

# Yamhill County

## DEPARTMENT OF PLANNING AND DEVELOPMENT

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December 31, 2025

MS \_\_\_ KJ \_\_\_ BK \_\_\_ CB/JG \_\_\_

### MEMORANDUM

To: Board of Commissioners  
From: Ken Friday, Planning Director  
Re: **Docket C-03-22, Grange Hill, LLC**

**The hearing is a remand from the Land Use Board of Appeals related to the County's approval of a conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.**

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The above application is scheduled for a public hearing on **January 8, 2026**. The decision was appealed by Kathryn Jernstedt for Friends of Yamhill County. The following hearing limitations apply to this remand hearing. The hearing will be limited to accepting evidence and argument regarding only the following issues that formed the basis of the remand.

*The remand will be limited to accepting testimony, arguments and evidence as to whether the subject dwelling, identified as Grange Hill Estate, 9580 NE Worden Hill Road, Dundee, is a dwelling within the meaning of ORS 215.448, and YCZO 1004.01(C), including whether the dwelling will be occupied by the farm operator.*

The contents of the record are as follows:

1. Original Approval – Board Order 22-263
2. LUBA Remand No. 22-081 (2025)
3. Public Notice
4. Comments Received

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
\*\*\*REMAND\*\*\* STAFF REPORT

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**BOC HEARING:** January 8, 2026

**DOCKET NO.:** C-03-22

**REQUEST:** A conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.

**APPLICANT:** Elaine Albrich for Grange Hill LLC

**OWNER:** Grange Hill LLC

**APPELLANT:** Kathryn Jernstedt for Friends of Yamhill County

**TAX LOT:** 3328-00102

**LOCATION:** 9580 NE Worden Hill Road, Dundee

**ZONE:** EF-40, Exclusive Farm District

**CRITERIA:** The following YCZO sections were applicable to the underlying application only and are not subject to consideration on remand except as such criteria inform the remand question presented. Sections 202, 402.04(I), 402.9, 1004.01, 1101, 1012, and 1202.02 of the Yamhill County Zoning Ordinance.

**EXHIBITS:**

1. Original Approval – Board Order 22-263
2. LUBA Remand No. 22-081 (2025)
3. Public Notice
4. Comments Received

**FINDINGS:**

**A. Background Facts**

1. The Board of Commissioners previously approved the request with 16 conditions of approval and adopted Board Order 22-263 on August 18, 2022. The original background facts are found in the attached Yamhill County Board Order 22-263 and are incorporated here by reference. After the Board’s decision was issued the following appeals and decisions have occurred related to this application:
  - The original decision was appealed by Friends of Yamhill County to the Land Use Board of Appeals (LUBA). On December 27, 2022, LUBA issued a final order affirming the county’s decision. (See *Friends of Yamhill County v. Yamhill County*, LUBA No 2022-081 (Dec 27, 2022)).

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
\*\*\*REMAND\*\*\* STAFF REPORT

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- Friends of Yamhill County appealed LUBA’s decision to the Court of Appeals. On September 14, 2023, the Court of Appeals reversed LUBA’s decision. (See *Friends of Yamhill County v. Yamhill County*, 325 Or App 282, 529 P3d 1007 (2023)).
- Grange Hill and Yamhill County then appealed the Court of Appeals decision to the Oregon Supreme Court. On July 3, 2025, the Oregon Supreme Court issued an order to affirm the Court of Appeals in part and reverse the Court of Appeals in part. The final LUBA order was reversed, and the case was remanded back to LUBA for further proceedings. (See *Friends of Yamhill County v. Yamhill County*, 373 Or 790, 572 P3d 278(2025)).
- On September 19, 2025, LUBA issued a remand order and remanded the issue back to Yamhill County for further analysis and findings as detailed in the attached order, LUBA No. 2022-081 (Sept 19, 2025).

The 2025 LUBA remand that is the focus of this remand hearing is attached. The other decisions are in the file and available upon request.

**B. Remand Hearing Limitations**

1. The following hearing limitations apply to this remand hearing. The hearing will be limited to accepting evidence and argument regarding only the following issues that formed the basis of the remand.

*The remand will be limited to accepting testimony, arguments and evidence as to whether the subject dwelling, identified as Grange Hill Estate, 9580 NE Worden Hill Road, Dundee, is a dwelling within the meaning of ORS 215.448, and YCZO 1004.01(C), including whether the dwelling will be occupied by the farm operator.*

Testimony, arguments and evidence will be accepted regarding only the issues listed in this notice, and other testimony, argument or evidence will not be accepted or considered. Parties are encouraged to submit written testimony prior to or at the remand hearing.

**PREVIOUS COUNTY ACTION**

The Board of Commissioners previously approved the request with 16 conditions of approval and adopted Board Order 22-263 on August 18, 2022.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
\*\*\*REMAND\*\*\* STAFF REPORT

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**RECOMMENDATION:**

*A staff recommendation will be provided after the receipt of testimony at the public hearing.*

The previous conditions of approval adopted with Board Order 22-253 are noted below:

1. The bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast approval is personal to the applicant and property owners, Grange Hill, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. The bed and breakfast will be operated by an onsite resident of the proposed single-family dwelling.
5. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
6. The use shall employ no more than five (5) full or part time employees.
7. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
8. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
9. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.
10. Prior to operation of the bed and breakfast, the water shall be tested initially and annually for nitrate and arsenic with quarterly bacteria tests thereafter and determined to be safe for public consumption by the Public Health Department. Results of the test shall be submitted to the Yamhill County Planning Department.
11. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
12. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
\*\*\*REMAND\*\*\* STAFF REPORT

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Section 1006 of the *Yamhill County Zoning Ordinance*.

13. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.
14. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.
15. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
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*.

1. Original Approval – Board Order 22-263

BEFORE THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of Upholding the Planning )  
Director's Decision to Approve Planning )  
Docket C-03-22; Construction of a Nine Guestroom ) Board Order 22-263  
Bed & Breakfast Facility; Tax Lot 3328-00102; )  
Applicant: Grange Hill, LLC )

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the Board) sat for the transaction of county business on July 8, 2021, Commissioners Lindsay Berschauer, Casey Kulla, and Mary Starrett being present.

IT APPEARING TO THE BOARD as follows:

A. WHEREAS, The applicants, Grange Hill, LLC, applied for a conditional use permit to construct and operate a nine (9) guestroom bed and breakfast facility as a home occupation in an EF-40 zone; and

B. WHEREAS, The Planning Director issued a decision letter approving the application on May 16, 2022; and

C. WHEREAS, The Planning Director's decision was appealed and considered by the Board at a hearing held on July 7, 2022; and

D. WHEREAS, Following deliberation, the Board voted unanimously to uphold the Planning Commission's decision, deny the appeal, and approve the application; and now, therefore,

IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

Section 1. Planning Docket C-03-22 is hereby approved.

Section 2. The findings and conditions attached as Exhibit A, and incorporated herein by reference, are hereby adopted in support of this Order.

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DONE this 18<sup>th</sup> day of August, 2022, at McMinnville, Oregon.

ATTEST:



YAMHILL COUNTY BOARD OF COMMISSIONERS

KERI HINTON  
County Clerk

*Lindsay Berschauer*  
Chair LINDSAY BERSCHAUER

By: *Megan Marasco*  
Deputy Megan Marasco

*Casey Kulla*  
Commissioner CASEY KULLA

FORM APPROVED BY:

*Jodi M. Gollehon*  
Jodi M. Gollehon  
Assistant County Counsel

*Mary Starrett*  
Commissioner MARY STARRETT

Exhibit A

Board Order 22- 263  
Findings in Support of a Decision Affirming  
Planning Commission Decision Approving  
Docket No. C-03-22 and Conditions of Approval

**FINDINGS OF FACT:**

**A. Background Facts**

1. The subject parcel (Tax Lot R3328-00102) is approximately 18.89 acres located on NE Worden Hill Rd, Dundee. The property is zoned Exclusive Farm Use ("EF")-40 and currently has approximately 13 acres of grapes planted on-site, and there is a well house and a pole building located on the parcel. Access to the property is from NE Worden Hill Road and is provided via a proposed extension of an existing paved private road. The proposed extension will also be paved.
2. Grange Hill, LLC ("Applicant") filed an application requesting conditional use approval for a Home Occupation to allow a nine-guestroom Country Inn Bed and Breakfast (the "Bed and Breakfast") in a single-family dwelling. Approval for the Bed and Breakfast was previously issued by Yamhill County to BW Vineyard, LLC in C-09-20, dated May 11, 2020. Applicant, as the current owner of the Property, seeks approval to operate the Bed and Breakfast as previously authorized in C-09-20.
3. The surrounding parcels are located in the Exclusive Farm Use EF-20 and EF-40 zones. The surrounding area is predominantly dedicated to agricultural uses, including vineyards, fruit and/or nut orchards, as well as some livestock grazing and pasturage. Some parcels in the area contain wineries and/or tasting rooms. There are some parcels in the surrounding area that are dedicated to passive forest uses.
4. As described in the original application for C-0-09-20, the Bed and Breakfast will be a two-story, single-family dwelling containing a dining area, living room, kitchen, one resident bedroom suite, and nine guest bedrooms. Off-street parking will be provided on the Property, adjacent to the dwelling.

**B. Procedural Findings**

1. On March 18, 2022, Applicant filed its Conditional Use Application with Yamhill County for a home occupation to allow a nine-bedroom Country Inn Bed and Breakfast on the property.
2. On May 16, 2022, the Planning Director issued a decision letter approving the Conditional Use Application.

3. On May 31, 2022, Friends of Yamhill County filed an appeal of the Planning Director decision. In its appeal, Friends of Yamhill County raised two objections asserting that Applicant had failed to satisfy review criteria at Section 1004.01(C) and (F) of the Yamhill County Zoning Ordinance (“YCZO”). On July 5, 2022, Friends of Yamhill County submitted a second letter, raising two additional objections over findings under YCZO 1202.02(D) and YCZO 1202.02(E). In a July 6, 2022 letter, Applicant addressed objections raised by Friends of Yamhill County, pointing to Applicant’s application materials and the previously authorized use at the subject property.
4. Staff scheduled a public hearing before the Board of County Commissioners on July 7, 2022.
5. Staff issued a staff report on June 22, 2022. The staff report is attached as Exhibit 1.
6. The Board of County Commissioners held a public hearing on July 7, 2022. The Board accepted testimony from Applicant and from Friends of Yamhill County, closed the record, and deliberated. Based on the evidence in the record, the Board unanimously affirmed the Planning Director’s decision approving the application for a conditional use approval for a Home Occupation to allow a nine-guestroom Country Inn Bed and Breakfast. The Board directed staff and county counsel to prepare findings of fact and conclusions to document the decision, and on ~~8-18~~ 2022, the Board adopted the presented findings of fact and conclusions of law.

**C. Substantive Findings**

1. The applicable approval criteria and review standards are set forth in YCZO 402.07, 1004.01, 1012, and 1202.02.
2. YCZO 1202.02 Conditional Use Criteria

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

Regarding criterion (A), the applicant is requesting a conditional use approval of a home occupation to operate a nine (9) guestroom bed and breakfast. The bed and breakfast will be sited within a yet-to-be-built home that was approved as a principal dwelling in conjunction with farm use in C-09-20, dated May 11, 2020. Pursuant to subsection 402.04(I) of the YCZO, a bed and breakfast is a recognized home occupation in the Exclusive Farm use zone. The request complies with criterion 1202.02(A).

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

Regarding criterion (B), the Staff addressed applicable goals and policies in pages 3-4 of the staff report and through proposed conditions of approval and those findings are incorporated

here by reference. The Board agrees with the incorporated findings and finds that this criterion is met.

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

Regarding criterion (C), the Applicant demonstrated that the parcel is suitable for the proposed use considering its size, shape, location, topography, existence of improvements, and natural features, in pages 7-8 of the application narrative and those findings are incorporated here by reference. The Board agrees with the incorporated findings and finds that this criterion is met.

*(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 permission to use a single-family dwelling as a nine (9) guestroom bed and breakfast home occupation. Notice was sent to neighboring property owners and staff did not receive any comments or concerns from surrounding property owners. The surrounding area is a mix of large-scale farming activities in the form of vineyard and wine production, scattered fruit and nut tree orchards, and livestock stabling and pasturage in addition to rural residential uses. Friends of Yamhill County argued that the proposed use, specifically when added to other similar uses in the surrounding area, would alter the character of the surrounding use. After considering Friends of Yamhill County's argument, the Board found that nothing in the applicant's proposal indicates that the bed and breakfast will have a deleterious impact to the character of the surrounding area. There is no reason to believe the operation of a bed and breakfast as a home occupation in the Exclusive Farm use zone will substantially limit, impair, or prevent any permitted uses on surrounding properties. The fact that a neighboring property had received approval for a similar use is not a factor in considering whether the Applicant had met criterion (D). Applicant submitted a traffic analysis estimating a total of approximately 34 tips per week, which is unlikely to exceed the traffic normally generated by a family occupying a single-family home. In addition, no comments or concerns were received from neighboring properties on the proposal. With the proposed conditions of approval, the Board finds that this criterion is met.

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

Regarding criterion (E), the Board finds the conditions of approval ensure that this criterion is met.

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

Regarding criterion (F), and as mentioned in the staff report, notice of the applicant's proposed home occupation was sent to neighboring property owners for comment as well as noticed in a newspaper of general circulation. The county did not receive any comments or concerns regarding the proposed development from surrounding property owners. An appeal was received from Friends of Yamhill County and who raised concerns involving the impact of the proposal on the surrounding area and other allowable uses, and because another similar facility located in close proximity. The Board addressed the concerns during a public hearing on July 7, 2022 but concluded that the evidence on the record does not support Friends of Yamhill County's arguments that the proposal cannot meet YCZO 1202.02(F). Specifically, the Board considered the of "cumulative impacts" argument raised by Friends of Yamhill County because of the presence of a neighboring similar facility. The Board noted that such cumulative impacts analysis was not part of the criteria applying to Applicant's proposal and was not a factor the Board considers under YCZO 1202.02(F). For these reasons, the Board finds that this criterion is met, with conditions.

3. YCZO 1004.00 Home Occupation Criteria

*A. The home occupation will be operated by a resident of the property on which the business is located.*

*B. The home occupation will employ on the site no more than five full or part-time employees.*

*C. The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located.*

*D. The home occupation will not unreasonably interfere with existing uses on nearby land or with other uses permitted in the zone in which the property is located.*

*E. No more than one (1) home occupation shall be permitted in conjunction with any dwelling or parcel. Activities which are substantially different in nature shall be considered separate home occupations.*

*F. A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established, nor shall a home occupation be used as justification for a zone change.*

*G. The total area used for outdoor storage shall not exceed the allowable parcel coverage in the zone in which the home occupation is established.*

*H. There shall be no visible evidence of the conduct of a home occupation from any road or adjacent property, other than permitted signs. Any outdoor storage or outdoor work areas shall be effectively screened by vegetation or by a sight obscuring fence.*

*I. A home occupation shall not generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what normally occurs in the applicable zoning district.*

*J. A home occupation shall not generate traffic or parking beyond what normally occurs in the applicable zoning district.*

*K. Off-street parking spaces shall be provided for clients or patrons and shall not be located in any required yard.*

*L. One (1) on-premise sign shall be permitted in conjunction with a home occupation, subject to the sign provisions set forth in Section 1006.*

*M. The nature of a proposed home occupation shall be specified at the time of application. Any proposed change in the nature of an approved home occupation*

*N. A permit for a home occupation shall be deemed personal to the applicant and shall not run with the land. Upon notification by the county such permit shall expire two (2) years from the date of issuance, at which time the permit may be renewed by the Director upon a finding that the requirements of this ordinance are being met. A fee for renewal of the permit may be imposed by the Director.*

*O. A condition of approval may be placed on a home occupation requiring a review every 12 months following the date the permit was issued. The home occupation may be renewed if it continues to comply with the requirements of this ordinance and any other conditions of approval.*

*P. Pursuant to the nonconforming use provisions of Section 1205 of this ordinance, any proposed expansion or change in the nature of a home occupation in operation prior to adoption of this ordinance shall be subject to the requirements of this section and shall require a conditional use permit. In the event of denial of such an application, the home occupation shall be allowed to continue at its original scale and nature as a nonconforming use.*

Regarding the Home Occupation criteria of Section 1004.01, these criteria are addressed in pages 5-9 of the staff report and those findings are incorporated here by reference. The Board acknowledges Friends of Yamhill County's arguments concerning whether the use will occur within a single family dwelling. Specifically, Friends of Yamhill County argued that the structure was designed for transient occupancy, and as such not a dwelling allowed in the EFU zone, and could not meet criteria (C) and (F). The Board found that those arguments under (C) and (F)

were not convincing for the reasons presented on the record by staff and applicant, and the Board found that applicant satisfies YCZO 1004.00(C) and (F) notwithstanding Friends arguments to the contrary. The Board relied on the staff report findings that each bedroom of the proposed structure can be accessed from a shared hallway that shares common atmosphere with the rest of the house, with common areas and living space on both floors, and that structure meets the design standards for a single-family residence and the relevant criteria. In sum, The Board agrees with the incorporated findings and proposed conditions of approval and finds that the criterion in YCZO 1004.00(A)-(P) are or can be met.

4. YCZO 1012.01 Bed and Breakfast Criteria

A. *The following provisions shall apply to bed and breakfast facilities:*

1. *A bed and breakfast is a single-family dwelling where lodging is offered for compensation, having no more than nine (9) sleeping rooms for this purpose. Bed and breakfast operations that are undertaken from within a residence shall be considered as home occupations, and shall comply with the standards and limitations of Section 1004. A bed and breakfast inn may offer a morning meal for overnight guests only.*

2. *Water from any source other than a municipal or public supply shall be tested initially and annually thereafter, or more frequently as required by the County Health Department, and determined to be safe for public consumption.*

3. *When the facility has more than two rooms for rent, an on-site examination of the premises shall be made by a county health inspector to review food handling and tourist/traveler health and safety practices.*

4. *An on-site examination of the premises shall be made by local fire department personnel to advise of appropriate fire and safety code requirements.*

B. *Where facilities are approved for three or more guest bedrooms and up to 10 guests, State Administrative Rule and statutory requirements for Bed and Breakfast and Tourist/Traveler facility licensing shall be satisfied.*

Regarding the Bed and Breakfast criteria, the staff report found that these criteria would be met through conditions of approval and incorporated the applicable requirements are in the staff report's proposed conditions of approval. The Board accordingly finds that these criteria are met.

5. YCZO 402.07(A) Exclusive Farm Use District Conditional Use Standards

*Section 402.07(A) of the YCZO 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.*

Regarding criteria (A), these criteria are addressed in page 10 of the staff report and those findings are incorporated here by reference. The Board agrees with the incorporated findings and proposed conditions of approval and finds that this criterion is met.

**DECISION:**

The Board affirms the Planning Director's decision, approving the conditional use application. The Board finds that applicant's proposal complies with the applicable criteria in the YCZO as discussed above and affirms the approval of the conditional use application subject to the following conditions.

**CONDITIONS:**

1. The bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast is personal to the applicant and property owners, Grange Hill, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. The bed and breakfast will be operated by an onsite resident of the proposed single-family dwelling.
5. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
6. The use shall employ no more than five (5) full or part time employees.
7. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
8. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
9. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.

10. Prior to operation of the bed and breakfast, the water shall be tested initially and annually for nitrate and arsenic with quarterly bacteria tests thereafter and determined to be safe for public consumption by the Public Health Department. Results of the test shall be submitted to the Yamhill County Planning Department.
11. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
12. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to Section 1006 of the *Yamhill County Zoning Ordinance*.
13. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.
14. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.
15. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
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*

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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**BOC HEARING:** July 7, 2022

**DATE:** June 22, 2022

**DOCKET NO.:** C-03-22

**REQUEST:** A conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.

**APPLICANT:** Elaine Albrich for Grange Hill LLC

**OWNER:** Grange Hill LLC

**APPELLANT:** Kathryn Jernstedt for Friends of Yamhill County

**TAX LOT:** 3328-00102

**LOCATION:** 9580 NE Worden Hill Road, Dundee

**ZONE:** EF-40, Exclusive Farm District

**CRITERIA:** Sections 402.04(I), 1004.01, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.

**COMMENTS:** *Dundee Fire Department:* No response to date.  
*County Sanitarian:* Please see letter submitted by County Sanitarian on April 8<sup>th</sup>, 2022.  
*Water Master:* No response to date.  
*Public Works:* “We have reviewed the file and find no conflicts with our interests.”  
*Public Health:* No response to date.  
*Soil & Water Conservation District (SWCD):* No response to date.  
*Kathryn Jernstedt for Friend of Yamhill County PO Box 1083, McMinnville:* See comment provided on 4/25/2022

**EXHIBITS:**

- I. Decision Letter and Staff Report
- II. Appeal Application
- III. Application
- IV. Public Notice
- V. Public Agency Reports
- VI. Comments Received

**FINDINGS:**

**A. Background Facts**

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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1. *Parcel Size:* The property measures approximately 18.89-acres.
2. *Access:* NE Worden Hill Road.
3. *On-site Land Use and Zoning:* The property is located within the Exclusive Farm Use District, the EF-40 zone. The subject property has approximately 13-acres of wine grapes planted on-site. There is a well house and a pole building located on the subject parcel.
4. *Surrounding Land Use and Zoning:* The surrounding parcels are located in the Exclusive Farm Use EF-20 and EF-40 zones. The surrounding area is predominantly dedicated to agricultural uses, including vineyards, fruit and/or nut orchards, as well as some livestock grazing and pasturage. Some parcels in the area contain wineries and/or tasting rooms. There are some parcels in the surrounding area that are dedicated to passive forest uses as well.
5. *Water:* The applicant has indicated that water is provided by an on-site well.
6. *Sewage Disposal:* An existing septic system.
7. *Fire Protection:* Dundee Rural Fire District.
8. *Previous Actions:* A lot line adjustment was approved in 2015, through Docket L-44-15. In 2016, the subject parcel received approval for the principal dwelling in conjunction with farm use, Docket FD-05-16. This dwelling approval will lead to the construction of the home that will operate as the proposed bed and breakfast. A conditional use bed and breakfast as a home occupation was approved in 2020 for previous owners through Docket C-09-20. In 2020 there were 2 lot line adjustments that give the parcel its current configuration, Docket L-19-20 and L-03-20.
9. *Deferral:* The Assessor's office records indicate that the property is receiving 16-acres of 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 within an airport overlay district. The subject parcel is not located within the 100-year floodplain, per FIRM panel 41071C0225D.
11. *Explanation of the request:* The applicant has submitted a conditional use request for the operation of a nine (9) guestroom Bed and Breakfast as a home occupation from an approved, but not yet built, single-family dwelling.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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**B. Conditional Use Provisions and Analysis**

1. 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 approval of a home occupation to operate a nine (9) guestroom bed and breakfast. The bed and breakfast will be sited within a yet-to-be-built home that was approved as a principal dwelling in conjunction with farm use. Pursuant to subsection 402.04(I) of the YCZO, a bed and breakfast is a recognized home occupation in the Exclusive Farm use zone. The request complies with criterion 1202.02(A).

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 standards or criteria for review of home occupations. While these are not in themselves criteria, they are in part what the criteria was based upon. Applicable goals and policies from the *Yamhill County Comprehensive Plan* are addressed below.

