

**City Council Meeting Agenda
Tuesday, September 24, 2024
7:00 p.m. – City Council Regular Meeting**

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

The public is strongly encouraged to relay concerns and comments to the Council in one of four ways:

- Attend in person and fill out a public comment card.
- Email at any time up to **noon on Monday, September 23rd** to CityRecorderTeam@mcminnvilleoregon.gov
- If appearing via telephone only please sign up prior by **noon on Monday, September 23rd** by emailing the City Recorder at CityRecorderTeam@mcminnvilleoregon.gov as the chat function is not available when calling in Zoom;
- Join the Zoom meeting use the raise hand feature in Zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide the City Recorder with your First and Last name, Address, and contact information (email or phone) for a public comment card.**

You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331,
Frontier 29 or webstream here:

mcm11.org/live

Download the "Cablecast" app on iOS, Android, Roku, Apple TV or
Amazon Firestick and watch McMinnville City Council on all your devices.

CITY COUNCIL REGULAR MEETING:

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/86787590937?pwd=OBQVYOrqJYecamZ9eLMNmNGwDsBGkT.1>

Zoom ID: 867 8759 0937

Zoom Password: 964799

Or you can call in and listen via Zoom: 1-253- 215- 8782

ID: 867 8759 0937

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROCLAMATION
 - a. Indigenous People's Day Proclamation
4. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –
The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.
5. PRESENTATIONS
 - a. McMinnville Water & Light Update – General Manager John Dietz

6. PUBLIC HEARINGS

- a. Public Hearing to consider **Resolution No. 2024-50**: A Resolution adopting findings and exempting from public bidding requirements City's contractual portion of the construction of Meadows Drive along the eastern edge of Jay Pearson Park.

7. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments
- b. Department Head Reports

8. CONSENT AGENDA

- a. Consider **Resolution No. 2024-52**: A Resolution appointing volunteers to the Planning Commission and Historic Landmarks Committee.

9. RESOLUTION

- a. Consider **Resolution No 2024-50**: A Resolution adopting findings and exempting from public bidding requirements City's contractual portion of the construction of Meadows Drive along the eastern edge of Jay Pearson Park.
- b. Consider **Resolution No. 2024-53**: A Resolution authorizing Heather Richards to sign a grant agreement with the State of Oregon through the Oregon Business Development Department on behalf of the City for \$195,094 to be disbursed to MV Advancements as a sub-recipient to help pay for the water, stormwater, and sewer infrastructure costs of their future affordable housing project.

10. ORDINANCES

- a. Consider the first reading with a possible second reading of **Ordinance No. 5148**: An Ordinance Amending the November 2023 "McMinnville Urbanization Report", and the November 23 "McMinnville Economic Opportunities Analysis", in Response to Remand Order 001943 from the Department of Land Conservation and Development (DLCD).

11. ADJOURNMENT OF REGULAR MEETING



PROCLAMATION

WHEREAS, the city of McMinnville recognizes Indigenous People Day ; and

WHEREAS, this city wishes to honor the fact that the community of McMinnville is built upon the traditional homelands of the Yamel band of the Kalapuya Peoples and affirms the legal rights of the nine federally recognized tribal nations in the State of Oregon and all Indigenous Peoples everywhere; and

WHEREAS, Indigenous Peoples' Day was first proposed in 1977 by a delegation of Native Nations to the United Nations sponsored International Conference on Discrimination against Indigenous Populations in the Americas; and

WHEREAS, the United States endorsed the United Nations Declaration on the Rights of Indigenous Peoples on December 16, 2010, and the Declaration recognizes that "indigenous peoples have suffered and continue to suffer from historic injustices as a result of their colonization and dispossession of their lands, territories and resources"; and

WHEREAS, the City recognizes the many contributions made to our community through Indigenous Peoples' knowledge, labor, spirituality, technology, science, philosophy, arts and the cultural contribution that shaped the character of McMinnville; and

WHEREAS, the City of McMinnville has a responsibility to oppose the systematic racism towards Indigenous Peoples in the United States, which perpetuates high rates of poverty and income inequality, exacerbates disproportionate health, education, and social stability; and

WHEREAS, that the City of McMinnville shall continue its efforts to promote the prosperity and well-being of any Native American, Alaska Native, and Indigenous community; and that Indigenous Peoples' Day shall be used to reflect upon the ongoing struggles of Indigenous People on this land, to celebrate the thriving culture and value that Indigenous Peoples add to our city; and

WHEREAS, that the City of McMinnville encourages all businesses, organizations, and public institutions to recognize Indigenous Peoples' Day.; and

NOW, THEREFORE, I, Remy Drabkin, Mayor of McMinnville, do hereby proclaim Monday, October 9, 2024 as:

Indigenous People's Day

IN WITNESS WHEREOF, I have hereunto set my hand, this twenty-fourth day of September, in the year two thousand twenty-four.

Remy Drabkin, Mayor

Amended on 09.25.2024
3 of 387

Mayor Drabkin and Members of the City Council:

I would like to ask and answer a few questions regarding your work session with the Budget Committee about new budgeting software and going to a biennial budget cycle.

Is the City solving the biggest accounting issue it faces? The budget system may not be optimal but it works. What doesn't work and never happens is the accounting system producing monthly or even quarterly financial statements. As I have said repeatedly, I don't see how you can do your jobs as City Council members without seeing regular financial reports that show you (and yes, the citizens, too) how our tax dollars are being spent. And, no, issuing an audited financial statement six months or so after the fiscal year ends does not substitute for the regular financial updates that interim financial reports provide.

I believe we have honest and hardworking staff who are carefully tracking our finances. Given how well they typically bring actual costs below budgeted amounts each year suggests to me that the accounting system is generating financial statements that they are using internally to run the operations of the City. That system must also be generating the annual financial statements that the auditors opine upon each year.

While I have never heard a clear explanation for why financial statements cannot be produced, it has been implied that it has something to do with the accounting software. If that is the case, then we need new accounting software. Better yet, new accounting software that includes a budgeting module.

Will new software and a biennial budget cycle improve public participation and transparency in the budget process? I doubt it would help or harm citizen participation because the process is so convoluted and bound by legislative mandates that it is essentially unintelligible to most citizens who sadly choose to ignore it. I find it ironic to hear you discuss public participation at a work session that does not allow public comment. In fact, while the Budget Committee meets several times a year now (good for them), the only time they take public comments is near the start of the budget hearing before department heads have given any explanation of what is going on with their budgets. This leaves the would-be public participant to wade through hundreds of pages of budget documents on their own to try and figure out how to express their concerns. Budget Committee members get to hear explanations and ask questions of staff and listen to other committee member comments before they have to express an opinion on the budget. It's no wonder that the only people commenting are people like me with an accounting background.

I fail to see how new budgeting software will improve transparency as I heard being claimed. To my way of thinking the only way the budget process will be transparent is if the Budget Committee and citizenry can compare to the proposed budget for the next fiscal year with an interim financial statement for the first three quarters of the current fiscal year (i.e., financials for the nine months ending 3/31). This would give everyone 9 months of actual activity to help form a judgment on what should happen in the next 12 months.

Who decides how FTEs will be allocated when budget savings are created that reduce needed FTEs? The Finance Director estimated that the proposal would create nearly 1600 hours in annual savings of staff time (almost a full FTE). She was quick to point out that this would not mean a staffing reduction; rather, the time would be directed towards other priorities.

While I agree that accounting has other priorities that should be addressed, I really think adjustment of FTEs should be proposed by staff and approved by the Budget Committee. I made a similar comment at the last budget hearing regarding the FTE savings from removing the time staff spent supporting the Fire Department that is now independent of the City.

The City spent considerable time looking at each department activity and rating them. A number of them were below base level. I think any FTE savings should be identified and then assigned to specific tasks that will get us to (or closer to) base level as part of the budget process.

Thank you for considering my opinions on these matters.

Mark Davis

MW&L Quarterly Update

September 2024



Rates

Water

- Cost of Service Study done every 2 years (2022, 2024, etc.)
- 2024 Study recommended 5% overall increase
- Average impact to residential customer (1500 cf) is \$1.57
- Commission approved recommended increases (except fire hydrants) on 8/20/24
- Rate increases will go into effect 10/1/24

Electric

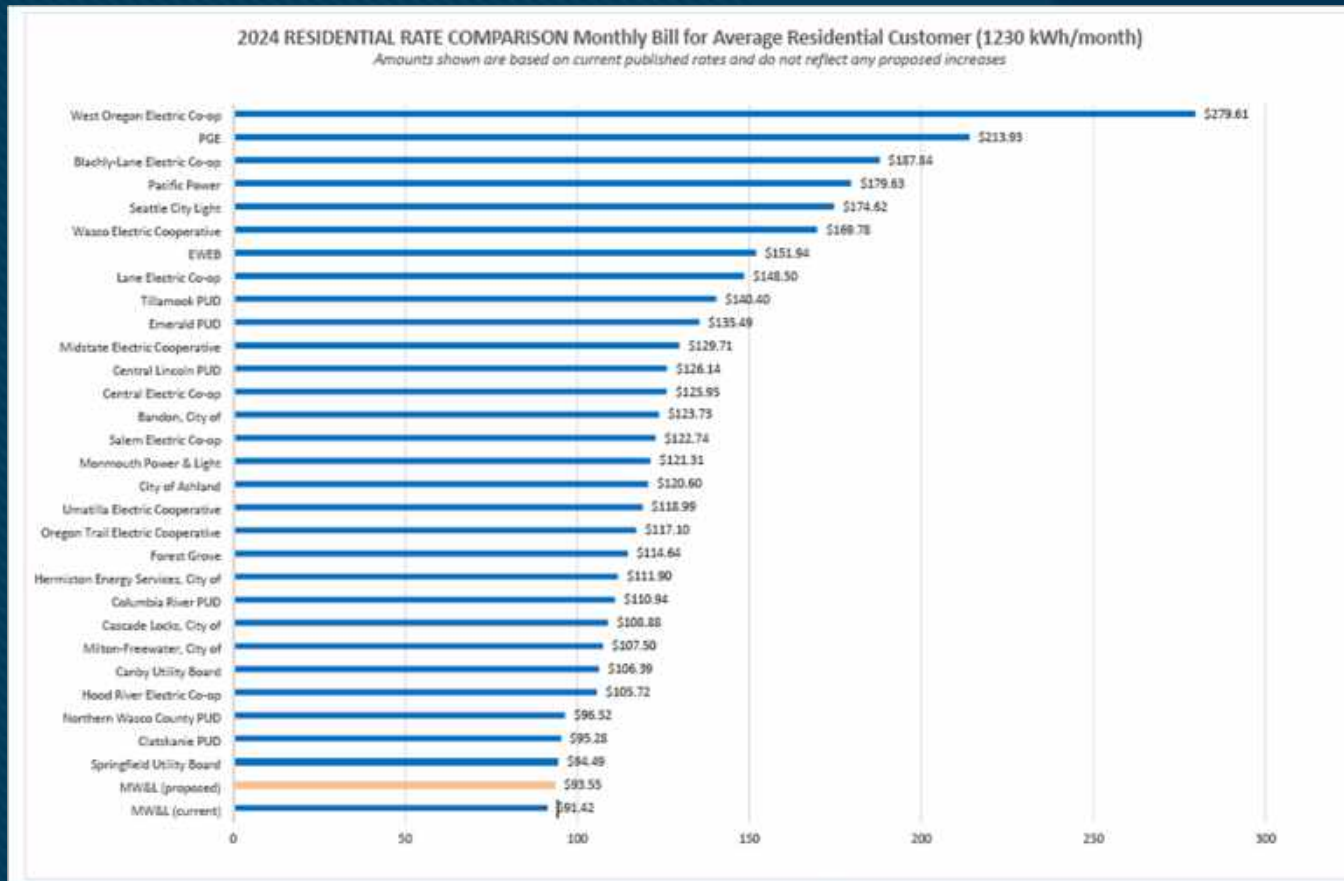
- Cost of Service Study done every 2 years (2023, 2025, etc.)
- 2024 rate recommendation to commission will be year 2 of 2023 Cost of Service study at 2.75% overall
- Public Hearing to be held on 9/17/24
- Any increases approved by the commission will go into effect 10/1/24
- New Cost of Service Study will kick off in Spring 2025

Goal is to Establish Rates Adequate for Maintenance and Operation of the System, Maintain Adequate Reserves for Contingencies, and for Contemplated Additions, Improvements and Extensions to the System



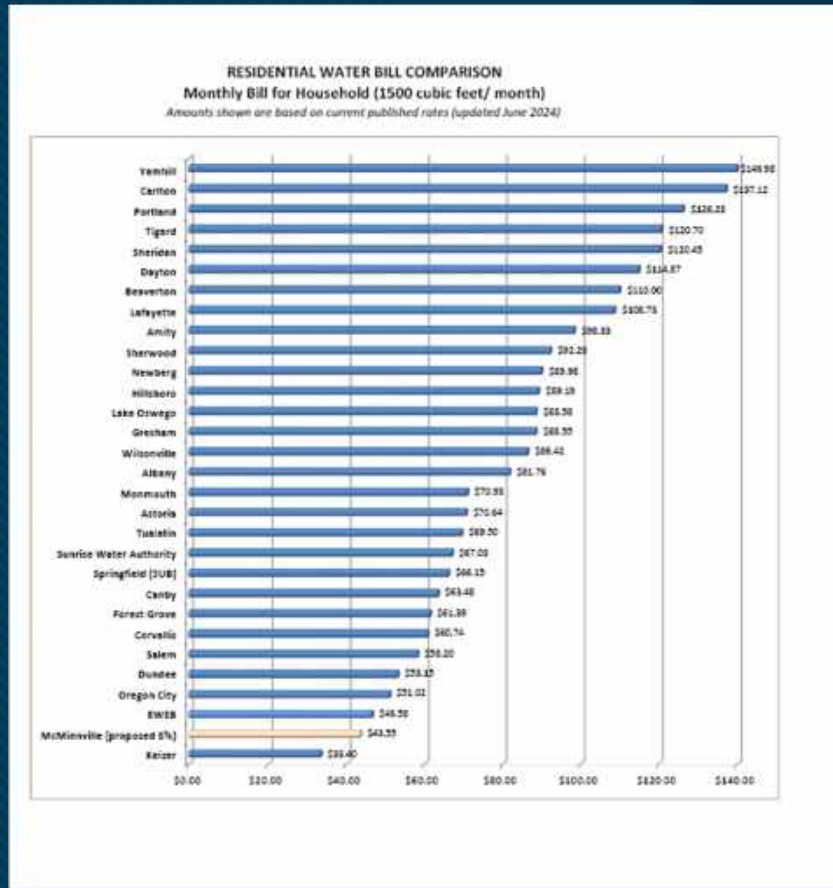
Rates

GOOD news...still some of the lowest rates in the region



Rates

GOOD news...still some of the lowest rates in the region



Rates

Not so good news...increasing upward pressure on rates on the horizon



Inflation



Market
Volatility



Resources



Risk
Mitigation



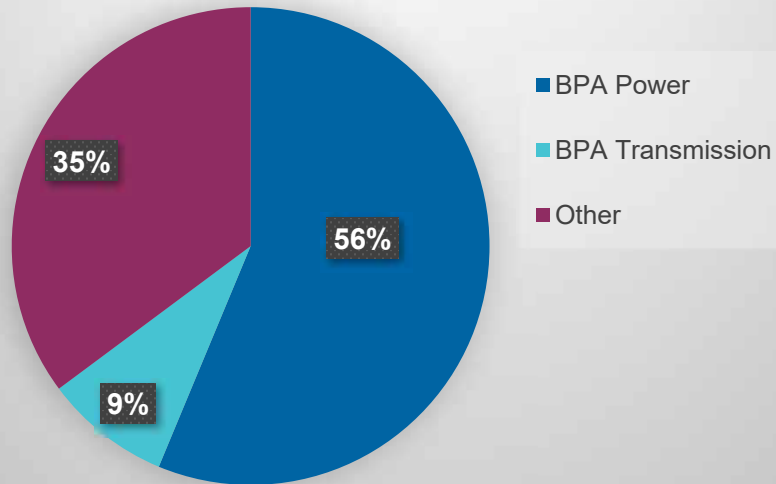
BPA Power and
Transmission
Costs





MW&L's Budget vs. BPA Costs

FY24/25 Expenses



MW&L Light Division Budget
FY 24/25 ~\$47 Million



BPA Power costs FY 24/25
~\$26.5 Million



BPA Transmission costs FY 24/25
~\$4 Million



~2/3 (65%) of MW&L's Light
Budget is BPA costs





BPA Rates

BP-26 rate period (October 1, 2025 through September 30, 2028)

- BPA is proposing a \$265 million per year increase to its Power expenses for the BP-26 rate period. This amounts to approximately 8% upward power rate pressure for the BP-26 rate period. The power capital program is proposed to increase from \$430 million annually to \$830 million.
- For Transmission Services, BPA presented a 32% increase to the overall Transmission Revenue requirement. This is driven by large increases to program expenses, net interest expense, and proposed increases to revenue financing. Even with substantial forecasted increases in sales, this could result in transmission rate increases of nearly 20%. The transmission capital program is proposed more than double, from \$640 million to \$1.404 billion annually.
- Increased costs are attributed to include generation asset management (fed hydro and Columbia Generating Station), human capital, IT, and Fish & Wildlife, and plans for substantial expansion of the transmission system in addition to sustaining current capability.



Back to Good News...



- MW&L (along with trade organizations like Public Power Council (PPC) and Northwest Requirements Utilities (NRU)) are advocating for lower and slower (phase-in) rate impacts to customers.
- MW&L is involved in regular meetings on this to get updates and give input. Things are very fluid at this point and more changes/updates to come.
- MW&L will launch a new electric Cost of Service study in Spring 2025 and will be able to analyze BPA's rate changes and how it will impact MW&L customers.

What's Next?



2024 Sept-Nov
Ongoing
Meetings/Updates



2025 May
Draft Record
of Decision
(ROD) from
BPA



2025 October
New BPA rates
in effect



2024 November
Initial Proposal
(kicks off rate
hearing (7i)
process)



2025 July
Final Record
of Decision
(ROD) from
BPA



In other news...



August 14: Truck vs. Front Door

Temporary Door in Place
Est. Repairs- 2 months
Thankfully everyone OK!





Raw Water Pipeline Project



In early August, MW&L began a \$1.87 million project to install a new 36-inch raw water pipeline from Haskins Reservoir to the Scott Water Treatment Plant (approx. 1,750 feet). The existing pipeline was install in 1976 with varying types of pipe materials and diameter sizes. The project is expected to be completed by the end of 2024.

Infrastructure Tour



MW&L's Infrastructure Tour was held on August 1 and attended by about 20 guests including leaders from McMinnville, Yamhill County, Carlton, Amity and Newberg plus staff from Senator Jeff Merkley's and Representative Andrea Salinas' offices. The tour included several stops in the watershed, Baker Creek Substation and Water Treatment Plant.

