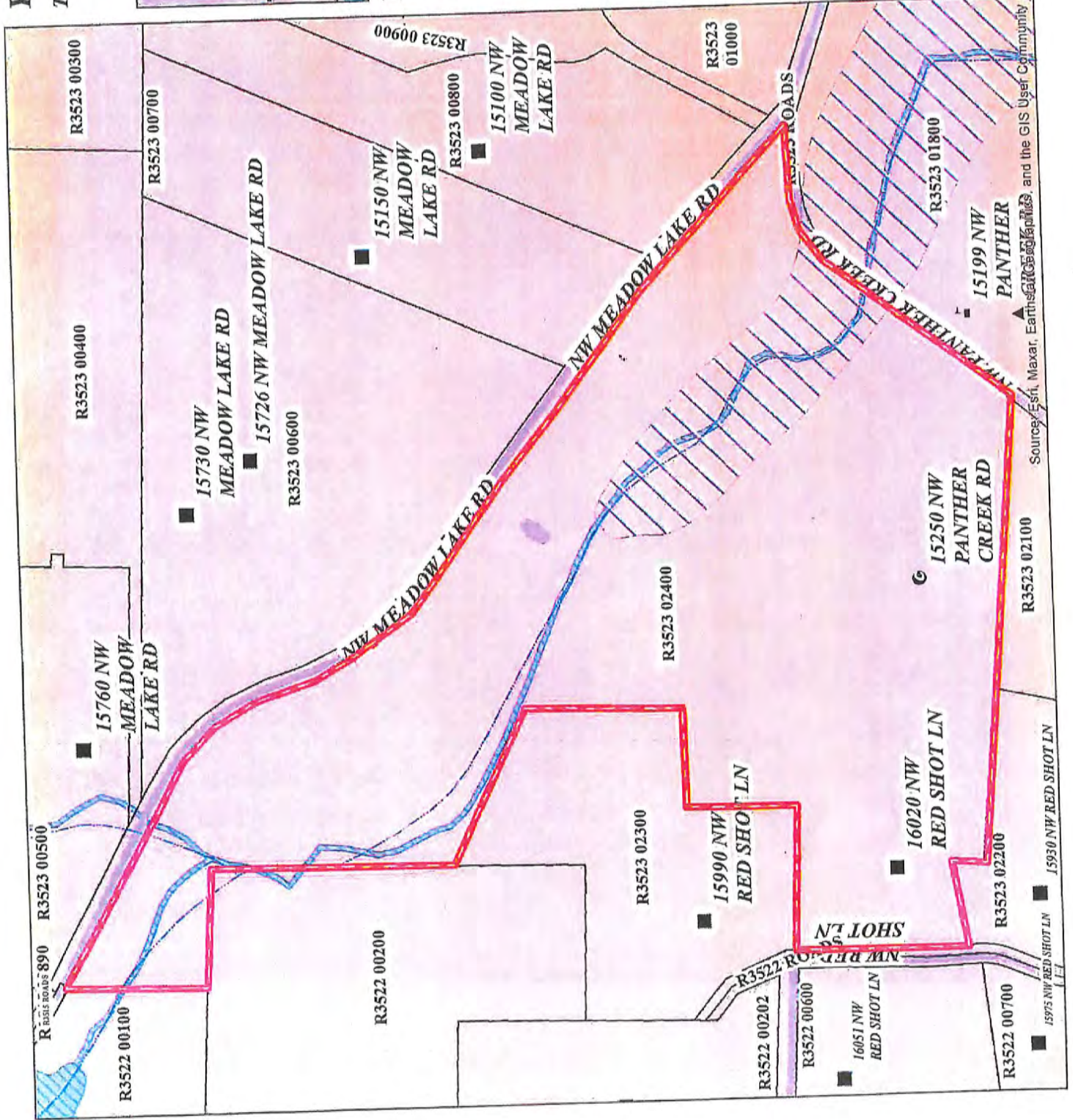
Tax Lot: R3523 02400

Lot Acreage: 80.49

- Wetland
- FEMA Flood Zone
- Base Flood Elev (ft)
- 100 Year Zone
- Floodway
- 1 inch = 400 feet



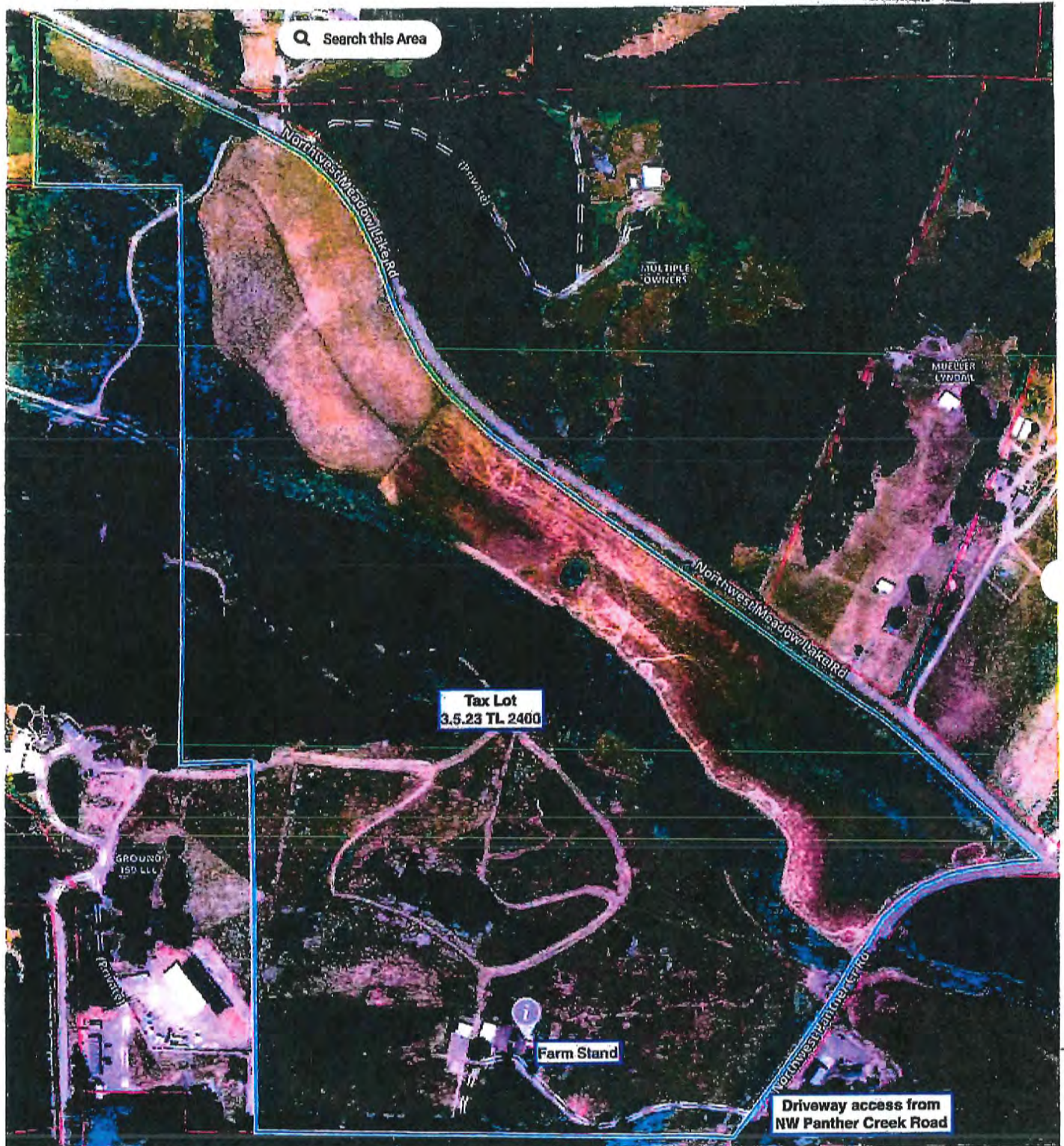
Last Update: August 29, 2023



RECEIVED

AUG 01 2023

YAMHILL COUNTY
PLANNING DEPARTMENT



II. Application & Addenda

YAMHILL COUNTY DEPARTMENT OF PLANNING & DEVELOPMENT

LAND USE APPLICATION

525 NE Fourth Street, McMinnville, OR 97128 • Tel: 503-434-7516 • Fax: 503-434-7544

Docket

Date

Rec'd by

Receipt #

Fee

C-15-23
 SR-18-23
 7-6-23
 AL
 68084
 1317.00

979-23-000213-PLNG

APPLICANT			LEGAL OWNER (IF DIFFERENT)		
Ground 152, LLC					
Last name	First	MI	Last name	First	MI
c/o Frank Foti, Member/Manager					
Mailing address (Street or PO Box)			Mailing address (Street or PO Box)		
15990 NW Red Shot Lane					
City	State	Zip	City	State	Zip
Carlton, OR 97111					
Telephone			Telephone		
503-852-9030					
E-mail address			E-mail address		
admin@theground.love					
If the applicant is not the legal owner, state interest in property:					
PROPERTY INFORMATION					
Tax Lot(s): 3.5.23 TL 2400			Zone: EF-80		
Size of Tract (include all adjacent tax lots)			81.5 acres		

1. **TYPE OF APPLICATION** (what is requested?): Site design review for use of existing, approved farmstand
2. **JUSTIFICATION FOR REQUEST** YCZO Section(s): see attached

A Planner will assist you in identifying the review criteria that apply to your request. The review criteria are used to determine whether your application will be approved or denied. It is your responsibility to provide adequate written justification and any other evidence you feel is relevant to explain how your request complies with the review criteria. Failure to provide adequate justification may result in your application being denied or deemed incomplete until additional information is provided.
3. **Present use of property:** see attached
4. **Please list the type of buildings that are currently on the property (i.e. manufactured home, pole building, agricultural barn, etc.):**
see attached
5. **Is there a septic system on the property?** ☒ Yes ☐ No
How will water be provided? ☒ Well ☒ City ☐ Other _____
7. **What road and/or easement is the property accessed from?** HWY 47

8. To your knowledge, do any of the following natural hazards exist on the property?

☐

Floodplain

☐

Areas of erosion

☒

Steep slopes

☐

Fish or wildlife habitat

☐

Soil limitations for building or septic

THE APPLICANT MUST SUBMIT:

1. Completed application form, signed by the applicant and property owner (if different). The owner's signature must be notarized.
2. Site plan drawn to scale showing property lines, location and size of all existing buildings, existing and proposed access roads, and location and size of any proposed new buildings.
3. Written justification of how the application complies with the approval criteria. Attach additional sheets to this form.
4. Filing fee (make check payable to Yamhill County).

General land use application used for Conditional Use, Variance, Site Design Review, Floodplain, Willamette River Greenway, Comprehensive Plan Amendment and Zoning District Boundary Amendment, Comprehensive Plan Amendment, and Zone Change.

NOTE: Fees are not transferrable or refundable.

I hereby declare under penalties of false swearing (ORS 162.075 and 162.085) that the above information is true and correct to the best of my knowledge. I understand that issuance of an approval based on this application will not excuse me from complying with other effective ordinances and laws regulating the use of the land and buildings.

I hereby grant permission for and consent to Yamhill County, its officers, agents, and employees coming upon the above-described property to gather information and inspect the property whenever it is reasonably necessary for the purpose of processing this application.

Applicant's signature

Date

Property owner's signature (if different)

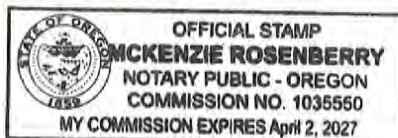
Date

State of Oregon

County of Yamhill

Signed before me on this 16 day of July, 20 23

by Frank Foti



Notary Public for Oregon

My Commission expires April 2, 2027

Request: The Ground has two approved farm stands for selling its Source Farms farm products, including pork, beef, poultry, and lamb, along with its Market Garden fresh vegetables. Now The Ground seeks to add alcohol sales and wine tasting (both subject to OLCC approval) at these farm stands along with its other farm products. No changes to agricultural land are required as the only minor changes needed will be to interior arrangement of products inside existing, approved farm stands.

Section 402.04(G) allows as a conditional use in EFU "Commercial activities that are in conjunction with farm use as defined in Section 402.10(B) . . . subject to Section 1101, Site Design Review." In turn, Section 402.10(B), includes "Retail sales and promotion of agricultural products . . . directly related to the production, harvesting, and processing of agricultural products."

Proposed Finding: The farm stands already sell local farm products. Sales of those farm products will be enhanced and promoted by paring with alcohol sales. Sales will include wine from local wineries, which further promotes local agricultural products.

Section 1202.02 requires conditional uses to meet the following general criteria:

"A. The use is listed as a conditional use in the underlying zoning district;"

Proposed Finding: Section 402.04(G) lists commercial activities in conjunction with farm use as a conditional use in EFU.

"B. The use is consistent with those goals and policies of the Comprehensive Plan which apply to the proposed use;"

Proposed Finding: Yamhill County's goals for agricultural lands include conserving land "for production of crops and livestock" (Sec. II(A), Goal 1); conserving energy in production and delivery of agricultural products through farmer's markets (Sec. II(A), Policy I); and conserve soil resources for agriculture (Sec. II(A), Goal 2). This request is consistent with all of these goals as it utilizes existing farm stand approvals so as to minimize footprint on agricultural lands and also conserving energy by encouraging customers to buy local farm products locally.

"C. The parcel is suitable for the proposed use considering its size, shape, location, topography, existence of improvements and natural features;"

Proposed Finding: The County already determined that the parcels are suitable for a farm stand by approving the farm stands. Adding alcohol sales does not change that.

"D. The proposed use will not alter the character of the surrounding area in a manner which substantially limits, impairs or prevents the use of surrounding properties for the permitted uses listed in the underlying zoning district;"

Proposed Finding: Selling alcohol at existing, permitted farm stands will not alter the character of the surrounding area in a way that limits use of surrounding properties. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

"E. The proposed use is appropriate, considering the adequacy of public facilities and services existing or planned for the area affected by the use; and"

Proposed Finding: Selling alcohol at existing, permitted farm stands will not change the burden on existing public facilities and services beyond the existing farm stands.

"F. The use is or can be made compatible with existing uses and other allowable uses in the area."

Proposed Finding: Selling alcohol at existing, permitted farm stands is entirely compatible with existing and allowed uses in the area. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

Section 402.07(A) requires conditional uses to demonstrate that they:

(1) "will not force significant change in accepted farming or forest practices on surrounding lands devoted to farm or forest use" and

Proposed Finding: Selling alcohol at existing, permitted farm stands will not force any change on surrounding lands in EFU. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

(2) "will not significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use."

Proposed Finding: Selling alcohol at existing, permitted farm stands will not increase costs of farming or forestry on surrounding lands in EFU. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

Section 1101.02(A) provides for review of site development plans based upon the following:

"1. Characteristics of adjoining and surrounding uses;"

Proposed Finding: Selling alcohol at existing, permitted farm stands is consistent with area uses. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

"2. Economic factors relating to the proposed use;"

Proposed Finding: Selling alcohol at existing, permitted farm stands will help promote sales of Source Farms and Market Garden farm products, as well as of local wineries.

"3. Traffic safety, internal circulation and parking;"

Proposed Finding: Selling alcohol at existing, permitted farm stands will have no impact on traffic or parking beyond current farm stand impacts.

"4. Provisions for adequate noise and/or visual buffering from noncompatible uses;"

Proposed Finding: Selling alcohol at existing, permitted farm stands will have no impact on noise or buffering beyond current farm stand impacts.

"5. Retention of existing natural features on site;"

Proposed Finding: Selling alcohol at existing, permitted farm stands will have no impact on noise or buffering beyond current farm stand impacts.

"6. Problems that may arise due to development within potential hazard areas."

Proposed Finding: Selling alcohol at existing, permitted farm stands will have no interaction with hazard areas beyond any current farm stand interaction.

"7. Comments and/or recommendations of adjacent and vicinity property owners whose interests may be affected by the proposed use."

Proposed Finding: The Ground owns much of the surrounding properties and supports this application. Other owners can speak for themselves but should not be impacted by merely adding a few more products to existing, approved farm stands.

Tiffanie Willis

From: Tiffanie Willis
Sent: Friday, July 28, 2023 12:09 PM
To: 'admin@theground.love'; Ken Friday; Stephanie Curran
Subject: SDR-17-23 and SDR-18-23 Application
Attachments: General Land Use Application.pdf

Dear Mr. Frank Foti,

I am reaching out to you regarding the above applications we received. After reviewing the applications, our office needs to change the type of application from Site Design Review to a **Conditional Use Permit**. You have already included the pertinent review criteria for the conditional use permit, section 1202.02 and 402.07A of the Yamhill County Zoning Ordinance, however you have not provided any site plans.

Please submit site plans for both applications and contact our office to pay the additional fees associated for the change in application. The difference in fees is \$1716 per application, totaling \$3432. If you could please call the planning department to make the payment, and so that our office staff can assign a new docket identification number for the conditional use applications.

Land Use Application

Page 2 of 2

8. To your knowledge, do any of the following natural hazards exist on the property?

- | | | |
|---|--|---------------------------------------|
| ☐ Floodplain | ☐ Areas of erosion | ☐ Steep slopes |
| ☐ Fish or wildlife habitat | ☐ Soil limitations for building or septic | |

THE APPLICANT MUST SUBMIT:

1. Completed application form, signed by the applicant and property owner (if different). The owner's signature must be notarized.
2. Site plan drawn to scale showing property lines, location and size of all existing buildings, existing and proposed access and location and size of any proposed new buildings.
3. Written justification of how the application complies with the approval criteria. Attach additional sheets to this form.
4. Filing fee (make check payable to Yamhill County).

Your application will be considered incomplete until you submit the fees and additional information indicated above. Pursuant to ORS 215.428, you have 180 days from the date the application was first submitted in which to submit the fees and information requested in order to have your application considered under the land use regulations in effect at the time the application was first submitted.

If you have any questions, please feel free to call this office.

Sincerely,

Tiffanie Willis
Associate Planner
Yamhill County Planning Department
McMinnville, OR 97128
Phone (503)434-7516
Fax (503)434-7544

RECEIVED

AUG 01 2023

YAMHILL COUNTY
PLANNING DEPARTMENT





FARM PRACTICES IMPACT STUDY FOR
ADDITION OF ALCOHOL SALES USE AT APPROVED FARMSTAND
15250 NW PANTHER CREEK ROAD YAMHILL COUNTY, OREGON
C-15-23

Purpose

ORS 215.296 is incorporated within the Yamhill County Planning Ordinance and is referenced as approval criteria 1202.02.D and 402.07.A.1-2, copied below.

1202.02.D. The proposed use will not alter the character of the surrounding area in a manner which substantially limits, impairs or prevents the use of surrounding properties for the permitted uses listed in the underlying zoning district;

402.07 ADDITIONAL STANDARDS FOR APPROVAL OF CONDITIONAL USES In the Exclusive Farm Use District, prior to establishment of a conditional use, the applicant shall demonstrate compliance with the following criteria in addition to other requirements of this ordinance:

- 1. The use will not force significant change in accepted farming or forest practices on surrounding lands devoted to farm or forest use.*
- 2. The use will not significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use.*

Analysis Area

The analysis area includes properties within a radius of approximately 1/3 mile. The size of the analysis area is based on the limited size and nature of the proposed farmstand alcohol sales activity. The area encompasses properties adjacent to the farmstand site and properties adjacent to the intersections of NW Meadow Lake Road/NW Panther Creek Road which is located along the travel route to the farmstand site, as shown in Exhibit 1.

A total of 16 tax lots are included in this analysis. The attached Property Inventory Table (Table 1) provides the zoning, property size, apparent use and other information used in the analysis, and is accompanied by Exhibit 1, an aerial photograph with a map overlay showing the location of the subject site as it relates to the surrounding uses.

This analysis seeks to provide evidence that the proposed alcohol sales activity will not force any significant change in accepted farm and forest practices, or increase in the costs of those practices, on surrounding lands devoted to farm or forest use. The Yamhill County Zoning Ordinance Subsection 402.10 and ORS 215.203 define typical "farm use" as "the employment of land for the primary purpose of obtaining a profit in money."

Properties located within the analysis area include predominantly rural residential properties, many with small-scale gardening or personal farming activities, and several with for-profit farming activities. In addition, two non-residential properties are employed with for-profit farm uses, including grass seed production and cattle grazing. Although stands of trees are present in analysis area, no for-profit forestry operations were identified.

Primary access for the farmstand is provided by a driveway located at 15250 NW Panther Creek Road.

The uses identified within the analysis area and listed in Table 1 are described below and a summary of potential impacts is provided.

Notably, alcohol sales and tasting is not foreign to farm lands at all; they are a type of use specifically allowed on EFU lands. YCZO 402.02(H); 401.10(I)(2)-(4) (on-site winery sales). There are numerous wineries and tasting rooms in the general area. Thus, this proposed use should not have an important influence or effect on the farm or forest practices on surrounding lands.

Rural Residential Use with Hobby Farming

As shown in Table 1, most parcels in the analysis area are rural residential homes, in some cases with apparent minor farming-related activities on the property that are accessory to the single-family residence. As these are small-scale home-based activities, they do not appear to constitute typical "farm use" activities operated for profit. The activities present on these residential properties could be characterized as "hobby farm" activities for personal use. While these activities would not be defined as farm use, due to the prevalence of these residential-based activities within the analysis area we have addressed them in this report.