Section I.E Goal 1 Policy i. states:

*A reasonable expansion of the concept and definition of home occupation will apply to very low density residential and agricultural small and large holding areas where small-scale, family-operated, home-craft industry or repair service has been traditionally carried on, and such uses will be reasonably regulated, subject to limitations on location, scale, performance characteristics, commercial character, and visibility from bounding roads or adjoining property.*

The definition of a home occupation consists of an activity involving the sale of a service carried on in compliance with Section 1004 of the YCZO by a resident of the property on which the business is located. The applicant's request is for the provision of short-term lodging and a breakfast meal, from a single-family dwelling. The application identifies Section I.F, Goal 1 of the Comprehensive Plan, which establishes as a goal for the County "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and under-employment in the county, balance the real property tax base of the various cities, and strengthen local economic bases." The application states that the proposed bed and breakfast will increase the economic activity of surrounding businesses and farms by serving food and beverage products derived from locally sourced farm products, encouraging guests to patronize and purchase from local farms and businesses, and by providing employment to up to three (3) employees. There is a long tradition of bed and breakfast services being offered. The review criteria in Section 1004 provide standards which guide and may limit the location, scale, performance characteristics, commercial character and visibility as noted above, and will

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

be addressed in this report.

3. (C) *The parcel is suitable for the proposed use considering its size, shape, location, 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 18.89-acres in size with adequate space to site the proposed single-family dwelling. The property is located along the crest of a hill and the proposed building site of the home is relatively flat, with a gentle southeasterly slope. The septic records on file for the parcel indicate that a septic evaluation was completed in 2021 ensuring that the septic is sized accordingly for the number of bedrooms proposed for the dwelling. The applicant has acknowledged the Sanitarian's request and has agreed to schedule a septic site evaluation. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.

The property has access to NE Worden Hill Road, by way of a paved easement road that passes through a neighboring parcel to the west, Tax Lot 3328-00100. A condition of approval will require that the access to the bed and breakfast is inspected and approved by the local rural fire protection district prior to the operation of the bed and breakfast. There are no natural features of special noteworthiness that will be disturbed due to the operation of a bed and breakfast on the subject parcel. With conditions, the size, shape, location, topography, and existing improvements are suitable for the proposed use of the dwelling as a bed and breakfast.

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 permission to use a single-family dwelling as a nine (9) guestroom bed and breakfast home occupation. Notice was sent to neighboring property owners and staff did not receive any comments or concerns from surrounding property owners.

The surrounding area is a mix of large-scale farming activities in the form of vineyard and wine production, scattered fruit and nut tree orchards, and livestock stabling and pasturage in addition to rural residential uses. Nothing in the applicant's proposal indicates that the bed and breakfast will have a deleterious impact to the character of the surrounding area. There is no reason to believe the operation of a bed and breakfast as a home occupation in the Exclusive Farm use zone will substantially limit, impair, or prevent any permitted uses on surrounding properties. With conditions, the request complies with criterion 1202.02(D).

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

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

Regarding criterion (E), as mentioned in Section B.3. of this staff report, the applicant must have a septic evaluation and approval from the County Sanitarian prior to operation of the bed and breakfast to ensure the septic system is functional and adequately designed to meet the needs of a 10-bedroom dwelling. As mentioned above, in Findings B.3, the driveway providing access to the property must be inspected by the Dundee Fire Department prior to operation of the bed and breakfast. As mentioned above, in Findings B.3 of this staff report, the applicant must receive any necessary building, plumbing, mechanical permits, and inspections prior to operation of the bed and breakfast home occupation. A condition of approval will require that the applicant test the water for nitrate and arsenic with quarterly bacteria tests thereafter to verify the water is safe for public consumption by the Public Health Department. Testing results must be submitted to the Yamhill County Planning Department. With conditions, the request complies with criterion 1202.02(E) above.

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

Regarding criterion (F), notice of the applicant's proposed home occupation was sent to neighboring property owners for comment as well as noticed in a newspaper of general circulation. The county did not receive any comments or concerns regarding the proposed development from surrounding property owners. An appeal was received from Kathryn Jernstedt with Friends of Yamhill County. The request for appeal is further addressed in this staff report below.

Given that the proposal is for the operation of a nine (9) guestroom bed & breakfast as a home occupation from a single-family dwelling, traffic generated from the proposed use is not expected to increase beyond what may normally be expected in the Exclusive Farm use zone. With conditions, the proposed use appears to be compatible with the character and land use patterns of the surrounding area and complies with criteria (F).

### **C. Home Occupation Review Criteria**

1. The following standards and limitations shall apply to home occupations:
- A. *The home occupation will be operated by a resident of the property on which the business is located.*

Staff notes that page one of the application narrative states the following: "the bed and breakfast will be a two-story, single-family dwelling containing a dining area, living room, kitchen, one resident bedroom suite, and nine guest bedrooms." Based off this language, staff believes that there will be living space for the bed and breakfast operator who will be an on-site resident. With conditions, the request complies with criterion (A).

2. B. *The home occupation will employ on the site no more than five full or part-time*

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

*employees.*

Regarding criterion (B) above, the applicant acknowledges and agrees to abide by this limitation to the number of employees working in conjunction with this home occupation. The application states that while the ordinance allows for up to five (5) on-site employees, the applicant is planning on only having three (3) on-shift employees working at the bed and breakfast, including the innkeeper. The proposed home occupation will at no time have more than five (5) employees on-site. With conditions, the request complies with criterion (B).

3. C. *The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located.*

Regarding criterion (C), the application states that the proposed nine (9) guestroom bed and breakfast will be substantially operated from a single-family dwelling, once it has been built. The proposed single-family dwelling has ten bedrooms with ensuite bathrooms. Each bedroom can be accessed from a shared heated hallway that shares common atmosphere with the rest of the house. Common areas and living space is shown on both floors. The plans show that the kitchen is next to an area marked as a common space on the first floor. The structure meets the design standards for a single-family residence. A single-family residence is a building normally found in the Exclusive Farm use (EF-20) zone.

4. D. *The home occupation will not unreasonably interfere with existing uses on nearby land or with other uses permitted in the zone in which the property is located.*

Staff notes that this same use was approved for this subject parcel in 2020 under an application made by the previous owners. At that time, the proposed use was found to be in compliance with the same review criteria and standards that this application does.

This request was processed as a "Type B" application. This requires that surrounding neighbors be notified of the pending administrative action and provided with a fifteen-day comment period during which time they can request a hearing. No comments from surrounding property owners were received during the comment period. Comment was received from the opponent during this time. On May 16, 2022, Director Friday issued his decision and provided notice to surrounding property owners and to interested parties of the 15-day appeal period. No comments or request for appeal were submitted by surrounding property owners during the appeal period. Friends appeal was received on May 31, 2022.

For these reasons staff believes that the proposed use will not unreasonably interfere with existing uses on nearby land or with other uses permitted in the underlying zone. The use appears to be compatible with the character and land use patterns of the surrounding area, therefore with imposition of appropriate and proportionate conditions, the request

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

satisfies criterion (D) above.

5. *E. No more than one (1) home occupation shall be permitted in conjunction with any dwelling or parcel. Activities which are substantially different in nature shall be considered separate home occupations.*

The request is consistent with criterion (E) because there are no other home occupations on the parcel.

6. *F. A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established, nor shall a home occupation be used as justification for a zone change.*

Regarding criterion (F), the applicant is requesting the use of a single-family dwelling for the operation of a nine (9) guestroom bed and breakfast as a home occupation. While the home is not yet built on the property. There is an existing principal farm dwelling approval, Docket FD-05-16, the dwelling will be built as a single-family dwelling. A principal farm dwelling is allowed in the Exclusive Farm use zone.

If approved, a condition of approval will require that all necessary permits have been issued prior to construction of the dwelling or operation of the bed and breakfast. The applicant is not requesting a zone change. With conditions, the applicant's proposal is consistent with criterion (F).

7. *G. The total area used for outdoor storage shall not exceed the allowable parcel coverage in the zone in which the home occupation is established.*

Regarding criterion (G), the proposed home occupation is located in the Exclusive Farm Use District, the EF-40 zone, which limits parcels to coverage of fifteen (15) percent for parcels less than one (1) acre in size. The applicant's parcel is approximately 19.23-acres in size, therefore the parcel coverage standard is not applicable. The request complies with criterion (G).

8. *H. There shall be no visible evidence of the conduct of a home occupation from any road or adjacent property, other than permitted signs. Any outdoor storage or outdoor work areas shall be effectively screened by vegetation or by a sight obscuring fence.*

Regarding criterion (H), the bed and breakfast shall be operated substantially from within a single-family dwelling. The applicant has indicated that guests will also have access to an outdoor patio space. There will be no outdoor storage or work areas associated with the proposed bed and breakfast operation. The applicant has proposed the placement of signage on the property. The applicant must apply for a sign placement permit, prior to placement of a sign. Any future placement of a sign must satisfy the Signs ordinance, Section 1006 of the YCZO. With conditions, the request is consistent with criterion (H).

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

9. I. *A home occupation shall not generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what normally occurs in the applicable zoning district.*

Regarding criterion (I), the applicant is requesting the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling to be built at a future date. There are no activities proposed that will generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what may normally occur in the Exclusive Farm Use District, EF-40 zone. The request is consistent with criterion (I).

10. J. *A home occupation shall not generate traffic or parking beyond what normally occurs in the applicable zoning district.*

Regarding criterion (J), traffic generated from patrons commuting to the bed and breakfast is unlikely to exceed the traffic that may normally be generated by a family occupying a single-family home of the size proposed by the applicant, and what otherwise might be encountered in the EF-40 zone. The applicant submitted a traffic analysis that estimates a total of approximately 34-trips per week to the bed and breakfast. If approved, a condition of approval will require that the applicant maintain sufficient off-street parking for guests and all employees working on a maximum shift. With conditions, the request is consistent with criterion (J).

11. K. *Off-street parking spaces shall be provided for clients or patrons and shall not be located in any required yard.*

Regarding criterion (K), as addressed in Findings C.10. above, with the condition of approval to maintain off-street parking sufficient to meet the needs of guests and employees, the request complies with criterion (K).

12. L. *One (1) on-premise sign shall be permitted in conjunction with a home occupation, subject to the sign provisions set forth in Section 1006.*

Regarding criterion (L), the applicant has indicated an interest in the placement of a future on-premise sign. Any request for a sign must satisfy the provisions set forth in Section 1006 of the YCZO. With conditions, the request complies with criterion (L).

13. M. *The nature of a proposed home occupation shall be specified at the time of application. Any proposed change in the nature of an approved home occupation shall require a new conditional use permit. Any departure from the uses and activities initially specified shall be considered grounds for revocation of the conditional use permit.*

Regarding criterion (M), this is a regulation that applies to all home occupations. The applicant is requesting the use of a single-family dwelling as a nine (9) guestroom bed and breakfast as a home occupation. Any increase in the number of guestrooms or other

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

change in use will require the submission of a new conditional use application. The applicant may not host events such as weddings without receiving additional land use review and approval. With conditions, the request complies with criterion (M).

14. N. *A permit for a home occupation shall be deemed personal to the applicant and shall not run with the land. Upon notification by the county such permit shall expire two (2) years from the date of issuance, at which time the permit may be renewed by the Director upon a finding that the requirements of this ordinance are being met. A fee for renewal of the permit may be imposed by the Director.*

Regarding criterion (N), this is a regulation that applies to all home occupations. This requirement will be included as a condition on any approval.

15. O. *A condition of approval may be placed on a home occupation requiring a review every 12 months following the date the permit was issued. The home occupation may be renewed if it continues to comply with the requirements of this ordinance and any other conditions of approval.*

Regarding criterion (O), this is a regulation that applies to all home occupations. This requirement will be included as a condition on any approval.

16. P. *Pursuant to the nonconforming use provisions of Section 1205 of this ordinance, any proposed expansion or change in the nature of a home occupation in operation prior to adoption of this ordinance shall be subject to the requirements of this section and shall require a conditional use permit. In the event of denial of such an application, the home occupation shall be allowed to continue at its original scale and nature as a nonconforming use.*

Regarding criterion (P), this request is for a new home occupation, not the continuation or modification of a nonconforming use. The request complies with criterion (P).

**D. Bed and Breakfast Standards**

1. Section 1012.01(A) and (B) of the YCZO contains provisions which apply to bed and breakfast inns, as follows:

A. *The following provisions shall apply to bed and breakfast facilities:*

1. *A bed and breakfast is a single-family dwelling where lodging is offered for compensation, having no more than nine (9) sleeping rooms for this purpose. Bed and breakfast operations that are undertaken from within a residence shall be considered as home occupations, and shall comply with the standards and limitations of Section 1004. A bed and breakfast inn may offer a morning meal for overnight guests only.*
2. *Water from any source other than a municipal or public supply shall be*

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

*tested initially and annually thereafter, or more frequently as required by the County Health Department, and determined to be safe for public consumption.*

3. *When the facility has more than two rooms for rent, an on-site examination of the premises shall be made by a county health inspector to review food handling and tourist/traveler health and safety practices.*
4. *An on-site examination of the premises shall be made by local fire department personnel to advise of appropriate fire and safety code requirements.*

B. *Where facilities are approved for three or more guest bedrooms and up to 10 guests, State Administrative Rule and statutory requirements for Bed and Breakfast and Tourist/Traveler facility licensing shall be satisfied.*

The applicable requirements of the above section will be made conditions of approval. The applicant is requesting permission to operate a nine (9) guestroom bed and breakfast, therefore the State Administrative Rules and statutory licensing requirements for a Bed and Breakfast or Tourist/Traveler lodging facility are required and must be satisfied prior to operation of the bed and breakfast.

**E. Exclusive Farm Use District Conditional Use Standards**

1. Section 402.07(A) of the YCZO 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.*

Surrounding farm uses include the cultivation of wine grapes, fruit and nuts, as well as the pasturage and grazing of livestock. Notice was sent out to surrounding property owners, within 750 feet of the applicant's property, and there were no comments submitted that indicated approval of the home occupation would force significant change or significantly increase the cost of farm or forest uses. The home occupation, as proposed, is not expected to generate any adverse impacts upon surrounding lands that would lead to changes in neighboring farm or forest uses and practices. The proposed conditional use of the property for a home occupation will be conducted substantially within a single-family dwelling. The applicant has indicated that access to the bed and breakfast will be paved to mitigate the creation of dust that could inconvenience neighboring property owners. The applicant's proposed home occupation does not require any changes to the existing infrastructure or services in the area. The applicant is proposing the operation of a bed and breakfast from a single-family dwelling. The dwelling was approved, in 2016, as a principal dwelling in conjunction with farm use.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

The applicant states that there is space on the subject property to adequately serve the parking needs of employees and patrons. With conditions, the proposed home occupation satisfies Section 402.07 (A) of the YCZO.

**COMMENTS IN OPPOSITION**

On May 31, 2022, Yamhill County Planning received an appeal application submitted by Kathryn Jernstedt on behalf of Friends of Yamhill County. The appeal focusses on two specific review criteria that they believe this application fails to satisfy. Specifically, Section 1004.01(C) and (F). These two standards require that the home occupation be operated from the dwelling and that the application cannot be used as a means to build a structure that is not allowed in the underlying zone.

The appeal narrative refers to the building plans for the proposed dwelling, “show that the structure is not a dwelling” and “that while it may be possible for one family to reside in such a structure, this one is clearly designed for transient occupancy, a use that is specifically excluded from the definition of dwelling.” Friends argues that the proposed structure is not a dwelling and as such, this application is seeking to permit construction of a building that would not otherwise be allowed in the underlying zone.

**CONCLUSIONS FOR APPROVAL:**

1. The applicant has requested a conditional use permit to allow the operation of a nine (9) guestroom bed and breakfast from an approved but yet to be built single-family dwelling on Tax Lot 3328-00102.
2. With conditions, the request complies with the conditional use criteria listed in Sections 402.04(I), 1004, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*.
3. The request complies with the goals and policies of the Yamhill County Comprehensive Plan.

**CONCLUSIONS FOR DENIAL:**

1. The applicant has not demonstrated that the request is consistent with the approval criteria of Sections, 402.04(I), 1004, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*.
2. The request does not comply with the goals and policies of the Yamhill County Comprehensive Plan.

**RECOMMENDATION:**

*A recommendation will be given after the receipt of testimony.*

If the Board of Commissioners decides to approve the use, the Planning Staff would recommend the following conditions be placed on any approval:

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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1. The bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast is personal to the applicant and property owners, Grange Hill, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. The bed and breakfast will be operated by an onsite resident of the proposed single-family dwelling.
5. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
6. The use shall employ no more than five (5) full or part time employees.
7. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
8. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
9. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.
10. Prior to operation of the bed and breakfast, the water shall be tested initially and annually for nitrate and arsenic with quarterly bacteria tests thereafter and determined to be safe for public consumption by the Public Health Department. Results of the test shall be submitted to the Yamhill County Planning Department.
11. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
12. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to Section 1006 of the *Yamhill County Zoning Ordinance*.
13. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

14. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.
15. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
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*.

I. DECISION LETTER AND ORIGINAL  
STAFF REPORT

# 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>

May 16, 2022

Grange Hill LLC  
C/o Elaine Albrich  
1300 SW 5<sup>th</sup> Ave Suite 2400  
Portland, OR 97201

Re: **Docket No. C-03-22, Tax Lot 3328-102**

In reference to your application for a conditional use to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation on a parcel identified as Tax Lot 3328-00102, the 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:

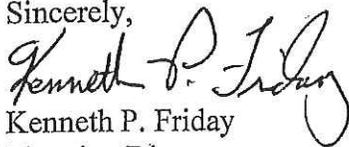
1. The bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast is personal to the applicant and property owners, Grange Hill, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. The bed and breakfast will be operated by an onsite resident of the proposed single-family dwelling.
5. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
6. The use shall employ no more than five (5) full or part time employees.
7. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
8. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
9. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.
10. Prior to operation of the bed and breakfast, the water shall be tested initially and annually for nitrate and arsenic with quarterly bacteria tests thereafter and determined to be safe for public consumption by the Public Health Department. Results of the test shall be submitted to the Yamhill County Planning Department.

11. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
12. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to Section 1006 of the *Yamhill County Zoning Ordinance*.
13. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.
14. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.
15. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
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*.

This decision is based on findings and conclusions as contained in the staff report. 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., May 31, 2022**. 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.

If you have any questions, please contact this office.

Sincerely,



Kenneth P. Friday  
Planning Director

cc: Board of Commissioners  
Assessor  
Public Works  
Dundee Fire District  
SPOs

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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**DATE:** May 10, 2022

**DOCKET NO.:** C-03-22

**REQUEST:** A conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.

**APPLICANT:** Elaine Albrich for Grange Hill LLC

**OWNER:** Grange Hill LLC

**TAX LOT:** 3328-00102

**LOCATION:** 9580 NE Worden Hill Road, Dundee

**ZONE:** EF-40, Exclusive Farm District

**CRITERIA:** Sections 402.04(I), 1004.01, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.

**COMMENTS:** *Dundee Fire Department:* No response to date.  
*County Sanitarian:* Please see letter submitted by County Sanitarian on April 8<sup>th</sup>, 2022.  
*Water Master:* No response to date.  
*Public Works:* "We have reviewed the file and find no conflicts with our interests."  
*Public Health:* No response to date.  
*Soil & Water Conservation District (SWCD):* No response to date.  
*Kathryn Jernstedt for Friend of Yamhill County PO Box 1083, McMinnville,*  
See comment provided on 4/25/2022

**FINDINGS:**

**A. Background Facts**

1. *Parcel Size:* The property measures approximately 18.89-acres.
2. *Access:* NE Worden Hill Road.
3. *On-site Land Use and Zoning:* The property is located within the Exclusive Farm Use District, the EF-40 zone. The subject property has approximately 13-acres of wine grapes planted on-site. There is a well house and a pole building located on the subject parcel.

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

4. *Surrounding Land Use and Zoning:* The surrounding parcels are located in the Exclusive Farm Use EF-20 and EF-40 zones. The surrounding area is predominantly dedicated to agricultural uses, including vineyards, fruit and/or nut orchards, as well as some livestock grazing and pasturage. Some parcels in the area contain wineries and/or tasting rooms. There are some parcels in the surrounding area that are dedicated to passive forest uses as well.
5. *Water:* The applicant has indicated that water is provided by an on-site well.
6. *Sewage Disposal:* An existing septic system.
7. *Fire Protection:* Dundee Rural Fire District.
8. *Previous Actions:* A lot line adjustment was approved in 2015, through Docket L-44-15. In 2016, the subject parcel received approval for the principal dwelling in conjunction with farm use, Docket FD-05-16. This dwelling approval will lead to the construction of the home that will operate as the proposed bed and breakfast. A bed and breakfast was approved in 2020 for previous owners through Docket C-09-20. In 2020 there were 2 lot line adjustments that give the parcel its current configuration, Docket L-19-20 and L-03-20.
9. *Deferral:* The Assessor's office records indicate that the property is receiving 16-acres of 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 within an airport overlay district. The subject parcel is not located within the 100-year floodplain, per FIRM panel 41071C0225D.
11. *Explanation of the request:* The applicant has submitted a conditional use request for the operation of a nine (9) guestroom Bed and Breakfast as a home occupation from an approved, but not yet built single-family dwelling.

**B. Conditional Use Provisions and Analysis**

1. 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 approval of a home occupation to operate a nine (9) guestroom bed and breakfast. The bed and breakfast will be sited within a yet-to-be-built home that was approved as a principal dwelling in conjunction with farm use. Pursuant to subsection 402.04(I) of the YCZO, a bed and breakfast is a recognized home occupation in the Exclusive Farm use zone. The request complies with criterion 1202.02(A).

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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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 standards or criteria for review of home occupations. While these are not in themselves criteria, they are in part what the criteria was based upon. Applicable goals and policies from the *Yamhill County Comprehensive Plan* are addressed below.

Section I.E Goal 1 Policy i. states:

*A reasonable expansion of the concept and definition of home occupation will apply to very low density residential and agricultural small and large holding areas where small-scale, family-operated, home-craft industry or repair service has been traditionally carried on, and such uses will be reasonably regulated, subject to limitations on location, scale, performance characteristics, commercial character, and visibility from bounding roads or adjoining property.*

The definition of a home occupation consists of an activity involving the sale of a service carried on in compliance with Section 1004 of the YCZO by a resident of the property on which the business is located. The applicant's request is for the provision of short-term lodging and a breakfast meal, from a single-family dwelling. The application identifies Section I.F, Goal 1 of the Comprehensive Plan, which establishes as a goal for the County "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and under-employment in the county, balance the real property tax base of the various cities, and strengthen local economic bases." The application states that the proposed bed and breakfast will increase the economic activity of surrounding businesses and farms by serving food and beverage products derived from locally sourced farm products, encouraging guests to patronize and purchase from local farms and businesses, and by providing employment to up to three (3) employees. There is a long tradition of bed and breakfast services being offered. The review criteria in Section 1004 provide standards which guide and may limit the location, scale, performance characteristics, commercial character and visibility as noted above, and will be addressed in this report.

3. (C) *The parcel is suitable for the proposed use considering its size, shape, location, 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 18.89-acres in size with adequate space to site the proposed single-family dwelling. The property is located along the crest of a hill and the proposed building site of the home is relatively flat, with a gentle southeasterly slope. The septic records on file for the parcel indicate that a septic evaluation was completed in 2021 ensuring that the septic is sized accordingly for the proposed use. The applicant has acknowledged the Sanitarian's request and has agreed to schedule a septic site evaluation. Prior to operation of the home

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.

The property has access to NE Worden Hill Road, by way of a paved easement road that passes through a neighboring parcel to the west, Tax Lot 3328-100. A condition of approval will require that the access to the bed and breakfast is inspected and approved by the local rural fire protection district prior to the operation of the bed and breakfast. There are no natural features of special noteworthiness that will be disturbed due to the operation of a bed and breakfast on the subject parcel. With conditions, the size, shape, location, topography, and existing improvements are suitable for the proposed use of the dwelling as a bed and breakfast.