Questions?





STAFF REPORT

DATE: September 24, 2024
TO: Jeff Towery, City Manager
CC: David Ligtenberg, City Attorney, Finance Director
CC: Susan Muir, Parks and Recreation Director
FROM: Geoff Hunsaker, Public Works Director
SUBJECT: Meadows Drive Public Bidding Exemption



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

Report in Brief:

Development of the property to the east of Jay Pearson Park triggers a requirement in the Purchase agreement for the park property that enables the City to have the developer construct the City's portion of NW Meadows Drive. This project must meet the Oregon Revised Statutes (ORS) requirements for a competitive bidding unless exempted by the City Council.

Background:

On July 21, 2014, the City entered into a purchase agreement for the Jay Pearson Park property (Attachment 1). A modification to that agreement occurred on Number 6, 2014 which obligates the City to pay for ½ of the roadway improvements on NW Yohn Ranch Drive and NW Meadows Drive when the neighboring properties develop. Per the agreement, the developer shall submit a cost statement which the City can review and respond to. If the cost statement is agreeable the City will reimburse the developer for the City's share of the roadway improvements at substantial completion of the project.

The NW Yohn Ranch Drive Improvements were constructed in 2019 with development of the property west of Jay Pearson Park.

In April of 2024 Alan Ruden, Inc. notified the City that they were moving forward with development of the property to the east of Jay Pearson Park in the Summer of 2024.

The development of the east side of Jay Pearson Park is called out as a project on the 20-year Capital Improvement list in the City's adopted Parks, Recreation, and Open Space Plan.

Discussion:

Exemption from Public Bidding

Despite the fact that Alan Ruden, Inc. is contracting and overseeing the work, this amounts to a “Public Improvement Contract” subject to competitive bidding requirements according to ORS 279C.300, unless the project is formally exempted from such competitive bidding requirements.

Under ORS 279C.335(2), a local contract review board may exempt a public improvement contract from competitive bidding requirements after the local contract review board approves two findings: 1) The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts; and 2) Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the City of McMinnville.

- 1) The exemption of this project from public bidding requirements is unlikely to encourage favoritism or substantially diminish competition because, while Alan Ruden, Inc. is not held to the strict standards of a public bid, they are still obligated to follow the APWA bidding format and, while the City may object to proposed cost statements, it will have no influence over the selection of the contractor. The following factors support the finding that competition will not be substantially diminished:
 - a. The work will still be bid according to APWA standards.
 - b. The City will have an opportunity to object to submitted cost statements, allowing the City some leverage if there is reason to believe better prices can be had elsewhere.
 - c. This format may increase competition by appealing to contractors that do not usually bid on government contracts.
 - d. Notwithstanding this process, [Developer] will still be compelled to pay prevailing wages for the City’s portion of the project.
- 2) The exemption of this project will likely result in substantial cost savings and other benefits to the City, primarily because Alan Ruden, Inc. will likely be able to use the same contractor for the City side as the private side of this project, thereby minimizing crossover issues and maximizing efficiency. This finding is also based on the following factors:
 - a. The underlying contract also allows the City to build half of the road itself. Having Alan Ruden, Inc. contract and manage the project will save City time and resources.
 - b. Alan Ruden, Inc. will be able to maximize efficiencies by constructing the full road as a single project.
 - c. ORS 279C.335(2)(b)(A)-(N) lay out further considerations for this criteria discussed in the findings in the attached Resolution 2024-50.

Notice & Public Hearing

A contracting agency seeking to apply an exemption must publish notice of the proposed exemption. Further the City will conduct a public hearing to solicit public comment. Notice was posted of the proposed exemption and public hearing in the News Register on September 9, 11, and 13, 2024.

Fiscal Impact:

The cost for the City's portion of Meadows Drive is estimated to be within a range of \$175,000 to \$225,000. The City will have the opportunity to review bid prices before construction. The City's 1/2 of Meadows Drive is and will be paid for using some combination of Transportation and Park system develop charge (SDC) revenue. The City's Park Development fund has a balance of \$2,613,409, and the City's Transportation Designated SDC fund has a balance of \$4,224,038.

Council Options:

1. Adopt Resolution 2024-50 and its findings, exempting the portion Meadows Drive that that the City is responsible for constructing from public bidding requirements.
2. Not adopt the findings of Resolution 2024-50, requiring Alan Ruden, Inc. to comply with all public bidding requirements for the City's portion of the Meadows Drive project.
3. Not adopt the findings of Resolution 2024-50 and direct staff to advertise publicly for bids and contract directly for construction of the City's portion of the Meadows Drive project.

Attachments:

1. Jay Pearson Park Property Purchase Agreement with Modification Agreement
2. Resolution No. 2024-50
 - a. Exhibit a - ORS 279C.335 Findings



PUBLIC WORKS DEPARTMENT,
231 NE Fifth Street, McMinnville, Oregon 97128 www.mcminnvilleoregon.gov

CITY COUNCIL PUBLIC HEARING NOTICE:

NOTICE IS HEREBY GIVEN that the City of McMinnville will hold a public hearing on Tuesday, the 24th day of September 2024, at the hour of 7:00 p.m. via Zoom and in-person at the McMinnville Civic Hall Building at 200 NE Second Street in the City of McMinnville, Oregon, to take testimony and evidence on the following matter:

PROPOSED UPDATES TO THE ENGINEERING FEE SCHEDULE

The City Council will conduct a hearing and decide whether to approve or deny a resolution to exempt the construction of NW Meadows Drive improvements east of Jay Pearson Park. Development of the property to the east of Jay Pearson Park triggers a requirement in the Purchase agreement for the park property that enables the City to have the developer construct the City's portion of NW Meadows Drive. This project must meet the Oregon Revised Statutes (ORS) requirements for a competitive bidding unless exempted by the City Council.

Persons are hereby invited to attend the McMinnville City Council meeting to observe the proceedings, to register any statements in person, by attorney, or by mail to assist the McMinnville City Council in making a decision.

Testimony can be provided at the meeting in person or via teleconference or submitted in writing prior to the meeting.

Written Testimony: Email CityRecorderTeam@mcminnvilleoregon.gov before 12:00 pm on Monday, September 23rd to provide written testimony or mail to City Recorder, 230 NE 2nd St. McMinnville, OR 97128. Written testimony must be received by 12:00 pm on Monday, September 23rd.

Teleconference Testimony: Pre-register to speak during the public hearing by providing your name and phone number, or Zoom name and email to the City Recorder's Office before 12:00 pm on Tuesday, September 24th. You will need to fill out an electronic public comment card for the record or provide the information to the City Recorder's Office to fill one out for you.

In-Person Testimony: Attend the meeting and register to speak by filling out a public comment card.

For additional information contact Geoff Hunsaker , Public Works Director, at Geoffrey.Hunsaker@mcminnvilleoregon.gov or 503-474-5138. You can find the agenda, packet and Zoom link available here: <https://www.mcminnvilleoregon.gov/>

If anyone needs assistance in accessing the meeting via Zoom or phone, please contact the City Recorder, 24 hours in advance of the meeting, at 503-434-7312 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

Geoff Hunsaker
Public Works Director

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (the "Agreement") is entered into effective once executed by all parties to this Agreement (the "Effective Date"), by and among Thomas A. Huntsberger, Chapter 7 Bankruptcy Trustee for Berjac of Oregon, an Oregon general partnership ("Trustee"); VJ-2 Development Incorporated, an Oregon corporation ("VJ"); and the City of McMinnville, Oregon (the "City"). Trustee, VJ and the City are also referred to herein as a "Party" and the "Parties."

RECITALS

- A. Trustee owns, on behalf of the bankruptcy estate of Berjac of Oregon, certain real property.
- B. The property is shown on the attached Exhibit A – Real Property.
- C. The Parties wish to have certain lot line adjustments made to the property so as to create: (i) a parcel to be conveyed to the City for use as a park (the "City Parcel") and (ii) a parcel to be conveyed to VJ (the "VJ Parcel"). The City Parcel will consist of portions of current tax lots 200, 202 and 205, and will be the newly configured parcel resulting from the lot line adjustments in section 1.2 below, as described in paragraph 1.2 (c) (iii) below, as indicated on Exhibit A – Real Property. The City Parcel consists of 3.46 acres which, when added to the .65 acre tax lot 204 parcel currently owned by the City, will create a public park of 4.11 acres.
- D. Upon the completion of the lot-line adjustments, the City Parcel shall be sold by the Trustee to the City upon the terms hereof, and the VJ Parcel shall be conveyed to VJ pursuant to the terms of that certain Agreement previously executed by VJ and Willie Darnell Jones and Trustee (the "Settlement Agreement").

AGREEMENT

1. Creation of Parcels.

1.1 Procedure overall. The City shall take all required actions, including surveys and appropriate lot-line adjustments and/or partitions, in order to create new separate parcels for the City Parcel and the VJ Parcel, to the mutual satisfaction of the Trustee and the City. Such actions shall be taken at the expense of the City. The VJ Parcel shall consist of approximately 4.12 acres of the northwestern-most portion of tax lot 205 that is immediately adjacent to the City Parcel as indicated on Exhibit A – Real Property.

1.2 Lot Line Adjustments. In order to create the parcels that City and VJ wish to purchase, a series of three property line adjustments will be necessary (see Exhibit A). By entering into this Purchase Agreement, the parties agree to each of these adjustments and agree to take all actions necessary to cause these adjustments to occur, following their approval by the City:

- (a) Property line adjustment applications will be prepared by or for City and submitted to City.

(b) Approval of the applications will be considered and, as appropriate, finalized by City.

(c) At the time and date set for Closing, the parties will, at the offices of the Escrow Agent specified in 2.12 of this Purchase Agreement, meet and exchange the deeds and other documentation necessary to effectuate each of the following adjustments.

(i) Adjustment #1: This adjustment will adjust the property line between tax lot 200 and tax lot 202 to set the westernmost boundary of the desired and intended neighborhood park and to accommodate the potential future extension and construction of Yohn Ranch Drive. The west boundary of the neighborhood park will abut the east boundary of the future Yohn Ranch Drive right of way.

(ii) Adjustment #2: This adjustment will adjust the property line between tax lot 204 and tax lot 205 to create the eastern border of the property that will be acquired by VJ. At the time this agreement is entered into, City owns tax lot 204. Immediately following Adjustment #2, Trustee will deed his interest in the newly-configured tax lot 204 to the City

(iii) Adjustment #3: This adjustment will adjust the property line between the newly configured tax lot 202 and the newly configured tax lot 204 to create the parcels which will be acquired by City and VJ. This adjustment also sets the easternmost boundary of the desired and intended neighborhood park and to accommodate the potential future extension and construction of NW Meadows Drive. The east boundary of the neighborhood park will abut the west boundary of the future NW Meadows Drive right of way. Immediately following Adjustment #3, the Trustee will sell all of his rights in the newly configured tax lot 202 to City, pursuant to the Purchase Agreement, and City will convey the newly configured tax lot 204 to Trustee

(iv) The Trustee will deed tax lot 204 to VJ Pursuant to 5 of this Purchase Agreement.

2. Sale of City Parcel.

2.1. Purchase and Sale. Trustee agrees to sell to City, and City agrees to purchase from Trustee, the City Parcel, upon the terms and conditions set forth in this Agreement.

2.2. Purchase Price. The purchase price for the City Parcel shall be \$90,000 per acre, with the final price being determined upon the completion of the City's obligations pursuant to Section 1 and determination of actual acreage involved. The Trustee and the City shall execute a letter addendum to this Agreement setting forth the final agreed upon purchase price.

2.3. Payment of Purchase Price. The purchase price shall be payable in cash at the Closing as provided below.

2.4. Closing. The sale of the City Parcel shall close (the “Closing”) upon a date agreed to by the Trustee and the City after: (a) the completion of the City’s obligations pursuant to Section 1 and (b) the approval of this Agreement by the Bankruptcy Court. The date of Closing is referred to herein as the “Closing Date.”

2.5. Conditions Precedent to City’s Obligations. The Closing, and City’s obligations with respect to the transaction contemplated by this Agreement, are subject to the satisfaction, not later than the Closing (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

(a) Title. At Closing Trustee shall convey fee simple title to the City Parcel by bargain and sale deed, subject only to non-delinquent real property taxes, items set forth in the Preliminary Title Report, a copy of which is attached as Exhibit B – Preliminary Title Report – City Parcels (the “Preliminary Title Report”), and other matters that may be approved in writing by City.

(b) Court Approval. Closing is subject to prior approval of the Bankruptcy Court as described below.

2.6. Conditions Precedent to Trustee’s Obligations. The Closing and Trustee’s obligations with respect to the transactions contemplated by this Agreement are subject to the satisfaction, not later than the Closing (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

(a) City’s delivery to Trustee at the Closing of the executed documents, payment and other items described in Section 2.12(c) below.

(b) Court Approval. Closing is subject to prior approval of the Bankruptcy Court as described below.

2.7. Adjustments. Trustee shall pay one-half of escrow and recording charges, and Trustee’s share of prorations pursuant to Section 2.8 below. City shall pay one-half of escrow and recording charges, and City’s share of prorations pursuant to Section 2.8 below. City and Trustee shall each pay its own legal and professional fees of other consultants incurred by City and Trustee, respectively.

2.8. Prorations. Existing property taxes and assessments, and other expenses, if any, affecting the City Parcel, shall be prorated as of the day following the Closing. For the purpose of calculating prorations, City shall be deemed to be in title to the City Parcel and, therefore, entitled to the income and responsible for the expenses, from and after the entire day following the Closing.

2.9. Trustee’s Representations and Warranties. In addition to any express agreements of Trustee contained in this Agreement, the following constitute representations and warranties of Trustee to City, which are personal to City, and may not be assigned, do not pass with title to the City Parcel, and shall not extend to the benefit of any other person or entity:

(a) Except as disclosed to City in writing, Trustee is aware of no litigation, claim, or arbitration, pending or threatened, with regard to the City Parcel.

(b) Trustee is aware of no liens, encumbrances, claims, covenants, conditions, restrictions, easements, rights of way, options, judgments, or other matters not disclosed by the Preliminary Title Report.

(c) Other than the Settlement Agreement, Trustee has not entered into any other contracts for or relating to the sale of the City Parcel, nor do there exist any rights of first refusal or options to purchase the City Parcel granted by Trustee.

2.10. As Is. City acknowledges and agrees that, except as set forth in the Trustee's express warranties set forth herein, City is acquiring the City Parcel in their "AS IS" condition, in the broadest sense of that term, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED. Trustee has made no representations or warranties, direct or indirect, oral or written, express or implied, to City or any agents, representatives, or employees of City with respect to the City Parcel, including, without limitation, the physical condition of the City Parcel (including the presence or absence of hazardous materials or any other type of contaminants that may exist on the City Parcel). The provisions of this Section 2.10 shall survive indefinitely any Closing or termination of this Agreement and shall not be merged into the Closing documents.

2.11. City's Representations and Warranties. In addition to any express agreements of City contained in this Agreement, the following constitute representations and warranties of City to Trustee:

(a) City has the legal power, right, and authority to enter into this Agreement and the instruments referred to in this Agreement and to consummate the transactions contemplated in this Agreement.

(b) The persons executing this Agreement and the instruments referred to in this Agreement on behalf of City have the legal power, right, and actual authority to bind City to the terms and conditions of this Agreement.

(c) This Agreement and all documents required by it to be executed by City are and shall be valid, legally binding obligations of, and enforceable against City in accordance with their terms.

(d) Neither the execution and delivery of this Agreement and documents referred to in this Agreement, nor the incurring of the obligations set forth in this Agreement, nor the consummation of the transactions contemplated, nor compliance with the terms of this Agreement and the documents referred to in this Agreement conflicts with or results in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which City is a party.

2.12. Closing.

(a) Time and Place. This Agreement shall be closed at the offices of First American Title Company (the "Escrow Agent") located at McMinnville, Oregon on the Closing Date.

(b) Obligations of Trustee at the Closing. At the Closing and coinciding with the performance by City of its obligations described in Section 2.12(c), Trustee shall deliver to City the following:

(i) An executed deed as described above, which will be recorded by the Yamhill County Recorder's office as part of the Closing.

(ii) Suitable instructions to escrow, including authority to deduct from Trustee's net proceeds for Trustee's pro rata portion of any adjustments and expenses pursuant to this Agreement.

(iii) Foreign Investment in Real Property Tax Act affidavit executed by Trustee.

(iv) Such other certificates and documents as may be called for by the provisions of this Agreement or reasonably necessary to effectuate the transaction contemplated by this Agreement.

(c) Obligations of City at the Closing. At the Closing and coincidentally with the performance by Trustee of its obligations described in Section 2.12(b), City shall deliver to Trustee the following:

(i) A cash payment in the amount of the purchase price as required by Section 2.2, plus the City's portion of any adjustments and expenses pursuant to this Agreement.

(ii) Such other certificates and documents as may be called for by the provisions of this Agreement or reasonably necessary to effectuate the transaction contemplated by this Agreement.

2.13. Closing Statements. At the Closing, Trustee and City shall deposit with the Escrow Agent executed closing instructions consistent with this Agreement in form satisfactory to the Escrow Agent.

2.14. Brokers. Trustee represents and warrants to City, and City represents and warrants to Trustee, that no broker or finder has been engaged by it, respectively, in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any of such transactions.

2.15. Required Actions of City and Trustee. City and Trustee agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and shall use their best efforts to accomplish the close of escrow in accordance with the provisions in this Agreement.

3. Bankruptcy Court Approval Contingency. All parties' obligation to consummate and close this transaction is hereby expressly made contingent and conditional on approval of the transaction prior to Closing from the applicable Bankruptcy Court in the case of Berjac of Oregon, debtor, case #12-63884-tmr7, pending before the United States Bankruptcy Court for the District of Oregon. In this regard, Trustee will promptly take all reasonable steps and make a good faith effort to obtain the approval.

4. Conveyance of VJ Parcel.

Substantially contemporaneously with the Closing of the sale of the City Parcel, the Trustee shall convey VJ Parcel to VJ.

5. Miscellaneous.

5.1. Amendments. This Agreement may be amended only by an instrument in writing executed by all the Parties.

5.2. Successors and Assigns. This Agreement shall be binding upon and will inure to the benefit of the Parties, and their respective successors and assigns.

5.3. Waiver. Any provision or condition of this Agreement may be waived at any time, in writing, by the Party entitled to the benefit of such provision or condition. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

5.4. Governing Law. The performance and construction of this Agreement shall be governed by the substantive laws of the State of Oregon without regard to conflict of law provisions.

5.5. Time of Essence. The Parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision of this Agreement.

5.6. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.