Hobby farming activities include, but are not limited to raising livestock, growing small-scale vegetable gardens, maintaining small orchards, and keeping grazing animals for personal use or to maintain low grass. Aerial images show barns, pastures and various ancillary farming structures present on the properties, all for personal use.

Practices that would be typical of small-scale farming for personal use, or hobby farming, include:

- Feeding
- Pasturing
- Egg collection
- Small Orchards
- Composting
- Planting
- Fertilizing
- Harvesting

The alcohol sales and tasting will take place at an existing farmstand to complement the core meat and veggie sales. This should not impact traffic levels beyond those normally expected to be generated by other allowable uses within the EF-80 zone, including the on-farm product sales already allowed at nearby properties. Hobby farming activities can continue with no interference to planting or harvesting activities throughout the year.

In summary, the alcohol sales will not reduce adjacent property owners' ability pursue their established hobby farming, or increase costs associated with such uses.

Grass Production

Two large lots (TL R3523 01800 & R3526 00600) located on NW Panther Creek Road appear to be utilized for grass seed production.

Common practices associated with grass seed production that take place onsite are:

- Planting
- Irrigation
- Fertilization
- Flail Mowing
- Disking
- Harvesting

Customarily, most of the practices listed above are done with large-scale heavy machinery, such as tractors, dump trucks and harvesters. Some of this equipment may be located or stored on site, and occasionally such equipment may be brought to the property from an off-site source. Periodically, the harvested crops will be transported from the site. When these activities take place, both NW Meadow Lake Road and NW Panther Creek Road will be used to deliver the heavy machinery to the site or transport harvested materials from the site. These practices take place only a few times a year and so the demand for open roadways is greatest during those times. In addition, some of these practices may be better conducted at night, so the minimal traffic generated by the farmstand during those hours would not be expected to have impact on the grass seed production's cost or practice.

The farmstand activities are not likely to interfere with the occasional roadway demands of the grass seed production activities. As mentioned, traffic from the alcohol sales and tasting is expected to be roughly equivalent to the level generated by other allowed uses in the EF-80 zone, and very little if any traffic will be generated by the farm stand during the overnight hours when the farm stand will be closed.

Livestock Production and Grazing:

Seven of the 16 tax lots included in this analysis exhibit evidence of for-profit livestock production and/or grazing, as shown in the attached Table 1 and Exhibit 1.

Livestock production and grazing include the following common practices:

- Feeding
- Pasturing
- Grazing
- Egg Retrieval
- Herding

The adjacent Tabula Rasa Farms raises cattle, hogs and hens on six of the tax lots included in the analysis. The management intensive grazing of Tabula Rasa Farms focuses animal grazing to specific areas, and they are

moved on a daily/weekly basis. The regenerative farm practices of Tabula Rasa Farms are centered around rotation and rest. One other tax lot, located south of the farmstand site, leases a portion of the property for cattle grazing.

Periodically, some large machinery may be required by these livestock-related uses and it is expected that there will be occasional machinery and/or trucks moving to and from the site for the transport of produce (eggs), supplies and livestock.

The farmstand activity, including any traffic it will generate, is not expected to hinder any of the existing practices of the livestock and grazing uses in the surrounding area. The livestock is contained within the fenced boundaries of the properties and would not be endangered by vehicular traffic moving to or from the site. Guest activities at the farmstand will occur primarily within the farmstand and will not inhibit the practices employed in the raising of livestock, listed above.

The existing farmstand contracts to sell meats grown on the surrounding Tabula Rasa Farms properties. Thus, allowing alcohol sales and tasting at this existing farmstand can only benefit existing nearby farming practices by helping sell those products.

Conclusion

Based on our findings, farm uses identified within the analysis area include grass seed production, open cattle grazing, and livestock production. Farm uses, as defined in the Yamhill County Planning Ordinance Subsection 402.10 and ORS 215.203, are uses that employ land for "the primary purpose of profit in money."

The proposed alcohol sales at the farmstand at 15250 NW Panther Creek Road will not create any significant conflicts or detriments to the existing adjacent farm uses. Traffic generated by customers travelling to and from the farm stand is expected to be roughly equivalent to what would be generated by other allowable uses in the EF-80 zone. Primary access to the farmstand is provided by a driveway located at 15250 NW Panther Creek Road.

This analysis provides evidence that the proposed use will not conflict with the surrounding farm uses and, therefore, will not force a significant change in accepted farm or forest practices, and does not significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use (YCPO 402.07). Further, no significant impacts to other surrounding uses, including residential and hobby farms are evident.

This, coupled with YCPO 1202.02.D, ensures that the surrounding area, including established farm uses and residential hobby farms will not be altered or impaired substantially or preclude the use of those properties for the primary uses allowed in their zone.

Exhibit 1 Property Analysis Map



Legend

- Parcel Lines
- Analysis Property
- Subject Site

Table 1: Property Inventory

Property Key	Tax Lot	Property Owner Name	SITE ADDRESS	ZONE DISTRICT	ACRES	Notes
1	R3523 01200	AMERSON TYLER J	14500 NW MEADOW LAKE RD	EF20	15.29	rural residential home
2	R3523 01100	CULVER JOHN R	14806 NW MEADOW LAKE RD	EF20	10.97	rural residential home
3	R3523 01000	TABULA RASA FARMS LLC	14820 NW MEADOW LAKE RD	EF20	10	regenerative farm focused on raising cattle, hogs & hens for profit
4	R3523 00900	TABULA RASA FARMS LLC	14900 NW MEADOW LAKE RD	AF40	23.35	rural residential home (operating B&B) & regenerative farm focused on raising cattle, hogs & hens for profit
5	R3523 00800	TABULA RASA FARMS LLC	15100 NW MEADOW LAKE RD	EF20 / EF40	16.07	rural residential home & regenerative farm focused on raising cattle, hogs & hens for profit
6	R3523 02400	GROUND 152 LLC	15250 NW PANTHER CREEK RD	EF80	80.49	rural residential home (operating B & B) & regenerative farm focused on raising cattle, hogs & hens for profit
7	R3523 02300	GROUND 159 LLC	15990 NW RED SHOT LN	AF20 / EF80	16.63	rural residential home & regenerative farm focused on raising cattle, hogs & hens for profit
8	R3523 02200	WARREN DEAN & CINDY	15930 NW RED SHOT LN	AF20	10.6	rural residential home
9	R3523 02100	GROUND 152 LLC	15560 NW RED SHOT LN	EF80	10.79	rural residential home and small-scale farming
10	R3523 02000	GORGAS ARLENE E CO-TRUSTEE	15751 NW RED SHOT LN	AF20	10.7	rural residential home
11	R3523 01800	SITTON BROTHERS INC	15199 NW PANTHER CREEK RD	EF80/AF80	131.05	Grass seed farm for profit
12	R3526 00600	SITTON FRED & NINA FAMILY TRUST	NO SITUS	AF80	315.6	Partial grass seed and partially leased for cattle grazing for profit
13	R3522 00202	DINSMORE ANTHONY	16000 NW RED SHOT LN	AF20	20	rural residential home
14	R3522 00600	ONION BRENT	16051 NW RED SHOT LN	AF20	8.9	rural residential home
15	R3522 00700	RICH MICHAEL D	15975 NW RED SHOT LN	AF20	11.6	rural residential home
16	R3522 00800	KINDEL MARK A	15925 NW RED SHOT LN	AF20	14.2	rural residential home

III. Comments



P.O. Box 1083
McMinnville, Oregon 97128

RECEIVED

SEP 25 2023

YAMHILL COUNTY
PLANNING DEPARTMENT

Helping to shape the use of our natural resources to protect the quality of life in Yamhill County

September 25, 2023

Lance Woods, Associate Planner
Yamhill County Planning & Development Department
525 NE 4th Street
McMinnville, Oregon 97128

RE: C-14-23, Carlton Hub, LLC
C-15-23, Ground 152, LLC

Mr. Woods,

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that will maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents.

Thank you for the opportunity to participate in these conditional use permit applications requesting commercial activities in conjunction with farm use consisting of wine sales and tasting at existing farm stands. The applications appear to be identical except for the tax lot, and our comments on each are the same, so please enter this letter into the records of each application.

Permitted Use

The application states that the request is for "alcohol sales and wine tasting," and other parts of the application narrative appear to limit the alcohol sales to local wines, we assume to be by the bottle. The application goes on to state that the proposed use is listed as a conditional use in Yamhill County Zoning Ordinance (YCZO) 402.04(G), "Commercial activities that are in conjunction with farm use as defined in Section 402.10(B)...."

The portion of the definition in YCZO 402.10(B) that the applicant relies on states:

As authorized under subsection 402.04(G), a commercial activity in conjunction with farm use is:

* * *

2. Retail sales and promotion of agricultural products, supplies and services directly related to the production, harvesting, and processing of agricultural products. * * *

The applicant has not established that it produces wine grapes (the application states, "The Ground has two approved farm stands for selling its Source Farms farm products, including pork, beef, poultry, and lamb, along with its Market Garden fresh vegetables." The aerial photos included in the application do not show any vineyards.). The definition includes only those retail sales that are "directly related" to farming and processing activities. The applicant does not produce, harvest, or process wine grapes.

The proposed use does not satisfy the definition of a commercial activity in conjunction with farm use and is therefore not permitted under YCZO 402.04(G). The application does not satisfy YCZO 1202.02(A) ("The use is listed as a conditional use in the underlying zoning district").

Conditional Use Approval Criteria

If the county disagrees and finds that the proposed use satisfies the definition of a commercial activity in conjunction with farm use, please consider the following comments.

None of the proposed findings in the application demonstrate compliance with the applicable criteria. We call out the following as particularly relevant.

YCZO 1202.02(D). This criterion provides:

The proposed use will not alter the character of the surrounding area in a manner which substantially limits, impairs or prevents the use of surrounding properties for the permitted uses listed in the underlying zoning district.

The application provides the following in response to this criterion:

Selling alcohol at existing, permitted farm stands will not alter the character of the surrounding area in a way that limits use of surrounding properties. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

The first sentence is not a finding, it is a conclusion. The second sentence raises more questions than it answers. What is "the area"? How many wineries constitute "numerous"? If numerous wineries are without issues, are there others that *do* create issues? The application does not demonstrate compliance with this criterion.

We contend that having numerous tasting rooms in the area places a heavier burden on the applicant to show that more of them will not alter the character of the area. In order to show compliance with this criterion, the applicant needs to define the area and describe the character of the area. There then needs to be analysis of whether the proposed use, added to the other existing non-farm uses in the area, will alter the area in a way that substantially affects permitted uses, such as farming, adversely.

YCZO 1202.02(E). This criterion provides: "The proposed use is appropriate, considering the adequacy of public facilities and services existing or planned for the area affected by the use."

The application provides the following in response to this criterion: "Selling alcohol at existing, permitted farm stands will not change the burden on existing public facilities and services beyond the existing farm stands."

Again, this is not a finding, it is a conclusion. At a minimum the application needs to identify and address existing public facilities and services, available and planned, for the site. We know that public roads is one of them, and the *intent* of providing alcohol sales and tasting is to increase traffic to the business, so to say there will be no change stretches credibility. The applicant needs to address current and forecast traffic on affected roads and highways and the effect of new wine-tasting traffic. Other public facilities and services to the site need to be similarly considered.

YCZO 402.07(A). These criteria provide:

In the Exclusive Farm Use District, prior to establishment of a conditional use, the applicant shall demonstrate compliance with the following criteria in addition to other requirements of this ordinance:

1. The use will not force significant change in accepted farming or forest practices on surrounding lands devoted to farm or forest use.

2. The use will not significantly increase the cost of accepted farming or forest practices on surrounding lands devoted to farm or forest use.

The application provides the following in response to these criteria, respectively:

Selling alcohol at existing, permitted farm stands will not force any change on surrounding lands in EFU. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

Selling alcohol at existing, permitted farm stands will not increase costs of farming or forestry on surrounding lands in EFU. There are numerous wineries in the area that already sell alcohol and have wine tastings without any issue.

The applicant needs to identify accepted farming and forestry practices on surrounding lands and address effects practice-by-practice and farm-by-farm. The county must determine whether these effects are "significant" as that term is used in the criteria. The county must also determine whether there are cumulative impacts, each of which may not individually be significant, that, when combined, have a significant effect on farm or forest practices or the cost of operating these concerns.

Conclusion

The proposed use is not permitted in the Exclusive Farm Use Zone and the application should be denied. Even if the use is permitted, the applicant has not demonstrated compliance with relevant criteria.

Thanks again for the opportunity to comment on the applications. Please enter this letter into the records and notify us of the county's decision.

Yours truly,



Rob Hallyburton
Vice President

cc: Kathryn Jernstedt and Sid Friedman, FYC
Andrew Mulkey, 1000 Friends of Oregon

IV. Applicant's Response to Comments

Lance Woods

From: McKenzie Rosenberry <mckenzie@theground.love>
Sent: Wednesday, December 27, 2023 5:10 PM
To: Lance Woods
Subject: Re: Yamhill County Planning | Docket C-15-23 | City of Carlton Concern

Caution: This email originated outside of the Yamhill County email system

Hi Lance, we can comply with the City of Carlton's request.
Thank you,
McKenzie

 McKenzie Rosenberry (she/her/hers)
Director of Operations at The Ground
971-901-2812 cell • theground.love

From: Lance Woods <woodsl@co.yamhill.or.us>
Date: Monday, December 11, 2023 at 8:46 AM
To: McKenzie Rosenberry <mckenzie@theground.love>, Heather Miller
<Heather.Miller@theground.love>, Frank Foti <frank@theground.love>
cc: Ken Friday <fridayk@co.yamhill.or.us>
Subject: Yamhill County Planning | Docket C-15-23 | City of Carlton Concern

Good morning,

I have attached a concern from the City of Carlton regarding water usage as it relates to Docket C-15-23.

Best regards,

Lance Woods
Senior Planner & GIS Analyst
Yamhill County Planning & Development

Telephone: +1 503 434 7516 | Fax: +1 503 434 7544
Woodsl@co.yamhill.or.us | <http://www.co.yamhill.or.us/planning>
525 NE 4th Street, McMinnville, OR 97128, USA

Lance Woods

From: McKenzie Rosenberry <mckenzie@theground.love>
Sent: Wednesday, October 04, 2023 4:48 PM
To: Lance Woods
Subject: Amendment and Response to C-15-23

RECEIVED
OCT 04 2023
YAMHILL COUNTY
PLANNING DEPARTMENT

Caution: This email originated outside of the Yamhill County email system

Hi Lance,
For C-15-23 (Ground 152 LLC, Tax Lot 3.5.23-02400), here is our application amendment to and response to comments received.

Application Clarification and Amendment

As mentioned in our phone discussion, the intent for both of our farmstand applications was that they cover alcohol generically, and local wine was an example provided as the most likely (but not only) alcohol product. Our intent was to cover whatever alcohol sales are approved by the OLCC under the license for which we qualify, and that county approval would be aligned with OLCC approval. Due to that, we would like to clarify our request as follows:

Request: The Ground has two approved farm stands for selling its Source Farms farm products, including pork, beef, poultry, and lamb, along with its Market Garden fresh vegetables. We now seek to add alcohol sales and alcohol tasting (subject to OLCC approval) at these farm stands along with its other farm products. No changes to agricultural land are required as the only minor changes needed will be to interior arrangement of products inside existing, approved farm stands. This request includes wine, beer and other malt beverages, cider, and alcoholic drinks as approved by OLCC.

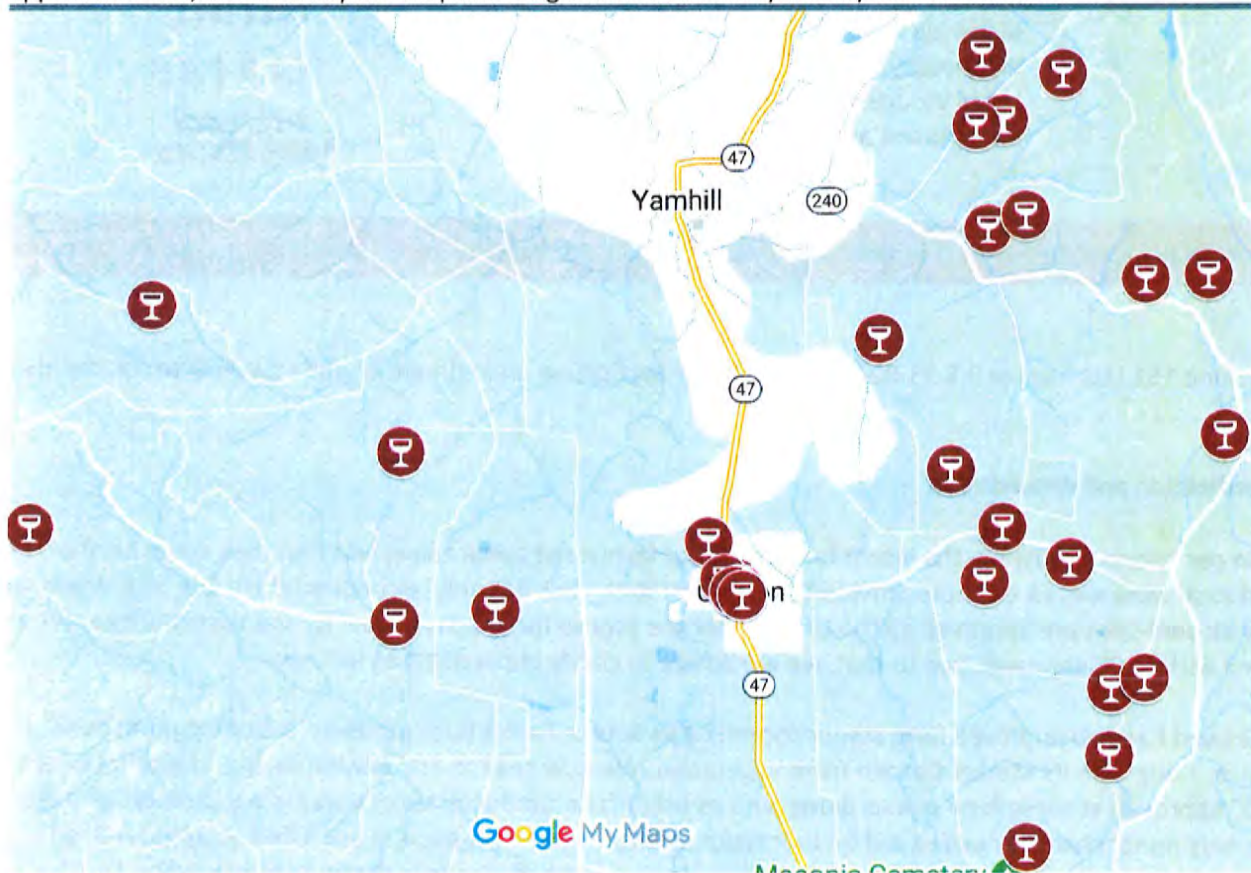
Response to comments from Friends of Yamhill County

Friends of Yamhill County argues that YCZO 402.10(B)(2) requires production of wine grapes in order to sell wine, but this is entirely inconsistent with the code language and context. Nothing in YCZO 402.10(B)(2) limits farm stand sales only to what is produced by the operator's farm. Further, Commercial Activities in Conjunction with Farm Use can include selling irrigation pipe, pumps, fertilizer, and chemicals even though farms obviously cannot manufacture those products in EF zones. A veterinary clinic is allowed even if no animals are raised on the site or by the operator. A farm equipment repair facility is allowed even if no farm equipment is otherwise used for farming on the site or by the operator. Further, wineries not otherwise permitted are allowed, which can include selling alcohol without having a vineyard.

Friends of Yamhill County also appears to question the strength and importance of the many wineries and tasting rooms in the Carlton area. Friends appears to contend that allowing a small amount of alcohol sales and tasting at an existing farmstand to complement the core meat and veggie sales will somehow adversely alter the character of the entire area. Such concerns are simply unfounded. This secondary use is not intended to attract a larger quantity of customers visiting the farmstand, but to expand offering to our existing customers. A secondary, low-volume use that is similar to many surrounding uses does not adversely impact the surrounding area. Rather, this application furthers the local economic synergy of the wine industry.