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 permission to use a single-family dwelling as a nine (9) guestroom bed and breakfast facility. Notice was sent to neighboring property owners and staff did not receive any comments or concerns from surrounding property owners.

The surrounding area is a mix of large-scale farming activities in the form of vineyard and wine production, scattered fruit and nut tree orchards, and livestock stabling and pasturage in addition to rural residential uses. Nothing in the applicant's proposal indicates that the bed and breakfast will have a deleterious impact to the character of the surrounding area. There is no reason to believe the operation of a bed and breakfast facility in the Exclusive Farm use zone will substantially limit, impair, or prevent any permitted uses on surrounding properties. With conditions, the request complies with criterion 1202.02(D).

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), as mentioned in Section B.3. of this staff report, the applicant must have a septic evaluation and approval from the County Sanitarian prior to operation of the bed and breakfast to ensure the septic system is functional and adequately designed to meet the needs of the residents and guests to the bed and breakfast. As mentioned above, in Findings B.3, the driveway providing access to the property must be inspected by the Dundee Fire Department prior to operation of the bed and breakfast. As mentioned above, in Findings B.3 of this staff report, the applicant must receive any necessary building, plumbing, mechanical permits, and inspections prior to operation of the bed and breakfast facility. A condition of approval will require that the applicant test the water for nitrate and arsenic with quarterly bacteria tests thereafter to verify the water is safe for public consumption by the Public Health Department. Testing results must be submitted to the Yamhill County Planning Department. With conditions, the request complies with criterion 1202.02(E) above.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

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

Regarding criterion (F), notice of the applicant's proposed home occupation was sent to neighboring property owners for comment as well as noticed in a newspaper of general circulation.

The county did not receive any comments or concerns from surrounding property owners. Given that the proposal is for the operation of a nine (9) guestroom bed & breakfast from a single-family dwelling, traffic generated from the proposed use is not expected to increase beyond what may normally be expected in the Exclusive Farm use zone. With conditions, the proposed use appears to be compatible with the character and land use patterns of the surrounding area and complies with criteria (F).

**C. Home Occupation Review Criteria**

1. The following standards and limitations shall apply to home occupations:

- A. *The home occupation will be operated by a resident of the property on which the business is located.*

Regarding criterion (A), the Planning Department received a single comment from Kathryn Jernstedt, president of Friends of Yamhill County. Ms. Jernstedt expressed concerns that the application does not include any plans to assure that the yet to be built single family dwelling will be built in keeping with the definition of a residential dwelling or that it must include a living space for the owner/operator.

Staff notes that page one of the application narrative states the following: "the bed and breakfast will be a two-story, single-family dwelling containing a dining area, living room, kitchen, one resident bedroom suite, and nine guest bedrooms." Based off of this language staff believes that the narrative addresses that the homesite must be operated from a single-family dwelling, with a single kitchen, and that there will be living space for the bed and breakfast operator. With conditions, the request complies with criterion (A).

2. B. *The home occupation will employ on the site no more than five full or part-time employees.*

Regarding criterion (B) above, the applicant acknowledges and agrees to abide by this limitation to the number of employees working in conjunction with this home occupation. The application states that while the ordinance allows for up to five (5) on-site employees, the applicant is planning on only having three (3) on-shift employees working at the bed and breakfast, including the innkeeper. The proposed home occupation will at no time have more than five (5) employees on-site. With conditions, the request complies with criterion (B).

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

3. C. *The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located.*

Regarding criterion (C), the application states the proposed nine (9) guestroom bed and breakfast facility will be substantially operated from a single-family dwelling, once it has been built. A single-family residence is a building normally found in the Exclusive Farm use (EF-20) zone. With conditions, the applicant's proposed request complies with criterion (C).

4. D. *The home occupation will not unreasonably interfere with existing uses on nearby land or with other uses permitted in the zone in which the property is located.*

Regarding criterion (D), the applicant states that the bed and breakfast will provide lodging in support of the local agricultural and service economy. The dwelling will be used as a bed and breakfast facility, offering short-term lodging for travelers, and while the number of individuals staying at the home will fluctuate over time there is no indication that the bed and breakfast, as proposed, would unreasonably interfere with existing uses on nearby properties. The proposed use appears to be compatible with the character and land use patterns of the surrounding area, therefore with imposition of appropriate and proportionate conditions, the request satisfies criterion (D) above.

5. E. *No more than one (1) home occupation shall be permitted in conjunction with any dwelling or parcel. Activities which are substantially different in nature shall be considered separate home occupations.*

The request is consistent with criterion (E) because there are no other home occupations on the parcel.

6. F. *A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established, nor shall a home occupation be used as justification for a zone change.*

Regarding criterion (F), the applicant is requesting the use of a single-family dwelling for the operation of a nine (9) guestroom bed and breakfast facility. While the home is not yet built on the property. There is an existing principal farm dwelling approval, Docket FD-05-16, the dwelling will be built as a single-family dwelling. A principal farm dwelling is allowed in the Exclusive Farm use zone. A condition of approval will require that all necessary permits have been issued prior to construction of the dwelling or operation of the bed and breakfast. The applicant is not requesting a zone change. With conditions, the applicant's proposal is consistent with criterion (F).

7. G. *The total area used for outdoor storage shall not exceed the allowable parcel*

YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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*coverage in the zone in which the home occupation is established.*

Regarding criterion (G), the proposed home occupation is located in the Exclusive Farm Use District, the EF-40 zone, which limits parcels to coverage of fifteen (15) percent for parcels less than one (1) acre in size. The applicant's parcel is approximately 19.23-acres in size, therefore the parcel coverage standard is not applicable. The request complies with criterion (G).

8. *H. There shall be no visible evidence of the conduct of a home occupation from any road or adjacent property, other than permitted signs. Any outdoor storage or outdoor work areas shall be effectively screened by vegetation or by a sight obscuring fence.*

Regarding criterion (H), the bed and breakfast shall be operated substantially from within a single-family dwelling. The applicant has indicated that guests will have access to an outdoor patio space. There will be no outdoor storage or work areas associated with the proposed bed and breakfast operation. The applicant has proposed the placement of signage on the property. The applicant must apply for a sign placement permit, prior to placement of a sign. Any future placement of a sign must satisfy the Signs ordinance, Section 1006 of the YCZO. With conditions, the request is consistent with criterion (H).

9. *I. A home occupation shall not generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what normally occurs in the applicable zoning district.*

Regarding criterion (I), the applicant is requesting the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling to be built at a future date. There are no activities proposed that will generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what may normally occur in the Exclusive Farm Use District, EF-40 zone. The request is consistent with criterion (I).

10. *J. A home occupation shall not generate traffic or parking beyond what normally occurs in the applicable zoning district.*

Regarding criterion (J), traffic generated from patrons commuting to the bed and breakfast is unlikely to exceed the traffic that may normally be generated by a family occupying a single-family home of the size proposed by the applicant, and what otherwise might be encountered in the EF-40 zone. The applicant submitted a traffic analysis that estimates a total of approximately 34-trips per week to the bed and breakfast. A condition of approval will require that the applicant maintain sufficient off-street parking for guests and all employees working on a maximum shift. With conditions, the request is consistent with criterion (J).

11. *K. Off-street parking spaces shall be provided for clients or patrons and shall not be located in any required yard.*

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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Regarding criterion (K), as addressed in Findings C.10. above, with the condition of approval to maintain off-street parking sufficient to meet the needs of guests and employees, the request complies with criterion (K).

12. L. *One (1) on-premise sign shall be permitted in conjunction with a home occupation, subject to the sign provisions set forth in Section 1006.*

Regarding criterion (L), the applicant has indicated an interest in the placement of a future on-premise sign. Any request for a sign must satisfy the provisions set forth in Section 1006 of the YCZO. With conditions, the request complies with criterion (L).

13. M. *The nature of a proposed home occupation shall be specified at the time of application. Any proposed change in the nature of an approved home occupation shall require a new conditional use permit. Any departure from the uses and activities initially specified shall be considered grounds for revocation of the conditional use permit.*

Regarding criterion (M), this is a regulation that applies to all home occupations. The applicant is requesting the use of a single-family dwelling as a nine (9) guestroom bed and breakfast facility. Any increase in the number of guestrooms or other change in use will require the submission of a new conditional use application. The applicant may not host events such as weddings without receiving additional land use review and approval. With conditions, the request complies with criterion (M).

14. N. *A permit for a home occupation shall be deemed personal to the applicant and shall not run with the land. Upon notification by the county such permit shall expire two (2) years from the date of issuance, at which time the permit may be renewed by the Director upon a finding that the requirements of this ordinance are being met. A fee for renewal of the permit may be imposed by the Director.*

Regarding criterion (N), this is a regulation that applies to all home occupations. This requirement will be included as a condition on any approval.

15. O. *A condition of approval may be placed on a home occupation requiring a review every 12 months following the date the permit was issued. The home occupation may be renewed if it continues to comply with the requirements of this ordinance and any other conditions of approval.*

Regarding criterion (O), this is a regulation that applies to all home occupations. This requirement will be included as a condition on any approval.

16. P. *Pursuant to the nonconforming use provisions of Section 1205 of this ordinance, any proposed expansion or change in the nature of a home occupation in operation prior to adoption of this ordinance shall be subject to the requirements of this section and shall require a conditional use permit. In the event of denial of such an application, the home occupation shall be allowed to continue at its*

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

*original scale and nature as a nonconforming use.*

Regarding criterion (P), this request is for a new home occupation, not the continuation or modification of a nonconforming use. The request complies with criterion (P).

**D. Bed and Breakfast Standards**

1. Section 1012.01(A) and (B) of the YCZO contains provisions which apply to bed and breakfast inns, as follows:

*A. The following provisions shall apply to bed and breakfast facilities:*

- 1. A bed and breakfast is a single-family dwelling where lodging is offered for compensation, having no more than nine (9) sleeping rooms for this purpose. Bed and breakfast operations that are undertaken from within a residence shall be considered as home occupations, and shall comply with the standards and limitations of Section 1004. A bed and breakfast inn may offer a morning meal for overnight guests only.*
- 2. Water from any source other than a municipal or public supply shall be tested initially and annually thereafter, or more frequently as required by the County Health Department, and determined to be safe for public consumption.*
- 3. When the facility has more than two rooms for rent, an on-site examination of the premises shall be made by a county health inspector to review food handling and tourist/traveler health and safety practices.*
- 4. An on-site examination of the premises shall be made by local fire department personnel to advise of appropriate fire and safety code requirements.*

*B. Where facilities are approved for three or more guest bedrooms and up to 10 guests, State Administrative Rule and statutory requirements for Bed and Breakfast and Tourist/Traveler facility licensing shall be satisfied.*

The applicable requirements of the above section will be made conditions of approval. The applicant is requesting permission to operate a nine (9) guestroom bed and breakfast, therefore the State Administrative Rules and statutory licensing requirements for a Bed and Breakfast or Tourist/Traveler lodging facility are required and must be satisfied prior to operation of the bed and breakfast facility.

**E. Exclusive Farm Use District Conditional Use Standards**

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

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

---

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.*

Surrounding farm uses include the cultivation of wine grapes, fruit and nuts, as well as the pasturage and grazing of livestock. Notice was sent out to surrounding property owners, within 750 feet of the applicant's property, and there were no comments submitted that indicated approval of the home occupation would force significant change or significantly increase the cost of farm or forest uses. The home occupation, as proposed, is not expected to generate any adverse impacts upon surrounding lands that would lead to changes in neighboring farm or forest uses and practices. The proposed conditional use of the property for a home occupation will be conducted substantially within a single-family dwelling. The applicant has indicated that access to the bed and breakfast will be paved to mitigate the creation of dust that could inconvenience neighboring property owners. The applicant's proposed home occupation does not require any changes to the existing infrastructure or services in the area. The applicant is proposing the operation of a bed and breakfast from a single-family dwelling. The dwelling was approved, in 2016, as a principal dwelling in conjunction with farm use. The applicant states that there is space on the subject property to adequately serve the parking needs of employees and patrons. With conditions, the proposed home occupation satisfies Section 402.07 (A) of the YCZO.

**CONCLUSIONS FOR APPROVAL:**

1. The applicant has requested a conditional use permit to allow the operation of a nine (9) guestroom bed and breakfast from an approved but yet to be built single-family dwelling on Tax Lot 3328-102.
2. With conditions, the request complies with the conditional use criteria listed in Sections 402.07 (A) and 1202.02 of the *Yamhill County Zoning Ordinance*.
3. With conditions, the request complies with the home occupation criteria listed in Section 1004 of the *Yamhill County Zoning Ordinance*.
4. With conditions, the request complies with the bed and breakfast requirements listed in Section 1012 of the *Yamhill County Zoning Ordinance*.

**DECISION:**

Based upon the above findings and conclusions, the request by Elaine Albrich for Grange Hill, LLC for a conditional use approval to operate a nine (9) guestroom bed and breakfast, on a parcel identified as Tax Lot 3328-00102 is approved with the following conditions:

1. The bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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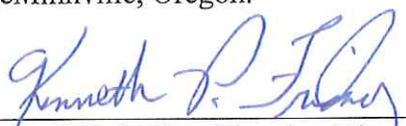
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast is personal to the applicant and property owners, Grange Hill, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. The bed and breakfast will be operated by an onsite resident of the proposed single-family dwelling.
5. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
6. The use shall employ no more than five (5) full or part time employees.
7. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
8. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
9. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.
10. Prior to operation of the bed and breakfast, the water shall be tested initially and annually for nitrate and arsenic with quarterly bacteria tests thereafter and determined to be safe for public consumption by the Public Health Department. Results of the test shall be submitted to the Yamhill County Planning Department.
11. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
12. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to Section 1006 of the *Yamhill County Zoning Ordinance*.
13. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.
14. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.

Exhibit 1  
YAMHILL COUNTY DEPARTMENT OF PLANNING AND DEVELOPMENT  
STAFF REPORT

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15. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
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 11<sup>th</sup> day of May, 2022, at  
McMinnville, Oregon.

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

KF:dl

## II. APPEAL APPLICATION

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 5/31/22  
Rec'd by ca  
Receipt # 918279  
Fee **250.00**

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

Docket number of decision being appealed: C-03-22

The Docket request is: Conditional use permit for hoe occupation/B&B

The decision was made by:  Planning Director  Planning Commission

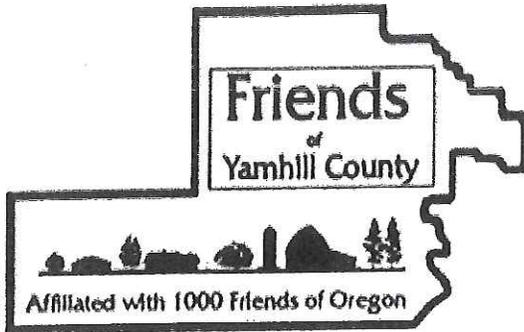
The decision being appealed is a(n):  Approval  Denial  Condition of Approval

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





P.O Box 1083  
McMinnville, OR 97128

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

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May 31, 2022

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

RE: Appeal of C-03-22  
Grange Hill 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,

*Kathryn Jernstedt*

Kathryn Jernsedt  
President

**ATTACHMENT – Appeal of C-03-22**

**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 permit approval is for a nine-unit bed and breakfast facility. The review criteria for such a facility include YCZO sec. 1004.01, which provides, in part:

C. The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located.

F. A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established...

The plans for the approved facility, attached, show that the structure is not a dwelling, not normally associated with uses permitted in the EF zone, or otherwise allowed in the zone.

The definition of "dwelling" from the Yamhill County Zoning Ordinance (YCZO sec. 202) is:

A building containing one (1) dwelling unit designed for and occupied by one (1) family only. The term dwelling includes a manufactured dwelling but does not include a hotel, motel, travel trailer, boarding, lodging or rooming house, private hospital, rest home or nursing home or other accommodations used for transient occupancy.

The structure has nine separate rooms each clearly marked as a "guest suite" or "innkeeper suite." It is designed just like a motel. The definition of "motel" in YCZO sec. 202 is:

## Exhibit 1

One (1) or more attached or detached buildings containing housekeeping or sleeping units designed and used for the temporary accommodation of tourists or transients with off-street parking space for each such unit.

While it may be possible for a family to reside in such a structure, this one is clearly *designed for transient occupancy*, a use specifically excluded from the definition of "dwelling."

Additionally, a dwelling *designed* for one family would only accommodate up to five unrelated persons.<sup>1</sup> The approved structure is designed to accommodate at least nine unrelated persons. The building plans were amended to add a caretaker's residence, and this is where a family would live. The other nine rooms are all designed for transient occupancy.

Motels are not listed as a permitted use in YCZO sec. 403 (AF District), so zoning endorsement of the building permit approves a use that is prohibited in the zone.

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<sup>1</sup> The YCZO sec. 202 definition of "family" is: "One or more person related by blood, marriage, legal adoption or legal guardianship plus not more than five (5) additional persons, including foster and shelter care persons or, up to five (5) unrelated persons, all living together as a single housekeeping unit."



### III. APPLICATION

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 C-03-22  
 Date 3-22-22  
 Rec'd by SC  
 Receipt # 9116897  
 Fee \$2670

APPLICANT			LEGAL OWNER (IF DIFFERENT)		
<b>Grange Hill, LLC</b>			<b>Grange Hill, LLC</b>		
Last name	First	MI	Last name	First	MI
<b>C/o Elaine Albrich, DWT</b>			<b>n/a</b>		
Mailing address (Street or PO Box)			Mailing address (Street or PO Box)		
<b>1300 SW 5th Ave, Suite 2400</b>			<b>1701 Village Center Circle</b>		
City	State	Zip	City	State	Zip
<b>Portland, OR 97201</b>			<b>Las Vegas, NV 89134</b>		
Telephone			Telephone		
<b>503-778-5423</b>			<b>n/a</b>		
E-mail address			E-mail address		
<b>elainealbrich@dwt.com</b>			<b>n/a</b>		
If the applicant is not the legal owner, state interest in property:					
<b>legal representative</b>					
PROPERTY INFORMATION					
Tax Lot(s):		<u>R332800102</u>	Zone:		<u>EF-40</u>
Size of Tract (include all adjacent tax lots)		<u>19.23 acres</u>			

1. TYPE OF APPLICATION (what is requested?): Conditional Use Application (Type B) for Home Occupation

2. JUSTIFICATION FOR REQUEST YCZO Section(s): 402.04.1

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: Farm Use (Vineyard)

4. Please list the type of buildings that are currently on the property (i.e. manufactured home, pole building, agricultural barn, etc.):  
Well House, Pole Building

5. Is there a septic system on the property?  Yes  No Site was approved for on site septic disposal on June 24, 2019.

6. How will water be provided?  Well  City  Other \_\_\_\_\_

7. What road and/or easement is the property accessed from? From E Worden Hill Road on a paved, private road. The private road crosses an adjacent property, (Tax ID R2232800100), to access the subject property.

3 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

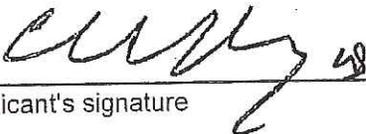
**THE APPLICANT MUST SUBMIT:**

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).

***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 \_\_\_\_\_

County of \_\_\_\_\_

Signed before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

by \_\_\_\_\_

\_\_\_\_\_  
 Notary Public for Oregon  
 My Commission expires \_\_\_\_\_

Exhibit 1

Conditional Use Application

for

Dundee Hills Country Inn Bed and Breakfast

Application Narrative

An Application by Grange Hill, LLC for a Home Occupation to allow a nine (9) bedroom Country Inn Bed and Breakfast on property located on Tax Lot R3328-00102, containing 19.23 acres in the Exclusive Farm Use ("EF") -40 zoning district submitted to Yamhill County on March 18, 2022.

**I. INTRODUCTION.**

Grange Hill, LLC (“Applicant”) is the property owner of a 19.23-acre parcel (Tax Lot R3328-00102) located in the Exclusive Farm Use (“EF”)-40 zoning district (“Property”). The Applicant is requesting conditional use approval for a Home Occupation to allow a nine-guestroom Country Inn Bed and Breakfast (the “Bed and Breakfast”) in a single-family dwelling (“Bed and Breakfast”) (**Exhibit 1**). Access to the Bed and Breakfast is from NE Worden Hill Road and is provided via a proposed extension of an existing paved private road. The driveway extension will be paved. Approval for the Bed and Breakfast was previously issued by Yamhill County to BW Vineyard, LLC in C-09-20, dated May 11, 2020, see Exhibit 5. Applicant, as the current owner of the Property, seeks approval to operate the Bed and Breakfast as previously authorized in C-09-20.

As described in the original application for C-0-09-20, the Bed and Breakfast will be a two-story, single-family dwelling containing a dining area, living room, kitchen, one resident bedroom suite, and nine guest bedrooms. Off-street parking will be provided on the Property, adjacent to the dwelling. The Bed and Breakfast will highlight many of the region’s agricultural products by utilizing local producers in its kitchen and referring guests to local food products and wineries. This will add revenue to neighboring farms and businesses and will diversify local employment opportunities.

The Bed and Breakfast will serve breakfast in a common dining area. Lounge chairs will be provided on an outdoor patio.

One parking space for each of the nine guest rooms will be provided, in addition to four parking spaces for the resident and staff. Parking spaces will be crushed rock to infiltrate stormwater.

The Bed and Breakfast will operate 365 days per year. No outdoor amplified music will be provided, or allowed on the Property. The mechanical system will be a heat pump system that utilizes quiet outdoor units. No glare is anticipated from the proposed dwelling as the proposed siding and roof will be of non-reflective materials and lighting will be shielded and directed downward. No odors are anticipated. A Type 1 kitchen exhaust hood, designed to remove smoke, grease and oil vapors, will be provided in the Bed and Breakfast kitchen.

The proposed two-story single-family dwelling, parking lot and access driveway will be placed on an uncultivated portion of the Property and will not reduce the size of the Property’s existing vineyard nor impact access to the vineyard for the purpose of growing, maintaining and harvesting grapes.

**II. RELEVANT APPLICATION INFORMATION.**

**A. Tax Lot, Lot Size, Zoning District and Vehicular Access Information.**

## Exhibit 1

- Tax Lot: R3328-00102
- Lot Size: 19.23 Acres
- Zone: EF-40 zoning district
- Vehicular Access: Existing private road (with easement to be recorded) from NE Worden Hill Road

### B. Surrounding Land Uses and Zoning Districts (Exhibit 2).

**West:** R332800100 Residential Use and Bed and Breakfast Use / EF-40 zoning district

**North:** R332100921 Residential Use / EF-20 zoning district  
R332100911 Residential Use

**East:** R332200900 Agriculture Use and Vineyard Use / EF-40 zoning district  
R332700900 Agriculture Use and Vineyard Use  
R332701000 Residential Use and Agriculture Use

**South:** R332701100 Residential Use and Agriculture Use / EF-40 zoning district  
R332800700 Agriculture Use and Vineyard and Tasting Room Use

### III. DESCRIPTION OF RELEVANT APPROVAL CRITERIA.

The Property is zoned EF-40. A Home Occupation is a conditional use in the EF-40 zoning district. YCZO 402.04.I, "Home Occupation," subject to the standards and limitations set forth in Section 1004.