5.7. Statutory Notice. **BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY**

PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.390, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300 TO 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

CITY OF MCMINNVILLE

By: *Kent L Taylor*
Kent L Taylor (print name)

By: _____
_____ (print name)

Its: Authorized Representative

Its: Authorized Representative
July 21, 2014

TRUSTEE

Thomas A. Huntsberger, Inc.
Thomas A. Huntsberger, Chapter 7
Bankruptcy Trustee for Berjac of Oregon

MODIFICATION AGREEMENT

This Agreement is made on the effective date provided below by and between Thomas A. Huntsberger, Chapter 7 Bankruptcy Trustee for Berjac of Oregon, an Oregon general partnership (Trustee), and the City of McMinnville, a municipal corporation of the State of Oregon (City).

Trustee and City are involved in the sale of certain property and a series of property line adjustments, as provided in the July 21, 2014 Purchase Agreement between them and incorporated by this reference. At the culmination of these adjustments, Trustee will own tax lots 200 and 204 as shown on the map attached as Exhibit A and incorporated by this reference. City will own tax lot 202 as shown on Exhibit A. This Agreement is intended to supplement and modify such Purchase Agreement, which shall remain in full force and effective excepting only as modified by this Agreement.

It is anticipated that a sixty foot wide public street, running parallel to the western border of tax lot 202 as shown on Exhibit A, will be constructed at some time in the future in conjunction with development of tax lot 200. This street will provide the extension of Yohn Ranch Drive.

It is further anticipated that a sixty foot wide public street, running parallel to the eastern border of tax lot 202 as shown on Exhibit A, will be constructed at some time in the future in conjunction with development of tax lot 204. This street will provide the extension of Meadows Drive, connecting the two existing portions of that street to the North and South.

City will require improvement of all or a portion of such public street segments upon development of tax lots 200, 202 and/or 204. In order to accommodate the City's plans and goals, City agrees to purchase from Trustee half of the future public right of way areas on the East and West sides of tax lot 202 simultaneously with and in addition to the property it has already agreed to purchase under the Purchase Agreement, being thirty feet on each side of tax lot 202. The City agrees that such additional property shall be reserved for inclusion in the dedication of the sixty foot right of way, and the City agrees to accept the dedication for extension of Yohn Ranch Drive as shown on Exhibit A.

City's tax lot 202 currently has sanitary sewer, water, and electric service.

Upon the substantial development of all or any portion of tax lots 200 or 204 which adjoin tax lot 202, the owner(s) thereof will be required to construct all or a portion of the public street to City standards, as may be required by the City as part of its future development approval for tax lots 200 or 204. As specified below, the City will pay 50% of the approved construction costs for any and all of such street improvements, unless the City shall have already built such street improvements on its portion of the right of way as described below. For the purposes of this Agreement, the term "substantial development" as to tax lot 200 or 204 will mean the issuance of building permits for private improvements, and issuance of the City's Construction Permit

Agreement for public improvements and the award of construction contracts for the development of the street.

The City will require timely delivery to City of a statement of the amount to be expended constructing the following components of the street or portion thereof (the "approved construction costs"). The improvements will be constructed to APWA standards and specifications as adopted by the City of McMinnville and McMinnville Water and Light. The approved construction costs shall cover the following:

1. Public street improvements with sidewalks and curbs,
2. Storm sewer improvements,
3. Street lighting improvements as necessary,
4. City of McMinnville and McMinnville Water and Light plan review and permit fees,
5. Any and all additional permit fees and costs,
6. Any and all costs associated with installation of other utilities that directly serve the park,
7. Reasonable engineering fees relating to the jointly constructed improvements, and
8. Reasonable surveying fees relating to the jointly constructed.

The statement will follow the APWA bidding format and include copies of bids for work to be performed and an explanation of the method of calculation for the portion of the work relating to the public street construction.

The City will have 10 days from the date of receiving the statement to notify the owner(s) in writing of any objections to the cost statement. If the parties can not agree on the costs, they will mutually select a third party engineer to review the cost statement. The decision of the third party engineer will be binding on both parties.

Once a cost statement is agreed upon, or once the third party engineer has come to a decision on the cost statement (the "approved construction costs"), the City will have 14 days in which to place the City's 50% share of the approved construction costs into a segregated construction fund account. Such amount, as may be adjusted up or down by agreement of the City and the owner(s) of the property being developed, shall be disbursed to the owner upon substantial completion of the street construction.

City may determine to construct a portion of such street improvements in advance of development of lots 200 and/or 204. In that case, City may need an additional six feet of width beyond the thirty-foot strips being purchased in order to meet construction requirements for the width of a partial street. To accommodate that, Trustee's conveyance to City shall include an easement over strips of land six feet in width alongside the thirty-foot strips being purchased by City on either side of lot 202. Such easement shall allow construction activities reasonably necessary for such partial street construction and for the construction and maintenance of such additional street width on the easement area, and public access across the easement area. It is intended that such easement will merge into public ownership once the remainder of such street is completed in association with development of tax lots 200 and/or 204. In the event of such

partial street construction, the owners of tax lots 200 and 204 will not be responsible to pay for any part of City's partial street construction cost, and City shall not be responsible for payment of any part of the cost to complete the construction of the remainder of the street width in conjunction with such development..

If necessary, the City agrees to dedicate a reasonable easement to the developer(s) of tax lot 200 or 204 in order for the developer to access the public sewer main.


The City agrees to dedicate a 10 foot wide utility easement along the street right of way on the East and West sides of tax lot 202.

The obligations in this Agreement shall bind and inure to the benefit of the parties to the Agreement and their respective heirs, successors, and assigns and shall run with the land. This Agreement will be recorded in the Deed and Mortgage Records of Yamhill County, Oregon. When all the obligations and potential obligations created by this Agreement have been satisfied and fully performed, the City and owner(s) will execute and record a release and satisfaction document, acknowledging that all rights and obligations created by this Agreement have been satisfied. The parties may release the rights and obligations in multiple increments.

This Agreement shall not be binding upon any of the parties hereto until it has been signed by all of the parties hereto. The effective date of this Agreement shall be the date of the last signature below.

CITY OF MCMINNVILLE

APPROVED AS TO FORM:

By: 
Kent L. Taylor (print name)
Its: Authorized Representative



Dated: November 6, 2014

TRUSTEE

Thomas A. Huntsberger, Chapter 7
Bankruptcy Trustee for Berjac of Oregon

Dated: _____

MODIFICATION AGREEMENT

This Agreement is made on the effective date provided below by and between Thomas A. Huntsberger, Chapter 7 Bankruptcy Trustee for Berjac of Oregon, an Oregon general partnership (Trustee), and the City of McMinnville, a municipal corporation of the State of Oregon (City).

Trustee and City are involved in the sale of certain property and a series of property line adjustments, as provided in the July 21, 2014 Purchase Agreement between them and incorporated by this reference. At the culmination of these adjustments, Trustee will own tax lots 200 and 204 as shown on the map attached as Exhibit A and incorporated by this reference. City will own tax lot 202 as shown on Exhibit A. This Agreement is intended to supplement and modify such Purchase Agreement, which shall remain in full force and effective excepting only as modified by this Agreement.

It is anticipated that a sixty foot wide public street, running parallel to the western border of tax lot 202 as shown on Exhibit A, will be constructed at some time in the future in conjunction with development of tax lot 200. This street will provide the extension of Yohn Ranch Drive.

It is further anticipated that a sixty foot wide public street, running parallel to the eastern border of tax lot 202 as shown on Exhibit A, will be constructed at some time in the future in conjunction with development of tax lot 204. This street will provide the extension of Meadows Drive, connecting the two existing portions of that street to the North and South.

City will require improvement of all or a portion of such public street segments upon development of tax lots 200, 202 and/or 204. In order to accommodate the City's plans and goals, City agrees to purchase from Trustee half of the future public right of way areas on the East and West sides of tax lot 202 simultaneously with and in addition to the property it has already agreed to purchase under the Purchase Agreement, being thirty feet on each side of tax lot 202. The City agrees that such additional property shall be reserved for inclusion in the dedication of the sixty foot right of way, and the City agrees to accept the dedication for extension of Yohn Ranch Drive as shown on Exhibit A.

City's tax lot 202 currently has sanitary sewer, water, and electric service.

Upon the substantial development of all or any portion of tax lots 200 or 204 which adjoin tax lot 202, the owner(s) thereof will be required to construct all or a portion of the public street to City standards, as may be required by the City as part of its future development approval for tax lots 200 or 204. As specified below, the City will pay 50% of the approved construction costs for any and all of such street improvements, unless the City shall have already built such street improvements on its portion of the right of way as described below. For the purposes of this Agreement, the term "substantial development" as to tax lot 200 or 204 will mean the issuance of building permits for private improvements, and issuance of the City's Construction Permit

Agreement for public improvements and the award of construction contracts for the development of the street.

The City will require timely delivery to City of a statement of the amount to be expended constructing the following components of the street or portion thereof (the "approved construction costs"). The improvements will be constructed to APWA standards and specifications as adopted by the City of McMinnville and McMinnville Water and Light. The approved construction costs shall cover the following:

1. Public street improvements with sidewalks and curbs,
2. Storm sewer improvements,
3. Street lighting improvements as necessary,
4. City of McMinnville and McMinnville Water and Light plan review and permit fees,
5. Any and all additional permit fees and costs,
6. Any and all costs associated with installation of other utilities that directly serve the park,
7. Reasonable engineering fees relating to the jointly constructed improvements, and
8. Reasonable surveying fees relating to the jointly constructed.

The statement will follow the APWA bidding format and include copies of bids for work to be performed and an explanation of the method of calculation for the portion of the work relating to the public street construction.

The City will have 10 days from the date of receiving the statement to notify the owner(s) in writing of any objections to the cost statement. If the parties can not agree on the costs, they will mutually select a third party engineer to review the cost statement. The decision of the third party engineer will be binding on both parties.

Once a cost statement is agreed upon, or once the third party engineer has come to a decision on the cost statement (the "approved construction costs"), the City will have 14 days in which to place the City's 50% share of the approved construction costs into a segregated construction fund account. Such amount, as may be adjusted up or down by agreement of the City and the owner(s) of the property being developed, shall be disbursed to the owner upon substantial completion of the street construction.

City may determine to construct a portion of such street improvements in advance of development of lots 200 and/or 204. In that case, City may need an additional six feet of width beyond the thirty-foot strips being purchased in order to meet construction requirements for the width of a partial street. To accommodate that, Trustee's conveyance to City shall include an easement over strips of land six feet in width alongside the thirty-foot strips being purchased by City on either side of lot 202. Such easement shall allow construction activities reasonably necessary for such partial street construction and for the construction and maintenance of such additional street width on the easement area, and public access across the easement area. It is intended that such easement will merge into public ownership once the remainder of such street is completed in association with development of tax lots 200 and/or 204. In the event of such

partial street construction, the owners of tax lots 200 and 204 will not be responsible to pay for any part of City's partial street construction cost, and City shall not be responsible for payment of any part of the cost to complete the construction of the remainder of the street width in conjunction with such development..

If necessary, the City agrees to dedicate a reasonable easement to the developer(s) of tax lot 200 or 204 in order for the developer to access the public sewer main.

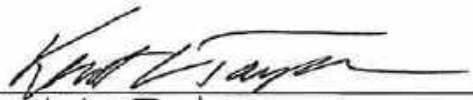
The City agrees to dedicate a 10 foot wide utility easement along the street right of way on the East and West sides of tax lot 202.

The obligations in this Agreement shall bind and inure to the benefit of the parties to the Agreement and their respective heirs, successors, and assigns.

This Agreement shall not be binding upon any of the parties hereto until it has been signed by all of the parties hereto. The effective date of this Agreement shall be the date of the last signature below.

CITY OF MCMINNVILLE

APPROVED AS TO FORM:

By: 
Kent L. Taylor (print name)
Its: Authorized Representative



Dated: December 7, 2014

TRUSTEE

Thomas A. Huntsberger, Chapter 7
Bankruptcy Trustee for Berjac of Oregon

Dated: _____

partial street construction, the owners of tax lots 200 and 204 will not be responsible to pay for any part of City's partial street construction cost, and City shall not be responsible for payment of any part of the cost to complete the construction of the remainder of the street width in conjunction with such development..

If necessary, the City agrees to dedicate a reasonable easement to the developer(s) of tax lot 200 or 204 in order for the developer to access the public sewer main.

The City agrees to dedicate a 10 foot wide utility easement along the street right of way on the East and West sides of tax lot 202.

The obligations in this Agreement shall bind and inure to the benefit of the parties to the Agreement and their respective heirs, successors, and assigns.

This Agreement shall not be binding upon any of the parties hereto until it has been signed by all of the parties hereto. The effective date of this Agreement shall be the date of the last signature below.


CITY OF MCMINNVILLE

APPROVED AS TO FORM:

By: _____
_____ (print name)
Its: Authorized Representative

Dated: _____

TRUSTEE


Thomas A. Huntsberger, Chapter 7
Bankruptcy Trustee for Berjac of Oregon

Dated: 11/2/14

RESOLUTION NO. 2024-50

A Resolution adopting findings and exempting from public bidding requirements City's contractual portion of the construction of Meadows Drive along the eastern edge of Jay Pearson Park.

RECITALS:

Whereas, in 2014 the City acquired 3.46 acres of real property as part of a bankruptcy settlement; and

Whereas, added to .65 acres of property the City already owned, this amounted to 4.11 acres, upon which the City has built Jay Pearson Park; and

Whereas, as part of the terms of the bankruptcy settlement agreement (the "agreement"), City and adjacent private property owners were to construct north/south-running street portions between their respective properties upon development of either of the adjacent properties; and

Whereas, in 2017 the property owner to the west of Jay Pearson Park initiated development on that real property and collaborated with the City, under terms of the agreement, to construct the portion of Yohn Ranch Drive along the western edge of Jay Pearson Park; and

Whereas, now the property owner to the east of Jay Pearson Park wishes to begin development on that real property and is seeking to collaborate with the City to fulfill the terms of the agreement and construct a portion of Meadows Drive along the eastern edge of Jay Pearson Park; and

Whereas, according to the agreement, the City may require the adjacent property owner to construct the full section of road and pay 50% of the cost; and

Whereas, such construction, by virtue of the City's payment and the location on City property, amounts to a Public Improvement Contract subject to competitive bidding requirements under ORS 279C.300; and

Whereas, a local contract review board may exempt a public improvement contract from competitive bidding requirements after approving findings required by ORS 279C.335.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, Oregon, as follows:

1. That the following findings are made and approved, as further detailed in Exhibit A, attached hereto:
 - i. The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.

- ii. Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the City. In approving this finding, the local contract review board has considered the type, cost and amount of the contract, as well as the factors in Exhibit A.
- 2. That the public improvement contract for construction of Meadows Drive along the eastern edge of Jay Pearson Park is exempt from the competitive bidding requirements of ORS 279C.300.
- 3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of September 2024 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of September 2024.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBITS:

- A. ORS 279C.335 Findings

**Exhibit A
To Resolution No. 2024-50**

ORS 279C.335 Findings

1. The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts.

Supporting Factors:

- a. The work will still be bid according to APWA standards.
- b. The City will have an opportunity to object to submitted cost statements, allowing the City some leverage if there is reason to believe better prices can be had elsewhere.
- c. This format may increase competition by appealing to contractors that do not usually bid on government contracts.
- d. Notwithstanding this process, Alan Ruden, Inc. will still be compelled to pay prevailing wages for the City's portion of the project.

2. Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the City.

Supporting Factors:

- a. The underlying contract also allows the City to build half of the road itself. Having Alan Ruden, Inc. contract and manage the project will save City time and resources.
- b. Alan Ruden, Inc. will be able to maximize efficiencies by constructing the full road as a single project.
- c. The following factors from ORS 279C.335(2)(b)(A)-(N) must be considered to the extent applicable:
 - (A) How many persons are available to bid; *Bids will be solicited by the developer, but the subcontracts may be additional firms that generally would not be able to bid on a public project.*
 - (B) The construction budget and the projected operating costs for the completed public improvement; *Operating costs are unchanged. The construction budget will likely be lower since there will be a single contractor mobilization and larger quantities of materials since the work is bid with the adjacent development. Additionally, considering the alternative where the City constructs half of the roadway on its own property, there are additional savings on engineering, bidding services, permitting, and services during construction. The City would also have to likely demo portions of the road that is being built by Alan Ruden, Inc. to construct the City's half of the road correctly, representing obvious inefficiency.*
 - (C) Public benefits that may result from granting the exemption; *A single construction phase with less impact to neighboring residents, as well as road and sidewalk improvements being constructed a year earlier than if the City had to do this work.*
 - (D) Whether value engineering techniques may decrease the cost of the public improvement; *N/A – Engineering is already complete.*
 - (E) The cost and availability of specialized expertise that is necessary for the public improvement; *This type of roadway project does not require specialized expertise, but the*

developer's engineer does have knowledge specific to this site and the wetland mitigation requirements from Oregon Department of Environmental Quality permitting.

(F) Any likely increases in public safety; *A single, shorter construction phase, rather than two, resulting in earlier pedestrian improvements and shorter timeframes for construction-related incidents. If Alan Ruden, Inc. were required to do a full public bidding process it could result in separate contractors each building half of the road and up to doubling the required construction vehicles and deliveries to the site.*

(G) Whether granting the exemption may reduce risks to the contracting agency, the state agency or the public that are related to the public improvement; *Permitting uncertainty is avoided by the City since Alan Ruden, Inc. has already secured the relevant wetland permit required to construct the road. If Alan Ruden, Inc. were required to do a full public bidding process the City would need to have additional oversight of the process to insure Alan Ruden, Inc. correctly follows the process that is unfamiliar to them.*

(H) Whether granting the exemption will affect the sources of funding for the public improvement; *City funding for its 50% share of the construction is coming from Park SDCs, so this exemption will have no effect.*

(I) Whether granting the exemption will better enable the contracting agency to control the impact that market conditions may have on the cost of and time necessary to complete the public improvement; *N/A.*

(J) Whether granting the exemption will better enable the contracting agency to address the size and technical complexity of the public improvement; *The project is neither large nor technically complex. However, the project will be better addressed simply by virtue of not having to duplicate engineering and permitting work that is already complete.*

(K) Whether the public improvement involves new construction or renovates or remodels an existing structure; *N/A.*

(L) Whether the public improvement will be occupied or unoccupied during construction; *N/A.*

(M) Whether the public improvement will require a single phase of construction work or multiple phases of construction work to address specific project conditions; *This will be a single phase if the developer builds it. The road will take two phases if the City has to construct its own half.*

(N) Whether the contracting agency or state agency has, or has retained under contract, and will use contracting agency or state agency personnel, consultants and legal counsel that have necessary expertise and substantial experience in alternative contracting methods to assist in developing the alternative contracting method that the contracting agency or state agency will use to award the public improvement contract and to help negotiate, administer and enforce the terms of the public improvement contract; *N/A.*



City of McMinnville
Community Development
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: September 24, 2024
TO: Mayor and City Councilors
FROM: Heather Richards, Community Development Director
SUBJECT: Resolution No. 2024-52,
Appointments to Planning Commission and Historic Landmarks Committee

STRATEGIC PRIORITY & GOAL:



ENGAGEMENT & INCLUSION

Create a culture of acceptance & mutual respect that acknowledges differences & strives for equity.