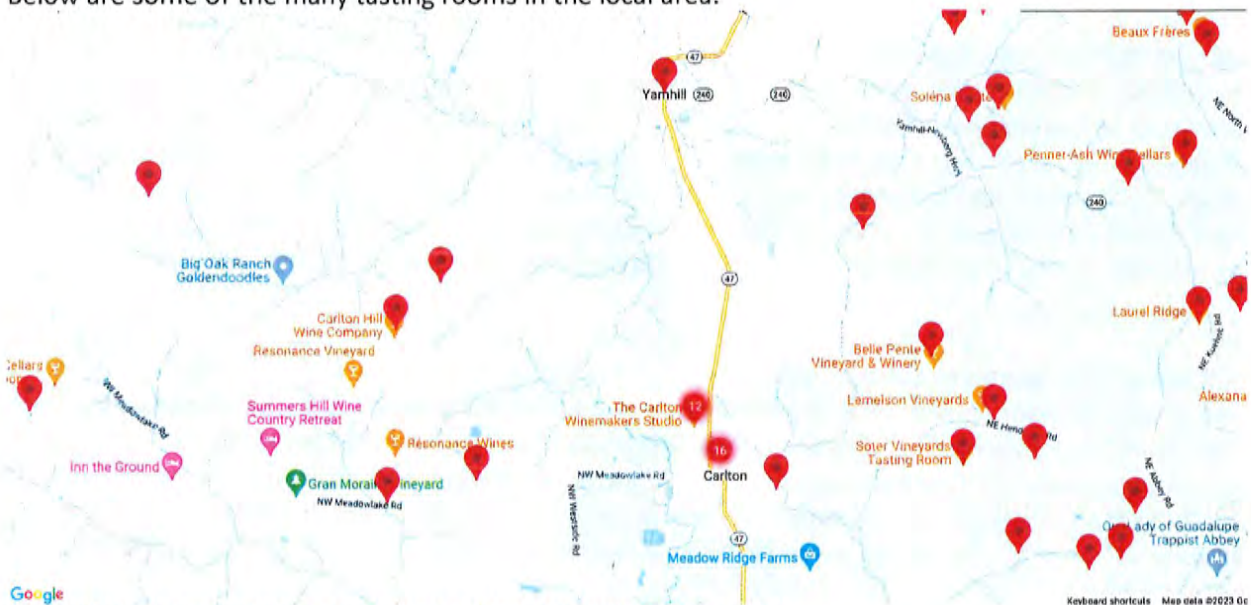
For decades, expanding wine-related agriculture and tourism has been a core goal for Yamhill County. https://www.co.yamhill.or.us/sites/default/files/Summary_Report_-_Yamhill_County_Agri-Business.pdf Carlton is the self-proclaimed Wine Capital of Oregon, and the area's economy is driven by wine-related business. <https://www.visitcarlton.com/> The immediately surrounding Yamhill-Carlton AVA includes more than 2,600

acres of vineyard. <https://www.oregonwine.org/regions/willamette-valley/yamhill-carlton-ava/> The Yamhill-Carlton AVA has over 50 wineries, not to mention many additional tasting rooms. <https://yamhillcarlton.org/> Many are near to the application site, as shown by the map showing some of the many nearby wineries below:



<https://yamhillcarlton.org/wineries/>

Below are some of the many tasting rooms in the local area:



<https://www.oregonwine.org/wineries/?region=willamette-valley>

Friends of Yamhill County is also incorrect when it argues that the intent of providing alcohol sales and tasting is to increase traffic. Actually, the intent is to provide more high-margin sales to support farm stand operations. The focus of the farm stands will always be the meat and veggie sales.

Thank you,

McKenzie

g **McKenzie Rosenberry (she/her/hers)**
Office Manager at The Ground
971-901-2812 cell • theground.love

Yamhill County Agri-Business Economic and Community Development Plan



SUMMARY REPORT



Prepared for:



Yamhill County, Oregon

By:



Barney & Worth, Inc.

In association with:

Globalwise, Inc.

E.D. Hovee & Company, LLC

Spencer & Kupper

June 2009

Acknowledgements

The authors gratefully acknowledge the participation of many Yamhill County community leaders, technical experts, and others. Their contributions have been indispensable.

Steering Committee

Jody Christensen
Ken Friday
Tom Hogue
Sam Justice
Tonya Saunders
Mary Stern

Stakeholders - Agriculture Sector

Susan Aldrich-Markham, OSU Extension Service (retired)
Mike Anderson, Farmers Creamery Coop
Agnes Balassa, Enterprise for Employment & Education
Kendall Bergstrom, Bergstrom Wines
Barbara Boyer, McMinnville Farmers Market
Kevin Chambers, Oregon Vineyard Supply
Stan Christiansen, Grower (retired)
Zack Christiansen, Yamhill County Farm Bureau
Dave Cruickshank, Grower, Yamhill County Soil & Water Conservation District
Ken Durant, Red Ridge Farms
John Dyne, Carlton Farms
Ted Farthing, Oregon Wine Board
Tom Fox, Oregon Economic & Community Development
William Fujii, Oregon Water Resources Department
Kathy George, George Packing Company, Yamhill County Commissioner
Mark Hurst, Hurst's Berry Farm
Susan Jeffries, Betty Lou's Inc.
Jim LeTourneau, Tripletree Farm
Leslie Lewis, Yamhill County Commissioner
David Millman, Domaine Drouhin Winery
Brent Searle, Oregon Department of Agriculture
Alex Sokol Blosser, Sokol Blosser Winery
Julie Staigers, Crumbled Rock Winery
Rick Wells, Monrovia Nursery
Sam White, Wilco
Ken Wright, Ken Wright Cellars
Chrissie Zaerpoor, Kookoolan Farms

Stakeholders - Infrastructure

Howard Hamilton, Public Works Director, City of Newberg
Diane Rinks, City Administrator, City of Lafayette
Frank Sheridan, City Manager, City of Sheridan
Sam Sasaki, City Manager, City of Willamina
Rob Daykin, City Administrator, City of Dundee
Steven Weaver, City Manager, City of Carlton
Mike Bissett, Community Development Director, City of McMinnville
Eric Abrams, Superintendent, McMinnville Water & Light
John Phelan, Public Works Director & Bill Gille, County Engineer, Yamhill County
Larry Layton, City Manager & Matt Johnson, Public Works Director, City of Amity
Richard Howard, Superintendent of Public Works, City of Yamhill
Cristy Ellis, City Manager, City of Dayton
Mike Brandt, Planning Director & Ken Friday, Planner, Yamhill County
Paul Elias, General Manager, McMinnville Water and Light
Ronan Igloria, P.E., CWRE, HDR
Dan Fricke, Senior Transportation Planner, ODOT

Advisory Committee

Michael Cape - Amity
Jody Christensen - McMinnville
Rob Daykin - Dundee
Christy Ellis - Dayton
Walt Larkin - Yamhill
Diane Rinks - Lafayette
Sam Sasaki - Willamina
Frank Sheridan - Sheridan
Elaine Taylor - Newberg
Steven Weaver - Carlton

Stakeholders - Tourism Sector

Roger Anderson, Vista Balloon Adventures
Mary Arnstad, Allison Inn & Spa Development
Wayne Bailey, Youngberg Hill Vineyards and Inn, Yamhill Valley B&B Association
Susan Barksdale, Cuvée Restaurant, A Walk in the Park
David Beam, City of Newberg
Chris Czamecki, Joel Palmer House
Tom Fox, Oregon Economic & Community Development
Kris Gullo, McMinnville Downtown Association
Sonja Haugen, Springbrook Properties, Inc.
Peter Kircher, Golden Valley Brew Pub
Leslie Lewis, Yamhill County Commissioner
Ty Rollins, Comfort Inn
Jack Seed, Matley Bed & Breakfast
Cassie Sollars, News Register
Kathleen Stoller, La Rambla Restaurant
Dennis Sturdevant, Precision Aviation
Patty Webb, McMinnville Downtown Association
Lisa Weidman, Arts Alliance of Yamhill County

Other Contributors

Barton Brierley, Newberg Planning Department
Susan Dufner, Mid-Willamette Valley COG
Ronan Ingloria, HDR Engineering
Jim Jacks, Mid-Willamette Valley COG
Jim Minard, City of Amity
John Morgan, Morgan CPS Group
Luke Peltz, Newberg Planning Department
Ron Pomeroy, McMinnville Planning Department

Consultant Team

Clark Worth, Barney & Worth, Inc.
Libby Barg, Barney & Worth, Inc.
Michela Neary, Barney & Worth, Inc.
Laura Westmeyer, Willamette University (Intern)
Eric Hovee, E.D. Hovee & Co.
Andrea Logue, E.D. Hovee & Co.
Bruce Prenguber, Globalwise, Inc.
John Spencer, Spencer & Kupper

This project was funded in part through a grant
awarded by Oregon Department of Land
Conservation and Development.



Table of Contents

		<u>Page</u>
I.	Executive Summary	1
II.	Introduction	5
III.	Yamhill County Agriculture	
	Profile of Yamhill County's Agriculture Sector.....	7
	Stakeholder Interviews.....	13
	Future for Yamhill County Agriculture	14
IV.	Yamhill County Tourism	
	Tourism Sector Profile.....	19
	Stakeholder Interviews.....	22
	Future for Tourism.....	23
V.	The Agriculture/Tourism Link: <i>Agri-Tourism</i>	
	Businesses to Support Agriculture and Tourism.....	27
	Prototype Projects.....	29
	Analysis of Zoning and Sites to Accommodate Prototype Projects.....	31
VI.	Infrastructure to Support Agriculture and Tourism	
	Infrastructure Survey.....	35
	Utility Rates and SDCs.....	36
	Regional Cooperation	37
	Infrastructure Summit.....	38
VII.	Conclusion.....	41
	Appendix.....	46

I. EXECUTIVE SUMMARY

Yamhill County commissioned a new study – the *Yamhill County Agri-Business Economic and Community Development Plan* – to look into the future for the County's agriculture and tourism industries. Yamhill County wants to ensure its local agriculture industry can continue to thrive – operate profitably, grow and contribute to community livability countywide. The agriculture sector is highly successful and very diverse, producing \$300 million in annual sales.

Alongside agriculture – and increasingly important – is tourism. These two key sectors of the county's economy are intimately linked through wine. Over 35 years, Yamhill County has emerged as one of the nation's premier wine producing regions, specializing in Pinot Noir. With the explosion of wineries come visitors, estimated now at 1.5 million per year. These visitors are crucial to local wineries, where their retail purchases help provide good margins and assure the vintner's profitability. But so far, residents and other establishments in Yamhill County haven't benefited greatly. Local visitor spending per capita is below the statewide average, and significantly less than comparable visitor destinations.

Why did this happen? What can be done to better capitalize on tourism? The leading solution to the tourism dilemma is to provide more high amenity lodging that lures wine tourists for overnight stays. Developing complementary visitor attractions, too, will also help lengthen stays and attract repeat visits necessary to fill out the tourism calendar.

Finding suitable sites for new lodging properties and other visitor attractions won't be easy. While zoning can be a problem for certain types of facilities in some communities, a bigger issue is services: especially water, sewer, and transportation access. Analysis shows that hotels and other large-scale visitor-oriented facilities can be accommodated today only in the larger cities. Yamhill County and its communities are aware of this problem and are searching for solutions.

The Yamhill County Agri-Business Economic and Community Development Plan has systematically reviewed each of these key elements:

- The agriculture sector, today and/or the future
- Tourism and ag-tourism
- Land use zoning and sites to accommodate development
- Infrastructure and services

The plan results in a multi-faceted approach, with a series of recommendations for moving forward (see below). Most important will be reaching a shared vision, countywide, on the future of Yamhill County's tourism sector. How can wine visitors be best served? What should be the respective roles in tourism development for Yamhill County, the cities and smaller towns, and other organizations?

Also important will be strategic planning, priority setting, and regional cooperation to resolve infrastructure needs in time to serve the growth within agriculture and tourism. For Yamhill County and its residents, the future starts now.

The plan was created through a partnership of Yamhill County and its ten cities. Oregon Department of Land Conservation & Development and several agencies and organizations co-sponsored and participated. The technical work was conducted by a consultant team led by

Barney & Worth, Inc. in association with E.D. Hovee & Co., Globalwise, Inc. and Spencer & Kupper.

Yamhill County Agri-Business-Weather Report

	Today	Tomorrow
Agriculture		
Wineries		
Other Ag Businesses		
Tourism		
Tourism Businesses		?
Zoning		
Sites		
- Cities		
- Towns		?
- Rural		?
Infrastructure		
- Cities		
- Towns		?
- Rural		?

Yamhill County Agri-Business - Solutions

- ✓ Shared vision for Yamhill County's future
- ✓ More lodging
- ✓ More attractions
- ✓ Rezoning to accommodate prototype development projects
- ✓ Site assembly
- ✓ Countywide infrastructure strategy, regional cooperation
- ✓ Coordinate opportunity sites / services
- ✓ Transient lodging tax
- ✓ Other funding sources

II. INTRODUCTION

In 2008, Yamhill County joined ten local communities in commissioning a new study – the *Yamhill County Agri-Business Economic and Community Development Plan* – to look into the future for the County's agriculture and tourism sectors. In Yamhill County and across Oregon and the Pacific Northwest, agriculture is under pressure. Population growth and urban development, combined with competitive market forces, threaten traditional agriculture. At the same time, some segments within agriculture are flourishing – and Yamhill County benefits from several of these emerging crops / products. The Yamhill Valley wine industry contributes significantly to Oregon's brand, and lends cache to Portland's reputation as a food center. Craft-beer, horticulture, fine food specialties, and other promising ag sub-sectors are also present in Yamhill County.

Yamhill County wants to ensure its local agriculture industry can continue to thrive – operate profitably, grow in place and contribute to community livability in all parts of the county. In response, a plan is being developed to promote cooperative regional economic and community development in order to establish and expand the essential businesses and services needed to support the local agriculture sector.

Unlike agriculture, long a mainstay of the local economy, Yamhill County's tourism industry is still comparatively new. The emergence of the wine industry and other new attractions are beginning to draw significant numbers of visitors. Communities recognize the importance of this fast growing sector, and its intimate connection to agriculture.

Four key elements of Yamhill County's plan – agriculture, tourism, land use and infrastructure – are addressed in the project workscope. Key questions to be answered by the study:

- What is the current condition of Yamhill County's agriculture sector?
- What activities and businesses are necessary to support local agriculture?
- What is the current condition of local tourism? And what activities and businesses are needed to support the tourism sector?
- Are suitable sites available for agriculture and tourism support businesses?
- Is infrastructure in place - or planned - to support growth in agriculture and tourism?

Several agencies and organizations have co-sponsored and participated in the study: the Oregon Department of Land Conservation & Development, Oregon Economic & Community Development Department, the Governor's Office, and McMinnville Economic Development. Representatives of these agencies participated in a Steering Committee to guide the project.

The Yamhill County Agri-Business Economic and Community Development Plan was completed in June 2009. Results of the analysis are intended to contribute to finding solutions that assure the continued vitality of the two key economic sectors.

The Yamhill County Agri-Business Economic and Community Development Plan has involved stakeholders and the public in examining the local agriculture and tourism sectors' future needs, assuring those sectors' continued vitality while enhancing community livability. In addition to stakeholder interviews covering the agriculture and tourism sectors, the project was also followed closely by an Advisory Committee with countywide representation.

To conduct the study, Yamhill County retained a consultant team led by Barney & Worth, Inc. in association with E.D. Hovee & Co., Globalwise, Inc., and Spencer & Kupper. The consultants provided specialized expertise in economic development, agricultural economics, tourism, land use planning, infrastructure planning and competitiveness strategies. The outcome for Yamhill County will be a better understanding of the competitive challenges and opportunities which provide the platform to support the county's competitiveness in agriculture and tourism.

III. YAMHILL COUNTY AGRICULTURE

Profile of Yamhill County Agriculture Sector

Globalwise, Inc. completed a profile of agriculture in Yamhill County, identifying participating agricultural sectors, types of businesses in agriculture and related sectors.¹

Quick Facts on Yamhill County Agriculture

The following presents a few quick facts about agricultural conditions in the county.

Total farm gate value of all agricultural production: \$296.1 million in 2007 (excludes wine production and food processing), placing Yamhill 7th among 211 Oregon counties.

Major crops and livestock produced: In order starting with the highest farm level value of production in 2007 – nursery crops, grass and legume seeds, dairy products, tree fruits and nuts, wine grapes, Christmas trees, poultry, grain and hay, and vegetables.

Yamhill County is recognized as the leading production area for Oregon's wine industry: Yamhill County has the largest wine grape harvest in the state by a wide margin, with the 2007 tonnage of 10,719 tons exceeding the combined tonnage of the second and third counties (Polk and Washington). Yamhill wineries handled 44% of the state's total grape crush in 2007.

Total land in crop production (2007 estimate): 105,420 acres which is 23% of the total county land area.

Total land in pasture/grazing (2007 estimate): 77,100 acres, equaling 17% of the county land area.

Location of crop production: Most crops are grown at lower valley elevations with warmer and longer growing seasons. Vineyard acreage has expanded from about 4,250 planted acres in 2003 to 5,500 planted acres in 2007, with expansion in both valley and foothill sites.

Livestock production: Cattle, hog, sheep and goat production occurs on small farms located throughout the county. Fewer than five dairies remain in the county and all other categories of livestock production also have been declining in recent years.

Soil variability: Valley soils are not uniformly suited to crop production. Heavy clay soil that is poorly drained is interspersed with highly fertile, well drained soils. Drainage systems are commonly installed to increase the productive capacity of valley soils. Wine grapes in foothill areas are produced on soil that has traditionally been considered unsuitable for agricultural crops.

Supplemental irrigation is needed for most high value crops: wine grapes, tree fruits and nuts, specialty vegetable seeds and berries. About one acre out of every five crop acres is irrigated. Two irrigation districts serve portions of Yamhill County and these districts cannot accept new irrigators due to restricted water supply. Additional irrigation water must be obtained from wells.

¹ *Agriculture Profile of Yamhill County*, Globalwise, Inc. (November 2008)

Other Quick Facts on Yamhill County Agriculture

Farms with annual sales over \$1,000	2,329
Farms with operator indicating farming as principal occupation	1,144
Average farm size	84 acres
Median farm size	24 acres
Irrigated harvested cropland as a percentage of land in farms	22.0%
Percentage of farms operated by a family or individual	89.4%
Average age of principal farm operators	54 years

Source: 2002 Census of Agriculture

Data from the 2007 Census of Agriculture will be available in 2009.

Roots of Yamhill County Agriculture

Agriculture is a major contributor to the Yamhill County economy. In 2007 the agricultural producers generated almost \$300 million of farm gate sales from a wide range of products. (This total does not include sales from winery production or food processing.)

The strength of Yamhill County agriculture lies in the broad base of crops produced, processed and marketed. The county's most visible agricultural enterprises are the vineyards and wineries, which have grown and prospered along with their reputation for premium wines. Yet many other aspects of the county's agriculture sector are large and have enjoyed their share of growth in recent years. This profile provides a foundation for understanding Yamhill County agriculture as it currently exists by highlighting the major characteristics of this dynamic industry.

Since the 1840s when Yamhill County was formed, agriculture has played a rich and prominent role in the lives of residents.² The early settlers came to the valleys of what is now eastern Yamhill County and practiced subsistence agriculture that included raising cattle. Soon cattle grazing moved to the hills and the valley was devoted mainly to wheat production. By the early 1900s dairy production came into the area and gradually expanded. Expansion of clover production was beneficial to the livestock industry and the county saw increasing numbers of beef cattle, hogs, sheep, goats and poultry.

Fruit and nut production started in earnest by 1910. In 1925 it was estimated that Yamhill County had 2,864 farms at an average farm size of about 83 acres. Between 1925 and 1950 the apple and pear orchard acreage declined while hazelnut production expanded. Commercial production of the small berry fruits that included strawberries, loganberries, raspberries, blackberries, and gooseberries took hold following World War I. The dominant crop was strawberries. Walnuts were also introduced after WWI.

In the 1962 Columbus Day Storm, most of the county's prune orchards were flattened. This ushered in a down period as growers worked to recover their losses and farm land prices declined. Although wine grapes had been grown previously in the valley areas, by 1970 commercial plantings of wine grapes began appearing on former orchard ground. This industry has steadily advanced since that time.

² Much of the information for the discussion of the agricultural history is from *Lower South Yamhill – Deer Creek Watershed Assessment*, by Yamhill Basin Council, September, 2000.

Yamhill County Winery "Pioneers"

Winery	Established
Eyrie	1966
Arterberry	1968
Knudson Erath	1969
Amity	1970
Sokol Blosser	1971
Adelsheim	1972
Autumn Wind	1972
Chateau Benoit	1972
Hidden Springs	1972
Elk Cove	1974

As in other areas of the Willamette Valley, grass seed production has changed the face of Yamhill County agriculture since the 1960s. Ground that was too wet for other crops was tilled or otherwise drained to allow for many types of perennial grass and legume seed crops. Large farms, some owning and leasing several thousand acres and in their second or third generation of family ownership, have taken advantage of modern equipment to expand and increase their productivity. Many of these farmers have also responded to the natural resource diversity in Yamhill County to increase the range of crops they grow.

In the 1980s the ornamental plant nursery industry began its path of expansion in the county. Nurseries of all sizes were established, including some of the largest in the state. Today over 100 nurseries make horticulture the largest contributor to farm gate income of all agricultural sectors – and they also employ more workers than any other sector.

Yamhill County has always had a large number of small farms. However, over the past decade there has been a resurgence of small, diversified fruit and vegetable farms. Many tend to grow a profusion of crops on five, ten or more acres; with some producing 30 or more different vegetable and fruit crops. Other farms specialize in livestock or combine livestock with truck crop farming (truck crops refer to fresh fruits and vegetables for local market delivery). Often these new farms follow organic or bio-dynamic practices. They tend to market their crops in several ways including farmers markets, on-farm sales and specialty retail stores.

Adapting to natural resource conditions and maximizing market opportunities are hallmarks of Yamhill County growers. They have led this industry to prominence in the local economy. The natural resources and skills of the farmers have resulted in a large and diverse industry, one that is hard to equal elsewhere – even in a state as agriculturally oriented as Oregon.