A Home Occupation allows the Country Inn Bed and Breakfast to be established. YCZO 1012.01.A.1 ("Bed and Breakfast operations that are undertaken from within a residence shall be considered as Home Occupations, and shall comply with the standards and limitations of Section 1004"). Because the Home Occupation is a conditional use in the EF-40 zoning district, it is subject to the approval criteria in YCZO 402.07.A, "Additional Standards for Approval of Conditional Uses" and 1202, "Conditional Use Criteria and Requirements." Additionally, the Home Occupation is subject to the requirements in YCZO 1004 and the Bed and Breakfast is subject to the requirements in YCZO 1012. The proposed dwelling meets the definition of "dwelling" in YCZO 202.

The dwelling must comply with the dimensional standards in the EF-40 zoning district including YCZO 402.09.A, "Dwelling Density," 402.09.B, "Parcel Size and Dimension," 402.09.C, "Setbacks," 402.09.E, "Access," 402.09.G, "Height," and 402.09.I, "Off-Street Parking."

The remainder of this Application addresses the relevant approval criteria in the YCZO.

**IV. RELEVANT APPROVAL CRITERIA AND CRITERIA REQUIREMENTS.**

**A. Compliance with YCZO 402.09, "Standards and limitations," in the EF-40 Zoning District.**

YCZO 402.09 contains relevant dimensional and use standards for EF-40 zoning district uses, including the proposed Home Occupation in a single-family dwelling for purposes of operating a Bed and Breakfast.

**1. YCZO 402.09.A, "Dwelling Density."**

**FINDING:** YCZO 402.09.A prohibits more than one principal dwelling on any parcel. The Property does not contain another dwelling and has been approved for a dwelling (Yamhill County File Numbers Docket FD-05-16). Therefore, the Application complies with this standard by providing for only one principal dwelling on the property.

**2. YCZO 402.09.B, "Parcel Size and Dimensions."**

**FINDING:** YCZO 402.09.B.3 is entitled "Existing Lot." The Property is an existing lot subject to an approved property line adjustment. YCZO 402.09.B.3 provides that "any permitted or conditional use provided for in this District may be established on an existing lot subject to satisfaction of the applicable requirements of the Exclusive Farm Use District." The County can find that this standard is satisfied because the existing lot may accommodate a conditional use allowed in the EF-40 zoning district.

**3. YCZO 402.09.C, "Setbacks."**

**FINDING:** Exhibit 1 is the Site Plan for the proposed dwelling, off-street parking and access. The Site Plan shows that the proposed development satisfies the minimum thirty (30) foot setback for all uses on the lot. None of the setback requirements found in YCZO 402.09.C.1-6 are relevant to this Application.

**4. YCZO 402.09.D, "Parcel Coverage."**

**FINDING:** This Section is inapplicable because the Property contains more than one acre.

**5. YCZO 402.09.E, "Access."**

**FINDING:** The County can find that this standard is satisfied because the Property has legal, safe and passible means of access by means of a driveway within a private easement (recorded across Tax Lot 700 and to be recorded across Tax Lot 100) at least thirty (30) feet in width for its entire length and which abuts upon a public road (NE Worden Hill Road) for at least thirty (30) feet.

**6. YCZO 402.09.G, "Height."**

**FINDING:** YCZO 402.09.G.1 provides that the maximum building height for any dwelling shall be thirty-five (35) feet. **Exhibit 1** shows that the proposed single-family dwelling will be thirty-three (33) feet in height. The County can find that this standard is met.

**7. YCZO 402.09.I, "Off-Street Parking."**

**FINDING:** The County can find that YCZO 402.09.I.1 is satisfied because prior to the establishment of the single-family dwelling on the Property, the access and driveway area shown on the Property in **Exhibit 1** will be provided that is sufficient for at least one emergency vehicle turnaround.

The County can also find that YCZO 402.09.I.2 is satisfied because the Site Plan provides for thirteen (13) parking spaces which is sufficient to accommodate the expected parking needs for a nine (9) room Bed and Breakfast, the dwelling's resident and employees on site at any one time. YCZO 1007.02.C, "Off-Street Parking Space Standards" provides that a Bed and Breakfast shall provide one (1) parking space per unit plus one space for each employee on a maximum working shift. Because ten (10) bedrooms are provided and a maximum of three (3) employees per working shift will be at the Bed and Breakfast, thirteen (13) parking spaces are sufficient for the Bed and Breakfast.

**B. Compliance with YCZO 402.07, "Additional Standards for Approval of Conditional Use" in the EF-40 zoning district.**

YCZO 402.07, "Additional Standards for Approval of Conditional Uses" applies to conditional uses in the EF-40 zoning district. YCZO 402.07.A contains two approval standards implementing ORS 215.296. YCZO 402.07.A.1 and 2 are addressed below.

**A. YCZO 400, Natural Resource District.**

**1. YCZO 402.07 Additional Standards for Approval of Conditional Uses**

*"A. 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. "*

## Exhibit 1

**FINDING:** The County can find that the Bed and Breakfast will not force a significant change in accepted farm or forest practice zones on surrounding lands devoted to farm or forest uses nor will it significantly increase the cost of those accepted farm or forest practices on surrounding lands devoted to farm or forest uses.

**Exhibit 3** is a two-part document. Page 1 of **Exhibit 3** is a map showing all of the farm or forest uses on adjacent and surrounding properties. Surrounding properties encompass those properties near the Property, or are on NE Worden Hill Road, or are to the north of NE Fairview Drive near the Property. Page 2 of **Exhibit 3** is a list of the eight (8) adjacent properties and the twenty-one (21) surrounding properties and the farm or forest activities conducted on those properties.

The County can find of the eight (8) adjacent properties, five (5) of the properties have a farm operation, with four (4) of the lots containing a vineyard and the fifth lot growing hazelnuts. Of the twenty-one (21) surrounding properties, eighteen (18) properties have a farm or forest use. Of those eighteen (18) properties, eleven (11) properties contain only farm uses and four (4) properties contain only forest uses. Three (3) of the properties contain both farm and forest uses. All of the adjacent and surrounding properties are located in the EF-20 or EF-40 zoning district, with the exception of one surrounding property being located in the EF-80 zoning district and one surrounding property being located in the EF-20 and CR zoning districts (Property B17).

The County can find that the proposed conditional use will not force a significant change in the accepted farm or forest practices nor will it significantly increase the cost of those accepted farm or forest practices for the following reasons.

**First**, the external impacts of the Bed and Breakfast as a Home Occupation in a single-family dwelling will not cause any odor, glare, litter, trespassing, dust or noise that will interfere with adjacent or surrounding properties. The Applicant will operate the Bed and Breakfast consistent with the County's Noise Ordinance Yamhill County Ordinance 822, adopted December 12, 2007. Further, the Bed and Breakfast operator will inform guests that they should not litter and that trespassing on adjacent and surrounding properties is prohibited. Additionally, the Bed and Breakfast will be operated to prohibit glare, odor, smoke or other external impacts that would interfere with accepted farm and forest practices on adjacent and surrounding properties.

**Second**, the Bed and Breakfast operated as a Home Occupation in a single-family dwelling with nine (9) bedrooms will not generate additional vehicle trips sufficient to interfere with farm or forest traffic on NE Worden Hill Road, the public road accessed to reach the Property. **Exhibit 4** is a February 18, 2020 letter (the "Traffic Letter") from the engineering firm of LancasterMobley. The Traffic Letter estimates that based on the ITE Trip Generation Manual, the proposed Bed and Breakfast will generate four (4) vehicle trips during the morning peak hour, four (4) vehicle trips during the evening peak hour and thirty (30) vehicle trips each week day. The Traffic Letter further provides that the sight distance at the intersection of the access

driveway with NE Worden Hill Road will be sufficient and that off-street parking at the Property will be sufficient to accommodate expected guests, the resident and employees. Therefore, the County can find that expected vehicle trip generation for the proposed use will not interfere with the operation of NE Worden Hill Road, which means that farm and forest vehicles on the road will not suffer interference.

For these reasons, the County can find that YCZO 402.07.A.1 and 2 are satisfied.

**C. YCZO 1202, "Conditional Use Criteria and Requirements."**

**a. "1202.02, "Review Criteria."**

*"A conditional use may be authorized, subject to the Type B application procedure set forth in Section 1301, upon adequate demonstration by the applicant that the proposed use will be compatible with vicinity uses, and satisfies all relevant requirements of this ordinance and the following general criteria;*

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

**FINDING:** YCZO 402.54.I allows a home occupation as a conditional use in the EF-40 zoning district. YCZO Section 1012.01.A.1 provides that "Bed and Breakfast operations that are undertaken from within a residence shall be considered as Home Occupations..." This Application proposes a Bed and Breakfast that will be operated within the residence.

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

**i. "Plan Section I.F, Economic Development, Goal 1."**

**FINDING:** Yamhill County Comprehensive Plan (the "Plan") Section I.F, Goal 1 states "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and under-employment in the county, balance the real property tax base of the various cities, and strengthen local economic bases."

The proposed Bed and Breakfast will increase economic activity of surrounding businesses and farms by: 1) purchasing and highlighting locally-produced food and beverage products served at the Bed and Breakfast; 2) highlighting and encouraging guests to patronize local farms, wineries and businesses, and; 3) by employing up to three (3) employees at any one time at various positions and skill levels to support the Bed and Breakfast. This supports the goal by: 1) driving revenue growth through direct purchases from existing farms and businesses; 2) driving new revenue growth to existing farms through referrals; and 3) creating new on-site jobs and diversifying the economic base of Yamhill County.

Exhibit 1

- ii. *“Plan Section B, Rural Area Development, Policy B:*

*“All proposed rural area developments shall be based on a reasonable expectation that the demand for the use of such land or facilities within a reasonable period of time and no large-scale development shall be approved without: \* \* \*”*

**FINDING:** The County can find that this proposed rural area development is based on a reasonable expectation of demand for the use in the near future. Further, the proposed development is not a large-scale development.

- iii. *“Plan Section B, Rural Area Development, Policy C:*

*“All proposed rural area development and facilities:*

*“1. Shall be appropriately, if not uniquely suited to the area or site proposed for development;*

*“2. Shall not be located in any natural hazard area, such as a floodplain or area of geologic hazard, steep slope, severe drainage problems or soil limitations for building or sub-surface sewage disposal, if relevant; and*

*“3. Shall be furnished with adequate access and an adequate individual or community water supply, if required; and shall not be justified solely or even primarily on the argument that the land is less costly than alternative better sites or that federal or state aid is available in the form of subsidized water supply or sewerage extensions from nearby urban centers.”*

**FINDING:** The County can find that this Policy is satisfied for the following reasons. First, the proposed use is appropriate to the site proposed for the development because of its location, topography, shape and size of the lot and non-interference with existing vineyards.

Second, the proposed use is not located in any natural hazard area.

Third, the proposed use is furnished with adequate vehicular access and an adequate individual water supply.

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

## Exhibit 1

strategies will be utilized to recharge the aquifer. A greywater system will be installed to harvest waste water from showers and tubs to filter and reuse water for irrigation, and possibly toilet flushing and laundry. Greywater use saves water and recharges aquifers. A septic system will ensure water treatment meets State of Oregon DEQ standards.

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

**FINDING:** The proposed Bed and Breakfast will have a minimal impact on existing or planned public facilities and services. The dwelling will utilize an existing domestic well located on the Property and employ conservation practices to reduce water demand. A new sewage-disposal system will be installed in accordance with County and State requirements. The building will meet Fire Code requirements including the installation of fire sprinklers to provide for life-safety protection and that will minimize its potential impact on fire-fighting resources. The increase in vehicle trips can be accommodated on NE Worden Hill Road. The Traffic Letter concludes that the public road providing access to the Property can accommodate the expected vehicle trips from the proposed use.

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

**FINDING:** The existing and allowed uses in the area consist of a mixture of farm uses, residential uses, and combined residential and farm uses. The proposed Bed and Breakfast in a single-family dwelling with the continuation of the vineyard on the Property makes it substantially similar to nearby residential and farm uses. The topography and distance to neighboring residences make it compatible with the existing uses in the area. The scale of the building is similar to agricultural buildings, or large residences in the area.

### **D. YCZO 1004.00, "Home Occupations."**

- a. *"1004.01, "Standards and Limitations."*

*"Except as provided in the Minor Home Occupation standards listed in Subsection 1004.01, the following standards and limitations shall apply to home occupations:*

- "A. The home occupation will be operated by a resident of the property on which the business is located."*

**FINDING:** The Bed and Breakfast Home Occupation will be operated by a resident of the Property.

## Exhibit 1

**FINDING:** The County can find that the Property is suitable for the proposed use considering the following factors:

- i. Size: The proposed Bed and Breakfast building and the accessory improvements will cover less than one (1) percent of the Property. The proposed single-family dwelling's square footage is approximately 8,200 square feet. The lot size is 19.23 acres. The Bed and Breakfast will be located within the required EF-40 zoning district required setbacks.
  - ii. Shape: The proposed Bed and Breakfast will be located within the required EF-40 zoning district setbacks. Access to the structure is provided via an existing driveway.
  - iii. Location: The location of the Bed and Breakfast on the site will allow the existing farm use, a vineyard, to continue its current operation on the Property. The new building will be uphill and to the north of the existing vineyard to avoid shading or impacting the existing agricultural use. No vineyard will be displaced because of the proposed use. Visitors will access the site via a driveway from NE Worden Hill Road, a County road.
  - iv. Existence of improvements and natural features: Existing improvements on the Property consist of a vineyard, well house and pole building. The improvements support the Property's farm use will not be impacted by the proposed use.
  - v. Topography: The topography supports the use as a Bed and Breakfast by limiting visibility from nearby roadways. The proposed location is not visible from NE Worden Hill Road to the west and south, is not visible from NE Fairview Drive from the north, and is obscured from NE Fairview Drive to the east due to its distance, 1,250 feet away.
- d. *"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;"*

**FINDING:** The proposed Bed and Breakfast will not alter the character of the surrounding area in a manner that substantially limits, impairs or prevents the use of adjacent properties, which are in the EF-40 and EF-20 zoning districts, to continue their current uses as farm uses, residential uses or residential and agriculture uses. The Bed and Breakfast use will utilize conservation strategies to preserve resources for farming activities. It will utilize energy and water conservation features to minimize its electricity and water use. Stormwater infiltration

Exhibit 1

b. *"B. The home occupation will employ on the site no more than five full or part-time employees."*

**FINDING:** The Applicant will comply with the requirement. No more than three (3) employees per shift will work at the Bed and Breakfast.

c. *"C. The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located."*

**FINDING:** The Home Occupation will substantially occur within the dwelling. An outdoor patio with outdoor seating for use during good weather will be provided and is consistent with typical residential dwelling uses permitted in the EF-40 zoning district.

d. *"D. The home occupation will not unreasonably interfere with existing uses on nearby land or with other uses permitted in the zone in which the property is located."*

**FINDING:** The proposed use's external impacts as described in this Application will not unreasonably interfere with existing or permitted uses for the reasons described in this Application.

e. *"E. No more than one (1) home occupation shall be permitted in conjunction with any dwelling or parcel. Activities which are substantially different in nature shall be considered separate home occupations."*

**FINDING:** No other Home Occupation currently exists on this Property and no other home occupations are proposed.

f. *"F. A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established, nor shall a home occupation be used as justification for a zone change."*

**FINDING:** The proposed structure is a single-family residence which is allowed in the EF-40 zoning district. The proposed conditional use is to allow the use of the single-family residence as a Bed and Breakfast.

g. *"G. The total area used for outdoor storage shall not exceed the allowable parcel coverage in the zone in which the home occupation is established."*

**FINDING:** No outdoor storage space is proposed.

*h. "H. There shall be no visible evidence of the conduct of a home occupation from any road or adjacent property, other than permitted signs. Any outdoor storage or outdoor work areas shall be effectively screened by vegetation or by a sight obscuring fence."*

**FINDING:** The Bed and Breakfast use will occur indoors. No outdoor storage areas are proposed. The outdoor sitting area will not be visible evidence of the home occupancy because it is consistent with the use of the Property as a single-family residence.

*i. "I. A home occupation shall not generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what normally occurs in the applicable zoning district."*

**FINDING:** The Bed and Breakfast use will not generate noise, vibration, glare, fumes, odor, electrical interference or other disturbance beyond what normally occurs with the EF-40 zoning district. The new driveway to the use will be paved to eliminate dust. The Applicant will comply with applicable County noise standards in Yamhill County Ordinance 822, adopted December 12, 2007.

*j. "J. A home occupation shall not generate traffic or parking beyond what normally occurs in the applicable zoning district."*

**FINDING:** The off-street parking provided meets YCZO requirements. The Traffic Letter concludes that traffic generation will be acceptable.

*k. "K. Off-street parking spaces shall be provided for clients or patrons and shall not be located in any required yard."*

**FINDING:** The proposed off-street parking spaces serving the Bed and Breakfast are located to the west of the single-family residence. Thirteen (13) parking spaces are provided, including one accessible parking space nearest to the residence entry, to accommodate ten (10) bedrooms (one (1) resident bedroom and nine (9) guest bedrooms) and three (3) Bed and Breakfast staff at any one time. Parking serving the Bed and Breakfast use is not located in a required setback.

*l. "L. One (1) on-premises sign shall be permitted in conjunction with a home occupation, subject to the sign provisions set forth in Section 1006."*

## Exhibit 1

**FINDING:** One (1) on-premises sign is proposed. **Exhibit 1** shows the proposed location of the sign, pending approval in accordance with Section 1006.

*m. "M. The nature of a proposed home occupation shall be specified at the time of application. Any proposed change in the nature of an approved home occupation shall require a new conditional use permit. Any departure from the uses and activities initially specified shall be considered grounds for revocation of the conditional use permit."*

**FINDING** The Applicant acknowledges that departure from this specified use will require a new conditional use permit, or will be grounds for revocation.

*n. "N. A permit for a home occupation shall be deemed personal to the applicant and shall not run with the land. Upon notification by the county such permit shall expire two (2) years from the date of issuance, at which time the permit may be renewed by the Director upon a finding that the requirements of this ordinance are being met. A fee for renewal of the permit may be imposed by the Director."*

**FINDING:** The Applicant acknowledges this requirement and will accept a condition of approval to address this standard.

*o. "O. A condition of approval may be placed on a home occupation requiring a review every 12 months following the date the permit was issued. The home occupation may be renewed if it continues to comply with the requirements of this ordinance and any other conditions of approval."*

**FINDING:** The Applicant acknowledges this requirement and will accept a condition of approval to address this standard.

*p. "P. Pursuant to the nonconforming use provisions of Section 1205 of this ordinance, any proposed expansion or change in the nature of a home occupation in operation prior to adoption of this ordinance shall be subject to the requirements of this section and shall require a conditional use permit. In the event of denial of such an application, the home occupation shall be allowed to continue at its original scale and nature as a nonconforming use."*

**FINDING:** This standard is not applicable to the Application. No existing non-conforming uses exist on the Property.

E. YCZO 1012, "Country Inn/Bed and Breakfast Facilities."

a. 1. 1012.01, Standards and Requirements

"A. The following provisions shall apply to Bed and Breakfast facilities:"

"1. A Bed and Breakfast is a single-family dwelling where lodging is offered for compensation, having no more than nine (9) sleeping rooms for this purpose. Bed and breakfast operations that are undertaken from within a residence shall be considered as home occupations, and shall comply with the standards and limitations of Section 1004. A Bed and Breakfast inn may offer a morning meal for overnight guests only."

**FINDING:** This conditional use application is for a Home Occupation in a single-family dwelling to operate a Bed and Breakfast in accordance with this standard.

b. "2. Water from any source other than a municipal or public supply shall be tested initially and annually thereafter, or more frequently as required by the County Health Department, and determined to be safe for public consumption."

**FINDING:** Potable water for the Bed and Breakfast will be supplied by a domestic well on the Property. The Applicant will commit to annual testing of the well to ensure it is safe for public consumption.

c. "3. When the facility has more than two rooms for rent, an on-site examination of the premises shall be made by a county health inspector to review food handling and tourist/traveler health and safety practices."

**FINDING:** The Applicant will obtain an on-site examination by the County Health Inspector to review food handling and tourist/traveler health and safety practices prior to beginning operations.

d. "4. An on-site examination of the premises shall be made by local fire department personnel to advise of appropriate fire and safety code requirements."

**FINDING:** The Applicant will obtain an on-site examination of the premises by the Fire District.

## Exhibit 1

*"B. Where facilities are approved for three or more guest bedrooms and up to 10 guests, State Administrative Rule and statutory requirements for Bed and Breakfast and Tourist/Traveler facility licensing shall be satisfied."*

**FINDING:** The Applicant will obtain a Bed and Breakfast Food Service License and a Bed and Breakfast Tourist License prior to commencing operations.

*"C. Review of Bed and Breakfast facility applications may include but is not limited to consideration of the following:*

- "1. Compatibility Issues*
  - 1. Signage*
  - 2. Parking*
  - 3. Other compatibility considerations*
  
- "2. Location Suitability*
  - 1. Accessibility*
  - 2. Services*
  - 3. Impact on vicinity uses*
  - 4. Other location considerations*
  
- "3. Structural Suitability*
  - 1. Safety and security*
  - 2. Design and privacy*
  - 3. Other structural considerations*
  
- "4. Referral Comments*
  - 1. Environmental Health Division*
  - 2. Fire Department*
  - 3. Other agencies/interests"*

**FINDING:** These issues are addressed in this Application through the relevant approval standards. Other items, such as structural suitability, will be addressed at the building permit stage. The Applicant will accept a condition of approval to address any of these items.

### **V. CONCLUSION.**

For the reasons contained in this Application, the County can find that the relevant approval criteria for this Home Occupation to permit a Bed and Breakfast with nine (9) bedrooms in the EF-40 zoning district have been satisfied. The Applicant respectfully requests that the County approve the Application with relevant and reasonable conditions of approval.

**EXHIBIT LIST**

- Exhibit 1**      Site Plan
- Exhibit 2**      Vicinity Plan
- Exhibit 3**      Surrounding Farm and Forest Uses
- Exhibit 4**      LancasterMobley Letter Dated February 18, 2020
- Exhibit 5**      C-09-20, dated May 11, 2020  
(Bed and Breakfast Conditional Use Approval issued to BW Vineyard, LLC)

Exhibit 1

Surrounding Farm and Forest Uses

Updated 03/13/2020

LABEL ON MAP	PARCEL	ZONE	FARM AND FOREST ACTIVITIES
SUBJECT PROPERTY	R332800102	EF-40	Vineyard

ADJACENT PROPERTIES

A1	R332100911	EF20	
A2	R332200900	EF20	Vineyard
A3	R332700900	EF40	Vineyard
A4	R332701000	EF40	Vineyard
A5	R332701100	EF40	Hazelnuts
A6	R332800700	EF40	Vineyard
A7	R332800100	EF40	
A8	R332100921	EF20	

SURROUNDING PROPERTIES

B1	R332100927	EF20	
B2	R332100904	EF20	Vineyard
B3	R332100902	EF20	
B4	R332200801	EF20	Vineyard
B5	R332201000	EF20	Grass Field / Fallow
B6	R332201100	EF40	Vineyard
B7	R332201200	EF20	Vineyard
B8	R332700800	EF40	vineyard, forest
B9	R332701400	EF40	Pasture
B10	R332701200	EF40	Vineyard, Forest
B11	R332701201	EF40	
B11	R332701300	EF40	Vineyard, Hazelnuts
B12	R332800800	EF40	Vineyard
B13	R332800900	PRO	
B14	R332800500	EF80 / RI	Vineyard
B15	R332800201	EF20 / EF40	Forest
B16	R332800202	EF20	Forest
B17	R332800205	CR / EF20	Vineyard, Forest
B18	R332100925	EF40	Forest
B19	R332100936	EF40	Forest
B20	R332100900	EF20	Christmas Tree Farm
B21	R332100919	EF20	Pasture

# Exhibit 1



321 SW 4th Ave., Suite 400  
Portland, OR 97204  
503.248.0313  
lancastermoble.com

## Memorandum

To: BW Vineyard, LLC  
From: Jessica Hijar  
Date: February 18, 2020  
Subject: Tax R3328-102 in Yamhill County



RENEWS: 12/31/2020

## Introduction

This memorandum is written to address the transportation-related approval criteria for the proposed bed and breakfast to be located adjacent and to the east of 9600 NE Worden Hill Road in Yamhill County, Oregon. The bed and breakfast will consist of 9 rentable bedrooms and one permanent resident. The site is zoned EF-20 and EF-40, *Exclusive Farm Use District*, and has an area of 19.23 acres.