OBJECTIVE/S: Grow City's employees and Boards and Commissions to reflect our community

Report in Brief:

This is the consideration of Resolution No. 2024-52 appointing volunteers to vacancies on the Planning Commission and Historic Landmarks Committee.

Background:

The City of McMinnville has many boards, committees and commissions that support the City's work on a volunteer basis. The City Council makes annual appointments and also fills vacancies as they may arise during the year.

The City solicits applications by advertising the vacancies in the News Register, social media, and other communication opportunities. The applications are then reviewed and interviews are conducted. All eligible applicants are invited to interview. Following the interviews, the interview panel makes a recommendation to the City Council for appointments. The interview panel consisted of the Mayor, Chair or Vice-Chair of the Commission/Committee, and city staff.

Discussion:

There is one vacancy on the Planning Commission for a Ward 3 position, with the term being the remainder of a 4-year term ending December 31, 2026. There is one vacancy on the Historic Landmarks Committee, with the term being the remainder of a 4-year term ending December 31, 2026. The vacancies was advertised in the News Register on August 9 and August 16, 2024 and

advertised on social media and the News-Register website. Applications were accepted through August 19, 2024. Interviews were conducted on September 4, 2024.

Planning Commission

The Planning Commission is a nine-member City Council-appointed body, which takes action and makes recommendations to the City Council on a variety of current and long-range land use matters. Membership on the Commission requires that a person must be a resident of the City of McMinnville or within the Urban Growth Boundary and live in the ward they represent, except at-large positions.

There were three people that applied for the Planning Commission vacancy who were eligible for the Ward 3 position.

After interviews, the following was the recommendation of the interview panel to the City Council for the vacancy.

<u>PLANNING COMMISSION</u> (Remainder of 4-year term)	
Matthew Jones , (Ward 3)	Term Expires December 31, 2026

Historic Landmarks Committee

The Historic Landmarks Committee is a five-member City Council appointed body that: reviews building and demolition permit applications for a historic landmark, evaluates historic districts, buildings and sites; conducts surveys and inventories of potential historic resources; makes recommendations to the Planning Commission and City Council regarding historic preservation; and promotes historic preservation public awareness for the City of McMinnville.

Membership on the Committee requires residency in the McMinnville Urban Growth Boundary and requires that a majority of members shall reside within the city limits. However, the Council can appoint a member to the committee who does not reside in the Urban Growth Boundary if it is determined that the member “brings significant value to the purpose of the committee.”

Two people applied for the Historic Landmarks Committee. After interviews, below was the recommendation of the interview panel to the City Council for the vacancy. The recommended member resides outside of the Urban Growth Boundary (UGB). However, the interview panel found that, as an architect with historic preservation experience, the recommended member brings significant value to the purpose of the committee, allowing for appointment without residency in the UGB. Overall, the Committee composition continues to meet the requirement that a majority of members reside within City limits.

<u>HISTORIC LANDMARKS COMMITTEE</u> (Remainder of 4-year term)	
Daniel Kiser , (Non-UGB Residency)	Term Expires December 31, 2026

Attachments:

1. Resolution No. 2024-52
2. Planning Commission Application from Matthew Jones
3. Historic Landmarks Committee Application from Daniel Kiser

Fiscal Impact:

There is no fiscal impact to the City of McMinnville associated this decision.

Recommendation/Suggested Motion:

"I MOVE TO APPROVE RESOLUTION NO. 2024-52 APPOINTING VOLUNTEERS TO THE MCMINNVILLE PLANNING COMMISSION AND HISTORIC LANDMARKS COMMITTEE."

RESOLUTION NO. 2024-52

A Resolution appointing volunteers to the Planning Commission and Historic Landmarks Committee.

RECITALS:

Whereas, the City of McMinnville has several Boards, Committees, Commissions, and Task Forces made up of volunteers; and

Whereas, the City Council is responsible for making appointments.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

1. The City Council appoints the following volunteers to the Planning Commission and Historic Landmarks Committee:

PLANNING COMMISSION:
(Remainder of 4-year term)

Matthew Jones, (Ward 3) Term Expires December 31, 2026

HISTORIC LANDMARKS COMMITTEE:
(Remainder of 4-year term)

Daniel Kiser, (Non-UGB Residency) Term Expires December 31, 2026

2. This Resolution and the appointment shall take effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of September 2024 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of September 2024.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

City of McMinnville Oregon

APPLICATION FOR SERVICE ON BOARD OR COMMISSION

Thank you for your interest in serving your community. The information on this form will help the Mayor and City Council learn about the background of persons interested in serving on a particular board or commission.

Name: Matthew Jones

Home Phone: 

Address: 

Cell Phone: 

Work Phone: 

Email: 

Board, Commission or Committee for which you are an applicant:

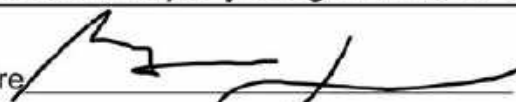
- | | |
|---|---|
| <input type="checkbox"/> Affordable Housing Committee | <input type="checkbox"/> Economic Vitality Leadership Council |
| <input type="checkbox"/> Airport Commission | <input type="checkbox"/> Historic Landmark Committee |
| <input type="checkbox"/> Budget Committee | <input type="checkbox"/> Landscape Review Committee |
| <input type="checkbox"/> Diversity, Equity and Inclusion Advisory Committee | <input checked="" type="checkbox"/> Planning Commission |
| | <input type="checkbox"/> Urban Renewal Advisory Committee |

Ward in which you reside (if applicable): Ward 3

How many years have you lived in McMinnville? 1

Educational and occupational background: BS in Business Management from Park University, MBA from Northeastern University. 22 Years active duty military overseeing the businesses and services on Marine Corps bases. Current Operational Excellence Manager for Centria healthcare


Why are you interested in serving? I am new to the community and want to ingrain myself into the City of McMinnville. I spent my entire adult life serving in the military, and now that I have retired from active duty service, I wish to continue to serve in a new capacity. I have extensive leadership and management experience, and hope to put my servant leadership to good use. I hope you give me a chance to show you how I can help.

Signature: 

Date: 8/11/2024

Please return to staff liaison assigned to the specific Board, Commission, Committee applying for or
City Hall, 230 NE Second Street, McMinnville, OR 97128

Matthew Jones MBA
McMinnville OR



Objective

I am not your typical candidate. I recently transitioned from the Marine Corps and looking to start my next career. I am a people leader and a resource manager. I am an advocate for veterans and want to continue to serve in a new capacity. Give me a chance to show you the value I can add to your organization.

Summary

Accomplished leader with 24 years of experience collaborating with cross function teams managing various programs, projects, and strategic planning aligned to the organization's vision and mission. Built relationships with stakeholders at all levels, which resulted in higher efficiency and increased productivity for the organization. Responsible for multi-unit Profit & Loss financials and performance of multi-million dollar budgets. Committed to providing quality customer service and improving project execution through solid relationships and team building.

Key Skills

Leadership | Project Management | Budgeting | Problem Solving | Critical Thinking | Collaboration | Strategic Planning
Cross Function Teams | Team Building | Organized | Administration | Oral and Written Communication | Policy
Mentoring | Data Analysis | Vendor Management | Scheduling | Project Planning | Customer Service | Analysis Skills
Facilitation | Compliance | Documentation | Innovation | Agile | Financial Acumen | Profit and Loss | Negotiation
Time Management | Research Skills | Coordination | Prioritization | Risk Management | MS Office | Google Suite

Professional Experience

Centria Autism / Area Operations Director, Program and Project Management
Oregon/Nationwide, July 2023 – Present

- Standardized processes and procedures throughout the company's centers and academies.
- Contributed to the opening of over 10 new centers and academies through the Oregon, Arizona, New Mexico, Indiana, North Carolina and Georgia markets, meeting all timelines and staying ahead of budgetary schedule.
- Facilitated the planning of opening over 30 new locations nationwide, on track to double the enterprise's footprint.
- Trained and Supported newly hired Operations Directors on policies, programs, and daily requirements, and helped create a training and development plan for use in training the entire workforce throughout the organization.
- Headed the Safety Committee implementing an active shooter response plan and various safety initiatives.
- Acted as Interim Operations Director for the Gresham Center and Academy due to short staffing.

United States Marine Corps / Deputy Director, Program Management and Executive Leadership
Kailua, HI, July 2018 – October 2022

- Led, mentored, coached, and guided 200 employees within 21 diverse business activities including setting policy, goals, and objectives within the division, including experience with the collective bargaining agreement.
- Responsible for creating, advocating, and managing the budget and financial performance for 21 facilities attaining \$9.6 million in gross revenue annually.
- Developed and implemented strategic initiatives and established business strategy and organizational design within the Food, Hospitality, and Recreation division, opening numerous business units and growing market share.
- Led numerous cross functional teams from various divisions and support functions (IT, Marketing, HR, etc.) in while explaining and solving complex problems and technical processes to various stakeholders.
- Exercised technical and administrative supervision over 7 Business Managers to include planning individual goals and objectives as well as financial / budgetary objectives, while fostering collaboration throughout the enterprise.
- Created and implemented policies, procedures, and rules, utilizing formal and informal leadership techniques.
- Managed and maintained key programs that effectively enhanced the quality of life for 20,000 personnel.

**Matthew Jones MBA
McMinnville OR**

**United States Marine Corps / Operations Officer, Program and Project Management
Camp Pendleton, CA, July 2014 – July 2018**

- Led, mentored, coached, and guided 400 employees within 35 diverse business facilities that included setting policy, goals, and objectives within the division, including experience with the collective bargaining agreement.
- Responsible for creating, advocating, and managing the budget and financial performance for 35 activities attaining \$50 million in gross sales annually.
- Developed and implemented strategic initiatives and established business strategy and organizational design within the Food, Hospitality, and Recreation division, opening numerous business units and growing market share.
- Exercised technical and administrative supervision over 26 Business Managers to include planning individual goals and objectives as well as financial / budgetary objectives, while fostering collaboration throughout the enterprise.
- Led numerous cross functional teams from various divisions and support functions (IT, Marketing, HR, etc.) in all aspects of project management from project planning to complete of the project life cycle.
- Accountable for all Profit & Loss, resulting in revenue growth of over 30% and increased profitability by over 12%
- Managed and maintained key programs that effectively enhanced the quality of life for 40,000 personnel.

**United States Marine Corps / Operations Manager, Program and Project Management
Beaufort, SC, December 2010 – July 2014**

- Served as the Senior Enlisted Advisor between Marine Corps Community Services and the local commands providing guidance and recommendations directly impacting the Marines, their families and the local community.
- Led, mentored and coached 125 employees within 24 diverse business facilities that included Retail, Food & Hospitality, and Recreation.
- Monitored financial performance and operational budgets for 24 activities attaining \$60 million in gross sales annually.
- Led numerous cross functional teams from various divisions and support functions (IT, Marketing, HR, etc.) in all aspects of project management from project planning to complete of the project life cycle.
- Served as the Senior Ranking Member of multiple hiring boards for various managerial positions.
- Organized and assisted in the development, design and construction of multiple projects aboard the Instillation, directly impacting the quality of life for all Marines, Sailors and their families.
- Facilitated and taught new hire training to all incoming employees to include world class customer service, Marine Corps Acculturation, and policies and procedures.
- Served as the Primary Destructive Weather Coordinator for Marine Corps Community Services, ensuring all procedures were in accordance with instillation policies and procedures.

EDUCATION

Master's Degree MBA, Northeastern University (2021)
Strategic Leadership Executive Development, University North Carolina (2019)
Bachelor's Degree, Park University, Business Management (2017)
Associate's Degree, Park University, Business Management (2014)

SPECIAL SKILLS AND TRAINING

Lean Six Sigma Yellow Belt (2018)
NAF Acquisition Management Course (2017)
NAF Basic Contracting Course (2016)
Applied Financial Planning (2016)
Performance Coaching (2016)
Hazardous Materials – 16 Hour (2012)
Contracting Officer Representative (2011) Basic
Recruiter's School (2007)

AWARDS AND RECOGNITION

Meritorious Service Medal (2018, 2022)
Navy and Marine Corps Commendation Medal
(2013, 2014)
Navy and Marine Corps Achievement Medal
(2006)


City of McMinnville Oregon

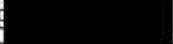
APPLICATION FOR SERVICE ON BOARD OR COMMISSION

Thank you for your interest in serving your community. The information on this form will help the Mayor and City Council learn about the background of persons interested in serving on a particular board or commission.

Name: Daniel Kiser

Home Phone: 

Address: 

Cell Phone: 

Work Phone: 

Email: 

Board, Commission or Committee for which you are an applicant:

- | | |
|---|---|
| <input type="checkbox"/> Affordable Housing Committee | <input type="checkbox"/> Economic Vitality Leadership Council |
| <input type="checkbox"/> Airport Commission | <input checked="" type="checkbox"/> Historic Landmark Committee |
| <input type="checkbox"/> Budget Committee | <input type="checkbox"/> Landscape Review Committee |
| <input type="checkbox"/> Diversity, Equity and Inclusion Advisory Committee | <input type="checkbox"/> Planning Commission |
| | <input type="checkbox"/> Urban Renewal Advisory Committee |

Ward in which you reside (if applicable): N/A

How many years have you lived in McMinnville? 23 (1991-2010, 2020-24)

Educational and occupational background: Bachelor of Construction Management, Brigham Young Univ., 2010-16. Master of Architecture, emphasis in traditional design, University of Notre Dame, 2016-19. Architect at Ferguson & Shamamian Architects, NY, NY since 2019, focusing on new construction/historic preservation of single-family homes, currently working remotely. Licensed architect in the state of NY since 2023.

Why are you interested in serving? I'm passionate about preserving and celebrating historic architecture. I have a desire to serve my community and educate the public about the importance of historic landmarks. I feel qualified to serve after advocating for historic 3rd st. buildings in 2022-23 and learning the criteria that this committee uses to objectively judge applications and help applicants.

Signature 

Date 8/12/24

**Please return to staff liaison assigned to the specific Board, Commission, Committee applying for or
City Hall, 230 NE Second Street, McMinnville, OR 97128**



City of McMinnville
Community Development
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: September 24, 2024
TO: Mayor and City Councilors
FROM: Heather Richards, Community Development Director
SUBJECT: Resolution No. 2024-53, Accepting Grant of \$195,094 for Affordable Housing Infrastructure for MV Advancements per SB 1530

STRATEGIC PRIORITY & GOAL:



HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

OBJECTIVE/S: Collaborate to improve the financial feasibility of diverse housing development opportunities

Report in Brief:

Resolution No. 2024-53 authorizing Heather Richards to sign the attached grant agreement (C2024559) with the State of Oregon through the Oregon Business Development Department on behalf of the City for \$195,094 to be disbursed to MV Advancements as a sub-recipient to help pay for the water, stormwater, and sewer infrastructure costs of their future affordable housing project.

Background:

In the 2024 Oregon state legislative session, Representative Elmer, the City of McMinnville and MV Advancements worked together to request \$195,094 from the state legislature to fund water, storm, and sewer infrastructure improvements needed to facilitate the development of 24 units of low-income housing for people with disabilities and seniors.

Representative Elmer and MV Advancements proponents were able to successfully embed this grant request in SB 1530 (2024 Legislature), an infrastructure funding bill for needed housing projects.

This is part of a two-phase project being constructed by MV Advancements at 600 SE Baker Street. The housing will be built in the second phase. The infrastructure to support the housing will be built as part of Phase 1 due to the location of the infrastructure and constructability relative to the Phase 1 development. Phase 1 includes a corporate headquarters building and a gathering space for the residential units. Total project costs is \$4,638,544.

Discussion:

Section 5B – A(3) of the grant agreement requires that the contract be authorized by an ordinance, order or resolution of Recipient’s governing body.

The City of McMinnville will be the recipient of the grant agreement and will disburse the funds to MV Advancements as a Sub-Recipient.

The grant agreement has been reviewed by the City Attorney, Finance Director and MV Advancements project team.

Attachments:

1. Resolution No. 2024-53
2. Grant Agreement C202459
3. Project Information Form – MV Advancements Housing Infrastructure Grant Request

Fiscal Impact:

This will be a pass-through grant. The City will administer the grant and subrecipient agreement and will not be paid an administrative fee.

Recommendation:

Approve Resolution No. 2024-53.

“I move to approve Resolution No. 2024-53.”

RESOLUTION NO. 2024-53

A Resolution authorizing Heather Richards to sign a grant agreement with the State of Oregon through the Oregon Business Development Department on behalf of the City for \$195,094 to be disbursed to MV Advancements as a sub-recipient to help pay for the water, stormwater, and sewer infrastructure costs of their future affordable housing project.

RECITALS:

Whereas, the Oregon Legislature in the 2024 legislative session passed SB 1530 allocating \$195,094 to the City of McMinnville for water and stormwater and sewer infrastructure gap funding for housing development; and

Whereas, the City of McMinnville worked with Representative Elmer to advocate for infrastructure gap funding for housing development; and

Whereas, one of the housing developments was a project by MV Advancements for seniors and people with disabilities; and

Whereas, the infrastructure gap funding need for the MV Advancements housing development was \$195,094; and

Whereas, the City of McMinnville will serve as the grant recipient for the funds and then disburse the funds to MV Advancements as a sub-recipient.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

1. The City Council authorizes Heather Richards to sign grant agreement C2024559 with the Oregon Business Development Department for \$195,094.
2. This Resolution and authorization shall take effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of September 2024 by the following votes:

Ayes: _____

Nays: _____

Approved this 24th day of September 2024.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

GRANT AGREEMENT

Project Name: Water, stormwater and sewer infrastructure gap funding for housing development

Project Number: C2024559

This grant agreement (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through its Oregon Business Development Department (“OBDD”), and the City of McMinnville (“Recipient”) and MV Advancements (“Subrecipient”) for financing of the project referred to above and described in Exhibit B (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in Section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

This Contract less Exhibits	
Exhibit A	General Definitions
Exhibit B	Project Description
Exhibit C	Project Budget

Pursuant to ORS 285A.075(3) and Oregon Laws 2024, Chapter 109, Section 9(23) (the “Act” aka SB 1530 (2024)), OBDD is authorized to enter into a grant agreement to assist in financing the costs of the Project to support the development of housing.

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

Estimated Project Cost: \$4,833,638.

Grant Amount: \$195,094.