Present Agricultural Activity

Yamhill County is a diverse agricultural production area. Principal non-food crops are grass and clover seed, nursery plants, hay, specialty vegetable seed, and corn for silage. Grain crops such as wheat, barley, and oats are grown in rotation with the seed crops. Between 50,000 and 60,000 acres of county land is devoted to seed crop production, making it the major crop category in terms of agricultural land use in the county. This is a less visible but very solid contributor to the prosperity of the farm and agricultural sector.

In addition to the grain crops mentioned above, other major *food* crops grown in Yamhill County are hazelnuts (also known as filberts), corn, small fruits, and tree fruits. Wine grape production has rapidly expanded to about 232 growers with 5,500 planted acres in 2007. This sector is well established as a major part of the Yamhill County agriculture. Wineries are expanding in pace with the vineyard expansion.

The number of dairies has dwindled to fewer than five. Beef, sheep, hogs and chickens are produced on small and diversified farm enterprises in many locations throughout the valley and foothill areas. Two local livestock slaughter facilities provide good market outlets for beef and hog producers to market their animals.

Variations in climate, water availability and soils combine to give Yamhill County growers latitude in where they raise their crops. However, there is a clear tendency to raise the vegetable and fruit crops at the lowest elevations at the valley floor which offer the warmest growing season temperatures.

Dayton is considered the center of the fruit and vegetable producing area. Nurseries are located in many valley locations with consideration given to flat land, good soils and water supply. Good soils are needed for field production of trees and shrubs, with less attention to soils for "container" nursery operations which grow above ground in pots.

The small fruits which include raspberries, blackberries, blueberries and strawberries are still produced but in declining acreage in Yamhill County. Some new plantings of blueberries are reported. Well drained soil and warm growing season temperatures create optimum conditions for these crops so there are limited suitable locations. These crops are found in the valleys and in the warmest areas of the county. Generally they require more labor than other crops so this is also a constraint.

Wine grapes are grown principally in the foothills above the valley floor, because the valleys have generally highly fertile soils that remains too wet for premium wine grape growing. Wine grapes thrive on less fertile soils that are unsuited to fruit, vegetable and seed crops.

Grass and legume seed favor the best soils for optimum yields but these crops are also grown on heavier, less well drained soil, especially of drainage tile as been added to lower the water table. Hay and other forage as well as grazing of livestock are generally found on the least productive valley and foothill soils.

Yamhill County Value of Agricultural Production, 2007

All Crops	Value (\$000)	Percent of Total
Nursery & Greenhouse Crops	\$133,724	45.2%
Grass & Legume Seeds	\$56,889	19.2%
Nuts & Tree Fruit	\$24,684	8.3%
Small Woodlots and Christmas Trees	\$13,204	4.5%
Grain & Hay	\$9,600	3.2%
Vegetable & Truck Crops	\$3,185	1.1%
Other Crops (Wine Grapes)	\$13,387	4.5%
Sub total	\$254,673	86.0%
All Livestock		
Dairy Products	\$20,482	6.9%
Poultry	\$9,780	3.3%
Cattle	\$6,267	2.1%
Other Animal Products	\$4,903	1.7%
Sub total	\$41,432	14.0%
All Crops and Livestock	\$296,105	

Source: Oregon Agricultural Information Network.

Utilization of Agricultural Land Base in Yamhill County - 2007

Agricultural Use	Acres	Percent of Total
Cropland		
Grass Seed	52,700	28.9
Hay & Forage	19,550	10.7
Tree Nuts	6,720	3.7
Vegetable & Truck Crops*	6,650	3.6
Wine Grapes**	5,550	3.0
Nursery***	5,500	3.0
Grain	4,450	2.4
Tree Fruits	1,570	<1.0
Specialty Field Crops	1,310	<1.0
Small Fruits and Berries	1,210	<1.0
Christmas Trees	210	<1.0
Subtotal Crop Land	105,420	57.8
Pasture		
Pasture/Grazing	77,100	42.2
Total All Agriculture	182,520	100.0

* 2007 data not available for vegetable/truck crops; used 2002 Agriculture Census estimate

** Planted wine grape acres from USDA NASS Vineyard and Winery Report

*** USDA NASS Oregon Greenhouse and Nursery Survey 2007

Source: Oregon Agricultural Information Network, except wine grapes and vegetable truck crops

Yamhill County Wine Grape Acreage, by Variety, 2003 to 2007

	Pinot Noir	Pinot Gris	Chardonnay	White Riesling	Pinot Blanc	All Others	All Varieties
Year	Acres	Acres	Acres	Acres	Acres	Acres	Acres
2003	3,206	360	323	114	67	179	4,249
2004	3,386	352	302	102	69	169	4,380
2005	3,632	370	293	109	73	156	4,633
2006	4,098	428	332	123	72	124	5,177
2007	4,448	422	353	126	69	132	5,550

Source: USDA NASS Vineyard and Winery Reports, various years.

The winery industry is clearly thriving and growing in the county. NASS reports 141 operating wineries in 2007. Cooperage (wine in barrels) is a measure of annual wine production and it increased by 40 percent when looking at the 2003 and 2007 years. Yet growth in the intervening year-to-year periods has been uneven due to variations in the annual grape crush. The purchases of non-estate crush are included in cooperage totals and significant amounts of unfermented juice come from outside Yamhill County.

Yamhill County Wineries: Number, Crush, and Cooperage, 2003-2007*

	All Wineries**	Wineries Crushing Grapes	Wine Grapes Crushed	Total Cooperage
Year	Number	Number	Tons	1,000 gallons
2003	85	70	10,773	3,042
2004	95	79	8,272	3,402
2005	108	85	9,808	3,738
2006	126	89	14,111	3,441
2007	141	100	16,414	4,285

* Includes estimates for incomplete responses.

** Includes Growers Sales Privilege License holders (issued by the OLCC).

Source: USDA NASS Vineyard and Winery Reports, 2003 to 2007

A Profile of Diversity

Yamhill County agriculture has gained strength through its diversity. As conditions change the industry has made important transitions. Growers have capitalized on the natural advantages offered by the land and climate. New vineyards and wineries have done much to call attention to this beautiful and productive place. However, many types of food, nursery, livestock, seed and other crops contribute to the well-functioning industry. Competitive challenges always exist in agriculture but the recent growth in Yamhill agriculture is evidence that it is on course to remain a mainstay of the local Yamhill County economy.

Stakeholder Interviews

As an early step in the study, the consultant team interviewed a cross-section of interested stakeholders who are involved in or knowledgeable about the agriculture sector: owners and managers of wineries, nurseries and farms (hazelnuts, perennial grasses, field crops), farm supply companies, a meat packing operator, a dairy farmer, farmers co-op manager, health food manufacturer, local elected officials, and staff from the Oregon Department of Agriculture, Oregon Economic and Community Development Department, Oregon Water Resources Department and the public-private partnership venture Enterprise for Employment and Education. Interviews were conducted by Barney & Worth and Globalwise, Inc. in-person and by telephone with 27 persons who are involved or have an interest in the future of Yamhill County agriculture.

Participants were asked to share their perceptions related to the current situation in the local agriculture sector, along with their vision and suggestions for the future.

Key findings:

1. **Yamhill County agriculture is unique, progressive, and diverse.** Key stakeholders say a local agriculture sector with these characteristic traits, when coupled with the presence of a large number of wineries, provides a unique Oregon experience.
2. **The local agriculture sector is growing and prosperous.** Grapes and wine, hazelnuts, nursery plants and grass seed are currently valuable commodities. With the wine industry leading the way, local agricultural leaders are optimistic about future success.
3. **The wine industry is the fastest growing and most important economic segment.** While most agricultural products are shipped to customers outside the county or State, area wineries are improving local economic conditions by "fueling growth and tourism" in Yamhill County.
4. **The value derived from local agriculture includes: economic, environmental, and lifestyle benefits.** Economic benefits include increased tourism from wineries, employment, value-added industries, support industries and economic stability. Yamhill agricultural businesses are considered good stewards of the environment – making agriculture a truly "green" industry. Observers say a picturesque setting and rural lifestyle are equally important benefits derived from agriculture. Wineries also contribute a special identity and culture for Yamhill County.
5. **The related businesses needed to support agriculture are already in place.** The necessary supplies, services and products are available locally or within reach, but opportunities remain for ag-related value-added businesses.
6. **Yamhill County agriculture is going "green".** The increasing utilization of sustainable and organic farming practices and the use of alternative and renewable energy sources by the agricultural industry in Yamhill County should be showcased, observers say.
7. **Blending tourism with agriculture requires a delicate balance.** There's a need to create more and better accommodations for visitors, while protecting valuable agricultural land and lifestyles, and providing necessary infrastructure and resources that

serve visitors as well as local communities. Creative, community-wide solutions will be required.

8. **Better communication is needed between wineries, traditional agriculture and tourism sector.** Observers say the agricultural community should work together and be better coordinated on issues related to growth and tourism. Close collaboration with the hospitality sector will produce economic benefits for the whole county.

A more detailed summary of the agriculture community leader interviews appears in *Stakeholder Interviews- Agriculture Sector*, Barney & Worth, Inc. (November 2008).

Future for Yamhill County Agriculture

Globalwise, Inc. assessed the future conditions for Yamhill County agriculture by identifying current trends, opportunities, issues and constraints. Their report – *The Future of Agriculture in Yamhill County* (November 2008) – also evaluates success factors necessary to sustain a viable local agriculture sector. Analysis in the report draws on interviews and baseline information about Yamhill County agriculture gathered in earlier tasks.³

Yamhill County has a solid and prosperous agricultural foundation. The agriculture sector is well positioned to maintain its prominent role in the local economy in the years ahead. The county's agriculture is diverse and robust with farm-level activity that generates about \$300 million of annual revenues. More than 100 wineries annually generate about \$86 million in revenues from wine sales. Food processors also add to the local jobs, revenues and tax base.

What lies ahead for agriculture is an important consideration for every Yamhill County resident – and every Oregonian. Yamhill County agriculture significantly impacts and contributes to the regional and statewide economy.

Emerging Conditions & Trends

Changing Face of Agriculture

The rural character of Yamhill County is being altered slowly as the population grows in the cities and towns throughout the county. There is a steady in-migration of people leaving urban places to experience rural lifestyles. Yamhill County offers innumerable amenities to draw these new residents.

This population growth is leading to changes for agriculture. Oregon's strong land use laws leave the agricultural land base largely intact and encourage land owners to be forward thinkers about how they sustain their agricultural businesses.

Yamhill County's agricultural products take many pathways to the vast and complex national and global system for commodity and specialty crops as well as food and beverage production, processing and marketing. At one end of the spectrum is Yamhill farmer participation in the commodity production of grass/legume seeds, wheat and other grains. At the other end of the spectrum are small scale, labor intensive, artisanal agricultural enterprises. This is the face of "new" agriculture, and includes much of the vineyard and winery segment that has grown up over the last 40 years, and the more recent re-emergence of fresh, natural/organic food production. The ability to sell directly to consumers or command premium wholesale prices is

³ See *Stakeholder Interviews – Agriculture Sector* by Barney & Worth, Inc. (November 2008) and *Agriculture Profile of Yamhill County* by Globalwise Inc. (November 2008).

often necessary to achieve sufficient profits for the smaller businesses. Significant growth in small farms, vineyards and wineries offering high value products makes this segment the safe bet for where much of Yamhill agriculture is headed.

Sustainable and Green Practices

Environmentally friendly production practices are not new to Oregon agriculture. Yamhill County agriculture is in the forefront. The county has an active Soil and Water Conservation District with strong representation in the farming community that gives major attention to soil and water conservation, water quality enhancement and related environmental practices.

One reason small-scale food crop and livestock growers with sustainable production practices are drawn to Yamhill County is proximity to the large Portland metro market. Washington, Clackamas and Multnomah counties have farms that are closer to Portland, but Yamhill County has the big advantage of also having Portlanders "come to them." The premium wine reputation and ever expanding number of wineries is attracting visitors to the Yamhill region for tasting, dining and exploration that also leads visitors to food markets and local producers.

Yamhill County vineyard and winery owners are leading a trend to adopt environmentally conscious production practices. Many Yamhill County fruit and vegetable producers are also following green practices. As food producers see the strength of the wine industry's further adoption of sustainable practices it is likely that a specific form of brand identification for Yamhill County wine and food will emerge.

Buy Local

Rising sales of locally grown food in the Portland market is a very positive factor for expanding fruit, vegetable and livestock production in Yamhill County. Local food sales will increase in Portland, but there are also budding opportunities to sell within Yamhill County – at farmers markets, on-farm through subscription agriculture (Community Supported Agriculture), at local restaurants, farm/roadside stands and in more traditional retail food stores. Farmers markets elsewhere in the Willamette Valley and along the Oregon Coast have recently extended their days of operation and added new locations. For smaller farms, these emerging markets are very encouraging.

Local Value-Added Processing

Value-added agricultural processing has become more concentrated among fewer firms as traditional fruit and vegetable processing has moved to other parts of the Willamette Valley or out of Oregon. Yamhill County's principal processing activities are hazelnut handling (sorting and shelling) and wine production. One large local milk processor remains in the area, and there are several meat packers and various other value-added processing firms. However, much of this processing activity does not rely solely on locally produced crops or livestock.

It is not likely that this trend will change. Winery expansion seems poised to continue and the nut handling business should remain strong as hazelnut production shows growth potential. The lack of reliable water supplies is a constraint on expansion for many kinds of food processing.

Strength through Diversity

A major reason for the strength of local Yamhill agriculture is the diversity of agricultural operations found in the county. One of the major and positive trends is the growth of fresh, local

and sustainable food production. Yamhill County is going to be a major focal point for this trend in the future. At the same time there is no reason to expect the major commodity crops of grass and legume seeds, hay and grain to disappear.

Issues for Yamhill County Agriculture

While farming, food and beverage production and nursery operations have enjoyed major growth in recent years, there are challenges that lie ahead. Some of these challenges need immediate attention to improve the long term outlook for Yamhill agriculture.

Water Resource Constraints

Water is a scarce and costly resource for agricultural businesses and others in Yamhill County. All major rivers and tributaries in the county are fully appropriated and junior water rights are subject to restriction during the low flow periods in the late summer and early fall months. Securing new surface water supplies does not appear to be a viable alternative to groundwater pumping for agricultural users.

Groundwater service is also limited. Even outside the groundwater restricted areas, some groundwater pumpers have experienced declining well yields. OWRD denies groundwater permits if agency analysis shows a new well has a detrimental hydraulic connection to surface water sources or nearby wells. Expansion of new Yamhill County groundwater supplies by well drilling appears to be a limited option.

While the vineyard and winery sectors command much of the attention, water supply shortages could also be very detrimental to nurseries, tree fruit and nut producers and vegetable growers. In recent years individual agricultural water users have been installing reservoirs to capture water for use in the critical low water time periods. One solution being discussed is expansion of public water reservoir storage for multiple users. Public storage systems or other alternatives are likely to be important for future agricultural development.

Labor Limitations

The availability of hired farm workers is another constraint weighing against future expansion of the more labor-intensive agricultural sectors in Yamhill County and elsewhere in the Willamette Valley. The most labor-intensive crops are wine grapes, ornamental nursery plants, orchard crops, and fresh market vegetables. Another consideration is that the highest value crops such as wine grapes attract more workers than lower value crops – growers of the higher value crops can pay more for labor. Over the next decade and perhaps beyond, farmers will be more reluctant to plant crops that need many hired workers because of an anticipated worker shortage plus pending tougher federal enforcement of immigration laws.

Suitable Land for Agricultural Production

The desirable valley land that is best suited for crop or livestock production has been placed in production. City urban growth boundary expansion to accommodate population growth is leading to some net loss of low elevation ground available for agriculture. There may also be impacts on resource lands in Yamhill County if property owners continue to pursue and win claims under Measure 37. Oregon land use laws promote agricultural land retention and, if these policies remains in effect and are enforced, land conversions should be minimal in the next ten to 15 years.

Land scarcity is indicated by rising prices. Most agricultural land, even EFU zoned land in western Oregon, has non-agricultural amenity values factored into the market price of the land. This jeopardizes the economic viability of farmers especially if they produce low value crops or livestock. A good example is the decline of dairies and beef cattle operations.

Path to a Secure Future

Maintaining Critical Mass

Agriculture is strong, vital and growing in Yamhill County. Together with growers in neighboring counties Yamhill agriculture is sufficiently large to attract the necessary support services. Grass seed, nursery crops, nut and fruit crops, hay and grain, specialty seed production and vegetables all contribute to this strength. Farmers include second and third generation farm families that control thousands of acres, and also up-start small farms with new approaches. For now, there are enough successful growers to make agriculture a primary consideration in local policies and land use decisions - a very positive condition.

Oregon land use laws protect the land owners and their property from an unfettered land market, which gives farm families the security to reinvest and respond to changing conditions. This is a necessary pre-condition to keep agriculture on a forward path. Among agricultural areas in Oregon, Yamhill County will be one of the first to experience impacts from any modification of the laws.

Focusing on Significant Opportunities

There is real untapped opportunity arising from the food and wine connection in and near Yamhill County. One example is the cross-promotion that exists between pinot noir wine and premium pork produced by a local meat packer. Local producers of vegetables and fruits should also focus marketing efforts on collaborations with the wine industry, restaurants, caterers and local retailers. The new Allison Hotel in Newberg will be a remarkable new showcase that introduces local food and wine to a clientele that will have ties to other upper-end food marketing venues.

Some crop and livestock producers may be ready to develop premium branded products - but not be willing to invest in owning or operating a processing facility. In this case existing food or beverage manufacturers can custom process private label products for the farmer/producer. This boosts economic opportunities for both processors and producers.

Managing Water Use

Yamhill agriculture needs reliable water supply systems and strong conservation measures to protect irrigated agricultural production in much of the county the county's water resources are fully allocated. Unless new water supplies are developed, local domestic water agencies will likely purchase a portion of their water supply from agriculture to meet future municipal demand. The finite water supply may mean many sectors of local agriculture are approaching upper limits for expansion. Securing and conserving water will pay major dividends for the future of agriculture in this county.

Supporting Environmental Enhancement

Most agricultural producers are careful to operate in ways that add to long term productivity of the land and water resources on which they rely. Yet important safeguards for the environment must be diligently maintained. Some assessments have identified water quality as low in the

Yamhill River Basin, affected by pollution, nutrients, stream temperature, bacteria, chemicals, and stream flow. One of the ways for growers to improve water quality is to create riparian areas near rivers and streams, and several Oregon-based organizations identify farms that support such environmental enhancements. Yamhill County is already in a leadership position in this regard and keeping this focus will help assure that the direct link to consumers' environmental values becomes even stronger.

Conclusion

Agriculture is important to the future of the citizens of Yamhill County. It provides a livelihood for more than 2,300 families and important to all 97,000 local residents. Agriculture also directly and indirectly provides jobs and income for farm families and others, and generates tax revenues that support government.

Agriculture offers a foundation for the region's future. A major portion of the lower elevation land in Yamhill County remains devoted to agricultural production. Yamhill County is producing food and drink for export to a growing population outside its borders. As city populations continue to expand, this productive area is ever more significant for meeting the food needs of Oregonians.

Even with the challenges identified here, the agriculture sector's diversity is a great strength that assures food, wine and related enterprises will have a long-term future in Yamhill County.

IV. YAMHILL COUNTY TOURISM

Tourism Sector Profile

Overview

As one component of the Yamhill County Agri-Business Economic and Community Development Plan, E.D. Hovee & Co. assembled a profile of the tourism sector and ag-related tourism in Yamhill County. The complete results appear in a separate report: *Yamhill County Tourism/Ag-Tourism Profile* (October 2008).

The tourism profile illustrates that Yamhill County is in the midst of major change. The transition is from a pattern of relatively low level of family-oriented travel similar to the rest of the Willamette Valley toward a much more robust form of visitation – driven largely by the success of Yamhill County's world recognized wineries and offering the prospect of greatly enhanced economic benefits in years to come.

While Yamhill County is in the midst of a major change in its tourism profile, it has yet to capture the economic benefits experienced by other potentially comparable destinations. Whether and how these benefits are realized depends on a clear planning direction – with special focus on attracting overnight stays as the catalyst to the ag-tourism *value-add*.