NE Worden Hill Road is classified as a Minor Collector by Yamhill County. The roadway has a two-lane cross-section. Curbs, sidewalks, and bicycle lanes are not provided on either side of the roadway. Figure 1 on the following page presents an aerial image of the nearby site vicinity with the project site outlined in red.

## Approval Criteria

The following approval criteria will be addressed in the memorandum:

- Section 1202.02.E of Yamhill County's Conditional Use Requirements states, "*The proposed use is appropriate, considering the adequacy of public facilities and services existing or planned for the area affected by the use.*"
- Section 1004.01.J of the Home Occupations standards states, "*A home occupation shall not generate traffic or parking beyond what normally occurs in the applicable zoning district.*"
- ORS 215.296 states that uses in exclusive farm use zones, "*may be approved only where the local governing body or its designee finds that the use will not (a) force a significant change in accepted farm or forest practices on surrounding lands devoted to farm or forest use; or (b) significantly increase the cost of accepted farm or forest practices on surrounding lands devoted to farm or forest use.*"

## Exhibit 1



Figure 1: Aerial Image of Site (Yarnhill County Online GIS)

### Comparison to Surrounding Uses

Surrounding uses include residential, agricultural, and farming. Wineries such as Erath, Bella Vida, and Alexana are all near the subject site. The wineries nearby have tasting rooms that are between 3,000 square feet and 3,500 square feet. The anticipated trip generation pattern will be homologous with the wineries as it is expected that the peak usage of the bed and breakfast will occur during the same time as that for the wineries, during spring and summer. The following analysis compares the trip and parking rates for the existing wineries to the proposed bed and breakfast.

### Trip Generation

To estimate the number of trips that will be generated by the proposed bed and breakfast, trip rates from the *Trip Generation Manual*<sup>1</sup> were used. Trip rates for land use code #320, *Motel*, was used to estimate the trip generation of a ten-bedroom facility (this includes nine rented rooms and one full-time resident). The proposed bed and breakfast is calculated to generate four trips during the morning peak hour, four trips during the evening peak hour, and 30 trips each weekday.

To estimate the number of trips that are existing in the site vicinity from the surrounding wineries, trip rates for land use code 970, *Winery*, were used based on the size of the tasting room. It is noted that this ITE code refers

<sup>1</sup> Institute of Transportation Engineers, *Trip Generation Manual*, 10<sup>th</sup> Edition, 2017



## Exhibit 1

to wineries that are open to the public daily. Using the lower estimate of 3,000 sq ft, one surrounding winery could generate up to six trips during the morning peak hour and up to 22 trips during the evening peak hour.

A summary of the estimated trip generation for both the proposed bed and breakfast and the existing wineries is shown in Table 1.

Table 1: Trip Generation Comparison Summary

ITE Code – Land Use	Size	Morning Peak Hour			Evening Peak Hour			Weekday
		In	Out	Total	In	Out	Total	Total
320 – Motel	10 rooms	1	3	4	2	2	4	34
970 – Winery	3,000 sq ft	4	2	6	11	11	22	138

As shown in Table 1 above, the trip generation from the proposed bed and breakfast is minimal and less than that of surrounding winery tasting rooms.

## Parking Generation

To estimate the parking that will be generated by the proposed bed and breakfast, parking rates from the *Parking Generation Manual*<sup>2</sup> were used. Parking rates for land use code #320, *Motel*, were used based on the number of rooms. The peak parking demand of the bed and breakfast is estimated to be seven parking spaces. Sufficient parking is provided on-site to accommodate the expected demand for the bed and breakfast.

To estimate the parking that is generated by the surrounding uses, parking rates for land use code 970, *Winery*, were used based on the size of the tasting room. The peak parking demand of a winery with a 3,000 square foot tasting room is 76 parking spaces. Again, this land use applies to public wineries that are open daily to the public.

A summary of the estimated parking generation for both the proposed bed and breakfast and the existing wineries is shown in Table 2.

Table 2: Parking Generation Summary

ITE Code – Land Use	Size	Peak Parking Demand
320 – Motel	10 rooms	7
970 – Winery	3,000 sq ft	76

## Sight Distance

Intersection sight distance was measured and evaluated in accordance with the standards established in *A Policy on Geometric Design of Highways and Streets*<sup>3</sup>. Intersection sight distance is an operational measure, intended to provide sufficient line of sight along the major street so that a driver could turn from the minor street without impeding traffic flow. To measure intersection sight distance, the driver's eye is assumed to be 15 feet from the

<sup>2</sup> Institute of Transportation Engineers, *Parking Generation Manual*, 5<sup>th</sup> Edition, 2019

<sup>3</sup> American Association of State Highway and Transportation Officials (AASHTO), *A Policy on Geometric design of Highways and Streets*, 7<sup>th</sup> Edition, 2018



## Exhibit 1

near edge of the nearest travel lane of the intersecting street and at a height of 3.5 feet above the approach street pavement. The oncoming vehicle driver's eye height along the major-street approach is assumed to be 3.5 feet above the cross-street pavement.

While intersection sight distance is an operational measure, stopping sight distance is considered the minimum requirement to ensure safe operation of the roadway. Stopping sight distance allows an oncoming driver to see a hazard in the roadway, react, and come to a complete stop if necessary, to avoid a collision. As long as the available intersection sight distance (measured as previously described) is at least equal to the minimum required stopping sight distance for the design speed of the roadway, adequate sight distance is available for the safe operation of the intersection.

Yamhill County Roadway Standards for New Construction/Reconstruction Projects, found within the Appendix of the Yamhill County Transportation System Plan, identifies the minimum stopping sight distance for roadways in the jurisdiction based on the roadway classification, grade, and terrain. Based on the table provided, Minor Collectors with a rolling or mountainous terrain have a maximum design speed of 40 mph.

Vehicles approaching the intersection from the west experience a downhill grade of six percent over the braking distance. Therefore, vehicles approaching the intersection from the west require a minimum stopping sight distance of 335 feet. Vehicles approaching the intersection from the east experience a relatively flat grade, less than three percent. Vehicles approaching the intersection from the east require a minimum stopping sight distance of 300 feet.

Sight distance was measured to be in excess of 500 feet to the east and 370 feet to the west. The measured intersection sight distance is greater than the required minimum stopping sight distance which ensures safe operation of the intersection.

## Conclusions

Based on the provided analysis, the estimated site trips and parking for the proposed bed and breakfast are lower than that of existing surrounding uses. The available sight distance at the access intersection at NE Worden Hill Road exceeds the minimum stopping sight distance requirement for Yamhill County.



Appendix





TRIP GENERATION CALCULATIONS

*Land Use:* Motel  
*Land Use Code:* 320  
*Setting/Location:* General Urban/Suburban  
*Variable:* Rooms  
*Variable Value:* 10

**AM PEAK HOUR**

*Trip Rate:* 0.38

	Enter	Exit	Total
Directional Distribution	37%	63%	
Trip Ends	1	3	4

**PM PEAK HOUR**

*Trip Rate:* 0.38

	Enter	Exit	Total
Directional Distribution	54%	46%	
Trip Ends	2	2	4

**WEEKDAY**

*Trip Rate:* 3.35

	Enter	Exit	Total
Directional Distribution	50%	50%	
Trip Ends	17	17	34

Source: TRIP GENERATION, Tenth Edition

TRIP GENERATION CALCULATIONS

*Land Use:* Winery  
*Land Use Code:* 970  
*Setting/Location:* Rural  
*Variable:* 1,000 Sq. Ft. GFA  
*Variable Value:* 3

**AM PEAK HOUR**

*Trip Rate:* 2.07

	Enter	Exit	Total
Directional Distribution	70%	30%	
Trip Ends	<b>4</b>	<b>2</b>	<b>6</b>

**PM PEAK HOUR**

*Trip Rate:* 7.31

	Enter	Exit	Total
Directional Distribution	50%	50%	
Trip Ends	<b>11</b>	<b>11</b>	<b>22</b>

**WEEKDAY**

*Trip Rate:* 45.96

	Enter	Exit	Total
Directional Distribution	50%	50%	
Trip Ends	<b>69</b>	<b>69</b>	<b>138</b>

**SATURDAY**

*Trip Rate:* 203.48

	Enter	Exit	Total
Directional Distribution	50%	50%	
Trip Ends	<b>305</b>	<b>305</b>	<b>610</b>

Source: TRIP GENERATION, Tenth Edition

1e

PARKING GENERATION CALCULATIONS

*Land Use:* Motel  
*Land Use Code:* 320  
*On a:* Weekday (Monday - Friday)  
*Setting/Location:* General Urban/Suburban  
*Variable:* Rooms  
*Variable Value:* 10

**WEEKDAY**

*Peak Period* 12:00 AM - 7:00 AM  
*Number of Study Sites* 3  
*Avg. Size of Study Sites* 102 rooms  
*Avg. Peak Period Parking Demand* 0.72 vehicles per room  
*Standard Deviation* 0.21  
*Coefficient of Variation* 29%  
*Range* 0.41 - 0.84 vehicles per room  
*85th Percentile Rate:* 0.84 vehicles per room  
*33rd Percentile Rate:* 0.49 vehicles per room

Peak Parking Demand	7
85th Percentile Parking Demand	8

Source: *Parking Generation Manual*, 5th Edition

2e

PARKING GENERATION CALCULATIONS

*Land Use:* Winery  
*Land Use Code:* 970  
*Variable:* 1,000 sq.ft. Gross Floor Area  
*Variable Value:* 3

**Rural**

<i>Peak Period</i>	1:00 p.m. - 4:00 p.m.	
<i>Number of Study Sites</i>	6	
<i>Avg. Size of Study Sites</i>	1.3	ksf G.F.A.
<i>Avg. Peak Period Parking Demand</i>	25.38	vehicles per ksf
<i>Standard Deviation</i>	21.12	
<i>Coefficient of Variation</i>	36%	
<i>Range</i>	15.0-138.89	vehicles per ksf
<i>85th Percentile Rate:</i>	133.79	vehicles per ksf
<i>33rd Percentile Rate:</i>	22.94	vehicles per ksf

Peak Parking Demand	<b>76</b>
85th Percentile Parking Demand	<b>401</b>

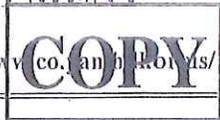
Source: PARKING GENERATION, Fourth Edition

# 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>



May 11, 2020

RECEIVED

BW Vineyard, LLC  
47 N. State Street, Suite 200  
Lake Oswego, OR 97035

MAY 13 2020

Schwabe, Williamson & Wyatt

You are receiving this because  
state law requires notice of this  
decision to adjoining property  
owners

Re: **Docket No. C-09-20, Tax Lot 3328-102**

In reference to your application for a conditional use to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation on a parcel identified as Tax Lot 3328-102, the 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 bed and breakfast inn may offer a maximum of nine (9) guestrooms for rent.
2. Food service shall be limited to one morning meal for overnight guests.
3. The bed and breakfast is personal to the applicant and property owners, BW Vineyard, LLC and Broadpeak BW, LLC, and this approval does not run with the land. Any subsequent owner who would like to continue operating the bed and breakfast must receive land use approval for the home occupation.
4. Prior to operation of the bed and breakfast, the driveway access and water supply shall be inspected and approved by Dundee Fire Department.
5. The use shall employ no more than five (5) full or part time employees.
6. The State Administrative Rule requirements for Bed and Breakfast licensing shall be satisfied prior to operation of the bed and breakfast facility.
7. Prior to operation of the home occupation, the applicant shall obtain an inspection and approval (Authorization Notice) from the County Sanitarian for the septic system.
8. Prior to operation of the home occupation, the applicant shall obtain all necessary building, plumbing, and electrical permits from the Yamhill County Building Department.
9. The use is limited to the operation of a nine (9) guestroom bed and breakfast from a single-family dwelling. Agri-tourism or other celebratory events on the property require additional land use approval.
10. No outside evidence of the home occupation shall be visible except for a sign not to exceed 24 square feet, which is subject to permit and land use approval pursuant to Section 1006 of the *Yamhill County Zoning Ordinance*.

Exhibit 1

BW Vineyard, LLC

C-09-20

Page 2

11. An area to provide a minimum of one (1) parking space per guestroom and one (1) parking space for each employee on maximum working shift shall be maintained. There shall be no parking along the road right-of-way or along the easement roadway.
12. This approval is valid for one year following the date of final approval and shall expire at that time unless the use has been initiated.
13. A review of the bed and breakfast operation shall be required two years following the date of final approval. The operation may be renewed if it continues to comply with the requirements of Section 1004.01 of the *Yamhill County Zoning Ordinance* and the conditions of approval. A fee may be charged for renewal of the permit.
14. 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*.

This decision is based on findings and conclusions as contained in the staff report. 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., May 26, 2020**. 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.

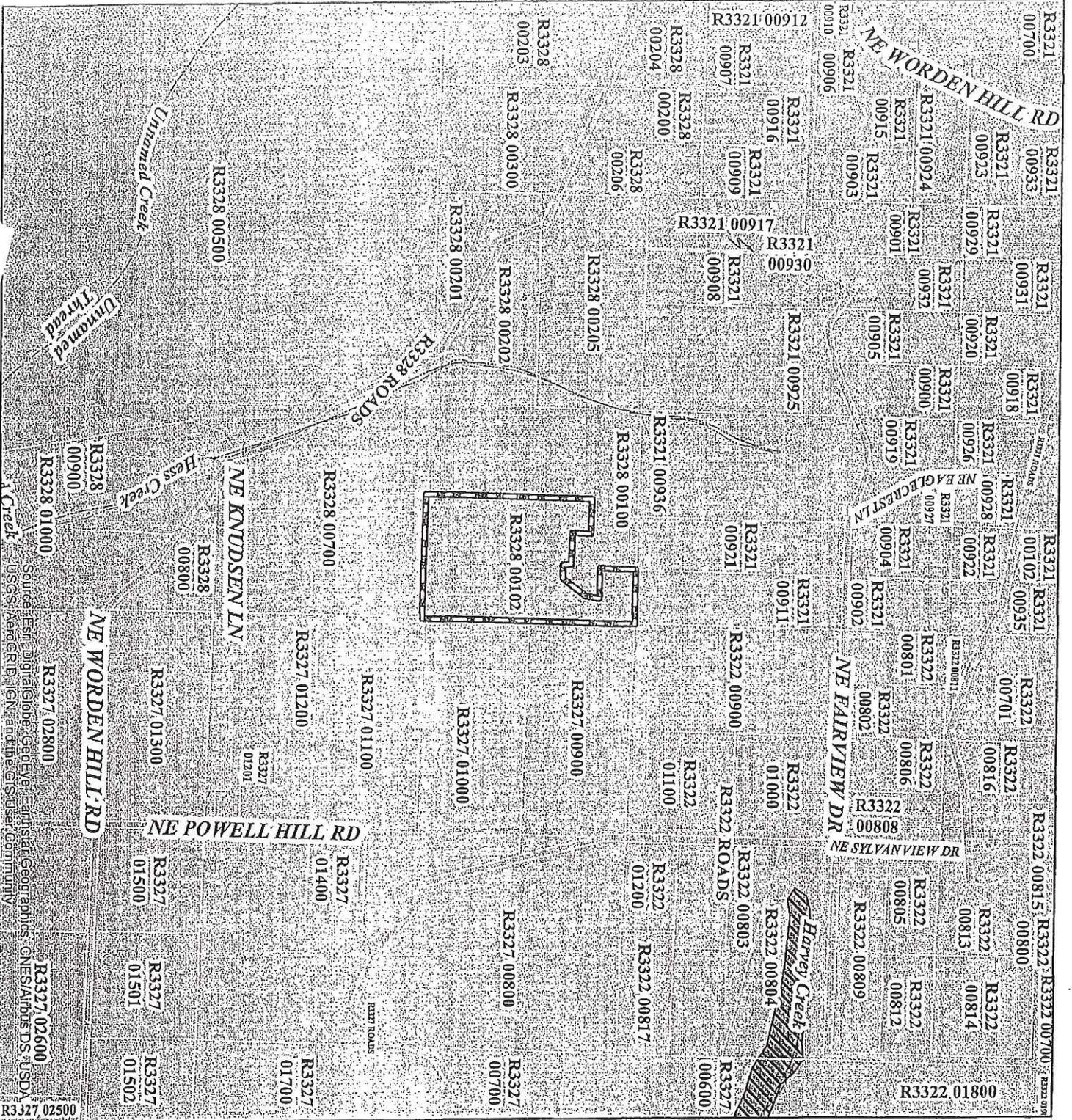
If you have any questions, please contact this office.

Sincerely,



Kenneth P. Friday  
Planning Director

cc: Board of Commissioners  
Assessor  
Public Works  
Dundee Fire District  
SPOs

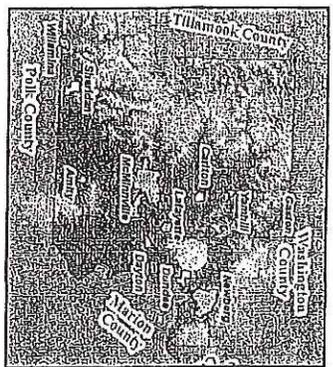


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

# YAMHILL COUNTY

## TAX LOT INFORMATION

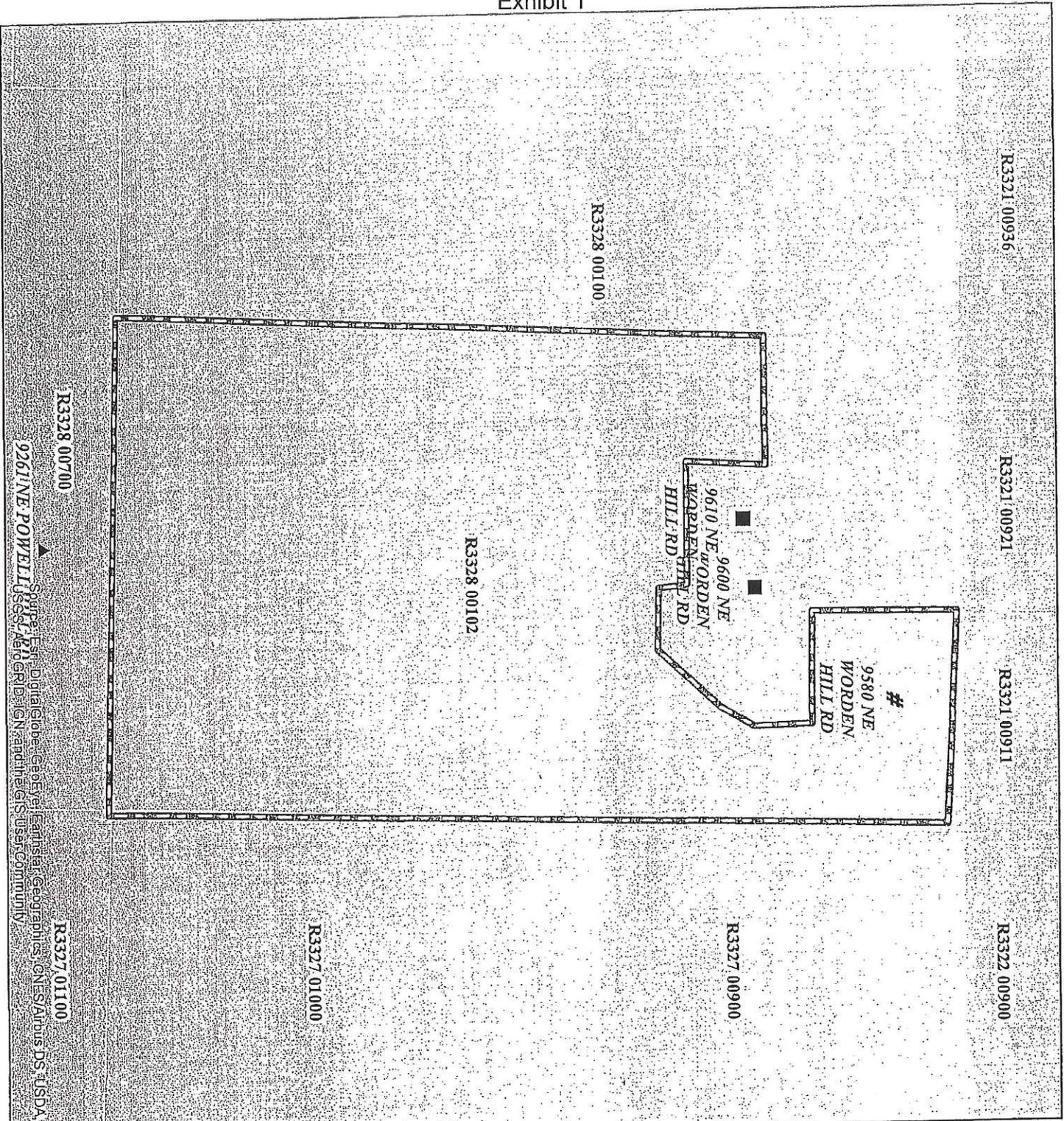
### & CONTEXTUAL MAP



### Property Information

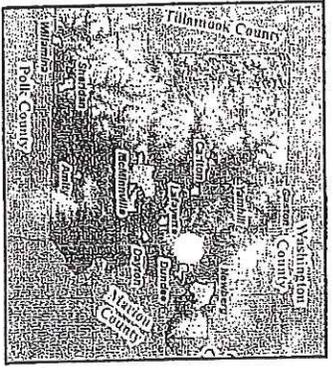
9580 NE Worden Hill Rd  
 Subject Parcel(s)  
 Tax Lot: R3328 00102  
 Lot Acreage: 18.59

- Wetland
  - FEMA Flood Zone
  - Base Flood Elev (ft)
  - 100 Year Zone
  - Floodway
- Approximate Locations & Dimensions  
 1 inch = 800 feet



9261 NE POWELL ST. Source: Esri, DigitalGlobe, GeoEye, Earthstar, Geographic, USGS, Aerial, CN, and the GIS User Community

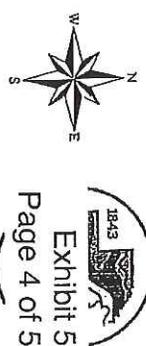
**YAMHILL COUNTY**  
**TAX LOT INFORMATION**  
 &  
**CONTEXTUAL MAP**



**Property Information**

9580 NE Worden Hill Rd  
 Subject Parcel(s)  
 Tax Lot: R3328 00102  
 Lot Acreage: 18.59

-  Wetland
  -  FEMA Flood Zone
  -  Base Flood Elev (ft)
  -  100 Year Zone
  -  Floodway
- Approximate Locations & Dimensions*  
 1 inch = 200 feet



1843  
 Exhibit 5  
 Page 4 of 5



Suite 2400  
1300 SW Fifth Avenue  
Portland, OR 97201-5610

Elaine R. Albrich  
503-778-5423 tel  
elainealbrich@dwt.com

March 18, 2022

VIA EMAIL and U.S. MAIL

Ken Friday  
Planning Director  
Yamhill County  
525 NE 4<sup>th</sup> Street  
McMinnville, OR 97128



**Re: Reapplication under New Owner Grange Hill, LLC – C-09-20, Conditional Use Approval of Home Occupation for Nine-Guestroom Country Inn Bed & Breakfast**

Dear Mr. Friday:

This office represents Grange Hill, LLC (“Grange Hill”). Grange Hill has acquired Tax Lot R3328-00102 (“Property”) from BW Vineyard, LLC (“BW Vineyard”) and is seeking approval from Yamhill County (“County”) to operate the nine-guestroom Country Inn Bed and Breakfast on the Property that was previously approved in Docket C-09-20. Grange Hill is not requesting any change or modification to the previously approved conditional use. I have enclosed the following for filing: (1) Conditional Use Application Form; and (2) Conditional Use Application Narrative and Exhibits 1-4. The Conditional Use Application Filing Fee will follow under separate cover.