Project Close-Out Deadline: 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

Project Completion Deadline: June 30, 2025 unless extended by an amendment of the Parties, and for which OBDD shall not unreasonably withhold approval of such an amendment. Such an amendment extension shall be conditioned upon appropriation and expenditure authority carry-over extension of the Financing Proceeds by the Oregon Legislative Assembly.

SECTION 2 - FINANCIAL ASSISTANCE

OBDD shall provide Recipient, and Recipient shall accept from OBDD, a grant (the “Grant”) in an aggregate amount not to exceed the Grant Amount. Notwithstanding the Grant Amount, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

Conditions Precedent. OBDD’s obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:

- (1) This Contract duly signed by an authorized officer of Recipient and Subrecipient; and
- (2) Such other certificates, documents, opinions and information as OBDD may reasonably require.

SECTION 3 - DISBURSEMENTS

A. Disbursement Method.

- (1) Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. Recipient must submit each disbursement request for the Financing Proceeds on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”). Subrecipient will provide Project expense or cost-incurred documentation to Recipient for Recipient’s Disbursement Request(s).
- (2) Advanced Payment. Notwithstanding, Section 3A.(1), the Financing Proceeds of any remaining Grant Amount may be disbursed to Recipient as an advanced payment if OBDD, in its sole discretion, determines it has not received timely appropriation and expenditure authority carry-over extension of the Financing Proceeds by the Oregon Legislative Assembly.

B. Financing Availability. OBDD’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminate on the Project Close-out Deadline.

C. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:

- (1) There is no Event of Default.
- (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
- (3) OBDD, in the reasonable exercise of its administrative discretion, has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement. (Recipient acknowledges OBDD’s appropriation and expenditure authority for this Grant presently expires on June 30, 2025; OBDD will seek a carry-over extension in the 2025 Oregon Legislative Session.)
- (4) Reserved.
- (5) OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.

OBDD may waive the requirements of this provision if an Advanced Payment disbursement method is used, and OBDD may instead require additional reporting requirements documenting the expenditures of the Financing Proceeds.

- (6) Subrecipient has delivered documentation satisfactory to OBDD that, in addition to the Financing Proceeds, Subrecipient has available or has obtained binding commitments for all funds necessary to complete the Project.
- (7) Any conditions to disbursement elsewhere in this Contract are met.

SECTION 4 - USE OF FINANCIAL ASSISTANCE

A. Use of Proceeds. Recipient and Subrecipient shall use the Financing Proceeds only for the activities described in Exhibit B and according to the Project Budget in Exhibit C. Neither Recipient nor

Subrecipient may transfer Financing Proceeds among line items in the Project Budget without the prior written consent of OBDD.

- B. Costs of the Project. Recipient and Subrecipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-award Costs of the Project.
- C. Costs Paid for by Others. Neither Recipient nor Subrecipient may use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project, whether from OBDD or from another State of Oregon agency or any third party.
- D. Unexpended Grant Moneys. Any Grant moneys disbursed by OBDD to Recipient or disbursed by Recipient to Subrecipient, and any interest earned on the Grant moneys, that are not used as set out herein or that remain after the Project is completed or this Contract is terminated shall be immediately returned to OBDD.

SECTION 5A. - REPRESENTATIONS AND WARRANTIES OF SUBRECIPIENT

Subrecipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in Section 1, and the Project is fully funded.
- B. Organization and Authority.
 - (1) Subrecipient is a domestic nonprofit corporation, and validly organized and existing under the laws of the State of Oregon.
 - (2) Subrecipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract, (b) incur and perform its obligations under this Contract, and (c) receive financing for the Project.
 - (3) This Contract has been duly executed by Subrecipient, and when executed by OBDD and Recipient, is legal, valid and binding, and enforceable in accordance with their terms.
- C. Full Disclosure. Subrecipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Subrecipient to perform all obligations required by this Contract. Subrecipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract, including Exhibit B and Exhibit C, is true and accurate in all respects.
- D. Pending Litigation. Subrecipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Subrecipient, threatened) against or affecting Subrecipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Subrecipient to perform all obligations required by this Contract.
- E. No Events of Default.
 - (1) No Events of Default exist or occur upon authorization, execution or delivery of this Contract.
 - (2) Subrecipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Subrecipient to perform all obligations required by this Contract.

- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract will not: (i) cause a breach of any agreement or instrument to which Subrecipient is a party or by which the Project or any of its property or assets may be bound; (ii) violate any provision of the charter or other document pursuant to which Subrecipient was organized or established; or (iii) violate any laws, regulations, ordinances, resolutions, or court orders related to Subrecipient, the Project or its properties or operations.
- G. Compliance with Tax Laws. Subrecipient is not in violation of any Oregon tax laws, including but not limited to a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250 and ORS chapters 118, 314, 316, 317, 318, 321 and 323 and local taxes administered by the Department of Revenue under ORS 305.620.
- H. Governmental Consent. Subrecipient will ensure all permits and approvals are obtained, and has made or will ensure that all notifications, declarations, filings or registrations, required for the making and performance of obligations under this Contract and the undertaking and completion of the Project are completed.

SECTION 5B.- REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to OBDD:

A. Organization and Authority.

- (1) Recipient is a Municipality as defined in ORS 285B.410(9), and validly organized and existing under the laws of the State of Oregon.
- (2) Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract, (b) incur and perform its obligations under this Contract, and (c) receive financing for the Project.
- (3) This Contract has been authorized by an ordinance, order or resolution of Recipient's governing body that was adopted in accordance with applicable law.
- (4) This Contract has been duly executed by Recipient, and when executed by OBDD, is legal, valid and binding, and enforceable in accordance with their terms.

B. Full Disclosure. Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to perform all obligations required by this Contract. Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading.

C. Pending Litigation. Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to perform all obligations required by this Contract.

D. No Events of Default.

- (1) No Events of Default exist or occur upon authorization, execution or delivery of this Contract.
- (2) Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to perform all obligations required by this Contract.

- E. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract will not: (i) cause a breach of any agreement or instrument to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iii) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.
- F. Compliance with Tax Laws. Recipient is not in violation of any Oregon tax laws, including but not limited to a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250 and ORS chapters 118, 314, 316, 317, 318, 321 and 323 and local taxes administered by the Department of Revenue under ORS 305.620.

SECTION 6A. - COVENANTS OF SUBRECIPIENT

Subrecipient covenants as follows:

- A. Notice of Adverse Change. Subrecipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Subrecipient or the Project related to the ability of Subrecipient to perform or ensure performance of all obligations required by this Contract.
- B. Compliance with Laws. Subrecipient shall ensure compliance with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract and the Project. In particular, but without limitation, Subrecipient shall ensure compliance with the following, as applicable:
- (1) Oregon Tax Laws, (as defined in Section 5A.G).
 - (2) Reserved.
 - (3) Prevailing Wage Requirements.
 - (a) Subrecipient shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state "PWR"). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries ("BOLI") under ORS 279C.815.
 - (b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*).
 - (c) Notwithstanding (3)(a) and (3)(b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (3)(a) or (3)(b) above.
 - (d) When PWR applies, Subrecipient and its contractors and subcontractors shall not contract with any contractor on BOLI's current List of Contractors Ineligible to Receive Public Works Contracts.
 - (e) When PWR applies, Subrecipient shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI's rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Subrecipient contractually agrees to

pay applicable prevailing wage fees for the Project rather than OBDD, the public agency providing Financing Proceeds under this Contract.

- (f) Pursuant to ORS 279C.817, Subrecipient and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840(i.e. whether PWR applies).

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

C. Project Obligations. Subrecipient shall:

- (1) Permit or ensure OBDD may conduct inspection of the Project at any time.
- (2) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
- (3) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by OBDD in writing.
- (4) Provide status reports to OBDD for the Project bi-annually on a form provided for or approved by OBDD. Reports are due January 30 (for the period May 16 – December 31) and June 1 (for the period January 1 – May 15) each year until the final project completion report detailed in paragraph (5) below is accepted by OBDD or until this Contract is terminated. Status reports shall include a minimum of the following:
 - (a) an updated Estimated Project Cost;
 - (b) any revisions to the Project description (may require Contract Amendment);
 - (c) updated totals for state and local government Project financing support, noting grant and loan amounts and program names;
 - (d) an updated list of other sources of financing anticipated to complete the Project, noting grant and loan amounts and program names and noting whether they have been secured or are pending;
 - (e) an updated estimated Project completion timeline;
 - (f) an updated number of existing and additional/ new housing estimated to be served by the completed Project; and
 - (g) an updated number of units anticipated to be served by the completed Project that will be affordable housing units along with their respective anticipated area median income restriction.
- (5) No later than the Project Closeout Deadline, provide OBDD with a final project completion report on a form provided by OBDD, including Subrecipient's certification that the Project is complete, all payments are made, and no further disbursements are needed; provided however, for the purposes of this Contract, OBDD will be the final judge of the Project's completion.
- (6) Obtain and maintain as-built drawings for all facilities constructed as part of the Project.

D. Ownership of Project and Continued Use of the Project.

- (1) Except as provided under D.(2) below, during the Project and for not less than ten years following the Project Close-Out Deadline, the Project shall be owned by the Subrecipient and used for its intended purposes.
 - (2) Notwithstanding D(1) above, OBDD consents and Subrecipient may transfer the ownership of all or a portion of the Project's property to other owners (individually or collectively, ("Subsequent Owner")), subject to the following conditions: (a) written notice to OBDD of the transfer of ownership at least 10 days before the proposed transfer, including the name and contact information of the Subsequent Owner, and a description of the property to be transferred; and (b) with any such transfer to a Subsequent Owner, Subrecipient shall require of the respective Subsequent Owner that during the Project and for a period of not less than ten years following the Project Close-Out Deadline, the Project property transferred will continue to be used for its intended purposes.
- E. Operation and Maintenance of the Project. Subrecipient shall ensure that the Project is operated and maintained in good repair and operating condition so as to preserve the long term public benefits of the Project, including making of all necessary and proper repairs, replacements, additions, and improvements during the Project and for not less than ten years following the Project Close-Out Deadline. On or before the Project Closeout Deadline, Subrecipient shall ensure a plan is adopted that is acceptable to OBDD for the on-going operation and maintenance of the Project without reliance on OBDD financing and furnish OBDD, at its request, with evidence of such adoption. The plan must include measures for generating revenues sufficient to assure the operation and maintenance of the Project during the usable life of the Project.
- F. Insurance, Damage. During the Project and for a period of not less than ten years following the Project Close-Out Deadline, Subrecipient shall maintain, or cause to be maintained, insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes Subrecipient from exerting a defense against any party other than OBDD, including a defense of immunity.
- G. Sales, Leases and Encumbrances. During the Project and for a period of not less than ten years following the Project Close-Out Deadline, except as specifically described in Exhibit B (Project Description) or Section 6A.D., Subrecipient shall ensure that the Project or any substantial portion of or interest in the Project is not sold, leased, exchanged, abandoned, transferred or otherwise disposed of, unless worn out, obsolete, or, in the reasonable business judgment of Subrecipient, no longer useful in the operation of the Project. Nevertheless, OBDD may consent to such disposition if it has received 90 days' prior written notice from Subrecipient.
- H. Books and Records. Subrecipient shall ensure accurate books and records are kept and maintained according to generally accepted accounting principles and Subrecipient shall ensure that any Subsequent Owner of the Project also keeps accurate books and records related to the Project and Project property for not less than ten years following the Project Close-Out Deadline.
- I. Inspections; Information. Subrecipient shall ensure that OBDD and any party designated by OBDD is permitted to: (i) inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, inspect and make copies of any accounts, books and records, including, without limitation, its records or any Subsequent Owner's records regarding receipts, disbursements, contracts, investments and any other related matters. Subrecipient shall supply and ensure any Subsequent Owners supply any related reports and information as OBDD may reasonably require.

- J. Records Maintenance. Subrecipient shall ensure that all books, documents, papers, and records that are directly related to this Contract, the Project, the Project property or the Financing Proceeds are retained and kept accessible, including those held by Subsequent Owners, for a minimum of six years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Subrecipient shall ensure that the books, documents, papers and records are retained until the issues are resolved.
- K. Economic Benefit Data. OBDD may require Subrecipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. Subrecipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- L. Disadvantaged Business Enterprises. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses...” OBDD encourages Subrecipient in any contracting activity to follow good faith efforts as described in ORS 200.045, available at *****.oregonlegislature.gov/bills_laws/ors/ors200.html. Additional resources are provided by the Governor’s Policy Advisor for Economic and Business Equity. Also, the Certification Office for Business Inclusion and Diversity at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: *****oregon4biz.diversitysoftware.com/FrontEnd/SearchCertifiedDirectory.asp?XID=2315&TN=oregon4biz.
- M. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for any construction design for the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. Subrecipient shall ensure all standard construction practices are followed, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction.
- N. Notice of Event of Default. Subrecipient shall give or ensure OBDD is given prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Subrecipient becomes aware of its existence or reasonably believes an Event of Default is likely. Subrecipient shall require any Subsequent Owners to give Subrecipient prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default.
- O. Indemnity. To the extent authorized by law, Recipient shall defend, indemnify, save and hold harmless the State of Oregon, OBDD, and their officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards, including but not limited to costs, expenses, and attorneys’ fees incurred (collectively, “Claims”), related to any actual or alleged act or omission by Subrecipient, or its officers, employees, agents or contractors, that is related to this Project. Notwithstanding the foregoing, neither Recipient nor any attorney engaged by Subrecipient may defend any Claim in the name of the State of Oregon, nor purport to act as legal representative for the State of Oregon, without first receiving from the Oregon Attorney General in a form and manner determined appropriate by the Oregon Attorney General, authority to act as legal counsel for the State of Oregon, nor may Recipient settle any Claim on behalf of the State of Oregon without the approval of the Oregon Attorney General. If the State of Oregon

assumes its own defense, Recipient will be liable for the attorney fees of the State of Oregon, including but not limited to any fees charged by the Oregon Department of Justice. The provisions of this section are not to be construed as a waiver by the State of Oregon or OBDD of any immunity, defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon. If attorney fees are awarded to Subrecipient, such attorney fees shall not exceed the rate charged to OBDD by its attorneys.

SECTION 6B. - COVENANTS OF RECIPIENT

Recipient covenants as follows:

- A. Notice of Adverse Change. Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to perform all obligations required by this Contract.
- B. Compliance with Laws. Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract and the Project.
- C. Books and Records. Recipient shall keep accurate books and records and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.
- D. Inspections; Information. Recipient shall permit OBDD and any party designated by OBDD at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters. Recipient shall supply any related reports and information as OBDD may reasonably require.
- E. Records Maintenance. Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds for a minimum of six years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.
- F. Economic Benefit Data. OBDD may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- G. Notice of Event of Default. Recipient shall give OBDD prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.
- H. Contributory Liability and Contractor Indemnification.
 - (1) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (“Third Party Claim”) against Recipient or OBDD (the “Notified Party”) with respect to which the other party may have liability, the Notified Party must promptly notify the other party in writing and deliver a copy of the claim, process, and all legal pleadings related to the Third Party Claim. Either party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own

choosing. The foregoing provisions are conditions precedent for either party's liability to the other in regard to the Third Party Claim.

If OBDD and Recipient are jointly liable (or would be if joined in the Third Party Claim), the parties shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable in such proportion as is appropriate to reflect their respective relative fault. The relative fault of the parties shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Each party's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if that party had sole liability in the proceeding. This Section shall survive termination of this Contract.

- (2) Recipient shall take all reasonable steps to require its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Recipient's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the contractor from and against any and all Claims. This Section shall survive termination of this Contract.

SECTION 7 – DEFAULTS

Any of the following constitutes an "Event of Default":

- A. Any false or misleading representation is made by or on behalf of Recipient or Subrecipient, in this Contract or in any document provided by Recipient or Subrecipient related to this Grant or the Project.
- B. Recipient or Subrecipient fails to perform any obligation required under this Contract, other than those referred to in paragraph A of this Section 7, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient or Subrecipient, as applicable, by OBDD. OBDD may agree in writing to an extension of time if it determines Recipient or Subrecipient instituted and has diligently pursued corrective action.

SECTION 8 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract and any other remedies available at law or in equity to enforce the performance of any obligation of Recipient or Subrecipient. Remedies may include, but are not limited to any one or more of the following:
 - (1) Terminating OBDD's commitment and obligation to make the Grant or disbursements of Financing Proceeds under the Contract.
 - (2) Barring Recipient or Subrecipient from applying for future awards.
 - (3) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract.

- (4) Requiring repayment of the Grant and all interest earned on the Grant funds.
- B. Application of Moneys. Any moneys collected by OBDD pursuant to Section 8.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by OBDD; then, as applicable, to repay any Grant proceeds owed; then, to pay other amounts due and payable under this Contract, if any.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 7 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient's and Subrecipient's respective sole remedy will be for disbursement of Financing Proceeds for Costs of the Project, not to exceed the Grant Amount, less any claims OBDD has against Recipient.

SECTION 9 - MISCELLANEOUS

- A. Time is of the Essence. The parties agree that time is of the essence under this Contract.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that neither Recipient nor Subrecipient is an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, Subrecipient and their respective successors and permitted assigns.
 - (4) Except as provided in Sectio 6A.D.(2), neither Recipient nor Subrecipient may assign or transfer any of their rights or obligations or any interest in this Contract without the prior written consent of OBDD. OBDD may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, the requesting party shall pay, or cause to be paid to OBDD, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of OBDD's Counsel. Any approved assignment is not to be construed as creating any obligation of OBDD beyond those in this Contract, nor does assignment relieve the party of any of its duties or obligations under this Contract.
 - (5) Recipient and Subrecipient hereby approves and consents to any assignment, sale or transfer of this Contract that OBDD deems to be necessary.
- C. Disclaimer of Warranties; Limitation of Liability. Recipient agrees that:
- (1) OBDD makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.
 - (2) In no event are OBDD or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Contract or the existence, furnishing, functioning or use of the Project.

D. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient, Subrecipient or OBDD at the addresses set forth below, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

If to OBDD: Deputy Director
Oregon Business Development Department
775 Summer Street NE Suite 300
Salem, OR 97301-1280

If to Recipient: Community Development Director
City of McMinnville
231 NE Fifth Avenue
McMinnville, OR 97128

If to Subrecipient: Executive Director
MV Advancements
2275 NE McDaniel Lane
PO Box 28
McMinnville, OR 97128

E. No Construction against Drafter. This Contract is to be construed as if the parties drafted it jointly.

F. Severability. If any term or condition of this Contract is declared by a court of competent jurisdiction as illegal, invalid or unenforceable, that holding will not invalidate or otherwise affect any other provision.

G. Amendments, Waivers.

(1) This Contract may not be amended without the prior written consent of the parties (and when required, the Oregon Department of Justice). This Contract may not be amended in a manner that is not in compliance with the Act. No waiver or consent is effective unless in writing and signed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given.