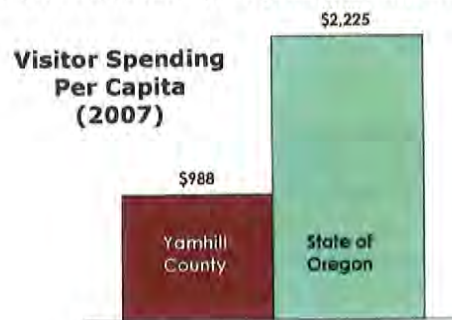
The scope of the analysis for the tourism profile included:

- Yamhill County tourism trends
- Tourism in comparable communities
- Lodging trends
- The Willamette Valley context
- Oregon & Yamhill wine tourism
- Indicators of Yamhill ag-tourism

Results

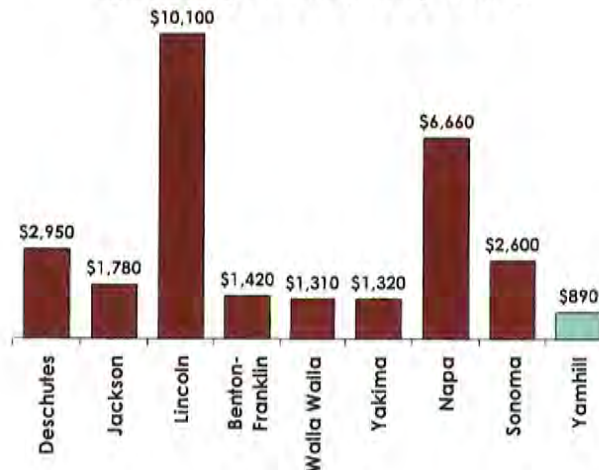
A brief summary of major observations and findings from this ag-tourism profile:

Yamhill County Tourism Trends. In 2007, visitors spent an estimated \$92 million in Yamhill County – a 54% increase since 2002. However, per capita visitor spending is only 44% of the statewide average and tax receipts are even further below the Oregon norms. Visitors to Yamhill County are disproportionately day-trippers, with resulting low spending for accommodations, dining, retail, and arts, entertainment and recreation. While below peer communities, Yamhill County travel still supports an estimated 1,120 jobs with annual payroll of \$17.2 million.



Tourism in Comparable Communities. Comparisons were made with the wine and non-wine related tourism destinations of Deschutes, Jackson and Lincoln Counties in Oregon; the Tri-Cities, Walla Walla and Yakima Counties in Washington; and Napa and Sonoma Counties in California. In comparison with these eight regions, Yamhill captures the second lowest overall visitor spending and is lowest when considered on a per capita basis. Tourism jobs as a share of total employment and average wage per tourism job are also at the low end of the comparables considered.

Comparable Region Visitor Spending Per Capita (2006)



Lodging Trends. There are an estimated 656 overnight rooms in 42 lodging properties in Yamhill County – including 12 hotel/motels and 30 B&Bs. However, average occupancies and room rates are below statewide averages – indicating that area lodging has not yet caught up with the higher expectations of the emerging and more affluent wine travel market.

Lodging Trends (2007)



Willamette Valley Context. Visitor activity and the current mix of lodging in Yamhill County have been oriented to serve a low-key, family market similar to that of the rest of the Willamette Valley – including attraction to outdoor recreational pursuits. What has been missing is the *buzz* of a more diverse tourism palate – access to unique local cooking, theater and the arts, even live music. These gaps are more pronounced as Yamhill's visitor profile diverges from the rest of the valley, toward a more affluent and discriminating traveler.

Oregon & Yamhill Wine Tourism. As of 2004, Yamhill County accounted for 38% of the wineries in Oregon – by far the most important wine producing county in the state. Wine-related activities generate \$1.4 billion of economic value statewide with 24% of revenues attributable to direct sales from wineries. Both rural and urban wine country lodging venues have been considered as a means to better capitalize on the ag-tourism nexus. The Allison Inn & Spa in Newberg represents the first explicitly wine-themed hotel, anticipated to be open by Fall 2009.

Other Indicators of Yamhill Ag-Tourism. While quantitative data is not readily available, other activities noted include farms with on-site retail outlets, holiday products, horseback trail rides, bicycles, balloon and helicopter tours, and B&Bs situated on working farms – broadening the Yamhill ag-tourism experience.

Profile – Yamhill County Tourism	
Attractions	Wine country, Evergreen Air & Space Museum, outdoor attractions
Wineries	Yamhill County accounts for 38% of Oregon's wineries (2004)
Visitor Spending	\$92 million in 2007 – a 54% increase since 2002 Per capita visitor spending is \$890 – only 44% of the statewide norm Accommodations account for only 10% of visitor spending versus 18%-24% in comparable destination areas
Employment	1,120 jobs \$17.2 million payroll \$14,900 average annual wage – about half of Napa and Sonoma Tourism jobs account for 3% of total Yamhill County employment, versus Napa (19%) and Sonoma (10%)
Lodging	656 rooms in 42 lodging properties 12 hotel/motels; 30 B&Bs Average room rates are \$81.24 locally versus \$91.57 statewide (2008) Busiest nights are Friday and Saturday (weekend getaways)
Lodging Tax	Yamhill County has no countywide room tax as a means to support visitor industry development
Visitor Profile	Willamette / Yamhill Valley visitors are affluent, well-educated, employed full-time in managerial / professional occupations Visitors come primarily from West Coast states: Oregon (36%), Washington (35%) and California (11%) 73% of visitors travel with spouse / partner; 39% with children

Stakeholder Interviews

As an early step in the study, the consultant team interviewed a cross-section of interested stakeholders who are involved in or knowledgeable about the tourism sector: hospitality industry leaders, restaurateurs and caterers, event organizers, adventure tourism business owners, news media, visitor and hospitality association representatives, downtown business associations, arts community leaders, city, County and State officials, and other local community leaders. Interviewees ranged from persons with 40+ years experience in local tourism to relative newcomers. Interviews were conducted by Barney & Worth in-person and by telephone with 18 persons.

Participants were asked to share their perceptions related to the current situation in the tourism sector, along with their vision and suggestions for the future.

Key findings from the interviews:

1. **Tourism in Yamhill County is changing rapidly with the area emerging as an important visitor destination.** There's an explosion of interest in wine, and the Yamhill Valley is the heart of Oregon's wine industry. Upscale visitors are beginning to flock to area wineries and other attractions to enjoy unique, first-hand experiences.
2. **To capitalize on the growth in tourism, the area must provide more and better accommodations.** Stakeholders agree that Yamhill County must have a good balance of hospitality choices, including B&Bs as well as high-end hotels, resorts and spas: "If we have facilities, word will get out."
3. **More can be made of the wine / food connection.** Observers point to the natural affinity between food and wine, and emphasize the need to develop more restaurants and delis, specialty food products, markets and cooking schools to showcase the offerings of the area's 80+ wineries and agricultural producers.
4. **Most local visitors and attractions are oriented to the outdoors.** Yamhill County tourism is reliant on wine, scenic beauty, natural areas, and the river. However, facilities to support outdoor tourism are lacking – including trail systems, bicycle paths, riverfront parks, and campgrounds.
5. **Infrastructure is a challenge.** Tourism sector expansion could be thwarted by chronic infrastructure problems in Yamhill County's small communities: inadequate water, sewer and transportation systems. "Getting stuck in a traffic jam is a turnoff."
6. **Yamhill County's strong agriculture sector and proximity to the metropolitan area present an opportunity to brand the area as "Authentic Oregon."** Some observers envision a brand that embraces the County's traditional agricultural base, balanced with organic and sustainable farming practices, sound conservation values, good land use and LEED certified buildings.
7. **A lodging tax is needed to capture the full benefits of tourism.** Stakeholders point out this is the standard method for collecting visitors' dollars to help fund visitor information and marketing activities and visitor amenities.
8. **The time is right for Team Yamhill.** Stakeholders hope to see deeper relationships formed between wine and hospitality sectors, urban and rural areas, agriculture and

tourism, and from community to community. Local rivalry is outmoded and counterproductive, observers say. To succeed, all parties need to think as "we".

9. **Yamhill County needs a tourism plan.** Tourism sector observers say a shared vision and plan is crucial to help "connect the dots", and to get the various players signed on. Yamhill County is positioned to aim high – for "a constellation of star attractions".
10. **The County can benefit from lessons learned in other wine growing regions.** Similar wine producing areas have encountered many of the same issues and opportunities that come from blending agriculture with tourism. Yamhill County is advised to study these other regions – Napa, Sonoma, Walla Walla, Columbia Valley, even French and Australian wine production areas.

A more detailed summary of the tourism community leader interviews appears in *Stakeholder Interviews – Tourism Sector*, Barney & Worth, Inc. (November 2008).

Future for Tourism

Today's Situation

The transition within Yamhill County's emerging tourism sector is not yet keeping pace with the growth in the number of wineries and wine country visitors – some sources estimate 1.5 million visitors already travel to local wineries each year. There are as yet untapped opportunities to match the winery visits with other agricultural products – for a distinctive wine and culinary experience. And despite the attractive destination appeal of Yamhill Valley wineries and their proximity to the Portland metro area, Yamhill County is not keeping up with tourism industry growth across Oregon and in peer wine-producing regions in the West.

The apparent reason for Yamhill County's sluggish tourism performance is the lack of hotel rooms. While local lodging offerings have increased in recent years, two-thirds of properties are small bed-and-breakfasts.

Yamhill County's proximity to Portland is both a blessing and a curse. Two million prime customers are just an hour's drive away – and many do visit once or twice a year (or more often). But the quick trip facilitates day-trip visits. Even out-of-state travelers find advantages in returning to Portland area hotels, restaurants, cultural activities and shopping.

To some local observers, this problem seems insurmountable. The experience in the Napa and Sonoma wine regions over the past 30 years suggests otherwise. Although they are equally close to the San Francisco Bay Area metropolis, Napa and Sonoma now mainly attract visitors for overnight stays.

Challenges

The primary challenge confronting the development of Yamhill County's tourism sector is *the need to find strategies for encouraging appropriate scale tourism while preserving quality of life in local communities and sustainability of the county's rich agricultural base*. Yamhill County residents are not going to willingly sacrifice their communities' small town character or their own lifestyles, or watch these erode to accommodate still more day-trip visitors.

Another significant challenge is infrastructure – transportation, water supply, wastewater systems, and other facilities. In some local communities, these systems are at or near their

capacity limits. At times, these constraints are visible even to first-time visitors: e.g., traffic congestion on Highway 99W. There's a lack of funding to support basic infrastructure needs, which in turn are needed to accommodate tourism sector growth.

The absence of a countywide lodging tax in Yamhill County is another barrier – but could become an opportunity. Oregon communities collect an average of \$56 per capita annually in taxes paid by visitors – in Yamhill County that figure is just \$2. Elsewhere, lodging tax receipts are used to support visitor information and marketing programs, and to help pay for visitor services and amenities.

Further challenges identified by tourism sector stakeholders and community leaders:

- Competition with other wine-growing regions and Oregon destinations; the importance of maintaining Yamhill County's competitiveness.
- Attracting more year-round tourism in a highly seasonal industry.
- Diversifying tourism beyond the wine industry and the larger cities.
- "No growth" groups; local opposition to tourism-related development.
- Current economic downturn and real estate bust, and uncertain prospects for recovery and longer term economic development.

Emerging Opportunities

The main attraction driving Yamhill County tourism is the wine industry. Many of the emerging opportunities will be wine- and food-related. The most significant and most promising opportunities to expand Yamhill County tourism include:

- *Wine industry:* more wineries, more visitors, increased on-premises wine sales, food, concert / event venues, wine-related events, overnight accommodations.
- *Lodging:* more lodging properties offering more rooms, at various price points – from luxury to affordable, in all parts of the county with convenient access to the wineries. Ancillary facilities: meeting rooms, restaurants, spas, etc. Rebranding Yamhill County as an overnight destination, drawing upon the 2009 opening of *The Allison Inn*, an 85-room wine-themed resort being developed in Newberg. Further proliferation of bed-and-breakfasts accompanied by somewhat larger country inns.
- *Outdoor adventures:* horseback and bicycle trails / tours; balloon, helicopter and airplane rides; parks and campsites; boating and riverfront recreation.
- *Food:* specialty markets and destination restaurants featuring local wines and locally grown, gourmet products; farmers markets, farm stands.
- *Arts and culture:* performing arts facilities, museums, galleries, artists' studios, historic sites / interpretation.
- *Lodging tax:* Implement a room tax that counts on visitors to help support visitor infrastructure, services, amenities, promotions.

Additional opportunities for Yamhill County tourism, some perhaps representing long-term prospects:

- "Brand" Yamhill Valley wines to further differentiate the local appellations from other wine-growing regions.
- Highlight conservation values; control growth and prevent sprawl; promote sustainable practices and "green" development.
- Revitalize historic downtowns to enhance visitors' "authentic" experience.
- Capitalize on the current wave of national / international publicity for Yamhill Valley and its wines.
- Draw upon lessons learned from peer communities where agriculture and tourism intersect.
- Develop urban wine tasting "hubs": shared tasting facilities / events centers in local cities.
- Education: establish and expand viticulture and culinary educational institutions, schools, classes, internships.
- Transportation: wine country railroad, transit, paratransit (shuttles).

Success Factors

Key ingredients for success in growing Yamhill County's tourism sector are identified below.

1. *Expanded lodging options:* The most immediate need is for a variety of additional lodging properties and more hotel rooms to accommodate overnight stays, across the county. Attracting travelers who stay in hotels and related establishments is crucial. From 1991-2007, expenditures of Oregon lodgers increased year-to-year an average of 17% in comparison with a 6% increase for day travelers.
2. *Infrastructure:* Another critical factor is timely availability of public services and infrastructure to support increased tourism: transportation access, water supply, wastewater systems, and public facilities. There are unmet needs in every community. Tourism, along with other sectors of the economy, will suffer if infrastructure gaps can't be filled through timely investments.
3. *Zoning / land use:* Yamhill County's strong land use requirements are essential for continuing to protect the agricultural resources which are the main attraction for visitors, while also accommodating the businesses and activities that support agriculture and tourism.
4. *Vision:* Yamhill County's community leaders need a shared vision for tourism's position in the local economy, desired outcomes, and agreement on steps necessary to support this emerging sector.

Yamhill County Tourism Benchmarks

Yamhill County can adopt measurable benchmarks that serve as indicators, enabling local leaders to track the tourism sector's progress from year-to-year. Examples:

- Increase visitor spending and spending per capita, faster than the statewide average
- Increase the share of local government taxes paid by visitors
- Increase number and diversity of lodging properties and hotel rooms
- Increase number of overnight stays and average length of stay
- Attract a growing proportion of overnight stays vs. day-trips
- Increase number of wineries; increase winery visitor count; increase on-premises wine sales
- Increase number of complementary businesses: restaurants, caterers, meeting and event facilities, specialty retail and services
- Increase attendance at major attractions and events
- Increase tourism sector jobs, payroll, average wage faster than the statewide average

Yamhill County can partner with other organizations to establish and monitor these metrics: Travel Oregon, Oregon Wine Board, Willamette Valley Wineries Association, visitor attractions, event organizers, downtown associations and other partners.

V. THE AGRICULTURE / TOURISM LINK: *AGRI-TOURISM*

Businesses to Support Agriculture and Tourism

The study aimed to identify businesses necessary to support the local agriculture and tourism sectors, and find out if these are already in place – or if something is missing.

Agriculture sector observers generally agree (and research confirms) that sufficient ag-related businesses are in place, with necessary supplies, services and products already within reach for local agricultural producers. Areas identified for possible growth include:

- Small farm equipment
- Sophisticated processing facilities for berries
- "Green" industries
- High-speed internet service

A few observers offer suggestions for new value-added businesses and activities, including:

- Businesses that showcase local agricultural products
- More lodging/hospitality options
- New visitors center
- Transportation system improvements are also mentioned as an unmet need that would benefit local agriculture.

While local ag leaders say that most of the pieces are already in place to support Yamhill County agriculture, nevertheless most still see some room for expansion. Specific opportunities identified for the wine industry and other segments of agriculture are listed below.

For the Wine Industry

Hospitality – a mix, including small, European style boutique hotels

Specialty grocery stores

Oak barrel producers

Vineyard suppliers: nursery, winery equipment/supplies

Glass bottling

Gas monitoring technology

Expanded tourist activities: cycling tours, hot air balloon rides

Rental car companies

Make more out of the food and wine connection in Yamhill County: "Pair pinot and pork".

For Other Segments of Local Agriculture

Specialty crops

U-pick opportunities

Local manufacturers are able to produce sorting machines, conveyor systems

More fresh markets

What tourism-related businesses are necessary to support the local tourism sector? What about businesses needed to support ag tourism specifically – anything missing?

The primary businesses needed to support local tourism, observers say, are lodging properties, restaurants and retail establishments. Lodging is crucial. As wineries proliferate, visitors increase and local festivals sell out, stakeholders complain there's no place to stay. Yamhill County reportedly needs the full spectrum of hospitality offerings, everything from full-service resorts to mid-sized European style hotels to small B&Bs.

Restaurants are important, too. Observers say Yamhill County needs a "great diversity" of restaurants: charming restaurants, fine dining and affordable, at or near wineries. Tourism sector leaders say unique retail offerings and shopping opportunities that appeal to the winery visitors are also needed to best serve tourism.

Other businesses mentioned to support tourism:

- Locally grown and gourmet food products; specialty markets
- Spa
- Art galleries
- Transportation system improvements, public transit (or private transit options)

Lodging is also mentioned most often as needed to support all segments of ag tourism. Many visitors to Yamhill wine country reportedly stay overnight in Portland, denying Yamhill County communities the greatest share of visitor dollars generated by local attractions.

Opportunities for new or expanded businesses/services to support the wine industry or other segments of ag tourism:

- Meeting space
- Markets to spotlight local artists, musicians, products
- The Allison destination resort under construction in Newberg, along with the retail development planned to eventually surround that project.
- An urban wine-tasting "hub", to boost direct sales while cutting back on traffic to/from wineries.

Local observers agree one key opportunity for ag tourism is linking other activities to wine tasting: "Anything that enhances the visitor's experience." It is envisioned that visitors' experiences could be heightened through partnerships between the local wine and hospitality industries.

The list of specific ideas for ag tourism enterprises / activities includes:

- B&Bs and small lodging properties on farms
- Restaurants featuring locally grown food
- Farm visits and familiarization tours
- Outdoor adventures: horseback and bicycle vineyard tours, balloon and helicopter rides

- Educational opportunities: seminars and classes on sustainable farming, winemaking, cooking and other topics
- Working vacations (or "work-cations"): hands-on visitor experiences in attractive sectors of the ag industry
- Farmers markets held at prominent locations visible to tourists; other direct-market sales options for local agricultural products – farm stands, community supported agriculture (CSAs)

Local observers generally agree that expanding ag tourism will require "visitor-friendly" facilities / tours / services.

Prototype Projects

The consultant team created six "prototype projects" to represent the range of business investments which will be needed in the future to support Yamhill County's agriculture and tourism sectors. Five of the prototypes support the tourism sector:

Resort Complex: 100 room hotel/resort

Country Inn: 40 room hotel/resort

Wine Country Restaurant: Seating for 70

Bed & Breakfast: 10 guest rooms with dining

Food processor: 20,000-30,000 sf located on farmland

These prototypes were devised to test the capabilities of Yamhill County and its ten cities and towns to accommodate the coming investments. Are there adequately zoned, suitable development sites? Will infrastructure and service be available to support the anticipated agriculture and tourism business uses?

Assumptions used to analyze the prototype projects are listed below:

Resort Complex

- 100 hotel rooms
- Ancillary facilities: restaurant, bar, meeting rooms, spa, indoor/outdoor event facilities, tasting room, gifts, hiking trails, gallery, other
- Building size / configuration: 70,750 sf; two stories
- Site size: 5.25 acre minimum
- Service requirements: water supply; wastewater treatment; power; telecommunications; access for automobile, tour bus, semi-trailer, bicycle, helicopter
- Parking spaces: 290

Country Inn

- 40 hotel rooms
- Ancillary facilities: dining area, meeting room(s), event facilities
- Building size / configuration: 28,200 sf; one-two stories
- Site size: 2 acres
- Service requirements: water supply; wastewater treatment; power; telecommunications; access for automobile, tour bus, semi-trailer, bicycle

- Parking spaces: 110

Wine Country Restaurant

- Seats 70 (one busload plus 20 other guests)
- Ancillary facilities: outdoor events/dining area
- Building size / configuration: 2,500 sf
- Site size: 0.8 acres
- Service requirements: water supply; wastewater treatment; power; telecommunications; access for automobile, tour bus, truck
- Parking spaces: 40

Bed & Breakfast

- 10 guest rooms
- Ancillary facilities: events / dining area
- Building size / configuration: 7,800 sf; one-two stories
- Site size: 0.35 acres
- Service requirements: water supply; wastewater treatment; power; access for automobiles, bicycle
- Parking spaces: 15

Wine Center

Urban / rural mixed use destination resort

Urban Components:

- 150 hotel rooms
- Ancillary facilities: 3 restaurants, bar, outdoor dining area to seat 1,250 guests
- Wedding / conference center: 15,000 sf
- Banquet facilities seat 750
- Themed specialty retail: 15,000 sf
- Building size / configuration: 150,000 sf; one-two stories
- Site size: 12 acres
- Service requirements: water supply; wastewater treatment; power; telecommunications; access for automobile, tour bus, semi-trailer, bicycle, helicopter
- Parking spaces: 675

Rural Components:

- Winery / tasting room
- Vineyard
- Wine Institute: educational partnership with Chemeketa Community College or Linfield College
- Wine museum
- Bed and breakfast
- Horse barn, equestrian trails
- Amphitheater
- Building size / configuration: 60,000 sf; one story
- Site size: 100 acres

- Service requirements: water supply; wastewater treatment; power; telecommunications; access for automobile, tour bus, semi-trailer, bicycle
- Parking spaces: 675

Food Processor

- On-farm processing of organic, fresh-to-market vegetables and fruit
- Shared facility used by owner / grower and under contract for other growers
- Operations: washing, trimming, sorting, packaging, refrigerated storage
- Covered loading dock with three or four truck bays
- Office, lunchroom, restrooms
- 10-20 employees (seasonal)
- Parking for trucks, employee vehicles
- Separate building (5,000 sf) for shop, equipment storage and repair
- Covered and outdoor storage for pallets, packaging materials, lift trucks
- Building size / configuration: 20,000-30,000 sf; one story
- Site size: 1-2 acres
- Service requirements: water supply; wastewater treatment; power; access for automobile, semi-trailer
- Parking spaces: 25

Analysis of Zoning and Sites to Accommodate Prototype Projects

Introduction

Consultant team member Spencer & Kupper conducted a zoning analysis to determine whether the hypothetical development prototypes identified to support tourism and agriculture in Yamhill County may be permitted within the County's unincorporated area and the ten incorporated towns and cities.⁴ (The six development prototypes and their characteristics were outlined in the previous section of this report.)