Because Grange Hill is proposing to construct and operate the Country Inn Bed and Breakfast as previously authorized, you will see the Conditional Use Application is very similar to that filed in Docket C-09-20. However, if additional information is needed to deem this application complete, please let me know. Thank you for consideration.

Very truly yours,

Davis Wright Tremaine LLP

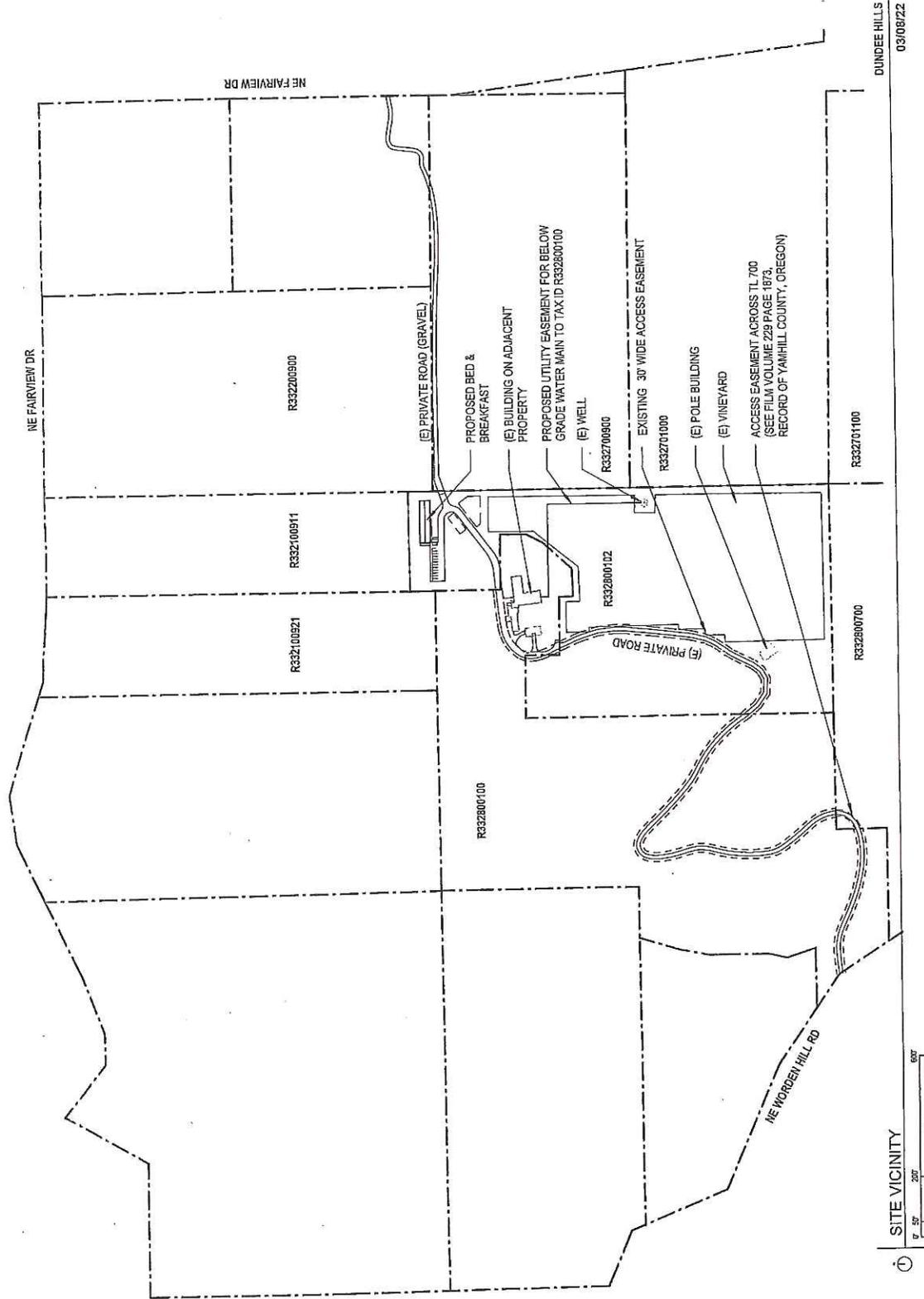
Elaine R. Albrich

cc: Jodi Hanson and Ben Gates, Urban Partners

[DWT.COM](http://DWT.COM)

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Portland | San Francisco | Seattle | Washington, D.C.  
4888-5410-7926v.1 0099736-000009







IV. PUBLIC NOTICE

# 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/>

### NOTICE OF PUBLIC HEARING

Thursday, July 7, 2022, 10:00 AM

Yamhill County Courthouse, Room 32

535 NE 5th Street

McMinnville, Oregon

And virtually via Zoom at the following URL:

<https://zoom.us/j/92847709143> Webinar ID: 928 4770 9143

The Yamhill County Board of Commissioners will hold a public hearing at the above time and place to consider the request described below. The request may be heard later than the time indicated, depending on the agenda schedule. Interested parties are invited to send written comment or may appear and testify at the hearing. Failure to raise an issue, either in person or in writing, or failure to provide statements or evidence sufficient to allow the Board of Commissioners an opportunity to respond to the issue precludes an affected party's appeal of the decision to the Land Use Board of Appeals (LUBA) on that issue.

A staff report will be available for inspection at no cost seven days prior to the hearing, and copies will be available for purchase at a reasonable cost. All materials submitted by the applicant are also available for inspection, and copies may be purchased at a reasonable cost. For further information, contact Desiree Lundeen ([lundeend@co.yamhill.or.us](mailto:lundeend@co.yamhill.or.us)) at the Yamhill County Department of Planning and Development, 525 N.E. Fourth, McMinnville, 97128, or at (503) 434-7516.

**DOCKET NO.:** C-03-22

**REQUEST:** A conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.

**APPLICANT:** Elaine Albrich for Grange Hill LLC

**APPELANT:** Kathryn Jernstedt representing Friends of Yamhill County

**OWNER:** Grange Hill LLC

**TAX LOT:** 3328-00102

**LOCATION:** 9580 NE Worden Hill Road, Dundee

**ZONE:** EF-40, Exclusive Farm District

**CRITERIA:** Sections 402.04(I), 1004.01, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.

**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.

*Procedures Regarding Hearings by the Board of Commissioners Acting on Quasi-judicial and Legislative Actions in Yamhill County.*

## The Nature and Conduct of Public Hearings

1. Parties to quasi-judicial proceedings are entitled to an opportunity to appear, either in person or through a representative, to present and rebut testimony and evidence before an impartial authority, to record the proceedings, and to receive a written notice of the decision, based on the record made at the hearing.
2. The following persons qualify as parties:
  - (a) the applicant;
  - (b) all persons that are entitled by ordinance to receive a notice of the hearing; and
  - (c) other persons who demonstrate that the action affects a substantial right of those persons.
3. No person shall testify without:
  - (a) receiving recognition from the chairperson;
  - (b) stating his or her full name and address; and
  - (c) if requested, stating the basis on which he or she is entitled to status as a party. A challenge to this status may be made by the Board or another party. A ruling shall be made by the Board regarding the person's right to testify.
4. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting. Audience demonstrations, applause, and display signs shall not be permitted. The chairperson of the Board of Commissioners shall have the authority to inform, reprimand, or remove any person or persons for violation of the rules of conduct.

## Rules of Evidence

1. No person shall present irrelevant, immaterial, or unduly repetitious testimony or evidence.
2. Testimony and evidence must be directed toward the criteria applicable to the subject hearing.
3. Failure to raise an issue accompanied by statements or evidence sufficient to afford the Commissioners and parties an opportunity to respond to the issue precludes appeal based on that issue beyond the local level.

## Hearing Procedure

In the conduct of a hearing, the chairperson shall have the authority to:

1. Determine who qualifies as a party;
2. Regulate the course, sequence, and decorum of the hearing;
3. Dispose of procedural requirements or similar matters;
4. Rule on offers of proof and relevancy of evidence and testimony;
5. Impose reasonable limitations on the number of witnesses heard and set reasonable time limits for oral presentations, and rebuttal testimony;
6. Grant, deny, or approve with conditions the matter being heard, or remand the matter to the initial decision maker for additional review or information.

## Burden of Proof

The burden of proof is placed upon the applicant. Such proof shall show that the request complies with all applicable standards and criteria of the Comprehensive Plan and Zoning Ordinance.

## Order of Procedure

1. Announce the nature and purpose of the hearing and summarize the rules for conducting the hearing;
2. Ask for disclosure of any potential conflicts of interest or ex parte contact by those on the Board;
3. Ask parties of the hearing if there is a challenge to the ability of any member of the Board to make an unbiased decision on the case;
4. State that testimony and evidence must be directed toward the relevant criteria or other criteria in the plan or ordinance which a person believes to apply to the decision;
5. State that failure to raise an issue accompanied by statements or evidence sufficient to afford the Board and parties an opportunity to respond to the issue precludes appeal beyond the local level;
6. Request the Planning Director or the Directors designee to present a summary of staff findings; and the criteria applicable to the request.
7. Allow the applicant to be heard first, testifying on their own behalf or by a representative.
8. Allow parties or witnesses in favor of the proposal to be heard;
9. Allow parties or witnesses opposed to the proposal to be heard;
10. Ask for comments submitted by governmental agencies;
11. Allow rebuttal testimony;
12. Ask for the staff recommendation.

13. Prior to the conclusion of the initial hearing, any party may request an opportunity to present additional testimony or evidence regarding the application. The Board shall grant such a request by continuing the public hearing or leaving the record open for additional written evidence or testimony.
14. Upon conclusion of the initial hearing, if there is no request to present additional testimony or evidence, the Board shall decide whether to close the hearing and render a decision or continue the hearing to a later date. The Board may request proposed findings and conclusions from any party to the hearing.

## Appeal of Board Decisions

1. A decision of the Board of County Commissioners may be appealed to the Land Use Board of Appeals for review. A petition for review must be submitted to the Land Use Board of Appeals within twenty-one (21) days of the date of decision.
2. Only parties to the subject action may appeal the Board's decision.

## Accommodation of Physical Impairments

Please notify the Board of Commissioners of any special physical or language needs as far in advance of the hearing as possible. The hearing rooms are handicapped accessible.

TDD 503-434-7519.

# 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>

June 7, 2022

VIA EMAIL

News Register

P.O. 727

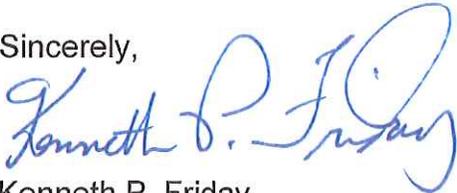
611 E Third St.

McMinnville, Oregon 97128

[legals@newsregister.com](mailto:legals@newsregister.com)

Please publish the following notice of public hearing in the June 7, 2022, issue of the **News Register**. Please bill this office and supply us with an affidavit of publication.

Sincerely,



Kenneth P. Friday  
Planning Director

PUBLIC NOTICE IS HEREBY GIVEN that the Yamhill County Board of Commissioner will hold a public hearing on July 7, 2022, at 10:00 A.M. in room 32 of the Yamhill County Courthouse, located at 535 East Fifth Street, McMinnville to consider an appeal by Friends of Yamhill County of the Planning Director's decision on: **DOCKET C-03-22**, a request by Elaine Albrich for Grange Hill LLC for conditional use to operate a 9 guestroom Bed and Breakfast facility as a home occupation. The property is identified as Tax Lot 3328-102 and is located at 9580 NE Worden Hill Rd, Dundee. This application is being reviewed based on criteria in Sections 402.04(I), 1004.01, 1012, 1202.02 of the Yamhill County Zoning Ordinance. Interested parties are invited to send written comment to [lundeend@co.yamhill.or.us](mailto:lundeend@co.yamhill.or.us) or may appear and testify at the hearing. Comments submitted the day of the hearing will not be accepted via e-mail or fax but must be submitted in writing (12 copies) at the hearing. Failure to raise an issue, either in person or in writing, or failure to provide statements or evidence sufficient to allow the Planning Commission an opportunity to respond to the issue precludes an affected party's appeal of the decision to the Board of Commissioners on that issue. Additional information is available from the County Planning Department at 503-434-7516. Dated February 18, 2022, Ken Friday, Planning Director.

To participate in the hearing using Zoom please use the link below to join the webinar:  
<https://zoom.us/j/92847709143> Webinar ID: 928 4770 9143

Dated June 10, 2022 Ken Friday, Planning Director.

RECEIVED  
APR 14 2022  
YAMHILL COUNTY  
PLANNING DEPARTMENT

3qw 0.  
0.

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: **C-03-22**, a request by Elaine Albrich for Grange Hill LLC for conditional use approval for a home occupation to operate a nine guestroom Bed and Breakfast facility. The parcel is identified as Tax Lot 3328-102 and is located at 9610 NE Worden Hill Rd, Dundee. **C-04-22**, a request by Ken Summers & Family for Summers Hill Bed & Breakfast LLC for conditional use approval for a home occupation to operate a two guestroom Bed and Breakfast facility. The parcel is identified as Tax Lots 3523-1300 and 1304 and is located at 11063 NW Old Soldiers Rd, Carlton. This application is being reviewed based on criteria in Sections 402.04(I), 402.07(A), 1004.01, 1012 and 1202.02 of the Yamhill County Zoning Ordinance. **C-05-22**, a request by Kimberly Courtin for conditional use approval for a nine-bedroom bed and breakfast on a parcel with two approved dwellings that have been recognized as non-conforming use through Docket NCU-01-19. The parcel is identified as Tax Lot 4309-1200 and is located at 16600 and 16602 NE McDougall Rd, Dayton. These applications are being reviewed based on criteria in Sections 402.04(I), 402.07(A), 1004.01, 1012 and 1202.02 of the Yamhill County Zoning Ordinance. **V-03-22**, a request by Bruce Sussman for a variance to the 30-foot setback distance of the underlying Exclusive Farm use (EF-80) zone. The applicant is proposing an approximately 23-foot setback along the western property line,

# News-Register

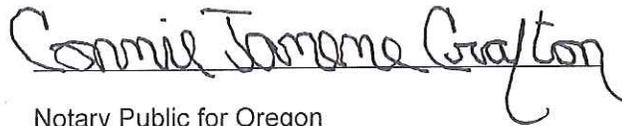
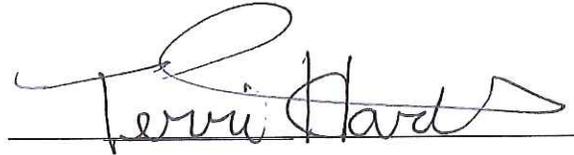
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PO Box 727

## AFFIDAVIT OF PUBLICATION

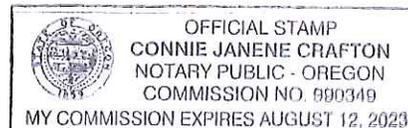
bring for construction of a farm building. The parcel is identified as Tax Lot 3406-1900 and is located at 12000 NW Oak Ridge Rd, Yamhill. This application is being reviewed based on criteria in Sections 402.09(C) and 1203.02 of the Yamhill County Zoning Ordinance. Interested persons may respond in writing by 5 p.m. April 25, 2022, 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 request and must be accompanied by a \$250 fee for each request. Dated April 8, 2022, by Ken Friday, Planning Director. NR Published April 8, 2022

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-03-22 C-04-22 C-05-22 V-03-22- - April 8, 2022  
Subscribed and sworn before me this 4/12/2022 .



Notary Public for Oregon  
My Commission Expires 08/12/2023



# 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>

April 6, 2022

VIA EMAIL: [legals@newsregister.com](mailto:legals@newsregister.com)

News Register  
 611 E Third St.  
 McMinnville, Oregon 97128

Please publish the following public notice in the April 8, 2022, issue of the News Register. Please bill this office and supply us with an affidavit of publication.

Sincerely,



Kenneth P. Friday  
 Planning Director

KF:sc

### PUBLIC NOTICE

PUBLIC NOTICE IS HEREBY GIVEN that the following applications are being reviewed by the Yamhill County Department of Planning and Development: **C-03-22**, a request by Elaine Albrich for Grange Hill LLC for conditional use approval for a home occupation to operate a nine guestroom Bed and Breakfast facility. The parcel is identified as Tax Lot 3328-102 and is located at 9610 NE Worden Hill Rd, Dundee. **C-04-22**, a request by Ken Summers & Family for Summers Hill Bed & Breakfast LLC for conditional use approval for a home occupation to operate a two guestroom Bed and Breakfast facility. The parcel is identified as Tax Lots 3523-1300 and 1304 and is located at 11063 NW Old Soldiers Rd, Carlton. This application is being reviewed based on criteria in Sections 402.04(I), 402.07(A), 1004.01, 1012 and 1202.02 of the Yamhill County Zoning Ordinance. **C-05-22**, a request by Kimberly Courtin for conditional use approval for a nine-bedroom bed and breakfast on a parcel with two approved dwellings that have been recognized as nonconforming use through Docket NCU-01-19. The parcel is identified as Tax Lot 4309-1200 and is located at 16600 and 16602 NE McDougall Rd, Dayton. These applications are being reviewed based on criteria in Sections 402.04(I), 402.07(A), 1004.01, 1012 and 1202.02 of the Yamhill County Zoning Ordinance. **V-03-22**, a request by Bruce Sussman for a variance to the 30-foot setback distance of the underlying Exclusive Farm use (EF-80) zone. The applicant is proposing an approximately 23-foot setback along the western property line, bordering NW Old Railroad Grade Rd, for construction of a farm building. The parcel is identified as Tax Lot 3406-1900 and is located at 12000 NW Oak Ridge Rd, Yamhill. This application is being reviewed based on criteria in Sections 402.09(C) and 1203.02 of the Yamhill County Zoning Ordinance. Interested persons may respond in writing by 5 p.m. April 25, 2022, to comment on, or to request the above

Exhibit 1

applications be considered at a public hearing. A request for a hearing must state the basis for the request and must be accompanied by a \$250 fee for each request. Dated April 8, 2022, by Ken Friday, Planning Director.

# 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>

Date: April 8, 2022

- |     |  |  |
|-----|--|--|
| To: | <input type="checkbox"/> Public Works                          | <input type="checkbox"/> Water Master  |
|     | <input type="checkbox"/> Dundee Rural Fire Protection District | <input type="checkbox"/> Public Health |
|     | <input type="checkbox"/> Department of Agriculture             | <input type="checkbox"/> Sanitarian    |
|     | <input type="checkbox"/> SWCD                                  |  |

Re: **Docket C-03-22 (D.L.)**  
Elaine Albrich for Grange Hill LLC, Tax Lot # 3328-00102

The referenced docket is currently under consideration by Yamhill County. A conditional use for a nine-bedroom bed and breakfast. The request is on a parcel located at 9610 NE Worden Hill Rd., Dundee. The enclosed material has been referred to you for your inspection and official comments. Your recommendations and suggestions will be used to guide the decision-maker when reviewing this request. If you wish to have your comments on the enclosed material considered, please return this form by this date: **April 25, 2022.**

Your prompt reply will facilitate the processing of this application and will ensure consideration of your recommendations. Please check the appropriate space below and provide any comments you wish in the space provided, or on additional sheets.

### PLEASE NOTE

If a comment is not received by the deadline indicated, the decision-making authority will assume that there is no conflict between the request and the interests of your agency or organization and make its decision accordingly.

- |   |  |
|---|--|
| <input type="checkbox"/> 1. We have reviewed the file and find no conflicts with our interests.                   | <input type="checkbox"/> 3. We would like to suggest some changes to the proposal. |
| <input type="checkbox"/> 2. A formal recommendation is under consideration and will be submitted to you by: _____ | <input type="checkbox"/> 4. Please refer to the enclosed letter.                   |

Comments:

Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

# 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>

### 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, contact Desiree Lundeen ([lundeend@co.yamhill.or.us](mailto:lundeend@co.yamhill.or.us)) at the Yamhill County Department of Planning and Development.

---

**DOCKET NO.:** C-03-22

**REQUEST:** Conditional use for a nine-bedroom bed and breakfast.

**APPLICANT:** Elaine Albrich for Grange Hill LLC

**OWNER:** Grange Hill LLC

**TAX LOT:** 3328-00102

**LOCATION:** 9610 NE Worden Hill Rd., Dundee

**ZONE:** EF-40, Exclusive Farm use District

**REVIEW CRITERIA:** Sections 402.04(I), 402.07(A), 1004.01, 1012, and 1202.02 of the *Yamhill County Zoning Ordinance*. Comprehensive Plan policies may also be applicable.

---

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.

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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 April 8, 2022

**COMMENTS OR REQUESTS FOR HEARING MUST BE RECEIVED NO LATER THAN  
5:00 p.m., April 25, 2022**

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.

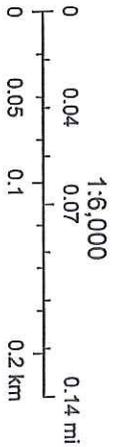


# Yamhill County Map



April 1, 2022

- County
- 500 Year Flood Area
- 100 Year Flood Area
- County Roads
- Taxlots
- UGB\_YamhillCo
- City Boundary
- SL
- Tax Label



Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community. Source: Esri, DigitalGlobe.

Yamhill County GIS  
Yamhill County 2018

V. PUBLIC AGENCY REPORTS

# 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>

Date: April 8, 2022

- To:
- |  |  |
|--|--|
| <input type="checkbox"/> Public Works                          | <input type="checkbox"/> Water Master  |
| <input type="checkbox"/> Dundee Rural Fire Protection District | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Department of Agriculture             | <input type="checkbox"/> Sanitarian    |
| <input type="checkbox"/> SWCD                                  |  |

Re: **Docket C-03-22 (D.L.)**  
Elaine Albrich for Grange Hill LLC, Tax Lot # 3328-00102

The referenced docket is currently under consideration by Yamhill County. A conditional use for a nine-bedroom bed and breakfast. The request is on a parcel located at 9610 NE Worden Hill Rd., Dundee. The enclosed material has been referred to you for your inspection and official comments. Your recommendations and suggestions will be used to guide the decision-maker when reviewing this request. If you wish to have your comments on the enclosed material considered, please return this form by this date: **April 25, 2022.**

Your prompt reply will facilitate the processing of this application and will ensure consideration of your recommendations. Please check the appropriate space below and provide any comments you wish in the space provided, or on additional sheets.

### PLEASE NOTE

If a comment is not received by the deadline indicated, the decision-making authority will assume that there is no conflict between the request and the interests of your agency or organization and make its decision accordingly.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> 1. We have reviewed the file and find no conflicts with our interests.        | <input type="checkbox"/> 3. We would like to suggest some changes to the proposal. |
| <input type="checkbox"/> 2. A formal recommendation is under consideration and will be submitted to you by: _____ | <input type="checkbox"/> 4. Please refer to the enclosed letter.                   |

Comments:

*SEE PERMIT 979-21-000204-PRMT*

Signed



Title

*PRMS*

Date

*4/12/2022*

VI. COMMENTS RECEIVED



P.O Box 1083  
McMinnville, OR 97128

April 25, 2022

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

---

Planning Department  
525 NE 4<sup>th</sup> Street  
McMinnville, Oregon 97128

RE: Docket C-03-22

Dear Ken Friday, Desiree Lundeen:

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. We appreciate the opportunity to comment on Docket C-03-22.