(2) Notwithstanding Section 9G.(1) above, the parties agree that OBDD may extend the Project Completion Deadline by sending a written notice of amendment to Recipient and Subrecipient ("Letter Amendment"), and neither the Recipient nor the Subrecipient will be required to provide written consent to effect the amendment. OBDD may execute such a Letter Amendment only after an appropriation and expenditure authority carry-over extension of the Financing Proceeds by the Oregon Legislative Assembly.

H. Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract is entitled to

recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to OBDD by its attorneys.

- I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- J. Integration. This Contract (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.
- K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

SIGNATURES TO FOLLOW BELOW

Recipient and Subrecipient, by their respective signatures below, acknowledge that each has read this Contract, understands it, and agrees to be bound by its terms and conditions.



**City of
McMinnville**

STATE OF OREGON
acting by and through its
Oregon Business Development Department

CITY OF MCMINNVILLE

By: _____
Edward Tabor, Infrastructure &
Program Services Director

By: _____
Heather Richards, Community Development
Director

Date: _____

Date: _____



MV ADVANCEMENTS

By: _____
Kathy Schlotfeldt, Executive Director

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

Not required by OAR 137-045-0050

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Financing Proceeds” means the proceeds of the Grant.

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - PROJECT DESCRIPTION

Recipient shall use the Grant for water, stormwater and sewer infrastructure gap funding for housing development. The Project will be located at 600 SE Baker Street in McMinnville, Oregon. Recipient will partner with Subrecipient to hire professionals licensed in Oregon to complete construction of on-site improvements required to connect the Project to city water, sewer, and stormwater infrastructure.

EXHIBIT C - PROJECT BUDGET

	OBDD Funds	Other / Matching Funds
Activity	Approved Budget	Estimated Budget
Design/Engineering	\$0	\$260,530
Construction	\$195,094	\$2,889,984
Construction Contingency	\$0	\$415,124
Land Acquisition	\$0	\$952,906
Permits/Fees	\$0	\$120,000
Total	\$195,094	\$4,638,544

HOUSING INFRASTRUCTURE PROJECT CONTRACT INFORMATION – SB 1530

Entity Name:	
Project Name:	
Funding Amount:	
Funding Source:	SB 1530
Funding language from bill	
Project Location (physical address):	
Project Type (choose one):	

Entity Information	
Street Address:	
Mailing Address:	
County:	
Contact Name:	
Title:	
Phone Number:	
Email Address:	
Authorized Signatory Name	
Title:	
Municipal Contact Name (if different than contact above):	
Title:	



775 Summer Street, NE, Suite 200
Salem, Oregon 97301-1280

Did you contract with a licensed engineer to assist with any preliminary Project development? (i.e., design, environmental, cost estimate) Yes No

If yes, list name and contact information:

Engineer Name:

Firm:

Phone:

Email:

Project Budget Line Items and Estimated Cost			
Project Budget Line Items	Legislative Amount	Other Funds	Total
Engineering (Final Design/Construction)			
Construction			
Construction Contingency (minimum 10% of total construction cost)			
Legal			
Land Acquisition			
Permits/Fees			
TOTAL			

Budget table prepared by: (Please note that this budget is for Phase 1 plus the infrastructure for the housing in Phase 2)

Name: Kathy Schlotfeldt

Title: Executive Director

Organization: MV Advancements

Date: 5/30/24

Source of Other Funds and Status (Committed / Budgeted)		
Source	Status	Amount
TOTAL		

Anticipated Draw Schedule:

The grant award will be disbursed on expense reimbursement or costs-incurred basis. Recipient will be required to provide evidence of authorized Project expenditures before a grant disbursement is made. Costs incurred after April 17, 2024, are eligible for reimbursement. Please indicate in the table below the expected grant expenditure plan, i.e. the month and amount that will likely be requesting for disbursement. If some requests will likely occur in the 2025-2027 biennium, please check the box at the bottom of the table.

Disbursement Schedule		
Reimbursement Month	Not to exceed:	
April-24		\$
May-24		\$
June-24		\$
July-24		\$
August-24		\$
September-24		\$
October-24		\$
November-24		\$
December-24		\$
January-25		\$
February-25		\$
March-25		\$
April-25		\$
May-25		\$
June-25		\$
July-25		\$
<input type="checkbox"/> 2025-2027 Biennium requests		\$
Total Grant Award (Funding Amount)		

Proposed Work Plan		
Fill in estimated start and completion dates for listed project activities		
Activity	Estimated Date	
	Start	Completion
Engineering Services Procurement		
Permitting / Regulatory Agency Approval		
Final Design Specifications and BID Packet <i>*Please note OBDD must review and approve prior to BID advertisement</i>		
Construction Contract Executed		
Substantial Completion		
Project Closeout		
Construction of Housing Development (if applicable)		
Other:		
Other:		

Permits and Regulatory Authorizations				
List the permits and regulatory authorizations needed for the Project to be ready to proceed with construction. Add additional rows as necessary:				
Permit or Regulatory Authorization	Review Agency	Description	Status	Actual or Expected Approval Date

Upon Project completion, will the publicly owned water/wastewater infrastructure have the capacity to serve the desired additional housing units? Yes No

If no, describe additional work that will be needed:



775 Summer Street, NE, Suite 200
Salem, Oregon 97301-1280

Does the grant recipient (entity named in SB 1530) either own, or have a permanent easement or right of way, for all properties on which the improvements will take place?

Yes No

If no, please explain and provide a timeline for needed property acquisition:

Will the Infrastructure Project be owned by the grant recipient (entity named in SB 1530)?

Yes No

If no, describe that entity and their involvement in the Project.

Will the grant funds be provided to another entity (not named in SB1530) that will be responsible for Project implementation? Yes No

If yes, identify the other entity and the roles and responsibilities of the involved parties.

Note: an inter-governmental agreement or memorandum of understanding between involved parties will be requested prior to first disbursement.



775 Summer Street, NE, Suite 200
Salem, Oregon 97301-1280

Are there sites and developers awaiting Project completion to proceed with housing construction? Yes No

If yes, is acquisition of property/easements/right of way complete? Yes No

If yes, is the developer agreement drafted and/or executed? Yes No

If no, please provide a timeline of when housing construction will begin:

Describe the type of housing (multifamily, single-family, etc.), number of housing units and any other information related to the proposed development, including area median income restrictions planned for the development if known.

Attachment(s)

Attachments (check box if attached):

Project Map or Site Plan

Yes No

Engineers Project Cost Estimate

Yes No

Project Feasibility Documentation

Yes No

Other Funding Letters of Commitment

Yes No

Other: (please label accordingly)

Yes No



MCMINNVILLE – SB 1530 HOUSING INFRASTRUCTURE GOVERNOR’S QUESTIONNAIRE
 (Response to email from Matthew Tschabold, dated March 19, 2024)

MV ADVANCEMENTS, \$195,094

<p>1. What is the infrastructure project receiving funds?</p> <p>Answer: Water, sewer, stormwater and other infrastructure improvements necessary to construct 24 units of low-income housing for people with disabilities and seniors</p>					
<p>2. What is the purpose of the infrastructure project?</p> <p>Answer: Gap funding to support the construction of 24 units of low-income housing for people with disabilities and seniors. This is part of a two-phase project being constructed by MV Advancements. The housing will be built in the second phase. The infrastructure to support the housing will be built as part of phase 1 due to the location of the infrastructure and constructability relative to the phase 1 development. Phase 1 will break ground in May/June 2024.</p>					
<p>3. What is the total cost of the project?</p> <p>Answer: Housing infrastructure costs \$195,094, consisting of parking, storm sewer, water system, sanitary sewer, and trash enclosure.</p>					
<p>4. For each of the project stages below describe the status, interdependencies, or actions needed to reach the milestone. Please provide documentation to verify how close the project is to shovel ready.</p>					
	Completed	Underway	Not Started	Timeframe	Funding Secured
Planning and Plan Approval					
Design and Engineering					
Construction Bidding/Contracting					
Project Financing					
Land Use Permitting	X				
Construction			X	Summer 2024	
<p>5. With this direct appropriation, does the project have full funding, and if not, what is the plan and timeline to fully finance the project?</p> <p>Answer: All funding for phase 1, including the infrastructure for phase 2 housing, is secured with the exception of \$340K. With the gap infrastructure funding from the State, the balance unsecured is \$145k. Worse case scenario, we would take out a loan for the unsecured balance.</p>					

6. What is the current timeline to construction completion and how certain is timeline?

Answer: The infrastructure to support the phase 2 housing will be complete in calendar year 2024.

7. How will this project directly or indirectly lead to additional housing production?

Are there sites (acquisition complete) and developers (draft agreement or other commitment) waiting for this infrastructure project in order to construct housing?

Answer: Land is secured, zoning is in place. MVA has been in discussions with the Yamhill Housing Authority and their development consultant Mike Andrews. We continue to look for partners to help with funding phase 2. Having the infrastructure in place will be helpful when identifying possible partners.

How many housing units will be produced as a result of this infrastructure project?

24 units.

What kind of housing units (rental or homeownership) will be produced (detached single unit, townhouses, multifamily, etc.)

Answer: One story rental apartments.

Will the housing have any affordability requirements? What are the requirements? And how are those requirements secured?

Answer: Target market is low-income, people with disabilities and seniors.



STAFF REPORT

DATE: September 24, 2024
TO: Mayor and City Councilors
FROM: Heather Richards, Community Development Director
SUBJECT: Ordinance No. 5148 – Amending the November 2023 Economic Opportunities Analysis and Urbanization Report in Response to DLCD Remand Order 001943

STRATEGIC PRIORITY & GOAL:

 <p>GROWTH & DEVELOPMENT CHARACTER Guide growth & development strategically, responsibly & responsibly to enhance our unique character.</p>	 <p>HOUSING OPPORTUNITIES [ACROSS THE INCOME SPECTRUM] Create diverse housing opportunities that support great neighborhoods.</p>
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OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

OBJECTIVE/S: Conduct thorough and timely planning and forecasting to ensure that regulatory frameworks for land supply align with market-driven housing needs

Report in Brief:

This is the consideration of Ordinance No. 5148 (attachment “C” to this staff report), amending the existing park land inventory in Appendix E of the *November 2023 Economic Opportunities Analysis* by adding 76 acres of undeveloped park land to the inventory and reflecting that change in the *November 2023 McMinnville Urbanization Report*, as a response to a remand in the Department of Land Conservation and Development (DLCD) Order 001943.

Ordinance No. 5148 adopts the amended Economic Opportunities Analysis as an element of the McMinnville Comprehensive Plan and the Urbanization Report as a stand-alone report that summarizes the overall results of the housing land needs analysis, economic opportunities land needs analysis, and public and institutional land needs analysis.

This park land inventory change will impact the overall public and institutional land need for the twenty-year planning horizon of 2021-2041 changing it from a deficit of 32 gross buildable acres to a surplus of 44 gross buildable acres, thereby changing the overall land need outside of the existing urban growth boundary from 422 gross buildable acres to 346 gross buildable acres. (Please see tables below).

**2021 – 2041, 47,498 Population.
Land Deficiency Identified (gross buildable acres):**

<i>Ordinance</i>	<i>Housing Land Need</i>	<i>Employment Land Need</i>	<i>Public / Institutional Land Need</i>	<i>Total</i>
5148 <i>September, 2024</i>	<i>(202 Acres - Deficit)</i>	<i>(188 Acres - Deficit)</i> <i>(29) Industrial (159) Commercial</i>	<i>44 Acres - Surplus</i>	<i>(346 Acres - Deficit)</i>

<i>Ordinance</i>	<i>Housing Land Need</i>	<i>Employment Land Need</i>	<i>Public / Institutional Land Need</i>	<i>Total</i>
5141 <i>November, 2023</i>	<i>(202 Acres - Deficit)</i>	<i>(188 Acres - Deficit)</i> <i>(29) Industrial (159) Commercial</i>	<i>(32 Acres - Deficit)</i>	<i>(422 Acres - Deficit)</i>

Background:

On February 27, 2024, the McMinnville City Council approved Ordinance No. 5141 adopting the November 2023 “McMinnville Urbanization Report”, and Updating the McMinnville Comprehensive Plan, Volume 1, by adopting the November 2023 “McMinnville Housing Needs Analysis: and the November 2023 “McMinnville Economic Opportunities Analysis as part of the McMinnville Comprehensive Plan.

Ordinance No. 5141 identified the need for 422 gross buildable acres of land outside of the existing urban growth boundary to satisfy the City’s needs for housing land, employment land, and public and institutional land to support a population growth of 47,498 in the planning horizon of 2021 – 2041. (Note; this is land need identified prior to conducting a land-use efficiencies analysis).

The City submitted Ordinance No. 5141 and its attachments to the Department of Land Conservation and Development (DLCD) for approval on March 5, 2024, providing a link to the project website for the public record.

On March 8, DLCD declared the submittal incomplete and asked the City to provide an indexed public record with the submittal.

The City compiled the public record and indexed it for submittal:

- Public Record Index, submitted on May 3, 2024 (3,696 pages).
- Public Record Index, Addendum #1 on May 15, 2024 (747 pages)

After receiving notice that the files were complete with the indexed public record submittal, on May 23, 2024, Friends of Yamhill County/1000 Friends of Oregon filed 10 objections to the DLCD Director regarding the City’s submittal. Mark Davis, filed two separate objections to the DLCD Director on the same day.

Summary of Objections Filed:

Friends of Yamhill County / 1000 Friends of Oregon	
Objection:	Summary:
1 (HNA):	Residential Density for Needed Housing
2 (HNA):	Current Housing Needs
3 (EOA):	Land Needs Not Addressed in the Average Employment Densities
4 (EOA):	Retail Leakage
5 (EOA):	Refill, Redevelopment and Employment on Non-Employment Land
6 (EOA):	Assumed Reduction in Commercial Jobs Per Acre
7 (Parks):	Land for Parks
7a (Parks):	Inflated Parkland Projections
7b (Parks):	The City Wrongly Assigns All Parkland Needs to Buildable Land
8 (BLI)	Exclusion of Buildable Land from Inventories Based on Ownership
8a (BLI):	Buildable Land Owned by Churches
8b (BLI)	Linfield University Parcel
9 (URA):	Urban Reserves
10	McMinnville Urbanization Report

Mark Davis	
Objection:	Summary:
1 (Parks):	Buildable Land Need Overstated by 168 Acres
2 (Parks):	The 2041 Need for Park Land is Overstated by 76 Acres

The City provided a response to the objections on:

- City Response to Mark Davis objections filed on July 15, 2024
- City Response to Friends of Yamhill County/1000 Friends of Oregon on July 22 and July 23, 2024.

Copies of the objections and the city's responses can be found on the project website at: [G 1-20, G 2-20 & G 3-20 Project Materials \(BLI/HNA/HS\) | McMinnville Oregon.](#)

On August 1, 2024, the DLCDC Director issued Order 001943 approving the City's submittal with one remand based on the objections received. (Please see attachment "A" to this staff report).

The DLCDC Director agreed that the City's existing park land inventory was understated by 76 acres based on a table that was provided to the Public and Institutional Land Project Advisory Committee on October 10, 2019. (Public Record Addendum #1, page 54 of 747 pages). That table is divided into two distinctly discrete tables: 1) Developed Park Lands; and 2) Open Space / Undeveloped Land. The first table represents approximately 283 acres and the second table represents approximately 76 acres. The second table includes remnant properties that the City has acquired as well as some undeveloped land set aside for future parks. (Please see attachment "B").

DLCDC Director's Order 001943, page 25:

Sub-Objection 2: Incorrect numerical calculation of park land need

The city's calculation of park land need incorporates an error that results in a park land need that is 76 acres greater than justified. The city has 273 acres of developed park land and 76 acres of undeveloped park land, for a total of 349 acres. Record at 337. Based upon the goal of 14 acres per 1000 population set forth in the city's comprehensive plan and parks and recreation master plan, the city should have 480 acres of park land for its existing population, which means that the city is short 131 acres of park land for its existing population within its existing UGB. Record at 337. However, the city does not count the 76 undeveloped acres of park land toward its existing park land supply, and thus inflates the shortage of existing park land within the existing city by 76 acres. This inflation is then carried forward throughout the city's calculations, resulting in an overestimation of park land need. The director sustains this part of the objection and remands the parks and recreation buildable lands inventory to correct the calculation.

The DLCDC Director thus remanded this aspect of the analysis back to the City for correction.

DLCDC Director's Order 001943, page 31:

VI. CONCLUSION

The submittal from the City of McMinnville for Task 1 of the approved sequential UGB work program, and supporting comprehensive plan amendments, complies with the requirements of the applicable statewide planning goals, statutes, and administrative rules, except for the land need methodology inconsistencies regarding the parks and recreation buildable lands inventory outlined in the Director Evaluation (section IV.E.2) and Objection No. 7 (section V.G). Therefore, as authorized by OAR 660-025-0150(1)(d) and OAR 660-025-0185(6), the submittal is approved except for the parks and recreation buildable lands inventory, which is remanded.

Discussion:

To respond to the DLCD Director’s remand and correct the existing park land inventory, staff is recommending the following proposed amendments to the Economic Opportunities Analysis and the Urbanization Report.

Language deletions are in ~~strike-through font~~ and language amendments are in **red font**. Tables are replaced in their entirety.

DOCUMENT: ECONOMIC OPPORTUNITIES ANALYSIS

- 1) Cover Page (Amend November 2023 to **September 2024 (Amended, Ordinance No. 5148)**)
- 2) Executive Summary, page x,

Add: *Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024, by adopting Ordinance No. 5148, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the existing inventory thereby reducing the needed park land by 76 acres, changing Exhibits 5 and 6.*

Amend: (Appendix E. Public and Institutional Land Need provides the detailed results for public and institutional uses.) McMinnville will need an additional ~~477~~ **401** acres in the 2021 to 2041 period and ~~780~~ **704** acres in the 2021-2067 period.