Where a prototype is permitted or permitted with conditions, it should be noted that development criteria associated with the prototype may not be met. For example, the analysis considers whether adequately sized sites are available for development within specific zoning districts, but does not assess whether specific sites have appropriate location and aesthetic qualities and does not consider whether existing / planned infrastructure is adequate to serve a specific site.

Analysis

The *Resort Complex* prototype is allowed in Yamhill County's Recreation Commercial RC zone as long as the use is determined to be a resort in conformance with the County's definitions. There are no properties vacant and of adequate size located within the unincorporated County.

No other County zoning district permits this combination of uses. The Forestry and Agricultural/Forestry zones permit "destination resorts" as defined in ORS 197.435, but the prototype does not meet the requirements set out in the state statute, particularly the minimum site area and minimum number of overnight lodging units provided.

⁴ *Analysis of Zoning for Prototype Development Projects in Yamhill County*, Spencer & Kupper (Revised June 2009)

The Resort Complex prototype is permitted in at least one zone, typically a general commercial zone, in all cities except Carlton and Lafayette where lodging is not a permitted use in any zone. Among the cities and towns in the unincorporated area, only McMinnville, Newberg and Dundee have sites appropriately zoned, of adequate size and vacant suitable for this prototype.

The *Country Inn* prototype is permitted only in Yamhill County's Highway/Tourist Commercial HC zone. With the Resort Complex prototype, there are no vacant properties of adequate size located within the unincorporated County. All cities except Carlton and Lafayette permit lodging in at least one zone. Dundee, Dayton, Newberg, McMinnville, and Sheridan all have vacant commercially zoned sites suitable for an inn.

Yamhill County permits the *Wine Country Restaurant* prototype in both the Neighborhood Commercial NC and Highway/Tourist Commercial HC zones, but no sites are known to be available. Generally, commercial zoning districts in all cities permit restaurants. Amity, Carlton, Dundee, Dayton, Lafayette, Newberg, McMinnville, and Sheridan have vacant commercial sites suitable for a restaurant.

Bed & Breakfast Inns with up to 9 rooms are considered home occupations in all Yamhill County zoning districts considered, and are permitted as conditional uses. This prototype is permitted or subject to a conditional use in all cities, often in several zoning districts including residential districts. The restaurant component of bed and breakfast inns is limited to breakfast and service for overnight customers only.

Yamhill County Zoning Analysis Prototype Projects	
Impossible to site:	Difficult to site:
Resort Complex in Carlton, Lafayette	Resort Complex allowed only in RC zone
B&B larger than 9 rooms	Country Inn only in NC zone
Restaurant in wine country	Urban Wine Center only in RC zone
Country Inn in Carlton, Lafayette	Cities may lack adequately sized sites
Wine Center in Carlton, Lafayette	

A *Wine Center (Urban)* prototype is allowed in Yamhill County's Recreation Commercial RC zone as long as the use is determined to be a resort in conformance with the County's definitions. No other County zoning district permits this combination of uses. However, no appropriately zoned and vacant sites are available within the unincorporated zone.

The Wine Center prototype is permitted in at least one zone, typically a general commercial zone, in all cities except Carlton and Lafayette where lodging is not a permitted use in any zone. Suitably sized sites exist within the cities of Newberg and McMinnville. In a number of other cities including Sheridan, Willamina, Dayton and Yamhill, suitably sized sites have potential for an urban wine center, but are currently either just outside urban growth boundaries (UGB), or within a UGB but are underused and designated for industrial use.

The *Wine Center (Rural)* prototype was considered only in unincorporated Yamhill County, and is permitted in the Exclusive Farm EF and Agricultural/Forestry AF zones. A number of development criteria apply to the location of schools and other specific elements of this prototype project. All uses contained in the prototype except a vineyard are also permitted in the Recreational Commercial RC zoning district. No adequately sized sites are currently available to accommodate the Rural Wine Center.

The *Food Processor* prototype was also only considered in the unincorporated county. Processing of farm crops is permitted in the Exclusive Farm EF and Agricultural/Forestry AF zones, but the processing facility is limited to a 10,000 square foot structure. As envisioned, this prototype would not be permitted in any of the County zoning districts considered because the processing facility exceeds 10,000 square feet. Note that food processing is a permitted use in the County Resource Industrial RI and Light/General Industrial LI zones. There is no building size restriction associated with food processing facilities in these zones.

Prototype Projects – Available Sites

Resort Complex – Dundee, McMinnville, Newberg, Sheridan

Country Inn – Dayton, Dundee, McMinnville, Newberg, Sheridan

B&B – Sites available in every community

Restaurant – Willamina, Yamhill lack sites

Conclusion: Lack of services and sites will limit most new visitor facilities to the larger cities.

Conclusion

In summary, land is currently zoned appropriately to accommodate most of the prototype projects in most communities. However, except in Newberg, McMinnville and Dundee, there is a lack of appropriately zoned vacant or re-developable sites for the larger prototypes (Resort Complex, Country Inn, and Wine Center) throughout the rest of the county. Analysis reveals the following zoning issues or gaps for siting these hypothetical projects in Yamhill County communities:

- Lodging (Resort Complex, Country Inn) is not allowed in Carlton or Lafayette.
- With the exception of Newberg, McMinnville, Dundee and Sheridan, no appropriately zoned sites are available for lodging prototypes within Yamhill County.
- Bed & Breakfast Inn is limited to a maximum 9 rooms for rent and, in unincorporated Yamhill County, must include a residence.
- In many communities/zones, Bed & Breakfast Inn is subject to Conditional Use review.
- State statute limits food service in Bed & Breakfast Inns to breakfast for overnight guests only.
- Wine Center (urban) is not allowed in Carlton or Lafayette.

- With the exception of Newberg and McMinnville, no appropriately zoned sites are available for the Urban Wine Center prototype within Yamhill County.
- A number of smaller towns, including Sheridan, Willamina, Dayton and Yamhill, indicated that suitably sized sites have potential for an Urban Wine Center, but are currently either just outside a UGB, or are within a UGB but are vacant/underused and designated for industrial use.
- Wineries are allowed to operate only "limited service restaurants" serving only individually portioned prepackaged foods prepared from an approved source by a commercial processor and nonperishable beverages. The prototype Restaurant (i.e., where adjacent to farm/agricultural production is not allowed in wine country (in EF and AF zones).
- Food Processor is limited to 10,000 sf in EF and AF zones.
- Food Processor is a permitted use in the RI and LI zones and there are no limitations on facility size.

Further analysis is needed to confirm the current availability of sites suitably sized and located in appropriate zones to accommodate the prototype projects. The availability and adequacy of local services to support them is another vital issue. Jurisdictions may also want to consider, during periodic review, adding suitably zoned sites within a UGB to provide the opportunity for desirable development that supports the tourism and agriculture sectors.

Yamhill County jurisdictions could consider various amendments to their respective zoning and development codes that would make these prototype projects more feasible. Some amendments may also require revisions to state statutes. For example, definitions could be developed that describe a prototype as a single permitted use. A current limitation is that the multiple-use nature of many prototypes is not sufficiently recognized in the single use approach used by most zoning ordinances.

Another example is that current requirements limiting facility size, site acreage, or relationship to permitted uses could be amended to more closely match the requirements of anticipated development to support tourism and agriculture. For example, the food processor prototype confronts limitations on the size of food processing facilities, and restrictions on processing products. Wineries are restricted on food preparation to serve only pre-packaged meals, and bed and breakfast inns are restricted to serve only breakfast to overnight guests.

VI. Infrastructure to Support Agriculture and Tourism

Infrastructure Survey

Yamhill County, the Oregon Department of Land Conservation & Development and other partner agencies are collaborating in this project to promote cooperative regional economic and community development, and increase certainty for investors seeking sites to establish and grow businesses needed to support the agriculture and tourism industries in Yamhill County.

During the project's initial tasks, community leaders consistently identified infrastructure as the limiting factor for economic growth, countywide, in every community.

An opportunity opened to expand the project scope to further investigate critical infrastructure needs that may constrain local agri-business development. The additional work entailed:

- Profiling typical businesses that would support future development of Yamhill County's emerging agriculture and tourism sectors.
- Identifying critical infrastructure and service needs for agriculture and tourism support businesses.
- Assessing the availability of infrastructure / services – present and planned, in individual communities and countywide – to meet requirements of support businesses.
- Pinpointing infrastructure gaps that may hamper timely development within the agriculture and tourism sectors. Highlight priorities to receive County and community attention in addressing the most pressing infrastructure / service needs.
- Determining the current status of initiatives underway to plan and manage these key community assets.
- Exploring infrastructure funding.

Once again, the analysis utilized the prototype projects as a reference point to help gauge whether, how and when individual communities could serve these representative investments with water, sewer, transportation, telecommunications, and other vital services (see box).

Infrastructure Survey
Drinking water supply
Wastewater collection & treatment
Transportation
Telecommunications
Other: stormwater, power, "soft infrastructure" – open space, parks, trail systems, toilets, tourism services, visitor information, marketing

Utility Rates and SDCs

An important source of funds to support community infrastructure is local utility rates and SDCs (system development changes). Monthly rates typically cover the ongoing cost of maintaining the utility / service: e.g., drinking water or wastewater collection and treatment. Sometimes a portion of monthly rates repays funds raised through revenue bonds to make capital improvements.

Systems development charges are a "buy-in" fee assessed upon new development. Each new development pays a pre-determined amount to pay for a small portion of the community utility / system. State law allows SDCs in five areas: water, sewer, parks, transportation and stormwater services. SDC proceeds are ordinarily set aside and pooled to pay for major system improvements.

A look at the utility rates over a recent five-year span (2004-2008) shows that combined water and sewer rates remain generally low in comparison with Portland metro area utilities in the range of \$70 to \$100 for a typical single family residence. The utility rate increases over this period for most communities averaged near the rate of inflation. (See table below.) The City of Dundee stands out as an exception, experiencing a doubling of utility rates over this period.

**Yamhill County Infrastructure Survey
Utility Rates: 2004-2008***

	2004			2008			Percent Increase
	Water	Sewer	Total	Water	Sewer	Total	
Amity	\$ 58.06	\$ 40.00	\$ 98.06	\$ 43.50	\$ 50.22	\$ 93.73	(-4%)
Carlton	40.50	34.00	74.50	49.67	38.77	88.44	19%
Dayton	40.00	18.00	58.00	43.00	25.00	68.00	17%
Dundee	20.12	21.00	41.12	35.91	46.49	82.40	100%
Lafayette	48.50	56.88	105.38	49.50	66.32	115.82	10%
McMinnville	11.98	52.07	64.05	23.52	57.28	80.80	26%
Newberg	33.68	39.10	72.78	30.96	51.22	82.18	13%
Sheridan**	44.01	29.51	73.52	47.34	32.50	79.84	9%
Willamina	27.72	41.25	68.97	32.44	48.34	80.78	17%
Yamhill	58.81	44.78	103.59	39.69	51.68	91.37	(-12%)

* For 900 cubic feet of water per month

** Proposed 2008 rate

Sources: Donovan Enterprises (for City of Sheridan)
League of Oregon Cities

Local systems development changes vary widely among Yamhill County communities. In 2008, water system SDCs ranged from \$2,000 to \$5,000. Sewer SDCs ranged from \$1,300 to \$5,500. Combined water/sewer SDCs ran \$6,100 to \$14,800. SDCs increased somewhat more significantly in most communities over a recent nine-year period (2000-2008). However, the combined SDCs are still generally below levels found in Portland area communities and three of ten Yamhill County cities had little or no increase over that period, despite rapidly escalating construction costs.

Another point is that few Yamhill County communities assess SDCs for other services as authorized by statute. Yamhill County formerly assessed a transportation SDC, but never used

the funds and ultimately refunded the fees. Few Yamhill County cities currently collect SDCs for transportation, parks or stormwater.

**Yamhill County Infrastructure Survey
Systems Development Charges: 2000-2008***

	2000			2008			Percent Increase
	Water	Sewer	Total	Water	Sewer	Total	
Amity	\$ 2,904	\$ 1,428	\$ 4,332	\$ 2,000	\$ 2,500	\$ 7,714	78%
Carlton	3,300	4,876	8,176	4,600	5,385	12,989	59%
Dayton	2,500	3,500	7,100	3,633	1,265	6,123	(-14%)
Dundee	3,469	3,974	9,730	4,980	5,478	14,753	52%
Lafayette	2,565	3,720	6,680	2,565	3,720	12,609	89%
McMinnville	960	2,400	6,560	**	2,870	6,413	(-2%)**
Newberg	3,415	2,631	7,701	5,032	4,884	14,674	91%
Sheridan***	3,672	2,315	7,290	3,797	2,394	7,469	2%
Willamina	1,850	2,550	5,600	2,077	2,650	7,727	38%
Yamhill	3,295	1,847	5,442	3,295	1,847	8,465	56%

* Systems development charge for single family residence

** McMinnville Water & Light not shown

*** Proposed 2000 rate

Sources: Donovan Enterprises (for City of Sheridan)

League of Oregon Cities

Regional Cooperation

The infrastructure survey worked to pinpoint specific opportunities for regional cooperation. Could Yamhill communities share facilities to gain cost savings or earn other benefits?

Earlier, Yamhill County appointed a Yamhill County Water Task Force to oversee a year-long study of future municipal water system needs.⁵ The results revealed water system gaps in every community for every system component: water supply, reliability, treatment, storage and transmission. The supply situation is especially critical.

The countywide water study also pointed to important opportunities for regional and sub-regional cooperation, both immediate and long-term. In most instances, new drinking water sources cannot be feasibly developed without interjurisdictional cooperation.

For all water providers except Carlton and Yamhill, reliable capacity – not a lack of water rights – is a limiting factor under all growth scenarios for meeting maximum day demand in the near-term (2010). Although the larger communities have projects either planned or in progress to address capacity issues, the smaller communities are falling further behind. This highlights the fact that communities in Yamhill County are facing capacity issues right now:

⁵ *Municipal Water Supply Analysis-Yamhill County*, HDR Engineering (April 2008).

- Most of the streams do not have year-round water available for new water rights permits for river diversions. Water is generally not available during the late summer and early fall months.
- The Bureau of Reclamation (BOR) has concluded that groundwater in Yamhill County has been so intensely developed that the potential for developing new groundwater sources is limited to the Newberg area.
- With no new surface water or groundwater sources, remaining source options include increased surface storage and the Willamette River.

Local public works officials in Yamhill County communities were asked to identify opportunities for inter-jurisdictional cooperation. Informed by the work of Water Task Force, these observers pinpointed many opportunities for collaboration in drinking water. Several more opportunities were named for wastewater, transportation and other services. (See table below.)

Yamhill County Infrastructure Community Cooperation Opportunities

	Water	Wastewater	Transportation	Other
Amity	Develop water supplies with Dayton and Lafayette			
Carlton	Obtain treated water from McMinnville (existing plant and pipeline)			
Dayton	Share water supplies with Lafayette; develop water supplies with Amity & Lafayette; obtain treated water from McMinnville			
Dundee	Obtain water from Newburg; provide access to Willamette for regional supply options	Send wastewater to Newburg for treatment		
Lafayette	Share water supplies with Dayton; develop water supplies with Amity and Dayton; obtain water from McMinnville		Coordinate with ODOT on industrial park access	
McMinnville	Supply water to Carlton, Dayton, Lafayette, Yamhill			Assists smaller communities
Newberg	Supply water to Dundee; provide access to Willamette for regional supply options	Treat Dundee wastewater		
Sheridan	Share water with Willamina; maintain emergency intertie			
Willamina	Share water with Sheridan; maintain emergency intertie			
Yamhill	Obtain treated water from McMinnville			
Yamhill County	Convenor of Regional Water Task Force			IGAs with other counties to share resources
Others			ODOT shares resources with communities	

Infrastructure Summit

A Yamhill County Infrastructure Summit was convened on May 22, 2009 to preview and discuss the preliminary results of the infrastructure survey. All ten cities participated, along with Yamhill County Board of Commissioners, Planning and Public Works Departments and other service providers. Several State agencies joined the session: Governor's Office, Department of Land Conservation & Development (DLCD), Oregon Economic & Community Development Department (OECDD), Oregon Department of Transportation (ODOT), Water Resources Department (OWRD)

Through a facilitated conversation, attendees confirmed the challenges confronting all communities working to address infrastructure gaps. Representative comments:

"The problem is now. We're not keeping up."

"We can't afford to make long-term plans."

"I don't know how to get there."

"Growth is not paying its share of the costs."

"We are forced to think outside the box."

"We need to make citizens a part of the solution."

As the topic turned to inter-jurisdictional cooperation participants cited several opportunities:

Regional/sub-regional solutions

Water supply

Water conservation

Transportation: "There's more cooperation than ever"

Coordinate messaging and messengers

The benefits noted for cooperation include:

Service availability

System reliability: "No other options"

Cost sharing

Reduce competition

Unified voice with public

However, several barriers to cooperation were also mentioned:

Desire to maintain independence, self-sufficiency

Short-term needs vs. long-term payoff

Utility rates already high

Split communities: old/new factions

Some residents oppose infrastructure in order to stop growth

The underlying problem in addressing Yamhill County's chronic infrastructure needs is the shortage of funding. A number of funding solutions were suggested by participants:

Room tax

Steadily increase utility rates, SDCs

Tiered rate structures

Coordinate rates/SDCs

Debt financing vs. cash for infrastructure

New approaches: public/private partnerships

State/Federal assistance: very limited

In recognition of funding scarcity, the summit participants also discussed how to set priorities. Infrastructure gaps that may hamper timely development within the agriculture and tourism sectors will be documented and regionally prioritized to receive County and community attention

in addressing the most pressing infrastructure / service needs. Criteria might be used to prioritize efforts to address regional infrastructure needs. Examples include:

- ✓ Provides economic benefit to the community
- ✓ Increases community safety
- ✓ Upgrades infrastructure that does not meet regulations
- ✓ Upgrades infrastructure that does not meet current capacity needs
- ✓ Promotes efficient use of existing infrastructure
- ✓ Enhances quality of the environment
- ✓ Supports agriculture sector
- ✓ Supports tourism sector
- ✓ Improves cooperation between municipalities
- ✓ Leverages available state/federal funds

Finally, attendees at the Infrastructure Summit concurred on a series of "Guiding Principles" to help communities in setting priorities for meeting seemingly overwhelming infrastructure needs.

1. Retain jobs.
2. Growth should pay its own way.
3. Borrow (versus pay cash) for infrastructure.
4. Rely on the advice of credible, independent third parties.
5. Improve system for current ratepayers.
6. Don't defer maintenance of costs to future generations.
7. Support quality of life (not growth).

VII. Conclusion

For 150 years and longer, Yamhill County has benefitted from its strong agricultural base. Even now, the agriculture sector produces \$300 million in annual sales (not including food processing and wine). The great strength of Yamhill County agriculture is its diversity. Local agricultural production remains strong in many profitable sub-sectors, with fast growing horticulture accounting for nearly half of total sales. The future for Yamhill County agriculture looks bright.

Alongside horticulture and traditional crops, the Yamhill County wine industry has emerged over the past 30 years to become headline news nationally and internationally. Yamhill's name – like Napa, Sonoma, Bordeaux and Burgundy – has become synonymous with its wine. With the wine sector continuing to flourish, new wineries opening each year, more acres planted with grapes, this trend will also be sustained in Yamhill County.

Coupled with the area's scenic beauty (thanks in part to agriculture!), the wineries assure that Yamhill County will continue to host many visitors. Estimates already place that number at 1.5 million per year who visit local wineries. Half of those visitors come from the Portland area, and the other half are from the western states and all over the U.S. and world.

These visitors are critical to the financial sustainability of the wineries. On-premises sales account for about 25% of total wine sales – but 80% and more for some of the smaller vintners. And these sales are the most profitable – typically at retail prices, requiring little advertising, no transportation, and no commissions.

Today, travel records show that most Yamhill County wine country visitors are "day trippers". As a result, the local communities, businesses and residents don't benefit much from tourism through visitor-driven restaurant and retail sales, jobs and taxes. The solution pointed to by local tourism industry leaders is to develop new high amenity lodging properties in or near wine country to transform these day trippers into overnight guests. As overnight guests, the visitors will eat at restaurants, make retail purchases in local stores, go to other attractions and visit more wineries.

Investors have been sniffing around looking for sites to accommodate new lodging facilities and other visitor amenities - but they encounter some issues. Land use laws make it difficult or impossible to site these uses outside the urban growth boundary. And inside city limits, Yamhill County's communities often lack sites or services to accommodate even modest scale development.