Reviewing the application for the Grange Hill B&B raises several concerns that need to be further investigated and addressed before approval or in conditions upon approval.

The application is to operate a nine room B&B under YCZO Sec 1012 and in compliance with YCZO Sec 1004. As the applicant acknowledges, this represents a change of ownership and home occupation approvals do not run with the land <sup>1</sup>. The application requires the construction of a new building and does not include any plans to assure that it will be built in keeping with the definition of a residential dwelling or include living space for the owner/operator per code.<sup>2</sup>

The application is reflective of a previous but unbuilt Docket C-09-20. That application included a winery, tasting room, and other potential development. This application does not address these potentialities for the site. Friends of Yamhill County is very concerned about "stacking permits" in a manner that allows development without the necessary assessment of compounding impacts.<sup>3</sup>

---

<sup>1</sup> YCZO 1004.01 N. A permit for a home occupation shall be deemed personal to the applicant and shall not run with the land.

<sup>2</sup>YCZO 1004.01 A. The home occupation will be operated by a resident of the property on which the business is located.

<sup>3</sup> YCZO 1004.01 E. No more than one (1) home occupation shall be permitted in conjunction with any dwelling or parcel. Activities which are substantially different in nature shall be considered separate home occupations.

Exhibit 1

Please include this letter in the official record and provide us with notice of your decision in this matter. Thank you for your attention.

Sincerely,

*Kathryn Jernstedt*

Kathryn Jernstedt  
President  
Friends of Yamhill County  
PO Box 1083  
McMinnville, Oregon 97128

C-03-22 FYC PD



Suite 2400  
1300 SW Fifth Avenue  
Portland, OR 97201-5610

Elaine R. Albrich  
503-778-5423 tel  
elainealbrich@dwt.com

May 6, 2022

**VIA EMAIL**

Desiree Lundeen  
Associate Planner  
Yamhill County  
525 NE 4<sup>th</sup> Street  
McMinnville, OR 97128

**Re: Docket C-03-022, Applicant's Response to Public Comment**

Dear Desiree:

On behalf of Grange Hill, LLC ("Grange Hill"), we are submitting this response to Friends of Yamhill County's ("Friends") public comment dated April 25, 2022, regarding the above-referenced matter.

Grange Hill proposes to construct and operate a country inn bed and breakfast as previously approved in Docket C-09-20. As described in the original application and reflected in Grange Hill's application narrative, the bed and breakfast will be a two-story single-family dwelling containing a dining area, living room, kitchen, living quarters for the inn keeper, and nine guest bedrooms. One issue raised by Friends is the nature of the proposed construction and qualifying as a dwelling. Applicant believes that this concern is readily addressed by the fact that Yamhill County, as a part of the building permit review process, will confirm that the final construction drawings satisfy the single-family dwelling requirement. Another issue raised by Friends is the management of the inn. Again, the final construction drawings will have living quarters for the inn keeper so this should be a nonissue. The third and final concern raised by Friends is "stacking" of permits. While Applicant is not exactly sure what Friends are implying, Applicant maintains that the YCZO approval criteria and development standards ensure that the potential impacts associated with any co-located uses do not rise to the level of significant.

Applicant appreciates this opportunity to provide this response into the record. Thank you for your consideration.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in cursive script that reads "Elaine R. Albrich".

Elaine R. Albrich

**DWT.COM**

Anchorage | Bellevue | Los Angeles | New York  
Portland | San Francisco | Seattle | Washington, D.C.  
4855-5405-2894v.1 0099736-000009



P.O Box 1083  
McMinnville, OR 97128

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

---

July 5, 2022

Yamhill County Board of Commissioners  
535 NE Fifth Street  
McMinnville, Ore. 97128

SENT VIA EMAIL

RE: Appeal of Docket C-03-22  
Additional testimony

Chair Berschauer and members of the Board:

Friends of Yamhill County (FYC) appreciates the opportunity to address important matters affecting land use in the county. The testimony below is in addition to that provided in the appeal application included in your hearing packet and attached. Please accept this letter and enter it into the record of proceedings on this docket.

To summarize our primary objection to the planning director's approval, home occupations, including bed and breakfast facilities (B&Bs) are only permitted in a dwelling. Based on the definitions of "dwelling" and "motel" in the Yamhill County Zoning Ordinance (YCZO), the proposed structure is a motel and therefore the proposal does not satisfy the approval criteria for a home occupation. This argument is spelled out more fully in Exhibit II of the hearing packet (PDF pp. 33-34).

In addition to this objection, FYC has identified the following deficiencies in the appealed decision.

First, we do not find that the adopted findings include any mention of the fact that the another nine-unit facility approved as a B&B operates on the property next door and utilizes the same access drive. This is relevant to YCZO 1202.02(D), which provides:

## Exhibit 1

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 findings relating to this criterion (06/22/22 staff report to BOC, p. 4, and 05/10/22 director's decision staff report, p.4) state:

\* \* \* Notice was sent to neighboring property owners and staff did not receive any comments or concerns from surrounding property owners.

The surrounding area is a mix of large-scale farming activities in the form of vineyard and wine production, scattered fruit and nut tree orchards, and livestock stabling and pasturage in addition to rural residential uses. Nothing in the applicant's proposal indicates that the bed and breakfast will have a deleterious impact to the character of the surrounding area. There is no reason to believe the operation of a bed and breakfast as a home occupation in the Exclusive Farm use zone will substantially limit, impair, or prevent any permitted uses on surrounding properties. With conditions, the request complies with criterion 1202.02(D).

Again, there is no mention that the surrounding area already includes a nine-unit hotel. The findings should address whether *two* significant commercial facilities a matter of a few yards from each other may "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."

*Of course* nothing in the applicant's proposal indicates deleterious effects. Additional people in the farm zone that are unfamiliar with accepted farming practices often result in complaints or pressure on farmers to adapt their practices. Also bear in mind that B&Bs in Yamhill County are frequently not just a place to sleep and have breakfast. The website for the facility next door, for example, shows that the operators provide dinner service and host private events and weddings.<sup>1</sup> There are many examples in Oregon where event spaces have created conflicts with neighboring farm use. FYC disagrees with the finding that "there is no reason to believe the operation of a bed and breakfast as a home occupation in the Exclusive Farm use zone will substantially limit, impair, or prevent any permitted uses on surrounding properties."

The findings should address uses in the surrounding area more accurately, more fully address potential conflicts, and explain whether multiple B&B/hotels (and accessory restaurants and event spaces) will in fact substantially limit, impair, or prevent farm use of surrounding properties.

Next, the traffic impact study is deficient for the reasons explained below. This is relevant to YCZO 1202.02(E) (The proposed use is appropriate, considering the adequacy of the public facilities and services existing or planned for the area affected).

---

<sup>1</sup> <https://www.blackwalnutvineyard.com/>

Exhibit 1

The study estimates that the traffic generated by the proposed facility will be 34 trips per week. This estimate is based on expected trips from a 10-unit hotel. FYC has no evidence that this estimate is incorrect *for a hotel*, but the proposal is for a hotel inside a dwelling, and the family residing in the dwelling will generate trips not expected at a stand-alone hotel (*e.g.*, trips to the store and doctor). The study should combine the trips for the dwelling and the hotel, and address the impact of two of these on Worden Hill Road, as the existing and proposed facilities would share a drive.

Thanks again for the opportunity submit this testimony.

Sincerely,

*Rob Hallyburton*

Rob Hallyburton  
Vice President

cc: Lance Woods and Ken Friday, planning dept.  
Kathryn Jernstedt, FYC

**ATTACHMENT – Appeal of C-03-22**

**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 permit approval is for a nine-unit bed and breakfast facility. The review criteria for such a facility include YCZO sec. 1004.01, which provides, in part:

- C. The home occupation will be operated substantially in the dwelling or in other buildings normally associated with uses permitted in the zone in which the property is located.
- F. A home occupation shall not be used to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is established...

The plans for the approved facility, attached, show that the structure is not a dwelling, not normally associated with uses permitted in the EF zone, or otherwise allowed in the zone.

The definition of "dwelling" from the Yamhill County Zoning Ordinance (YCZO sec. 202) is:

A building containing one (1) dwelling unit designed for and occupied by one (1) family only. The term dwelling includes a manufactured dwelling but does not include a hotel, motel, travel trailer, boarding, lodging or rooming house, private hospital, rest home or nursing home or other accommodations used for transient occupancy.

The structure has nine separate rooms each clearly marked as a "guest suite" or "innkeeper suite." It is designed just like a motel. The definition of "motel" in YCZO sec. 202 is:

Exhibit 1

One (1) or more attached or detached buildings containing housekeeping or sleeping units designed and used for the temporary accommodation of tourists or transients with off-street parking space for each such unit.

While it may be possible for a family to reside in such a structure, this one is clearly *designed for* transient occupancy, a use specifically excluded from the definition of "dwelling."

Additionally, a dwelling *designed* for one family would only accommodate up to five unrelated persons.<sup>1</sup> The approved structure is designed to accommodate at least nine unrelated persons. The building plans were amended to add a caretaker's residence, and this is where a family would live. The other nine rooms are all designed for transient occupancy.

Motels are not listed as a permitted use in YCZO sec. 403 (AF District), so zoning endorsement of the building permit approves a use that is prohibited in the zone.

---

<sup>1</sup> The YCZO sec. 202 definition of "family" is: "One or more person related by blood, marriage, legal adoption or legal guardianship plus not more than five (5) additional persons, including foster and shelter care persons or, up to five (5) unrelated persons, all living together as a single housekeeping unit."

2. LUBA Remand No. 22-081 (2025)

1                   BEFORE THE LAND USE BOARD OF APPEALS  
2                   OF THE STATE OF OREGON

3  
4                   FRIENDS OF YAMHILL COUNTY,  
5                                   *Petitioner,*

6  
7                                   vs.

8  
9                   YAMHILL COUNTY,  
10                                  *Respondent,*

11  
12                                  and

13  
14                   GRANGE HILL LLC,  
15                                  *Intervenor-Respondent.*

16  
17                                  LUBA No. 2022-081

18  
19                                  FINAL OPINION  
20                                  AND ORDER

21  
22                   Appeal on remand from the Supreme Court.

23  
24                   Andrew Mulkey represented petitioner.

25  
26                   Jodi M. Gollehon represented respondent.

27  
28                   Elaine Albrich represented intervenor-respondent.

29  
30                   BASSHAM, Board Member; ZAMUDIO, Board Chair, and WILSON,  
31                   Board Member, participated in the decision.

32  
33                                  REMANDED

  09/19/2025

34  
35                   You are entitled to judicial review of this Order. Judicial review is  
36                   governed by the provisions of ORS 197.850.

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**NATURE OF THE DECISION**

Petitioner appeals a board of commissioners’ decision approving a conditional use permit (CUP) to operate a bed and breakfast as a home occupation on land zoned exclusive farm use.

**BACKGROUND**

This matter is on remand from the Supreme Court. *Friends of Yamhill County v. Yamhill County*, 373 Or 790, 572 P3d 278 (2025). In the underlying LUBA decision, we affirmed the county’s decision approving a CUP to operate a bed and breakfast home occupation on land zoned exclusive farm use (EFU), and currently farmed as a vineyard. *Friends of Yamhill County v. Yamhill County*, LUBA No 2022-081 (Dec 27, 2022). In 2020, the county approved an application by a prior owner of the property for a dwelling in conjunction with farm use on the subject property, based on the vineyard use. After acquiring the property, intervenor-respondent Grange Hill, LLC (intervenor) filed the present CUP application for a home occupation bed and breakfast, to be operated within that yet-to-be-constructed farm dwelling. The proposed dwelling would include nine guest rooms and an innkeeper’s suite.

Petitioner appealed our decision to the Court of Appeals. On appeal, the Court of Appeals reversed, concluding that, as a matter of law, the proposed structure was not a “dwelling” at all, but rather a type of motel. *Friends of Yamhill County v. Yamhill County*, 325 Or App 282, 529 P3d 1007 (2003). The Supreme

1 Court granted review of the Court of Appeals’ decision, and affirmed the court’s  
2 decision in part, and reversed in part. The Supreme Court disagreed with the  
3 Court of Appeals that the proposed use is a “motel,” but agreed that LUBA had  
4 erred in affirming the county’s approval of the home occupation. According to  
5 the Supreme Court:

6 “[T]he legislature intended the ‘dwelling’ requirement for a home  
7 occupation under ORS 215.448 to mean a structure that satisfies the  
8 requirements for a particular category of ‘dwelling’ that the land use  
9 laws normally allow on property in the zone. When, as here, the  
10 purported category of dwelling is a ‘primary dwelling’ on EFU land,  
11 those requirements include that the structure will be the home for a  
12 farm operator. \* \* \* LUBA erroneously dismissed that requirement  
13 as irrelevant to whether the proposed structure satisfies the  
14 ‘dwelling’ requirement in ORS 215.448[.]” *Friends of Yamhill*  
15 *County*, 373 Or at 793.

16 The Supreme Court remanded our decision for us to consider petitioner’s  
17 challenges to the CUP “under the standards articulated in this opinion.” *Id.* at  
18 814. We now address the Supreme Court’s remand.

19 **MOTION FOR REMAND**

20 On August 29, 2025, intervenor and the county (together, respondents)  
21 filed a joint motion for remand, taking the position that “the sole issue on remand  
22 is whether [intervenor’s] primary dwelling satisfies the requirements for a  
23 category of dwelling that the EFU zone allows[.]” Motion for Remand 2-3.  
24 Respondents request that LUBA remand the case to the county “without further  
25 proceedings,” so that the county can hold a remand hearing and accept evidence

1 on this sole remaining issue. Alternatively, respondents request the opportunity  
2 to provide supplemental briefing regarding the “farm operator” issue.

3 Petitioner responds that remand should not be limited to the “farm  
4 operator” issue that is primarily raised in the first assignment of error’s second  
5 subassignment. Petitioner argues that the Supreme Court reversed and remanded  
6 LUBA’s decision *in toto*, which means that none of LUBA’s dispositions  
7 survived judicial review. Further, petitioner argues that at least with respect to  
8 the “design characteristics” issue also raised in the first subassignment of error’s  
9 second subassignment, the Supreme Court explicitly rejected both LUBA’s and  
10 the Court of Appeals’ opposing resolutions of that issue, and articulated a more  
11 nuanced approach that requires LUBA to re-evaluate that issue on remand.

12 We agree with petitioner that the Supreme Court’s remand to LUBA was  
13 not limited to the single “farm operator” issue, but requires re-evaluation of  
14 potentially all of LUBA’s dispositions, as necessary to ensure consistency with  
15 the court’s rulings and those portions of the Court of Appeals’ decision that the  
16 court agreed with or left intact. Accordingly, we deny respondents’ motion to  
17 remand solely on the farm operator issue, and further decline, as unnecessary,  
18 respondents’ request to supply additional briefing on that issue.

19 For the reasons explained below, we remand the decision back to the  
20 county for further proceedings.

1 **FIRST ASSIGNMENT OF ERROR**

2 The county approved intervenor’s bed and breakfast home occupation as a  
3 conditional use that operates primarily in a “dwelling.” Petitioner’s first  
4 assignment of error is that the county’s decision violates ORS 215.448 and  
5 YCZO 1004.01, which authorize home occupations in dwellings or other  
6 buildings normally associated with the uses permitted in the underlying zone,  
7 here, the county’s EFU zone.<sup>1</sup> Petitioner’s specific arguments are set out in four  
8 subassignments of error. The second subassignment of error is most pertinent to  
9 the Supreme Court’s remand, so we begin there.

10 **A. Second Subassignment of Error**

11 **1. Farm Operator**

12 Petitioner’s second subassignment of error is that the building being  
13 constructed by intervenor is not a “dwelling” or “other building” allowed in the  
14 EFU zone and that intervenor’s application therefore does not comply with the  
15 requirement in ORS 215.448 that the home occupation be operated therein.  
16 Petition for Review 31-32. Petitioner argued, in part, that “[t]he statutory text  
17 does not contemplate that a ‘primary’ ‘dwelling’ authorized by ORS

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<sup>1</sup> ORS 215.448(1)(c) requires that a home occupation be operated substantially in “[t]he dwelling” or “[o]ther buildings normally associated with uses permitted in the zone in which the property is located[.]” ORS 215.448(3) provides that “[n]othing in this section authorizes the governing body or its designate to permit construction of any structure that would not otherwise be allowed in the zone in which the home occupation is to be established.”

1 215.283(1)(e) as anything other than a building designed and used as a home or  
2 primary residence for a farm operator.” Petition for Review 26. In its decision,  
3 the Supreme Court essentially agreed with that argument.

4       Considering the text, context, and legislative history of ORS  
5 215.448(1)(c)(A), the Supreme Court determined that, for purposes of the statute,  
6 a “dwelling” is

7       “a structure that satisfies the requirements for a particular category  
8 of ‘dwelling’ that the land use laws allow as of right in the zone.  
9 Here, the only identified category of allowed dwelling is a ‘primary  
10 dwelling in conjunction with farm use,’ and \* \* \* the legislature  
11 intended such dwellings to mean a farm operator’s home.” *Friends*  
12 *of Yamhill County*, 373 Or at 799.

13 Further, the Court held that there is

14       “a legislative intent that the ‘dwelling’ requirement incorporates the  
15 land use laws and regulations that govern whether a proposed  
16 structure qualifies as a ‘dwelling’ allowed on property in the  
17 particular zone. And when the structure is in any area zoned for  
18 exclusive farm use, the categories of dwelling normally allowed, or  
19 allowed ‘as of right,’ are limited to dwellings that facilitate the  
20 farming operation: ‘primary or accessory dwellings \* \* \*  
21 customarily provided in conjunction with farm use,” ORS  
22 215.283(1)(e), and a ‘dwelling’ that ‘is occupied by a relative of the  
23 farm operator or the farm operator’s spouse’ if ‘the farm operator  
24 does or will require the assistance of the relative in the management  
25 of the farm use,’ ORS 215.283(1)(d). In other words, it is not enough  
26 that the structure will be occupied by ‘a person as their household.’”  
27 *Id.* at 803-04.

28       As we understand the Court’s decision, the Supreme Court held that for a  
29 building to qualify as a “dwelling” for purposes of obtaining a conditional use

1 permit for a home occupation in the EFU zone, the building must constitute one  
2 of the buildings authorized in the EFU zone, in this case, a “dwelling in  
3 conjunction with farm use” or “primary dwelling.” As a consequence, in the  
4 present case intervenor must demonstrate, and the county must find, among other  
5 things, that the dwelling proposed for the home occupation is the home of the  
6 “farm operator” for the farm use that qualifies the subject property for the primary  
7 dwelling.

8 Intervenor proposed that the dwelling would be occupied by a “resident”  
9 who would occupy the innkeeper’s suite, but did not propose, and the county did  
10 not find, that any resident of the dwelling would be the “farm operator” who  
11 farms the vineyard that qualifies the property for the dwelling. Accordingly, the  
12 present record and findings do not provide a basis for the county to conclude that  
13 the dwelling proposed for the home occupation qualifies as a “dwelling” for  
14 purposes of ORS 215.448(1)(c)(A), under the Supreme Court’s interpretation of  
15 that statute. We therefore sustain this portion of the second subassignment of  
16 error.

17 **2. Design Characteristics and Structural Code Standards**

18 The remainder of the second subassignment of error concerns arguments  
19 that the proposed dwelling, as designed, does not qualify as a “dwelling” for  
20 purposes of ORS 215.448(1)(c), because the proposed building will be built to  
21 structural building code regulations applicable to non-residential transient  
22 housing such as motels and hotels. We rejected that argument, concluding that

1 building code standards are not determinative of whether the building is a  
2 “dwelling” for purposes of ORS Chapter 215. *Friends of Yamhill County*, LUBA  
3 No 2022-081 (slip op at 14).

4 The Court of Appeals, however, agreed with petitioner that, although not  
5 dispositive, “a structure’s design, including applicable building code standards,  
6 certainly is relevant to a determination of the nature of the structure.” *Friends of*  
7 *Yamhill County*, 325 Or App at 293. On review, the Supreme Court agreed with  
8 the Court of Appeals on that point:

9 “[Petitioner] has argued that a bed and breakfast facility with more  
10 than five guest rooms must be considered a ‘hotel or motel’ because  
11 that is how the state building code’s structural speciality code  
12 (OSSC) classifies such occupancies. OSSC 310.2; OSSC 310.4. The  
13 Court of Appeals reasoned that those code standards are relevant to  
14 the nature of structure but not dispositive of whether the structure is  
15 a ‘dwelling’ for purposes of ORS 215.448, and we agree.” *Friends*  
16 *of Yamhill County*, 373 Or at 805 n 4.

17 The Supreme Court ultimately rejected the Court of Appeals’ conclusion that,  
18 because the structure predominantly has the design characteristics of a hotel or  
19 motel, as a matter of law the structure is not a “dwelling.” The Supreme Court  
20 specifically rejected the lower court’s view that the “entire structure” must  
21 constitute a dwelling in order to qualify as a dwelling for purposes of ORS  
22 215.448.

23 “\* \* \* We understand the Court of Appeals’ concern that this  
24 structure purporting to be a ‘primary dwelling’ also has design  
25 characteristics of a ‘motel,’ which is not a category of building  
26 allowed in an EFU zone. But the county found that the same  
27 proposed structure meets the design characteristics of a single-

1 family residence, and LUBA affirmed that finding. There  
2 undoubtedly will be structures that seemingly straddle the design  
3 standards for two categories of building—whether it is a structure  
4 that meets the design standards of a single-family residence but also  
5 has nine bedrooms with *en suite* bathrooms or a structure that meets  
6 the design standards of a single-family residence but includes an  
7 enormous ‘home theater’ space. When that is the case, the county  
8 and LUBA must determine whether the structure is a ‘dwelling,’ and  
9 the fact that the structure might have characteristics consistent with  
10 a single-family dwelling is not dispositive. But the fact that the  
11 structure has some characteristics of a motel is not dispositive either.  
12 Thus, to the extent that the Court of Appeals concluded that a  
13 structure that has some characteristics of a motel cannot be a  
14 dwelling, as a matter of law, we disagree.” *Friends of Yamhill*  
15 *County*, 373 Or at 807.

16 In footnote 5 appended to the above quote, the court clarified what it was not  
17 deciding:

18 “Because we resolve this case on the basis of LUBA’s erroneous  
19 conclusion that the structure at issue can qualify as a ‘dwelling’  
20 under ORS 215.448 without satisfying the requirements for the  
21 ‘primary dwelling’ the structure purports to be—here, without  
22 satisfying the requirement that the structure be occupied by a farm  
23 operator—we need not, and do not, address when, as a matter of law,  
24 a structure that has the characteristics of both a single-family  
25 residence and another type of structure is a ‘dwelling.’” *Id.* at n 5.