- 3) Executive Summary, Page xi

Replace Exhibit 5:

Exhibit 5. Estimated demand (in acres) for public and institutional land, McMinnville UGB, 2021-2041 and 2021-2067

Organization/Sector	Additional Land Need	
	20-Year (2021-2041)	46-Year (2021-2067)
City of McMinnville (non-parks),1	7	11
City of McMinnville (parks),2	392	606
McMinnville Water & Light	21	21
Chemeketa Community College	0	0
Linfield College	0	0
McMinnville School District	10	40
Yamhill County	6	13
State of Oregon	1	2
Federal Government	2	4
Churches	38	83
Other	0	0
Sum	477	780

With amended Exhibit 5:

Exhibit 5. Estimated demand (in acres) for public and institutional land, McMinnville UGB, 2021-2041 and 2021-2067

Organization/Sector	Additional Land Need	
	20-Year (2021-2041)	46-Year (2021-2067)
City of McMinnville (non-parks),1	7	11
City of McMinnville (parks),2	316	530
McMinnville Water & Light	21	21
Chemeketa Community College	0	0
Linfield College	0	0
McMinnville School District	10	40
Yamhill County	6	13
State of Oregon	1	2
Federal Government	2	4
Churches	38	83
Other	0	0
Sum	401	704

Amend: Exhibit 6 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi-public uses, resulting in a surplus of ~~a remaining unmet public and semi public land need~~ public and semi-public land (44.2 acres), and the opportunity to reassign land inventory from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to categories with a deficit, such as Government (14.6 acres) and other remaining land needs such as housing and employment land for the planning period of 2021 - 2041 (44.2 acres). Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

4) Executive Summary, page Xii

Replace Exhibit 6:

Exhibit 6. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Note: Park land in the UGB expansion includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	392.0	(76.6)
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	476.9	(32.4)

With amended Exhibit 6:

Exhibit 6. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Note: Park land in the UGB expansion includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

APPENDIX E, PUBLIC AND INSTITUTIONAL LAND NEED

5) Page 142, Add the following language:

Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024 by adopting Ordinance No. 5148, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the existing inventory thereby reducing the needed park land by 76 acres, changing Figures 1 and 3 reflecting no additional land needed for parks and 44.2 acres of surplus land for Public and Institutional land needs.

Replace Figure 1:

Figure 1. Estimated Public and Institutional Land Needs

Organization/Sector	Add'l Land Need By 2021	Add'l Land Need 2021-2041 (ac)	Add'l Land Need 2041-2067 (ac)	SUM Through 2067 (ac)	Method/Notes
City of McMinnville (non-parks), 1	0	7	4	11	4.5 ac for fire stations plus 0.26 ac/1,000 pop
City of McMinnville (parks), 2	27	365	214	606	Parks Master Plan LOS
McMinnville Water & Light	0	21	0	21	Interview, See Narrative
Cherokee Community College	0	0	0	0	Interview, See Narrative
Linfield College	0	0	0	0	Interview, See Narrative
McMinnville School District	0	10	30	40	Interview/Memo, See Narrative
Yamhill County	0	6	8	13	Interview, 0.5 ac/1,000 pop
State of Oregon	0	1	1	2	0.08 ac/1,000 pop
Federal Government	0	2	2	4	0.14 ac/1,000 pop
Churches	6	32	44	83	2.88 ac/1,000 pop
Other	0	0	0	0	
SUM	33	444	303	780	

Note 1: Site needs for fire stations are included in 2021-2041 calculation

Note 2: Needs for 2021-2041 include current deficit

General: Figures above don't reflect additional needs if direction of growth absorbs additional sites outside UGB needed/required for services

With amended Figure 1:

Figure 1. Estimated Public and Institutional Land Needs

Organization/Sector	Additional Land Need by 2021	Additional Land Need 2021-2041 (ac)	Additional Land Need 2041-2067 (ac)	Sum Through 2067 (ac)	Method/Notes
City of McMinnville (non-parks),1	0	7	4	11	4.5 ac for fire stations plus 0.26 ac/1,000 pop
City of McMinnville (parks),2	27	289	214	530	Parks Master Plan LOS
McMinnville Water & Light	0	21	0	21	Interview, See Narrative
Cherokee Community College	0	0	0	0	Interview, See Narrative
Linfield College	0	0	0	0	Interview, See Narrative
McMinnville School District	0	10	30	40	Interview/Memo, See Narrative
Yamhill County	0	6	8	13	Interview, 0.5 ac/1,000 pop
State of Oregon	0	1	1	2	0.08 ac/1,000 pop
Federal Government	0	2	2	4	0.14 ac/1,000 pop
Churches	6	32	44	83	2.88 ac/1,000 pop
Other	0	0	0	0	
Sum	33	368	303	704	

Note 1: Site Needs for firestations are included in the 2021-2041 Calculation

Note 2: Needs for 2021-2041 include current deficit

General: Figures above don't reflect additional needs if direction of growth absorbs additional sites outside UGB needed/required for services

6) Page 143,

Delete:

~~Figure 3 compares the land need for Public and Institutional land needs through 2041 in Figure 1 with the UGB expansion for Public and Semi-Public land needs for 2003-2023. Figure 3 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi-public uses, resulting in n remaining unmet public and semi-public land need.~~

Replace with:

Figure 3 compares the land need for Public and Institutional land needs through 2041 in Figure 1 with the UGB expansion for Public and Semi-Public land needs for 2003-2023.

Figure 3 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi-public uses, resulting in no remaining unmet public and semi-public land need, and the opportunity to reassess land inventory from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to categories with a deficit, such as Government (14.6 acres) and other remaining land needs such as housing and employment land for the planning period of 2021 - 2041 (44.2 acres).

Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

7) Page 144

Replace Figure 3:

Figure 3. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	392.0	(76.6)
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	476.9	(32.4)

With amended Figure 3:

Figure 3. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

8) Page 147

Replace the following:

- ~~The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.~~
- ~~The 2017 need was approximately 480 acres; there's a deficit of approximately 207 acres of developed park land.~~

- ~~Need for 665 total acres by 2041 (an additional need of 185 ac, or total of 392 ac with the current deficit~~
- ~~Need for 879 total acres by 2067 (an additional need of 399 ac, or total of 606 ac with the current deficit.~~

With:

- The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.
- The 2017 need was approximately 480 acres; there's a deficit of approximately 131 acres of park land to meet future park needs.
- Need for 665 total acres by 2041 resulting in an additional need of 185 acres, or total of 316 acres with the current deficit
- Need for 879 total acres by 2067 resulting in an additional need of 399 acres, or total of 530 acres with the current deficit.

DOCUMENT: UPDATED MCMINNVILLE URBANIZATION REPORT

- 1) Cover Page (Amend ~~November 2023~~ to **September 2024 (Amended, Ordinance No. 5148)**)
- 2) Page 3,

Amend: **MCMINNVILLE NEEDS ~~422~~ 346 ACRES TO ACCOMMODATE GROWTH THROUGH 2041.**

Amend: McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross residential acres through 2041. For employment growth, McMinnville will need 188 gross acres for employment for the 2021 to 2041 period (29 industrial acres and 159 commercial acres). ~~Finally, McMinnville will need an additional 32 acres~~ **However, McMinnville has a surplus of 44 acres** in the 2021 to 2041 period for public and institutional uses (e.g., parks, schools, infrastructure, churches, etc.)

Replace Table:

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	(32)	(335)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
Total	(422)	(2,048)

Source: ECONorthwest

*Note: This analysis does not estimate demand for industrial land for the 2041-2067 period.

With amended Table:

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	44	(259)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
Total	(346)	(1,972)

Source: ECONorthwest

*Note: This analysis does not estimate demand for industrial land for the 2041-2067 period.

3) Page 4

Add: Public and Institutional Land Needs, estimates other land needs that are not addressed in the HNA and EOA documents. This includes parks, schools, churches, cemeteries and other public and institutional land needs. (Appendix E of the Economic Opportunities Analysis.)

4) Page 30

Replace Table:

LAND ADDED TO THE UGB IN 2020 FOR PUBLIC USES COMPARED WITH ESTIMATED PUBLIC LAND NEEDS THROUGH 2041

CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	315	392	(77)
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	444	477	(32)

With amended Table:

LAND ADDED TO THE UGB IN 2020 FOR PUBLIC USES COMPARED WITH ESTIMATED PUBLIC LAND NEEDS THROUGH 2041

CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	315	316	0
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	444	401	44

Attachments:

- Attachment A - DLCDC Director Order 001943
- Attachment B – McMinnville Parks System Table, 2019
- Attachment C - Ordinance No. 5148
 - Exhibit A to Ordinance No. 5148: Amendments to the Economic Opportunities Analysis and Urbanization Report
 - Exhibit B to Ordinance No. 5148: *McMinnville Economic Opportunities Analysis, (Amended September 2024)*
 - Exhibit C to Ordinance No. 5148: *McMinnville Urbanization Study, (Amended September 2024)*
 - Exhibit D to Ordinance No. 5148: Decision Document and Findings (Amended September 2024)

Objections and City Responses are located on the project website: [G 1-20, G 2-20 & G 3-20 Project Materials \(BLI/HNA/HS\) | McMinnville Oregon](#)

Fiscal Impact:

- The initial drafts of the Housing Needs Analysis and Economic Opportunity Analysis cost approximately \$165,000 in consultant fees plus staff support at \$75,000.
- The costs for the City’s public hearing support, findings development and public testimony rebuttal was approximately \$15,000 for consultant and legal fees, plus staff support of \$5,000.
- The costs for the City’s defense of the objections is approximately \$4,000 for consultant fees, plus staff support of \$6,500.

Product	Consultant Expenses	In-Kind Staff Support	Total (Consultant + In-Kind Staff)
Document Development (Housing Needs Analysis, Economic Opportunity Analysis)	\$165,000	\$75,000	\$240,000
Public Hearing Process (Findings and Rebuttal to Public Testimony)	\$15,000	\$5,000	\$20,000
Objections Defense (City Response to Objections, Remand Preparation)	\$4,000	\$6,500	\$10,500
TOTAL	\$184,000	\$86,500	\$270,500

Recommendation:

Approve Ordinance No. 5148.

“I move to approve Ordinance No. 5148.”



Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: 503-373-0050

Fax: 503-378-5518

www.oregon.gov/LCD

August 1, 2024

Remy Drabkin
Mayor, City of McMinnville
231 NE Fifth Street
McMinnville, OR 97128



By email: Remy.Drabkin@mcminnvilleoregon.gov

RE: Partial Approval of Sequential UGB Amendment Work Program Task 1 Submittal (Order 001943)

Dear Mayor Drabkin,

I am pleased to inform you that the Department of Land Conservation and Development (DLCD) has partially approved the City of McMinnville's Sequential Urban Growth Boundary Amendment Work Program Task I submittal regarding an Economic Opportunities Analysis (EOA), Buildable Lands Inventory (BLI), and Housing Needs Analysis (HNA). This letter and attached Order are transmitted pursuant to Oregon Administrative Rule (OAR) 660-025-0150(1)(d) approving portions of the subject task submittal.

In response to the local government's notice, DLCD received two letters of objection to this task from 1,000 Friends of Oregon and Friends of Yamhill County (combined into one objection letter) and Mark Davis. As directed by OAR 660-025-0140(6), the department has conducted a review of the objections. A report of the department's review is included in the attached Order.

This Order can be appealed to the Land Conservation and Development Commission (LCDC). Any party seeking LCDC review must file a written appeal received in DLCD's Salem office by August 22, 2024. Appeals to LCDC are governed by OAR 660-025-0160.

Please contact Melissa Ahrens, your regional representative, at 503-779-9821 or melissa.ahrens@dlcd.oregon.gov if you have any questions or need further assistance.

Respectfully,



Gordon H. Howard
Community Services Division Manager
Department of Land Conservation and Development

cc: Jeff Towery- City Manager, City of McMinnville
Heather Richards- Community Development Director, City of McMinnville
Bill Kabeiseman- City Attorney, City of McMinnville
Tom Schauer- Senior Planner, City of McMinnville
Mark Davis
Mary Kyle McCurdy (1000 Friends)
Rob Hallyburton (Friends of Yamhill County)
Sid Friedman
Gordon Howard, Community Services Division Manager, DLCD
Melissa Ahrens, Regional Representative, DLCD
Kevin Young, Senior Urban Planner, DLCD

**DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
DIRECTOR’S DECISION ON CITY OF MCMINNVILLE
SEQUENTIAL URBAN GROWTH BOUNDARY AMENDMENT TASK SUBMITTAL**

DLCD Order 001943

August 1, 2024

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I. DECISION

For the reasons explained in this report, the Department of Land Conservation and Development (DLCD, or department) concludes that the submittal from the City of McMinnville (city),

containing a sequential Urban Growth Boundary (UGB) amendment work program task submittal and supporting comprehensive plan amendments (Ordinance No. 5141), complies with the requirements of the applicable statewide planning goals, statutes, and administrative rules, except that the city's submittal errs in calculating certain parks and recreation land needs as discussed in the Director Evaluation (section IV.E.2) and in response to Objection No. 7 (section V.G). As authorized by OAR 660-025-0150(1)(d) and OAR 660-025-0185(6), the director remands the submittal in part to resolve this error. The director approves the remainder of the city's submittal, consisting of the Buildable Lands Inventory (BLI) excluding the parks and recreation land inventory, the Housing Needs Analysis (HNA), and the Economic Opportunities Analysis (EOA).¹

II. REVIEW PROCEDURES AND CRITERIA

Procedural Considerations

As discussed in detail in Section III below, the city initiated the submittal in response to Work Task 1, as established through the city's election to enter into a sequential UGB work program, approved by DLCD Director on February 7, 2024. The city provided notice of the Task 1 submittal on May 6, 2024. As dictated by Task 1 of the work program, the city adopted the EOA, HNA, and BLI on February 27, 2024.

ORS 197.626(3) and OAR 660-025-0185 authorize the director's review of urban growth boundary amendment components. The director of DLCD has 90 days from the date of the city's submittal and notice to make a decision under ORS 197.626(3)(b)(A) and OAR 660-025-0185(6)(a). The director may approve the submittal, remand it, or refer the matter to the commission. ORS 197.626(3)(c); OAR 660-025-0150(1). The director elected to make a decision on this submittal.

¹ OAR 660-025-0160(1)(d) provides:

"The director may issue an order approving portions of the completed work task or plan amendment provided these portions are not affected by an order remanding or referring the completed work task."

OAR 660-025-0185(6) provides:

"A director's decision on a submitted task and appeals of a director's task decision are subject to OAR 660-025-0150 and 660-025-0160 except:

"(a) Notwithstanding OAR 660-025-0150(3), the director must take an action, and the order or referral must be sent, within 90 days after the local government submits the task for review unless the local government waives the 90-day deadline or the commission grants the director an extension.

"(b) Notwithstanding OAR 660-025-0150(4), if the director does not issue an order or refer the task within the time limit set by subsection (6)(a), and the department did not receive any valid objections to the task, the task shall be deemed approved. In such cases, the department will provide a letter to the local government certifying that the task is approved."

OAR 660-025-0150(5) provides: “If the department received one or more valid objections to the work task or plan amendment, the director must either issue an order...or refer the work task or plan amendment to the commission for review.” The department received two letters containing twelve total objections (10 in letter one and 2 in letter two). This order addresses the objections.

Validity of Objections

The department received two letters identifying twelve objections to the submittal. *See* Attachments A and B. The department received the first, listing ten objections from the Friends of Yamhill County and 1000 Friends of Oregon, on May 23, 2024. The department received the second, listing two objections from Mark Davis, on May 24, 2024. The objections raise a range of issues with the EOA, HNA, and BLI. The department received both objection letters within the 21-day period for filing objections following the date the city issued the notice of decision, May 6, 2024.

Regarding objections, OAR 660-025-0140 provides:

- “(2) Persons who participated orally or in writing in the local process leading to the final decision may object to the local government's submittal. To be valid, objections must:
 - “(a) Be in writing and filed with the department's Salem office no later than 21 days from the date the local government sent the notice;
 - “(b) Clearly identify an alleged deficiency in the work task or adopted comprehensive plan amendment sufficiently to identify the relevant section of the final decision and the statute, goal, or administrative rule the submittal is alleged to have violated;
 - “(c) Suggest specific revisions that would resolve the objection; and
 - “(d) Demonstrate that the objecting party participated orally or in writing in the local process leading to the final decision.
- “(3) Objections that do not meet the requirements of section (2) of this rule will not be considered by the director or commission.”

As noted in their objection letter, Friends of Yamhill County and 1000 Friends of Oregon participated in the city's decision, providing testimony to the McMinnville Planning Commission. Record at 1706 and 2076. The second objector, Mark Davis, also participated in the city's decision. Record at 1653, 2126-2225 and Record Addendum #1 at 1. The department has reviewed the twelve filed objections and has determined that all clearly identify alleged deficiencies and suggest specific revisions to resolve the objections. The department has determined that all of the objections satisfy the requirements of a valid objection in OAR 660-025-0140(2) and may be considered by the director.

III. BACKGROUND AND DESCRIPTION OF SUBMITTAL

As prescribed in Task 1 of the approved City of McMinnville sequential UGB amendment work program, the McMinnville City Council adopted the EOA, HNA, and BLI on February 27, 2024. The city then transmitted a formal task submittal to DLCDC on May 3, 2024, and an associated notice of task decision to DLCDC and interested parties on May 6, 2024.

Passage of Ordinance No. 5141 resulted in the following:

1. *Adoption of the November 2023 McMinnville Urbanization Report*
2. *Updating the McMinnville Comprehensive Plan by adopting the November 2023 McMinnville Housing Needs Analysis*
3. *Adoption of the McMinnville Economic Opportunities Analysis, dated November 2023, as part of the McMinnville Comprehensive Plan.*
4. *Repealing Ordinances No. 4746 and 4976*

The city provided notice consistent with the requirements of OAR 660-025-0140. Based on the May 6, 2024 date the notice was sent, the deadline to file any objections to the local decisions on this matter was May 27, 2024.

Prior to the May 27, 2024 deadline, the department received a joint objection from Friends of Yamhill County and 1000 Friends of Oregon on May 23, 2024. Members from both groups had provided testimony at the public hearings held to consider the Task 1 materials adoption. The letter identifies ten Task 1 objections. The second objection was received from an individual, Mark Davis, on May 24, 2024, and had two distinct objections to the Task 1 submittal. Mr. Davis also participated in public hearings held to consider the Task 1 materials adoption.

McMinnville's submittal, constituting the record for this review, is in two parts. The city initially submitted its record on March 5, 2024. References to this document in this decision are labeled "Record." On March 8, 2024, the department replied to the city's submittal and noted that it did not include some material. Record at 1-2. On May 3, 2024, the city resubmitted the record, including the missing materials in a separate document. References to this document in this decision are labeled "Record Addendum #1."

IV. DEPARTMENT REVIEW

A. Jurisdiction

The director, and if appealed or referred by the director, the commission, has exclusive jurisdiction to review sequential UGB amendment work program task submittals pursuant to ORS 197.626, OAR 660-025-0140, OAR 660-025-0150, and OAR 660-025-0185(6). ORS 197.626(3)(b)(A) provides, in pertinent part:

“The director shall take action on each sequential phase of a work task described in paragraph (a) of this subsection not later than 90 days after the local

government submits the phase for review, unless the local government waives the 90-day deadline or the commission grants the director an extension.”

The city ordinance consist of a sequential UGB amendment work program Task 1 submittal for which the department received two separate letters of objection.