The situation today verges on stalemate. Visitors, more every year, continue to access Yamhill County destinations. But most leave before the dinner hour, taking their dollars with them. Yamhill County communities and residents experience the full burden of international destination status – traffic congestion, cost of police and emergency response, etc. – but few benefits to offset the cost and disruption.

Yamhill County – with its solid agricultural base, wine destination status, proximity to the metro area, and stunning beauty – also appears to be on the verge of something great. With the opening of the Allison resort in Newberg, along with other new attractions, there's an opportunity just now to pick priorities and adopt strategies that move the community forward.

What can be done? Some key ingredients to secure the future for Yamhill County's agriculture and tourism sectors are outlined below.

Yamhill County Agri-Business–Weather Report

	Today	Tomorrow
Agriculture		
Wineries		
Other Ag Businesses		
Tourism		
Tourism Businesses		?
Zoning		
Sites		
- Cities		
- Towns		?
- Rural		?
Infrastructure		
- Cities		
- Towns		?
- Rural		?

Shared vision for Yamhill County's future. Yamhill County communities and citizens need to reach agreement on values and priorities for the future. Tourism is here to stay – now is the critical time to plan, safeguarding quality of life for local residents and maximizing the potential for community benefits.

More lodging facilities. To capture the economic benefits of the estimated 1.5 million annual visitors to wine country, Yamhill County must have more high amenity overnight accommodations.

More attractions. Wineries and hotels alone aren't enough to hold every visitor's attention and assure repeat visits. Wine tourism is seasonal and cyclical, and other destinations and attractions will be needed to complement Yamhill County wine country and fill out the tourism calendar: arts and culture, entertainment, historic sites, parks and trails, golf, outdoor adventures, shopping.

Rezoning to accommodate prototype development projects. Analysis has revealed the types of representative projects needed to support agriculture and tourism lack adequate sites. Rezoning enables communities to place these projects where they "fit" and provide benefits to the community.

Site assembly. Preparing land for development, from initial site selection through planning and marketing, is site assembly. To assure job growth and allow for new investment, communities will need to be proactive in identifying an adequate supply of properly sized, suitably zoned development sites and be active participants in the development process.

County-wide infrastructure strategy. The most pressing problem for every community is infrastructure. Regional cooperation in Yamhill County to jointly plan for the future and secure adequate drinking water supplies can be a model for cost saving inter-agency arrangements for other services. Moving ahead with a reprisal solution for drinking water is critical for many Yamhill County communities.

Coordinate opportunity sites / services. The shortage of suitable development sites and scarcity of funds require strategic thinking. Which key sites and development opportunities must have adequate services available?

Transient lodging tax. Yamhill County badly needs resources to take full advantage of its status as a major visitor destination, and to help off-set tourism's costs borne by local communities. The room tax is an obvious source, used successfully for these purposes by nearly every peer community.

Local Lodging Tax in Peer Communities (2008)

Clackamas 6% countywide + 3%-5% cities	Lincoln 6% unincorporated 6%-9.5% cities
Clatsop 7% unincorporated 6%-9% cities	Yamhill 0% unincorporated 6% Newberg
Deschutes 7% unincorporated 6%-9.5% cities	Washington 9% countywide

Source: Dean Runyan Associates

Neighboring counties (Clackamas, Lincoln, Multnomah, Washington) and other visitor destinations (Clatsop, Deschutes) all have room taxes in place (see below). If Yamhill County had implemented a countywide lodging tax of 10%, it would have raised an estimated \$1 million in 2007, with more than \$300,000 available to help communities offset visitor-related costs.

Projected Lodging Tax Revenues

Yamhill County (2007)

	<u>6%</u>	<u>7%</u>	<u>8%</u>	<u>9%</u>	<u>10%</u>
	\$612,000	\$714,000	\$816,000	\$918,000	\$1,020,000
30%**	\$183,000	\$214,000	\$244,800	\$275,400	\$306,000

*Source: Dean Runyan Associates. Expenditures on accommodations - \$10.2 million countywide (2007)

**Available for general purposes (70% must be allocated for tourism promotion).

Other funding sources. A portfolio of funding sources will be requested to move forward. A partnership with the State of Oregon can help open the pipeline of state and federal infrastructure monies. Public / private partnerships may present another source of capital. Ultimately, much of the funding must come from the local level, through utility rates, SDCs and property taxes.

The benefits of moving forward are tangible, and have the potential to boost the quality of life for every Yamhill County resident:

- Accommodate job growth.
- Capture value-added visitor spending.
- Yield long-term cost savings.
- Expand tax base and utility rate base; lower costs to ratepayers / taxpayers.

APPENDIX

Supplemental Products

An extensive series of reports and other documents were developed as components of the Yamhill County Agri-Business Economic and Community Development Plan. These documents are available upon request from Yamhill County or Barney & Worth, Inc.

www.barneyandworth.com

Agriculture Profile of Yamhill County (November 2008)

Yamhill County Tourism / Ag Tourism Profile (October 2008)

Summary Report: Stakeholder Interviews – Agriculture Sector (November 2008)

Summary Report: Stakeholder Interviews – Tourism Sector (November 2008)

Municipal Water Supply Analysis – Yamhill County: Summary (December 2008)

The Future for Agriculture in Yamhill County (December 2008)

The Future for Yamhill County Tourism (January 2009)

Summary of EFU and AF Zoning Districts (revised February 2009)

Prototype Projects to Support Agriculture and Tourism (March 2009)

Yamhill County Infrastructure Community Cooperation Opportunities (May 2009)

Yamhill County Infrastructure Survey – Utility Rates: 2004-2008 (May 2009)

Yamhill County Infrastructure Survey – Systems Development Charges: 2000-2008 (May 2009)

Yamhill County Infrastructure Survey – Documents (revised May 21, 2009)

Yamhill County Infrastructure Summit – Highlights (May 22, 2009)

Analysis of Zoning for Prototype Development Projects in Yamhill County (revised June 2009)

Oregon Transient Lodging Tax (TLT) – Overview (June 2009)

Oregon Counties with No Lodging Tax – 2008 (June 2009)

Lodging Tax in Peer Communities – 2008 (June 2009)



BARNEY & WORTH, INC.

1211 SW FIFTH AVE, STE 1140
PORTLAND, OREGON 97204-3732
503/222-0146 phone 503/274-7955 fax

247 COMMERCIAL ST NE, STE 204
SALEM, OREGON 97301-3411
503/585-4043 phone 503/589-4165 fax

www.barneyandworth.com

Carlton is the self-proclaimed Wine Capital of Oregon, and the area's economy is driven by wine-related business. <https://www.visitcarlton.com/> See screenshots below from Visit Carlton Website:



Welcome to Carlton: Oregon's Wine Country Capital!

Whether you come to explore its dozens of small wineries, picturesque vine-covered hills, or charming historic downtown, Carlton is on the "must-do" list of visitors to Oregon wine country. Known for a destination that boasts nearly two dozen award-winning wineries, Carlton is also home base for the globally respected Yamhill-Carlton American Viticultural Area. In short, Carlton is "Pure Paradise."

Carlton, only three short blocks in length, manages to pack in more gastronomy, winemaking and hospitality than most cities ten times its size. Organic cheeses, fresh meats, popular preserves, creative desserts, and artisan glassware are all available right in Main. Once a rough-and-rumble logging town, Carlton is now the small but significant epicenter of the South Willamette Valley's farm and wine scene.

Get Directions From Current Location





Wine is a big part of life in Carlton. There are nearly two dozen tasting rooms in Carlton alone, representing all regions of Oregon viticulture, and other wineries in the surrounding hills. Given our city population of around 2000 people, we have the highest tasting room per capita community in the United States. Embark on a journey of discovery as you wind your way through lush vineyards and welcoming tasting rooms, and experience all the finer of Oregon Wine Country.

The below list shows tasting rooms within Carlton city limits—ideal for a day of walkable wine-tasting. For a more extensive list of wineries and tasting rooms in the countryside near Carlton, check out the [Yamhill-Carlton AVA Website](#).



VISIT CARLTON
The Wine Capital of Oregon

[WINERIES](#) [RESTAURANTS](#) [SHOPPING](#) [LODGING](#) [EVENTS](#) [HISTORY](#)

About Carlton

Once a rough-and-ready logging town, Carlton is now the small, sophisticated equivalent of the Napa Valley. Taste and enjoy wine.

Download a PDF Map of Carlton [Here](#).
Contact us at info@visitcarlton.com.
Ask us a question with [Messenger](#).

[Edit Your Business Profile](#)

Latest on Instagram



Join Our Newsletter

Your email address

Submit

Recent Press

Recent Articles Featuring Carlton

Carlton Weather

CURRENT CONDITIONS

69° clear sky
69% humidity
wind: 5m/s N
H: 73 • L: 64

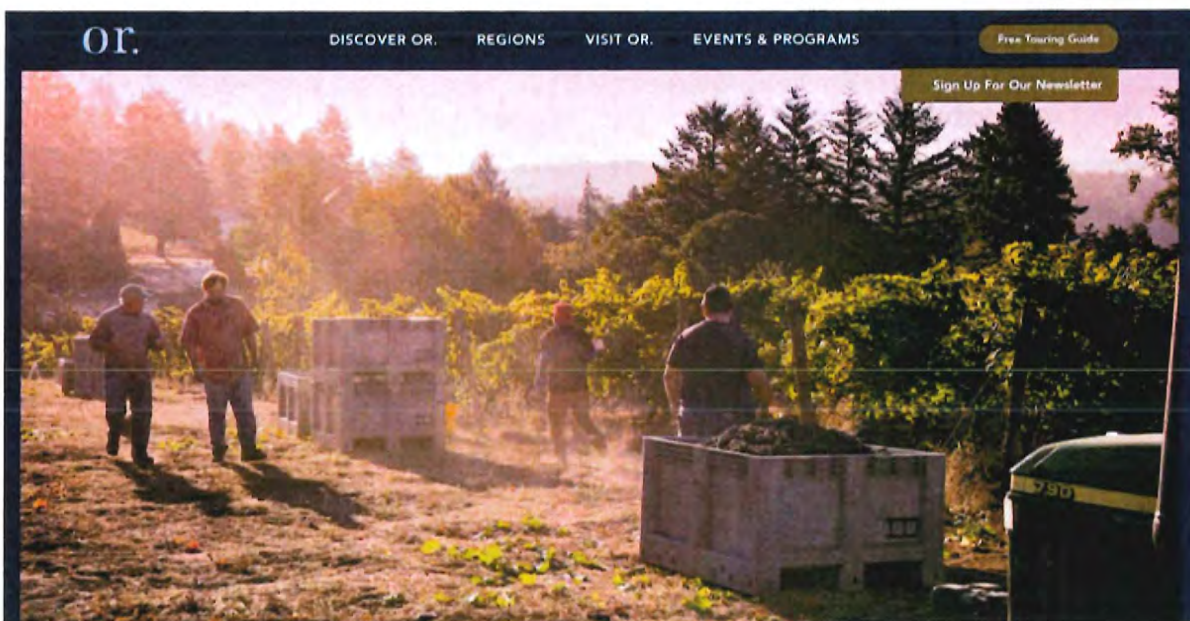
77° 79° 80° 80° 76°
THU FRI SAT SUN MON

[Follow Visit Carlton](#)

Copyright © 2022 All Rights Reserved Visit Carlton Media, Inc. All trademarks are the property of their respective owners.



The immediately surrounding Yamhill-Carlton AVA includes more than 2,600 acres of vineyard. <https://www.oregonwine.org/regions/willamette-valley/yamhill-carlton-ava/>
See Screenshots below from the Oregon Wine website:



or.

DISCOVER OR.

REGIONS

VISIT OR.

EVENTS & PROGRAMS

Free Touring Guide

Sign Up For Our Newsletter

About the Yamhill-Carlton AVA

These pastoral ridgelines in the Willamette Valley provide a unique set of growing and touring conditions. Low ridges surround the two communities of Yamhill and Carlton in a horseshoe shape, with the North Yamhill River coursing through nurseries, grain fields, orchards, and more than 2,600 acres of vineyard.



or.

DISCOVER OR.

REGIONS

VISIT OR.

EVENTS & PROGRAMS

Free Touring Guide

Sign Up For Our Newsletter



Copyright 2010, Krimm

Fertile ground

The Yamhill-Carlton AVA is contained within the Willamette Valley and is located 35 miles (56 km) southwest of Portland and 40 miles (64 km) east of the Pacific Ocean. The region is bordered by the Coast Range to the west, Chehalis Mountains to the north, and the Dundee Hills to the east. These barriers provide protective cover from extreme weather resulting in warmer temperatures and the earliest harvest dates in the Willamette Valley. The warmer mesoclimate produces ripe, texturally driven wine with an abundance of spice and floral qualities layered onto dark fruit flavors.

Yamhill-Carlton has some of the oldest soil and vine material in the Willamette Valley. It is comprised of coarse grained ancient marine sediments that drain quickly, making it ideal for viticulture.

Yamhill-Carlton was once known for fruit tree orchards, nurseries, livestock, wheat fields, and logging. In 1974, the pioneers Pat and Joe Campbell planted Elk Cove Vineyard and Roy and Betty Wahle planted Wahle Vineyard. Elk Cove went on to produce the first commercial wine from the area.



or.

DISCOVER OR.

REGIONS

VISIT OR.

EVENTS & PROGRAMS

Free Touring Guide

Sign Up For Our Newsletter

Keep exploring

Yamhill-Carlton Winegrowers



The Yamhill-Carlton AVA is home to Oregon wine industry pioneers, winemaking veterans, and friendly neighbors.

[Visit Regional Wine Partner →](#)

Willamette Valley Visitors Association



[Visit Regional Travel Partner →](#)

or.

DISCOVER OR.

REGIONS

VISIT OR.

EVENTS & PROGRAMS

Free Touring Guide

Sign Up For Our Newsletter

Dig deeper



OR.

DISCOVER OR.

REGIONS

VISIT OR.

EVENTS & PROGRAMS

Free Touring Guide

Sign Up For Our Newsletter

- **Established:** 2004
- **Total Area:** 58,100 acres (23,500 ha)
- **Planted Area:** 2,405 acres (970 ha)
- **Predominant Varieties:** Pinot noir, Pinot gris and Chardonnay
- **Predominant Soils:** Marine sedimentary (Willakenzie series)

Follow along @YamhillCarlton

 #yamhillcarltonava



The Yamhill-Carlton AVA has over 50 wineries, not to mention many additional tasting rooms. <https://yamhillcarlton.org/>. See screenshots below from Yamhill Carlton AVA website:



We are the Yamhill-Carlton Winegrowers

The Yamhill-Carlton AVA (American Viticultural Area) is home to Oregon wine industry pioneers, legendary grape growers, and wineries that have made a name for themselves. Located in Oregon's northern Willamette Valley, we've built a reputation as growers and producers of Oregon's most sought-after Pinot Noir and Chardonnay. Besides making great wine, we're also a great place to visit and enjoy wine-tasting, sunbathing, and exploring. Join the growth people. If you haven't visited us and found your next favorite wine, we invite you to take a drive out to the Oregon coast.

[MORE ABOUT US](#)

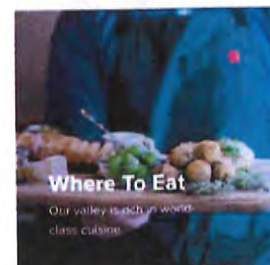
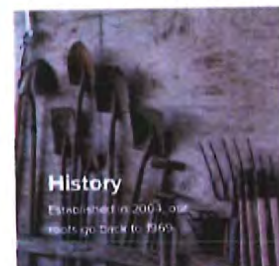
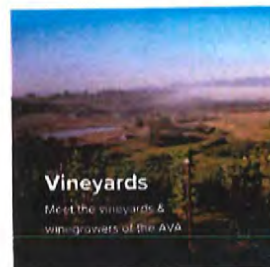


45 Minutes Southwest of Portland

10 Minutes North of McMinnville

50+ Wineries To Discover

[GET DIRECTIONS](#)





Have a Question? Contact Us:

PO BOX 73, CARLTON OR 97111
YAMHILLCARLTONWINE@GMAIL.COM



SEND

INSTAGRAM

@YamhillCarlton



POPULAR RESOURCES

Browse Wineries, Travel Resources, Upcoming Events, Vineyards

MORE INFORMATION

Contact Us, Membership Information, Trade & Media, Purchase Grapes

JOIN THE MAILING LIST



0012 83 VINEROOM | COPYRIGHT 2023 | POLICIES

V. Appeal Application



P.O. Box 1083
McMinnville, Oregon 97128

RECEIVED
DEC 14 2023
YAMHILL COUNTY
PLANNING DEPARTMENT

Helping to shape the use of our natural resources to protect the quality of life in Yamhill County

December 14, 2023

Yamhill County Planning and Development Department
525 NE 4th Street
McMinnville, Oregon 97128

RE: Appeal of Docket C-15-23
Ground 152 LLC

You will find a completed appeal form with accompanying justification from the Friends of Yamhill County (FYC), attached. Please schedule this matter for a hearing according to the county's procedures.

Thank you for your consideration of this matter.

Your truly,

Rob Hallyburton
Vice President

Yamhill County Department of Planning & Development
APPEAL APPLICATION

525 NE Fourth Street, McMinnville, OR 97128 • Tel: 503-434-7516 • Fax: 503-434-7544
TTY: 800-735-2900 • Website: <http://www.co.yamhill.or.us/planning>

Date of filing 12/14/15
 Rec'd by SC
 Receipt # 928266
 Fee **270.00**

This form must be completed and submitted to the Planning Office within 15 days of the date of the decision being appealed, as indicated on the notice of decision. Please complete the application fully, and with as much detail as possible. Please type or print carefully.

Appellant's Name Friends of Yamhill County

Address PO Box 1083, McMinnville, OR 97128

Telephone: 503-560-0599 Email: friendsofyamhillcounty@gmail.com
rob.a.hallyburton@gmail.com

Docket number of decision being appealed: C-15-23

The Docket request is: Ground 152 LLC's CU application for a commercial activity in conjunction with farm use consisting of alcohol tasting and sales.

The decision was made by: ☒ Planning Director ☐ Planning Commission

The decision being appealed is a(n): ☒ Approval ☐ Denial ☐ Condition of Approval

Person appealing the decision is: ☐ Applicant ☒ Affected party

If you are an affected party, please explain how you are aggrieved or adversely affected by the decision:
See attachment

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook page.

Please describe the basis upon which the decision is being appealed. Indicate which ordinance, Comprehensive Plan, or other regulatory provisions have not been satisfied or have been violated by the decision. Use extra paper if necessary.

See attachment

I have completed the above information fully and accurately. I understand my rights and responsibilities as described on this form.

Rob Hallyburton

Digitally signed by Rob Hallyburton
Date: 2023.12.13 16:33:45 -08'00'

Signature

Date

All appealed decisions of the Planning Director and Planning Commission are brought before the Board of County Commissioners at a public hearing. The Board may affirm, modify, or reverse all or part of the action by the Director or Planning Commission.

Submittal of this appeal form must be accompanied by the appropriate appeal fee (make check payable to Yamhill County) to offset the cost of the hearing.

ATTACHMENT – Appeal of C-15-23

If you are an affected party, please explain how you are aggrieved or adversely affected by the decision:

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws. FYC is particularly interested in protecting farmland for continued farm use to produce food and fiber for existing and future generations. Continued proliferation of non-farm uses in the exclusive farm use and farm/forest zones creates conflicts with and is otherwise detrimental to farm use, and is therefore adverse to FYC's interests.

Please describe the basis upon which the decision is being appealed. Indicate which ordinance, Comprehensive Plan, or other regulatory provisions have not been satisfied or have been violated by the decision.

The November 17, 2023, staff report supporting the approval of this application (hereafter, "staff report") states, on page 1, that the request is for:

A conditional use request for the operation of a commercial activity in conjunction with farm use to allow the tasting of locally produced wine and the sale of locally produced wine, beer, and other malt beverages, and cider at the existing approved onsite farmstand.

There is some discussion in the application addendum regarding the breadth of alcohol serving and sales proposed, but that is not relevant to our appeal. The conditionally permitted use for which the application was made is Yamhill County Zoning Ordinance (YCZO) 402.04(G), "Commercial activities that are in conjunction with farm use as defined in YCZO Section 402.10(B)." There is no disagreement that the relevant portion of the definition for this use is in YCZO 402.10(B)(2), which states:

As authorized under subsection 402.04(G), a commercial activity in conjunction with farm use is:

* * *

2. Retail sales and promotion of agricultural products, supplies and services directly related to the production, harvesting, and processing of agricultural products. * * *

See staff report at pages 3-4. FYC pointed out, in September 25, 2023, comments to the planning department prior to the decision, that the applicant has not established that it

produces the materials for the beverages or the beverages themselves. The staff report does not refute this. The definition quoted above includes only those retail sales that are "directly related" to farming and processing activities. Since the applicant does not produce, harvest, or process the fruit for alcoholic beverages or the beverages themselves, the proposed use does not satisfy the definition of a commercial activity in conjunction with farm use and is therefore not permitted under YCZO 402.04(G). The application does not satisfy YCZO 1202.02(A) ("The use is listed as a conditional use in the underlying zoning district").