26 The court cautioned, however, that:

27 “a ‘dwelling’ sharing the design characteristics of a category of  
28 building that is not allowed as of right in the zone might struggle to  
29 satisfy other requirements of ORS 215.448 that give effect to the  
30 legislature’s goal of preserving Oregon’s agricultural economy,  
31 including that the home occupation ‘shall not unreasonably interfere  
32 with other uses permitted’ in the EFU zone and that the home  
33 occupation process does not authorize ‘construction of any structure  
34 that would not otherwise be allowed in the zone.’ ORS 215.448(1)  
35 (B)(d), (3).” *Id.*

1           When the dust settles, we understand the Court of Appeals and Supreme  
2 Court to have both held that design characteristics, including those driven by  
3 building code regulations, are relevant but not determinative considerations in  
4 concluding whether a proposed structure is a “dwelling” for purposes of ORS  
5 215.448. The Supreme Court found that in hybrid situations where a proposed  
6 structure has both the design characteristics of a dwelling and another category  
7 of use that is not allowed in the applicable zone, the county must initially  
8 determine, subject to LUBA’s review, whether the structure qualifies as a  
9 “dwelling” for purposes of ORS 215.448.

10           In the present case, the county found, and we affirmed, that because the  
11 proposed structure included many of the design characteristics of a dwelling (*e.g.*,  
12 bedrooms, a kitchen, bathrooms, common living space, etc.) the structure  
13 therefore constituted a “dwelling,” without further analysis. As we understand it,  
14 that conclusion is the mirror image of the Court of Appeals’ erroneous conclusion  
15 that, because the structure included many design characteristics of a hotel or  
16 motel, it therefore cannot constitute a dwelling. Under the Supreme Court’s more  
17 nuanced view, in such hybrid situations the county must make an initial  
18 determination, based on all relevant considerations, whether the proposed  
19 structure is properly characterized as a dwelling or something else.

20           Because the county did not make such an initial determination, at least one  
21 based on all relevant considerations, including design characteristics and building  
22 code regulations, on remand we conclude that the most appropriate course is to

1 also sustain this portion of the second subassignment of error, and remand for the  
2 county to address both the “farm operator” and “design characteristics” issues  
3 raised in the second subassignment of error.

4 The second subassignment of error is sustained.

5 **B. First Subassignment of Error**

6 Petitioner’s first subassignment of error focuses on YCZO 1004.01(C), the  
7 local cognate of ORS 215.448(1)(c), and associated code definitions. Like the  
8 statute, YCZO 1004.01(C) requires that “[t]he home occupation will be operated  
9 substantially in the dwelling or in other buildings normally associated with uses  
10 permitted in the zone in which the property is located.”

11 Petitioner argues that the county may not approve the home occupation  
12 CUP for the bed and breakfast because the building in which the use will occur  
13 is not a “dwelling” as that term and associated terms are defined by the YCZO.  
14 Petition for Review 10. YCZO 202 defines “dwelling,” in relevant part, as a  
15 building containing one “dwelling unit” that is designed for and occupied by “one  
16 (1) family only.”<sup>2</sup> Citing code definitions of “dwelling unit” and “family,”

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<sup>2</sup> YCZO 202 includes the following relevant definitions:

“DWELLING: A building containing one (1) dwelling unit designed for and occupied by one (1) family only. The term dwelling includes a manufactured dwelling but does not include a hotel, motel, travel trailer, boarding, lodging or rooming house, private hospital, rest home or nursing home or other accommodations used for transient occupancy.”

1 petitioner argued that the proposed building does not qualify as a “dwelling,”  
2 because it is not a single dwelling unit that is designed for and occupied by one  
3 family only, as the relevant terms are defined.

4 In resolving petitioner’s first subassignment of error, we noted that the  
5 findings did not explicitly interpret the cited county code provisions and  
6 definitions. We chose to exercise our discretion to interpret the code provisions  
7 relating bed and breakfast uses to dwellings. ORS 197.829(2); *see also Green v.*  
8 *Douglas County*, 245 Or App 430, 440-41, 263 P3d 355 (2011) (explaining when  
9 and how LUBA may exercise this discretion). Although we agreed with petitioner  
10 that the proposed use of the building does not fit within the code definitions of  
11 “dwelling,” “dwelling unit,” and “family,” read in isolation, we ultimately  
12 concluded that, read in context with other code provisions that explicitly allow a  
13 bed and breakfast in a dwelling as a home occupation, the cited definitions do not

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“DWELLING UNIT: One (1) room or rooms connected together, constituting an independent housekeeping establishment designed and used for occupancy by one (1) family, including dependent relatives and caretakers, and includes permanent provisions for living, sleeping, cooking (limited to one kitchen only) and sanitation (full bathroom).”

“FAMILY: One or more person related by blood, marriage, legal adoption or legal guardianship plus not more than five (5) additional persons, including foster and shelter care persons or, up to five (5) unrelated persons, all living together as a single housekeeping unit.”

1 exclude the proposed building from the scope of the code term “dwelling,” as  
2 used in YCZO 1004.01(C).

3 Because YCZO 1004.01(C) implements ORS 215.445(1)(c), the Supreme  
4 Court’s interpretation of the latter has significance for the former. Home  
5 occupations in the EFU zone under ORS 215.283(2)(i) are “conditional uses” that  
6 counties may choose to allow or not on EFU lands, subject to whatever additional  
7 restrictions the county has adopted. *See Brentmar v. Jackson County*, 321 Or 481,  
8 496, 900 P2d 1030 (1995). In approving a use under ORS 215.283(2), the county  
9 may be more restrictive than the statute, but not less restrictive. *Id.* Accordingly,  
10 the county must apply YCZO 1004.01(C) and the relevant code definitions  
11 consistently with the Supreme Court’s holding in this appeal, and at least as  
12 restrictively. But, as with all ORS 215.283(2) uses, the county has the option of  
13 applying code provisions regarding home occupations on EFU land that are more  
14 restrictive than set out by statute. If those code provisions are ambiguous, as in  
15 the present case, the county may resolve those ambiguities by interpretation, and  
16 such interpretations could potentially result in more restrictive application of  
17 local standards than are required by statute.

18 In the present case, the foregoing counsels that LUBA withdraw the code  
19 interpretations that we adopted under ORS 197.829(2), in the absence of  
20 reviewable county interpretations, and remand the decision in part to allow the  
21 county board of commissioners the opportunity to adopt necessary interpretations  
22 in the first instance. In other words, because the Supreme Court overruled our

1 interpretation of the statutory meaning of “dwelling” as applied in this case and  
2 the decision must be remanded in any event, it is more consistent with *Green* to  
3 give the county governing body the opportunity to interpret its own legislation in  
4 the first instance, than for LUBA to continue to impose its own interpretations.  
5 On remand, the county must apply YCZO 1004.01(C) consistently with the  
6 Supreme Court’s decision. In addition, the county must address the YCZO 202  
7 definitions of “dwelling,” “dwelling unit,” and “family” and determine whether  
8 the proposed building use constitutes a “dwelling” for purposes of YCZO  
9 1004.01(C), when read in context with those definitions and any other relevant  
10 code text.

11 The first subassignment of error is sustained.

12 **C. Third Subassignment of Error**

13 Petitioner’s third subassignment of error is framed as an alternative. If  
14 LUBA agrees that the proposed building is not a “dwelling,” petitioner argues  
15 that the county cannot nonetheless approve the home occupation by treating the  
16 building as an “other building normally associated with uses allowed in the zone”  
17 set out in ORS 215.448(1)(c)(B) and YCZO 1004.01(C). Petitioner argued: “To  
18 the extent that the evidence in the record \* \* \* could be used to provide an  
19 alternative basis for approval, \* \* \* this sub-assignment of error demonstrates  
20 why those alternative bases are wrong as a matter of law.” Petition for Review  
21 33.

1 We concluded that the county did not rely on the “other building” language  
2 in ORS 215.448(1)(c)(B) and YCZO 1004.01(C) to approve the home  
3 occupation, but relied solely on the conclusion that the building constitutes a  
4 “dwelling.” Neither the Court of Appeals’ nor the Supreme Court’s decision  
5 provides any reason to disturb that disposition. Accordingly, this alternative  
6 subassignment of error is denied.

7 **D. Fourth Subassignment of Error**

8 We rejected the fourth subassignment of error as entirely derivative of the  
9 first three subassignments, and hence not stating an independent basis for reversal  
10 or remand. The Supreme Court’s decision does not require us to revisit our  
11 resolution of petitioner’s fourth subassignment of error.

12 Petitioner’s first assignment of error is sustained, in part.

13 **SECOND ASSIGNMENT OF ERROR**

14 Under its second assignment of error, petitioner argued in part that the  
15 2020 approval for a farm operator dwelling had expired by its terms and there  
16 was no evidence in the record that it had been extended. We rejected that  
17 argument, noting that the record included testimony that the 2020 permit had  
18 been extended. The Supreme Court’s decision does not require us to revisit that  
19 resolution.

20 Petitioner also challenged the adequacy of the county’s findings regarding  
21 whether the proposed use qualifies as a “dwelling” as that term is used and  
22 defined in statute and county code. We concluded that the findings met the basic

1 requirements of adequate findings, that is, they identified the applicable standards  
2 and explained why the facts found demonstrate that those standards are met.  
3 However, that disposition was based in part on conclusions that were overturned  
4 on appeal. Under the Supreme Court's decision, the county's existing findings  
5 are clearly inadequate in at least one respect: failure to address whether the  
6 structure is the residence of the farm operator. Because remand is necessary under  
7 the first assignment of error for the county to adopt new or additional findings,  
8 possibly supported by new or additional evidence, addressing whether the  
9 proposed structure constitutes a "dwelling" under the applicable statutory and  
10 code provisions, we also sustain this portion of the second assignment of error  
11 and remand for the county to adopt more adequate findings.

12 The second assignment of error is sustained, in part.

13 **DISPOSITION**

14 The county's decision is remanded for further proceedings consistent with  
15 the Supreme Court's decision and this opinion.

### 3. Public Notice

# Yamhill County

## DEPARTMENT OF PLANNING AND DEVELOPMENT

400 NE BAKER STREET | McMinnville, OREGON 97128

Phone:(503) 434-7516 | Fax:(503)434-7544 | TTY: (800) 735-2900 |Internet Address:

<https://www.yamhillcounty.gov/283/Planning-Development>

### NOTICE OF PUBLIC HEARING

Thursday, January 8, 2026, 10:00 AM

Yamhill County Courthouse, Room 32

535 NE 5th Street

McMinnville, Oregon

And virtually via Zoom at the following URL:

<https://us06web.zoom.us/j/81867313185?pwd=8Q4UwmZdrvhFdrLJGRcMhGN4xRsSUf.1>

Webinar ID: 81867313185

The Yamhill County Board of Commissioners will hold a public hearing at the above time and place to consider the LUBA remand (LUBA No. 2022-081) of the county's decision regarding the request described below. The request may be heard later than the time indicated, depending on the agenda schedule. **The hearing will be limited to accepting evidence and argument regarding only the following issues that formed the basis of the remand.**

*The remand will be limited to accepting testimony, arguments and evidence as to whether the subject dwelling, identified as Grange Hill Estate, 9580 NE Worden Hill Road, Dundee, is a dwelling within the meaning of ORS 215.448, and YCZO 1004.01(C), including whether the dwelling will be occupied by the farm operator.*

Interested parties are invited to send written comment or may appear and testify at the hearing. Failure to raise an issue, either in person or in writing, or failure to provide statements or evidence sufficient to allow the Board of Commissioners an opportunity to respond to the issue precludes an affected party's appeal of the decision to the Land Use Board of Appeals (LUBA) on that issue.

A staff report will be available for inspection at no cost seven days prior to the hearing, and copies will be available for purchase at a reasonable cost. All materials submitted by the applicant are also available for inspection, and copies may be purchased at a reasonable cost. For further information, contact ([planning@yamhillcounty.gov](mailto:planning@yamhillcounty.gov)) the Yamhill County Department of Planning and Development, 400 NE Baker Street, second floor, McMinnville, 97128, or at (503) 434-7516.

**DOCKET NO.:** C-03-22

**REQUEST:** A conditional use request to operate a nine (9) guestroom Bed and Breakfast facility as a home occupation.

**APPLICANT:** Elaine Albrich representing Grange Hill LLC

**OWNER:** Grange Hill LLC

**APPELLANT:** Kathryn Jernstedt representing Friends of Yamhill County

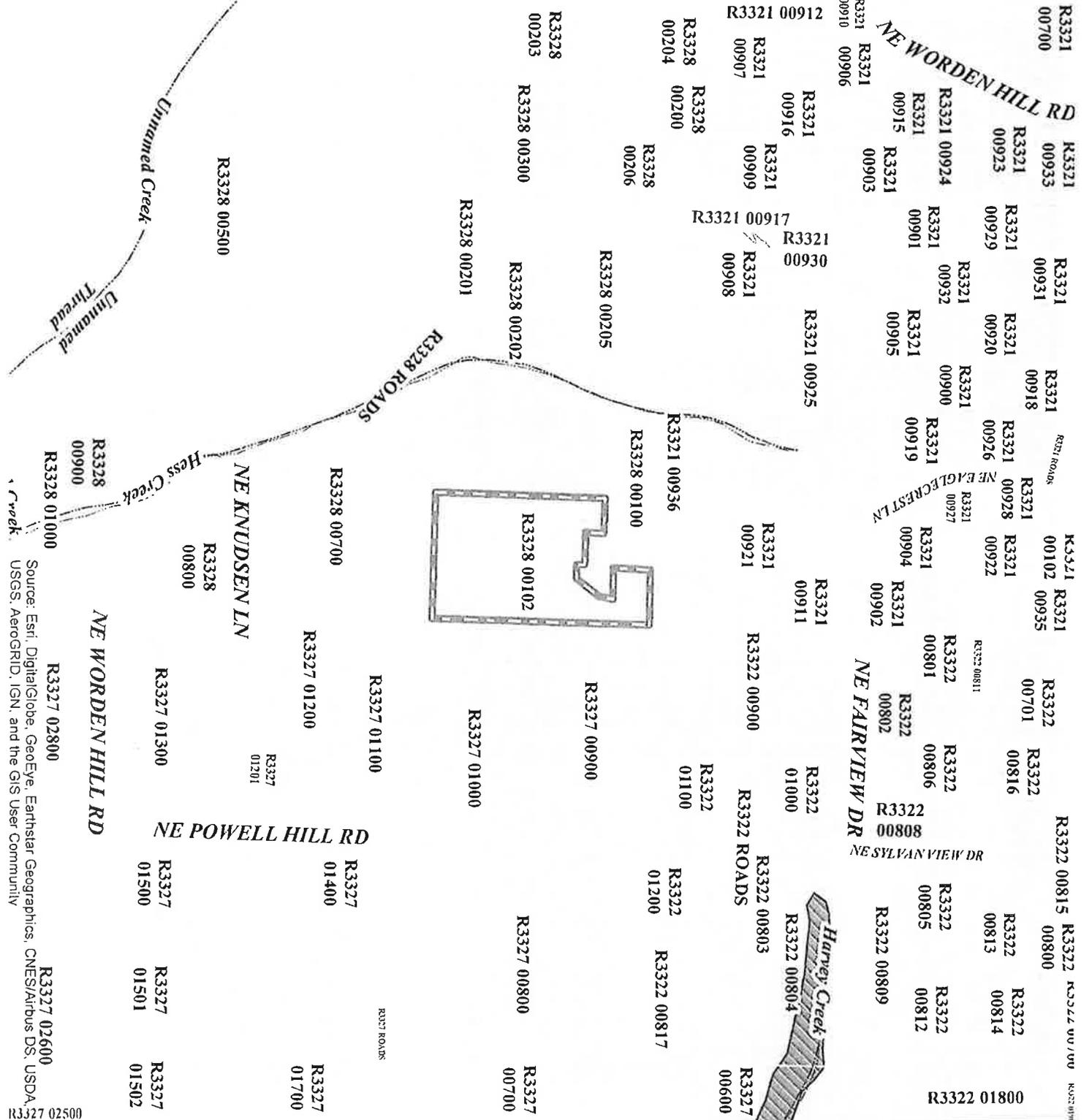
**TAX LOT:** 3328-00102

**LOCATION:** 9580 NE Worden Hill Road, Dundee

**ZONE:** EF-40, Exclusive Farm District

**CRITERIA:** The following YCZO sections were applicable to the underlying application only and are not subject to consideration on remand except as such criteria inform the remand question presented. Sections 202, 402.04(I), 402.9, 1004.01, 1101, 1012, and 1202.02 of the Yamhill County Zoning Ordinance.

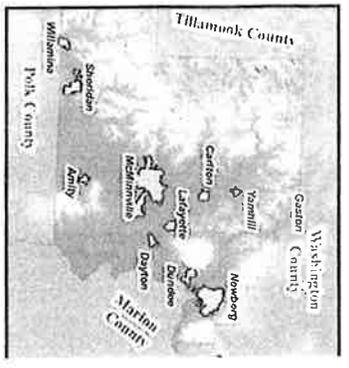
**NOTICE TO MORTGAGEE, LIENHOLDER, VENDOR, OR SELLERS:** ORS Chapter 215 requires that if you receive this notice, it must be promptly forwarded to the purchaser.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

# YAMHILL COUNTY

## TAX LOT INFORMATION & CONTEXTUAL MAP



**Property Information**  
 Docket: C-09-20

9580 NE Worden Hill Rd  
 Subject Parcel(s)  
 Tax Lot: R3328 00102  
 Lot Acreage: 18.59

-  Wetland
  -  FEMA Flood Zone
  -  Base Flood Elev (ft)
  -  100 Year Zone
  -  Floodway
- Approximate Locations & Dimensions**  
 1 inch = 800 feet



# ***Procedures Regarding Hearings by the Board of Commissioners Acting on Quasi-judicial Actions in Yamhill County***

## **The Nature and Conduct of Public Hearings**

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1. Parties to quasi-judicial proceedings are entitled to an opportunity to appear, either in person or through a representative, to present and rebut testimony and evidence before an impartial authority, to record the proceedings, and to receive a written notice of the decision, based on the record made at the hearing.
2. The following persons qualify as parties:
  - (a) the applicant;
  - (b) all persons that are entitled by ordinance to receive a notice of the hearing; and
  - (c) other persons who demonstrate that the action affects a substantial right of those persons.
3. No person shall testify without:
  - (a) receiving recognition from the chairperson;
  - (b) stating his or her full name and address; and
  - (c) if requested, stating the basis on which he or she is entitled to status as a party. A challenge to this status may be made by the Board or another party. A ruling shall be made by the Board regarding the person's right to testify.
4. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting. Audience demonstrations, applause, and display signs shall not be permitted. The chairperson of the Board of Commissioners shall have the authority to inform, reprimand, or remove any person or persons for violation of the rules of conduct.

## **Rules of Evidence**

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1. No person shall present irrelevant, immaterial, or unduly repetitious testimony or evidence.
2. Testimony and evidence must be directed toward the criteria applicable to the subject hearing.
3. Failure to raise an issue accompanied by statements or evidence sufficient to afford the Commissioners and parties an opportunity to respond to the issue precludes appeal based on that issue beyond the local level.

## **Hearing Procedure**

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In the conduct of a hearing, the chairperson shall have the authority to:

1. Determine who qualifies as a party;
2. Regulate the course, sequence, and decorum of the hearing;
3. Dispose of procedural requirements or similar matters;
4. Rule on offers of proof and relevancy of evidence and testimony;
5. Impose reasonable limitations on the number of witnesses heard and set reasonable time limits for oral presentations, and rebuttal testimony;
6. Grant, deny, or approve with conditions the matter being heard, or remand the matter to the initial decision maker for additional review or information.

## **Burden of Proof**

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The burden of proof is placed upon the applicant. Such proof shall show that the request complies with all applicable standards and criteria of the Comprehensive Plan and Zoning Ordinance.

## **Order of Procedure**

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1. Announce the nature and purpose of the hearing and summarize the rules for conducting the hearing;
2. Ask for disclosure of any potential conflicts of interest or ex parte contact by those on the Board;
3. Ask parties of the hearing if there is a challenge to the ability of any member of the Board to make an unbiased decision on the case;
4. State that testimony and evidence must be directed toward the relevant criteria or other criteria in the plan or ordinance which a person believes to apply to the decision;
5. State that failure to raise an issue accompanied by statements or evidence sufficient to afford the Board and parties an opportunity to respond to the issue precludes appeal beyond the local level;
6. Request the Planning Director or his designee to present a summary of staff findings; and the criteria applicable to the request.
7. Allow the applicant to be heard first, testifying on his own behalf or by a representative.
8. Allow parties or witnesses in favor of the proposal to be heard;
9. Allow parties or witnesses opposed to the proposal to be heard;
10. Ask for comments submitted by governmental agencies;
11. Allow rebuttal testimony;
12. Ask for the staff recommendation.

13. Prior to the conclusion of the initial hearing, any party may request an opportunity to present additional testimony or evidence regarding the application. The Board shall grant such a request by continuing the public hearing or leaving the record open for additional written evidence or testimony.
14. Upon conclusion of the initial hearing, if there is no request to present additional testimony or evidence, the Board shall decide whether to close the hearing and render a decision or continue the hearing to a later date. The Board may request proposed findings and conclusions from any party to the hearing.

## **Appeal of Board Decisions**

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1. A decision of the Board of County Commissioners may be appealed to the Land Use Board of Appeals for review. A petition for review must be submitted to the Land Use Board of Appeals within twenty-one (21) days of the date of decision.
2. Only parties to the subject action may appeal the Board's decision.

## **Accommodation of Physical Impairments**

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Please notify the Board of Commissioners of any special physical or language needs as far in advance of the hearing as possible. The hearing rooms are handicapped accessible.

TDD 503-434-7519.

## 4. Comments Received

**Ken Friday**

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**Subject:** FW: Letter of Support for The Grange Estate B&B Permit - Hearing Date Dec 18, 2025

**From:** Blair nicholas <blair@lucidwildestate.com>  
**Sent:** Monday, December 1, 2025 2:56 PM  
**To:** Ken Friday <fridayk@yamhillcounty.gov>  
**Cc:** Lynda Nicholas <lj@lucidwildestate.com>  
**Subject:** Letter of Support for The Grange Estate B&B Permit - Hearing Date Dec 18, 2025

To the Esteemed Members of the Yamhill County Board of Commissioners,

Please accept this email as a letter of strong support for The Grange Estate's application to operate a small bed and breakfast, which is scheduled for reconsideration on **December 18, 2025 at 10:00 AM**.

As fellow members and operators within the Dundee Hills AVA, we are committed to preserving the unique character and high quality of life that defines this area. We believe that The Grange Estate's vision for welcoming overnight guests is entirely consistent with the values and appropriate development of our community.

We urge the Board to approve this permit based on the following observations:

1. **Appropriate Design and Use:** The Grange Estate operates as a high-quality private residence, and its scale, design, and intended use as a modest bed and breakfast are well-suited to the agricultural and residential nature of the Dundee Hills.
2. **Exceptional Stewardship:** The Grange Estate team has consistently demonstrated itself to be a responsible and thoughtful neighbor and a careful steward of the land, showing genuine commitment to conservation and respect for the surrounding environment.
3. **Local Economic Benefit:** By providing a luxury accommodation experience, the Estate actively supports the local economy. It attracts discerning visitors who contribute to local wineries, restaurants, and other small businesses in a way that respects the low-density nature of the area.

Approving the permit upholds a vision rooted in high standards, conservation, and thoughtful community connection. We believe The Grange Estate will continue to be a significant and beneficial asset to Yamhill County.

Thank you for your time and consideration of this important matter.

Sincerely,

Blair Nicholas & LJ Nicholas  
Proprietors - LucidWild Estate  
9380 NE Worden Hill Rd.  
Dundee, OR 97115  
760.840.3667  
[Blair@lucidwildestate.com](mailto:Blair@lucidwildestate.com)  
[www.lucidwildestate.com](http://www.lucidwildestate.com)  
*Free + Limitless + LucidWild*