The staff report addresses this contention on pages 4-5. It states that "a more comprehensive reading of the ordinance makes it clear that a proposed commercial activity in conjunction with farm use is intended to promote or support farm activities occurring in the local area." The staff report further states:

(T)he plain reading of this section of the ordinance twice references commercial activities in conjunction with farm use that shall be directly related to promotion of a product harvested or processed on the site, and that is the, *"Rental or lease of facilities, with or without a fee, in conjunction with an agricultural use for events such as parties, receptions, and banquets with the primary intent of indirect promotion of the product harvested or processed on the site"* and for, *"Four or more promotional events in a calendar year that are directly related to the marketing of products harvested or processed on the site that are reasonably expected to attract more than 750 visitors daily. An "event" shall not exceed three consecutive days."* (Italics in original.)

The staff report goes on to state:

Staff finds that the Applicant's request meets the definition of a commercial activity in conjunction with farm use because the other example uses authorized as commercial activities conducted in conjunction with farm use are deliberately not intended to serve only the onsite farm activities but to collectively serve the local farming community.

However, few or none of the farm products sold on the subject property are "harvested or processed on the site," so the comparisons made in the staff report do not support the conclusion. The drafters of the ordinance included "rental and lease of facilities" and "four or more promotional events" as permitted activities, and did not include "liquor store," "wine shop," or "tasting room." We can infer that the drafters intentionally left them out.

Since the staff report compared the proposed use with activities ancillary to the primary commercial activity, it should also be noted that the proposed alcohol sales would be at a

farm stand. A farm stand is a permitted use in the zone. YCZO 402.02(B) provides that farm stands are permitted outright in the EF zone when:

The structures are designed and used for the sale of farm crops or livestock grown on the farm operation, or grown on the farm operation and other farm operations in the local agricultural area, *including the sale of retail incidental items and fee-based activity to promote the sale of farm crops or livestock sold at the farm stand if the annual sale of incidental items and fees from promotional activity do not make up more than 25 percent of the total annual sales of the farm stand*; and * * * (Italics added.)

Alcohol tasting and sales would seemingly be permitted under the farm stand approval as long as they do not exceed 25 percent of overall sales. The approved conditional use permit allows alcohol sales to surpass the sale of actual farm products, resulting in the proverbial tail wagging the dog.

Furthermore, what is permitted as a “commercial activity in conjunction with farm use” by statute has been refined by the Land Use Board of Appeals and the courts. It has been established that such uses are permitted when they are “exclusively or primarily a customer or supplier of farm uses.”¹ Sale of alcoholic beverages would clearly not be a supplier of farm uses, and it would be a customer of those who manufactured the beverages, not farms. The staff report does not address this standard, and the proposed use does not satisfy this test.

An additional inquiry is required for a commercial activity in conjunction with farm use. The products and services provided must be “essential to the practice of agriculture.”² A finding that the activities at a commercial activity in conjunction with farm use are essential to the practice of agriculture must show that the connection is not “speculative or remote.”³ The staff report does not address these points. We contend that alcohol tasting and sales are not essential to the practice of agriculture.

Conclusion: The proposed use is not permitted in the Exclusive Farm Use Zone and the application should be denied.

¹ See *City of Sandy v. Clackamas County*, 28 Or LUBA 316 (1994)

² Ibid.

³ See *Friends of Marion County v. Marion County*, slip op 23:20-23:22, (LUBA No. 2021-088/089, Opinion, Apr 21, 2022)

VI. Public Notice

APPLICANT: Ground 152 LLC
15990 NW Redshot Ln
Carlton OR 97111

I, Stephanie Curran, on the 8th day of September, 2023
sent the attached public notice of Docket No. C-15-23 to the property owners identified by the PIN
numbers listed above, and interested persons listed on this sheet.

STATE OF OREGON
County of Yamhill

The foregoing instrument was acknowledged before me this 11th day of September, 2023
by Danielle Paasch



OFFICIAL STAMP
DANIELLE MARIE PAASCH
NOTARY PUBLIC - OREGON
COMMISSION NO. 1083645
MY COMMISSION EXPIRES FEBRUARY 23, 2027

Danielle Paasch
Notary Public For Oregon
My Commission Expires 2/23/27

FORM: #12 • UPDATED: 3/19/2019 10:12 AM

R3515 00890
FELIX CARISSA A
16470 NW MEADOW LAKE RD
CARLTON, OR 97111

R3522 00100
WORTHING LYNN WORTHING LINDA L
16001 NW MEADOW LAKE RD
CARLTON, OR 97111

R3522 00200
HOB OREGON LLC
15990 NW RED SHOT LN
CARLTON, OR 97111

R3522 00201
NICKEL DAVID A NICKEL KIMBERLY A
16205 NW RED SHOT LN
CARLTON, OR 97111

R3522 00202
DINSMORE ANTHONY DINSMORE ERIKA
16000 NW RED SHOT LN
CARLTON, OR 97111

R3522 00600
O'NION BRENT F
16051 NW RED SHOT LN
CARLTON, OR 97111

R3522 00700
RICH MICHAEL D RICH CYNTHIA L
PO BOX 1205
CARLTON, OR 97111

R3522 00800
KINDEL MARK A KINDEL PAMELA J
15925 NW RED SHOT LN
CARLTON, OR 97111

R3523 00400
B & R TREE FARMS INC
14530 NW CRANE LN
YAMHILL, OR 97148

R3523 00500
STRAHM ERNIE STRAHM LORI L
15760 NW MEADOW LAKE RD
CARLTON, OR 97111

R3523 00600
COLLETT SHERRY L TRUSTEE FOR COLLETT
SHERRY L TRUST
PO BOX 375
CARLTON, OR 97111

R3523 00700
MUELLER LYNDA L TRUSTEE MUELLER
LYNDA L LIVING TRUST
29364 SW BROWN ROAD
WILSONVILLE, OR 97070

R3523 00800
TABULA RASA FARMS LLC
14820 NW MEADOW LAKE RD
CARLTON, OR 97111

R3523 00900
TABULA RASA FARMS LLC
14820 NW MEADOW LAKE RD
CARLTON, OR 97111

R3523 01000
TABULA RASA FARMS LLC
14820 NW MEADOW LAKE RD
CARLTON, OR 97111

R3523 01100
CULVER JOHN R CULVER ROSALIE M
616 W 1ST ST
NEWBERG, OR 97132

R3523 01800
SITTON BROTHERS INC
PO BOX 340
CARLTON, OR 97111

R3523 01900
WARD RANDY L (WROS) WARD DEBRA S
(WROS)
HARMON NORA L (WROS)
18230 SW BRIGHTBRIDGE RD
SHERIDAN, OR 97378

R3523 02000
GORGAS ARLENE E CO-TRUSTEE GORGAS
SUSAN L CO-TRUSTEE
GORGAS ARLENE E TRUST
15751 NW RED SHOT LN
CARLTON, OR 97111

R3523 02100
HOB OREGON LLC
15990 NW RED SHOT LN
CARLTON, OR 97111

R3523 02200
WARREN DEAN & CINDY
15930 NW RED SHOT LN
CARLTON, OR 97111

R3523 02300
HOB OREGON LLC
15990 NW RED SHOT LN
CARLTON, OR 97111

R3523 02400
TABULA RASA FARMS LLC
14820 NW MEADOW LAKE RD
CARLTON, OR 97111

GROUND 152 LLC
ATTN: FRANK FOTI
15990 NW RED SHOT LN
CARLTON, OR 97111

C-15-23
GROUND 152, LLC
R3523-02400
08/29/2023

Yamhill County

DEPARTMENT OF PLANNING AND DEVELOPMENT

525 NE FOURTH STREET | McMinnville, Oregon 97128

Phone: (503) 434-7516 | Fax: (503) 434-7544 | TTY: (800) 735-2900 | Internet Address: <http://www.co.yamhill.or.us/planning>

NOTICE OF PENDING ADMINISTRATIVE ACTION

Notice is hereby given that the Director of the Yamhill County Department of Planning and Development has received an application to approve the request described below. For further information, please contact Lance Woods (woods1@co.yamhill.or.us) at the Yamhill County Department of Planning and Development.

DOCKET NO.: C-15-23

REQUEST: Conditional use approval for the operation of a commercial activity in conjunction with farm use to allow the sale of locally produced wine at the existing onsite farmstand. The farmstand was approved on June 20, 2023, by Docket SDR-12-23.

APPLICANT: Ground 152, LLC

TAX LOT: 3523-02400

LOCATION: 15250 NW Panther Creek Road, Carlton

ZONE: The subject parcel is split-zoned with the majority of the parcel located in the EF-80, Exclusive Farm Use zone and a small portion within the AF-20, Agriculture/Forestry Large Holding zone. The farmstand is located in the EF-80 zoned area of the subject lot.

REVIEW CRITERIA: Sections 402.02(B), 402.04(G), 402.07(A), 1101, and 1202.02 of the *Yamhill County Zoning Ordinance*.

Interested parties are invited to review the application and make comments or suggestions regarding the proposed use. Provide comments in the following space or attach additional sheets as necessary.

Signature _____

Alternatively, you may request that the application be considered at a public hearing before the Planning Commission. A request for hearing must state the basis for the request and be accompanied by a \$250.00 hearing fee. Public notice dated September 8, 2023.

COMMENTS OR REQUESTS FOR HEARING MUST BE RECEIVED NO LATER THAN
5:00 p.m., September 25, 2023

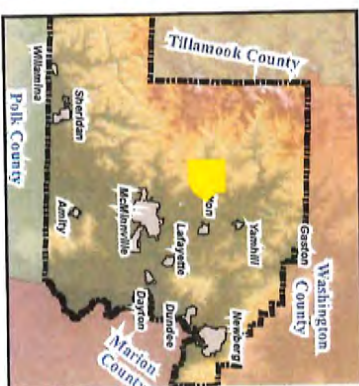
NOTICE TO MORTGAGEE, LIENHOLDER, VENDOR, OR SELLERS: ORS Chapter 215 requires that if you receive this notice, it must be promptly forwarded to the purchaser.



YAMHILL COUNTY

TAX LOT INFORMATION

CONTEXTUAL MAP



Property Information

Docket: C-15-23

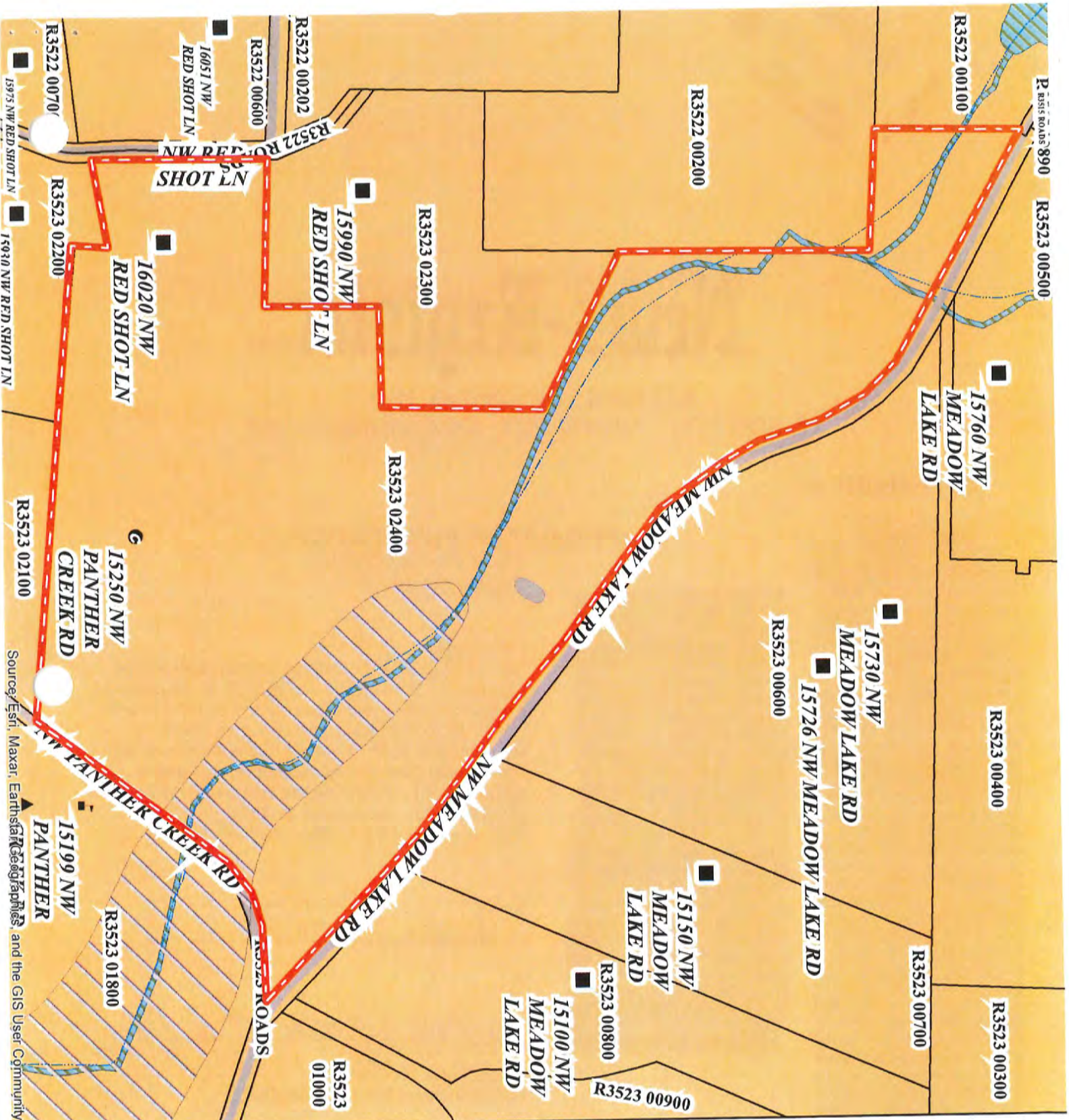
15250 NW Panther Creek Rd



Subject Parcel(s)

Tax Lot: R3523 02400

Lot Acreage: 80.49



Wetland

FEMA Flood Zone

Base Flood Elev (ft)



100 Year Zone



Floodway

1 inch = 400 feet



Source: Esri, Maxar, Earthstar, GeoEye, and the GIS User Community

RECEIVED
SEP 13 2023
YAMHILL COUNTY
PLANNING DEPARTMENT

Yamhill County's News-Register.com

0.
KEEPING YOU CONNECTED
PO BOX 727 503-472-5114 www.newsregister.com

00 "EXHIBIT A"

PUBLIC NOTICE

PUBLIC NOTICE IS HEREBY GIVEN that the following applications are being reviewed by the Yamhill County Department of Planning and Development: DOCKET C-14-23, a request by Carlton Hub LLC for conditional use approval for the operation of a commercial activity in conjunction with farm use to allow the sale and tasting of locally produced wine at the existing approved onsite farmstand. The parcel is identified as Tax Lot 3409-101 and is located at 15713 Highway 47, Yamhill. **DOCKET C-15-23**, a request by Ground 152 LLC for conditional use approval for the operation of a commercial activity in conjunction with farm use to allow the sale of locally produced wine at the existing approved onsite farmstand. The farmstand was approved on June 20, 2023 by Docket SDR-12-23. The parcel is identified as Tax Lot 3523-2400 and is located at 15250 NW Panther Creek Rd, Carlton. These applications are being reviewed based on criteria from Sections 402.02(B), 402.04(G), 402.07(A), 1101 and 1202.02 of the Yamhill County Zoning Ordinance. DOCK-

ET CTS-19-23, a request by Natasha Worden for conditional use approval for a travel trailer to be used as a temporary health hardship dwelling for the care of Kenneth Eggers, by his relative, Natasha Worden, during the term of his health hardship. The parcel is identified as Tax Lot 4317-1200 and is located at 14101 Foster Rd, Dayton. This application is being reviewed based on criteria from Sections 502.03(A) and 1202.02 of the Yamhill County Zoning

Ordinance. Interested persons may respond in writing by 5 p.m., September 25, 2023, to comment on, or to request the above applications be considered at a public hearing. A request for a hearing must state the basis for the appeal and must be accompanied by a \$270 fee. Dated September 8, 2023 by Ken Friday, Planning Director.
NR Published September 8, 2023

AFFIDAVIT OF PUBLICATION

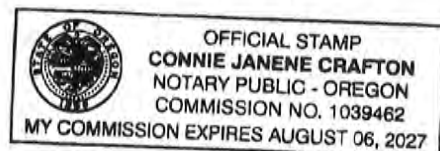
STATE OF OREGON } ss.
County of Yamhill

I, Terri Hartt
being first duly sworn, depose and say that I am the Legal Clerk, of the NEWS-REGISTER, a newspaper of general circulation as defined by O.R.S. 193.010 and O.R.S. 193.020 published two times each week at McMinnville, County of Yamhill, State of Oregon, and that Yamhill County Department of Planning & Development - Public Notice Dockets C-14-23 C-15-23 CTS-19-23- - September 8, 2023
Subscribed and sworn before me this 9/12/2023 .

Terri Hartt

Connie Janene Crafton

Notary Public for Oregon
My Commission Expires 08/06/2027



VII. Public Agency Reports

From: Alicia Lisle
Sent: Sunday, December 10, 2023 6:44 AM
To: Lance Woods
Subject: FW: C-15-23

From: Aimee Amerson <aamerson@ci.carlton.or.us>
Sent: Tuesday, December 5, 2023 7:15 AM
To: Alicia Lisle <lislea@yamhillcounty.gov>
Subject: RE: C-15-23

Caution: This email originated outside of the Yamhill County email system

Hi Alicia,

I was reading the notice of decision, and the applicant notes on their application that they have access to city water. They only have one connection for residential use. They do not have retail or commercial use per our outside city limits water use policy. We don't want to appeal your decision, but their intended use at that location needs to be connected via well water as city policy does not allow for that use- only residential.

If there is a formal process you would like me to follow, please let me know. I am happy to do so. Thanks!

Best,

Aimee



Aimee Amerson

City Recorder

City of Carlton

☎ 503.852.1575 📠 503.852.1761

📍 101 East Main Street | Carlton, OR 97111

🌐 www.ci.carlton.or.us ✉ aamerson@ci.carlton.or.us

DISCLOSURE NOTICE: Messages to and from this email address may be subject to Oregon Public Records Law.

🌱 Please consider the environment before printing this email.

ATTENTION PUBLIC OFFICIALS:

A "Reply to All" of this email message could lead to violations of Oregon open meetings laws. If replying, please reply only to the sender.

From: Alicia Lisle <lislea@yamhillcounty.gov>
Sent: Friday, December 1, 2023 12:29 PM
To: Aimee Amerson <aamerson@ci.carlton.or.us>
Subject: RE: C-15-23

It doesn't look like the city was on the list. See attached. Lance Woods, our Senior Planner, is the one who prepared the notice and the letter.

Alicia Lisle, Office Manager
Yamhill County Building & Planning
temporarily located at
434 NE Evans Street, McMinnville, OR 97128
Telephone: +1 503 434 7516 ext 3638 | Fax: +1 503 434 7544
lislea@yamhillcounty.gov | <http://www.co.yamhill.or.us/planning>

From: Aimee Amerson <aamerson@ci.carlton.or.us>
Sent: Friday, December 1, 2023 12:25 PM
To: Alicia Lisle <lislea@yamhillcounty.gov>
Subject: RE: C-15-23

Caution: This email originated outside of the Yamhill County email system

Thanks for sending Alicia.

Quick question- did you happen to mail the city a notice or email a city of Carlton staff for comments? I don't have a notice in my records. Thanks for clarifying!

Best,
Aimee



Aimee Amerson

City Recorder

City of Carlton

☎ 503.852.7775 📠 503.852.7761

📍 191 East Main Street, Carlton, OR 97111

🌐 www.ci.carlton.or.us ✉ aamerson@ci.carlton.or.us

DISCLOSURE NOTICE: Messages to and from this email address may be subject to Oregon Public Records Law.



Please consider the environment before printing this email.

ATTENTION PUBLIC OFFICIALS:

A "Reply to All" of this email message could lead to violations of Oregon open meetings laws. If replying, please reply only to the sender.

From: Alicia Lisle <lislea@yamhillcounty.gov>
Sent: Friday, December 1, 2023 11:30 AM
To: Carolina Rook <rookc@co.yamhill.or.us>; Greg Haffner <haffnerg@co.yamhill.or.us>; Jeffrey Ivie <iviej@co.yamhill.or.us>; Brian Hansberry <hansberryb@co.yamhill.or.us>; Kari Worden <wordenk@yamhillcounty.gov>; Jay Moskal <moskalj@co.yamhill.or.us>; Gary Van Der Veen <derveeng@co.yamhill.or.us>; Aimee Amerson <aamerson@ci.carlton.or.us>; Suzanne Richardson <richardsons@co.yamhill.or.us>; joel.m.plahn@state.or.us; allison@yamhillswcd.org; admin@yamhillswcd.org
Cc: Stephanie Curran <currans@co.yamhill.or.us>
Subject: RE: C-15-23

You are receiving this email because you are listed as an interested party for docket C-15-23.

Alicia Lisle, Office Manager
Yamhill County Building & Planning
Temporarily located at

434 NE Evans Street, McMinnville, OR 97128
Telephone: +1 503 434 7516 ext 3638 | Fax: +1 503 434 7544
lislea@yamhillcounty.gov | <http://www.co.yamhill.or.us/planning>