B. Scope of Review

Where the director reviews a work program task submittal under ORS 197.626, she does so “in the manner provided for [periodic review.]” ORS 197.626(1). That review is to determine whether the decision approving the work task and any related matters comply with the applicable statewide planning goals, their implementing rules, and applicable state statutes. OAR 660-025-0150(9) and 660-025-0160. The director confines the review of evidence to the records provided by the city. ORS 197.633(3).

C. Standard of Review

The standard of review for this decision is provided in ORS 197.633(3). That statute provides in part:

“(a) For evidentiary issues, is whether there is substantial evidence in the record as a whole to support the local government’s decision.

“(b) For procedural issues, is whether the local government failed to follow the procedures applicable to the matter before the local government in a manner that prejudiced the substantial rights of a party to the proceeding.

“(c) For issues concerning compliance with applicable laws, is whether the local government’s decision on the whole complies with applicable statutes, statewide land use planning goals, administrative rules, the comprehensive plan, the * * * and land use regulations. The commission shall defer to a local government’s interpretation of the comprehensive plan or land use regulations in the manner provided in ORS 197.829. For purposes of this paragraph, ‘complies’ has the meaning given the term ‘compliance’ in the phrase ‘compliance with the goals’ in ORS 197.627.”

D. Applicable Law

Along with the rules surrounding sequential UGB amendment work programs, the principal legal provisions that govern this review and decision are related to Statewide Planning Goals 2 (Land Use Planning), 9 (Economic Development) and 10 (Housing), including relevant statutes and implementing rules. The city submitted the initial notices of proposed amendment for the EOA and for the HNA to the department on May 14, 2020 (DLCD file Nos. 003-20 and 001-20, respectively). An urban growth boundary evaluation is considered “initiated” on the date that it is submitted as a proposed post-acknowledgment plan amendment. OAR 660-024-0000(3)(b)

referencing OAR 660-018-0020. While the HNA and EOA are not, by themselves, urban growth boundary amendments, they are components of a sequential UGB evaluation approved by the director under OAR 660-025-0185. Consequently, this review will consider the decision based on the rules and statutes in place at the time of post-acknowledgment plan amendment submittal. Because the city's adoption of the EOA, HNA, and public land need analysis is the first step of the City of McMinnville's sequential UGB work plan, some of the rules and statutes implementing Goal 14 (Urbanization) are also relevant to this review.

1. Statewide Planning Goal 9

Statewide Planning Goal 9 is:

“To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens. Plans should provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”

Compliance with Goal 9 is guided by administrative rules regarding economic development (OAR chapter 660, division 9).

1. Statewide Planning Goal 10

Statewide Planning Goal 10 is:

“To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”

Compliance with Goal 10 is guided by administrative rules regarding housing (OAR chapter 660, division 8).

2. Oregon Revised Statutes

Former ORS 197.296 (since amended and relocated to ORS 197A.270) sets out requirements for cities to determine the amount of buildable residential lands within their urban growth boundaries (UGBs). These requirements address buildable lands inventories, housing needs analyses, and planning and zoning of residential lands. This statute directs how the city is to calculate its residential land needs.

Of most relevance from this statute are *former* ORS 197.296(5)(a) and (6) (as of May 15, 2020) as key criteria for the determination of residential land needs. In relevant part these provisions read as follows:

“(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

“(A) The number, density, and average mix of housing types of urban residential development that have actually occurred;

“(B) Trends in density and average mix of housing types of urban residential development;

“(C) Demographic and population trends;

“(D) Economic trends and cycles; and

“(E) The number, density, and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.”

and

(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, the local government shall take one or both of the following actions to accommodate the additional housing need:

“(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, the local government shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary.

“(b) Amend its comprehensive plan, regional framework plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. A local government or metropolitan service district that takes this action shall adopt findings regarding the density expectations assumed to result from measures adopted under this paragraph based upon the factors listed in ORS 197.303(2) and data in subsection (5)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. For a local government located outside of a metropolitan service district, a quantifiable validation must demonstrate that the assumed housing

capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level within the local jurisdiction or a jurisdiction in the same region.”

3. Sequential Urban Growth Boundary (UGB) Rules

A city with over 2,500 population that changes its UGB to include more than 50 acres (*see* ORS 197.626(1)(b)) may elect to use the sequential UGB process as authorized in ORS 197.626(3) and OAR 660-025-0185. Conversely, any UGB amendment that would be subject to a LUBA appeal (*i.e.*, the amendment includes less than 50 acres, the city is smaller than 2,500, or the city used the simplified method) is not eligible for sequential review.

OAR 660-025-0185(1) provides that a city may “elect” to use the process and OAR 660-025-0185(2) provides that the city must “notify” the department of its election. The rule provides that the city may make this election when it determines “that the final urban growth boundary amendment is likely to exceed 50 acres.” OAR 660-025-0185(2). For the sequential review process, the city must submit a draft work program with its notification of election to notify the department of the scope of the UGB project (*i.e.*, residential land, employment land, or both) and the proposed planning period. The department must coordinate with the city when developing the work program. There is no public involvement requirement related to establishment of the work program. The director must issue the work program within 120 days of the city’s notice. The work program may not be appealed. OAR 660-025-0185(4).

The city followed this procedure and the director approved a sequential UGB amendment work program on February 7, 2024, with the planning time period of 2021-2041. Record at 3. Pursuant to ORS 197.626(3)(a) and OAR 660-025-0185(5), the city transmitted notice of Task 1 submittal on May 6, 2024. All of the rules for task submittal and review (content of submittal, notice, appeals, etc.) are the same for a sequential UGB submittal as they are for a standard UGB submittal under ORS 197.626 except that the director’s decision on a task is due within 90 days instead of 120 days. ORS 197.626(3)(b) and OAR 660-025-0185(6). The date of this decision is within 90 days after the date of submittal pursuant to OAR 660-025-0185.

On review, the director considers whether the submittal is consistent with the applicable statutes, statewide planning goals, administrative rules, the city’s comprehensive plan, and is supported by substantial evidence. OAR 660-025-0160(2)(a) and (c). The Task submittal was processed as a legislative land use decision.

Local ordinances, state statutes, and LCDC rules specify procedural and substantive requirements for applications, hearings, decisions, and preserving issues for appeal, and case law from LUBA and the appellate courts further define local and state law requirements. For legislative decisions, the record must be adequate to show that the legislative action is within the legal authority of the city. The record must show that the jurisdiction followed applicable procedures. Legislative decisions must be consistent with substantive requirements in state statutes and the statewide planning goals.

LUBA has explained that adequate findings identify the applicable law and the evidence relied upon and explain how the evidence led to the conclusion on compliance with approval standards. *Heiller v. Josephine County*, 23 Or LUBA 551, 556 (1992).

Local governments may incorporate documents from the record into their decisions. But such incorporations must clearly specify which documents are incorporated. *Freedman v. City of Grants Pass*, 57 Or LUBA 385 (2008).

Findings must address all applicable statutes, administrative rules, and land use regulations and all of the elements in those individual authorities. If not, then the findings are inadequate to demonstrate compliance with all applicable law. *Kliewer v. City of Bend*, 73 Or LUBA 321 (2016).

Finally, the director also considers the objections. In reviewing objections, the director only need consider those that “make an explicit and particular specification of error by the local government.” *1000 Friends of Oregon v. LCDC*, 244 Or App 239, 268 (2011).

E. Director Evaluation

The director reviews the Task 1 submittal to determine whether Ordinance No. 5141 complies with the applicable statewide planning goals, statutes, and administrative rules, identified in Section IV.D. In reviewing for compliance with the applicable statewide planning goals, ORS 197.627 provides:

“[C]ompliance with the goals’ means the comprehensive plan and regulations, on the whole, conform with the purposes of the goals and any failure to meet individual goal requirements is technical or minor in nature.”

The city submittal includes Exhibit “D” to Ordinance No. 5141, that presents the city’s determination that the Task submittal complies with all relevant statewide planning goals. Record at 348. The director has reviewed those findings and concludes that the Task submittal complies with the requirements of the applicable statewide planning goals, statutes, and administrative rules, except that the submittal errs in calculating park land needs as discussed in the Director Evaluation (section IV.E.2) and in response to Objection No. 7 (section V.G). To resolve this error, the director remands the parks and recreation buildable lands inventory portion of the submittal.

In support of that conclusion, the director makes the following focused findings:

I. Goal 2, Land Use Planning

Coordination

Goal 2 provides “[e]ach plan and related implementation measure shall be coordinated with the plans of affected governmental units.” As used in Goal 2, a comprehensive plan is “coordinated” once “the needs of all levels of governments, semipublic and private agencies and the citizens of Oregon have been considered and accommodated as much as possible.” ORS 197.015(5).

The city findings related to Goal 2 are contained in the record submitted. Record at 353-355. In this situation the primary need for city coordination was with Yamhill County. Yamhill County's signature on the submitted notice of intent to proceed with a sequential UGB work program indicates that the city did coordinate with the county. Record at 1-2. The city also requested comments from various potentially affected state and local agencies, and special districts. Record at 350-353.

Reliance on Acknowledged Documents

Goal 2 requires as follows:

“City, county, state, and federal agency and special district plans and actions related to land use shall be consistent with the comprehensive plans of cities and counties and regional plans adopted under ORS Chapter 268.

“All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents.”

Regarding the HNA and the BLI, the city has prepared and updated an inventory of buildable residential lands and a HNA consistent with the applicable requirements of *former* ORS 197.295, *former* ORS 197.296, and OAR chapter 660, division 8. Record at 450-588. The city is required to update its HNA (also referred to as a “Housing Capacity Analysis”) by the end of 2024, per the 2024-2032 Housing Capacity Analysis- Housing Production Strategy Schedule updated on January 8, 2024.² This decision provides more detailed analysis regarding the sufficiency of the buildable land inventory and housing needs analysis in response to Objections 1, 2, 8, 9, and 10. In summary, the director's review finds the BLI and HNA comply with all applicable requirements, because the city inventoried existing residential land uses, projected suitable land needs by land use classifications, compared these needs with potentially suitable land within the McMinnville urban growth boundary, and used data from reputable sources such as the Census, City of McMinnville, and Yamhill County. Additionally, the city's Goal 10 conclusions provide more detailed information about the background analyses and inventories and rely on specific data to establish findings that provide a technical basis for developing policy recommendations.

Regarding the EOA, the director's review finds it complies with all applicable requirements because the city has primarily relied on safe harbor employment forecasting methods to estimate future job growth. Record at 777. For economic sectors for which the city exceeded safe harbor forecasts, the EOA relies on a locally adopted economic development strategy that includes community vision and community development aspirations. Record at 777-779. The city justifies its specific site needs included in the EOA through local interviews with appropriate

² See Exhibit A to OAR 660-008-0040. The city's “Housing Needs Analysis” is the same as a “Housing Capacity Analysis” discussed in this rule.

community members and feasibility studies. Record at 598, 738. The cited plans, methodology, and justification provided constitute an adequate factual basis for the conclusions of the EOA.

For the reasons cited above, the director concurs with the Goal 2 consistency findings included by the city in the submitted record. Record at 353-355.

2. Goal 8, Recreation Needs

The department has reviewed the submittal in relation to Goal 8. Record at 35. The department remands that portion of the submittal related to the parks and recreation lands buildable lands inventory, as described in section IV.E.2 of this report.

3. Goal 9, Economy of the State

McMinnville applies a combination of approaches in its EOA, estimating job growth based on the Portland State University (PSU) population growth forecast, adjusting the forecast in certain sectors, and additionally including specific target industries identified in the city's Economic Development Strategic Plan. Record at 589-758. EOAs that employ the target industries approach include site requirements for specific industries and sometimes specific site needs for existing businesses.

Specifically, the EOA builds upon the previously adopted EOA from 2013 with updated data on employment trends and commercial and industrial land needs. Record at 356. It then correctly carries out an updated buildable lands inventory, with supportable assumptions on land capacity and availability. Record at 357-359. It then documents the city's economic development potential. Record at 363. After first documenting land need using safe harbors, it then makes sufficient justification for additional, special land needs to address specific community needs for specific land uses and to address issues such as retail leakage. Record at 364-368. The EOA summary, expressed in the Record at 370, is supported by the analysis and is consistent with the requirements of Goal 9 and provisions of OAR chapter 660, division 9. Therefore, the director concurs with the Goal 9 consistency findings included by the city in the submitted record, Record at 356-370, and finds the Task submittal and Ordinance No. 5141 consistent with Goal 9, with addition of the Goal 9 specific findings included in section V of this report.

4. Goal 10, Housing

Goal 10 requires local jurisdictions to provide for the housing needs of its citizens and provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas developed or undergoing development or redevelopment

Housing Needs Analysis

The city's adopted HNA accounts for housing needs for the 2021-2041 planning period. Record at 45. The HNA forecasts that McMinnville is planning for 4,657 dwelling units to accommodate an increase of 11,260 people over the 20-year period. Record at 102.

McMinnville's housing needs are for more diverse housing types, with more attached and multifamily dwellings than in the city's current housing stock. Record at 81. In addition,

McMinnville needs more housing that is affordable to households with income below 120 percent of median family income, accounting for 59 percent of future housing needs. Record at 371.

McMinnville assumes that eight percent of the 4,657 dwelling units will be accommodated through infill and redevelopment (eight percent of new housing). Record at 48. That leaves need for 4,284 new units that require buildable land. Record at 96. McMinnville's vacant and partially vacant buildable residential land has capacity for 3,183 dwelling units. Record at 49. The result is a deficit of land for 1,101 dwelling units. Record at 49.

McMinnville has proposed to adopt its HNA prior to identifying land use efficiency measures or an UGB expansion to meet its land needs, based on ORS 197.626(3).

Buildable Lands Inventory

Former ORS 197.296(2) requires the city to “demonstrate that its comprehensive plan . . . provides sufficient buildable lands within the urban growth boundary . . . to accommodate estimated housing needs for 20 years.” The statutory requirement for a buildable lands inventory, along with direction concerning what lands are to be inventoried as “buildable,” is contained in *former* ORS 197.296(3) and (4) and in OAR chapter 660, division 8, which provides standards of compliance with Goal 10.

The buildable lands inventory starts by categorizing all residentially developed land, vacant or partially vacant with feasible additional development capacity, and then applies layers of appropriate constraints where appropriate to refine that capacity analysis. Record at 60-62. The city then layers on an analysis of redevelopment capacity which is grounded in reasonable and factual assumptions. Record at 71-73. The buildable lands inventory in the HNA meets the requirements of *former* ORS 197.296, and OAR chapter 660, divisions 8 and 24. Record at 60-73.

This decision addresses a specific objection to a part of the buildable lands inventory relating to institutional lands in Subsection V.8. below.

Planning Period and Population Forecast

Former ORS 197.296(2) requires that an affected city, when amending its UGB, must “demonstrate that its comprehensive plan * * * provides sufficient buildable [residential] lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years.” The statute continues, “the 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.” The planning period sets the foundation for forecasts and everything that follows. The sequential UGB process must be coordinated with the statute. The “date the UGB amendment is initially scheduled for completion” is heretofore undefined for UGB amendments outside periodic review. Specifically, for sequentially reviewed UGB amendments, the planning period will be established by the department in the work program. OAR 660-025-0185(3)(b). The

planning period the city used in the adopted HNA is consistent with the planning period in the approved work program.

OAR 660-024-0040 requires that the 20-year population forecast is the basis of the UGB land determination. OAR 660-032-0020 requires that, when a city uses population as a basis for forecasting employment, the city must use the most recent final forecast issued by PSU Population Research Center (PRC). McMinnville started the process for developing the HNA and EOA in 2018, completing a draft of the HNA in 2019 and the EOA in 2020. McMinnville used the 20-year planning period of 2021-2041, with the anticipation of adopting the HNA and EOA in 2021. Record at 3. McMinnville noticed the intention to adopt the HNA and EOA to the department on May 14, 2020 and held its first evidentiary hearing on May 20, 2021. Record at 4. Subsequently, the city elected to enter into the sequential UGB amendment process and received work program approval from DLCD in 2024. These actions are consistent with *former* ORS 197.296(2). McMinnville used the PRC forecast for June 30, 2017, which was the most recently completed forecast at the time of development of the HNA. The next forecast was finalized on June 30, 2020, after the HNA and EOA had been drafted and McMinnville provided notice to the department. Record at 362. The director therefore determines that the city has used an appropriate planning period and population forecast for its work to comply with Goal 10.

To summarize, for the reasons expressed above, the director concurs with the Goal 10 consistency findings included by the city in the submitted record (Record at 370-388) with addition of the Goal 10 specific findings included in section V of this report.

4. Goal 14, Urbanization

The director concurs with the Goal 14 consistency findings included by the city in the submitted record. Record at 389-390. However, because this is the first step in the sequential UGB process set forth in *former* ORS 197.296(4) and OAR 660-025-0185, the director will be reviewing later phases of the sequential UGB process, related to efficiency measures and an adopted UGB expansion, based upon the city's subsequent submittals.

5. City Comprehensive Plan Consistency

The city has addressed the consistency of this submittal with relevant provisions of its comprehensive plan. Record at 390-394. The city's findings address consistency with provisions related to:

- a. Natural resources, by excluding lands with natural resources and hazards constraints from its buildable lands inventory;
- b. Planning for future schools, by including an institutional land need calculation in its buildable land inventory;
- c. Planning for future economic growth, industrial development, and as a commercial center for Yamhill County, by adopting an EOA that implements these policies;
- d. Planning to ensure efficient use of commercial lands, by not assigning residential development capacity to commercially designated lands;

- e. Planning to provide a diversity of housing choices by the adoption of the HNA with increased assumptions for housing types that are not single-detached dwellings;
- f. Planning for sufficient parks and recreation lands to serve McMinnville residents by including park land needs into the buildable lands inventory;
- g. Providing for community input into the comprehensive plan and its provisions by conducting a far-reaching and inclusive public involvement process.

Consistent with OAR 660-025-0160(2)(c), the department defers to the city's interpretation of its Comprehensive Plan policies (Record at 390-393), and finds that as provided in OAR 660-025-0160(2)(c), none of the alternative reasons for a finding of non-compliance with the city's comprehensive plan contained in ORS 197.829 are met.³

V. ANALYSIS OF OBJECTIONS

The two objections presented twelve objections to the city's Task I work program submittal. For valid objections, OAR 660-025-0140(6) requires that the department either sustain or reject each one based on the statewide planning goals, or applicable statutes or administrative rules. Having found the objections to be valid in Section II. B of this order, the department considers each objection below.

A. First Objection

Friends of Yamhill County and 1000 Friends of Oregon – Residential Land Density for Needed Housing (Housing Needs Analysis)

³ OAR 660-025-0160(2)(c) provides:

“For issues concerning compliance with applicable laws, whether the local government's decision on the whole complies with applicable statutes, statewide land use planning goals, administrative rules, the comprehensive plan, the regional framework plan, the functional plan and land use regulations. The commission shall defer to a local government's interpretation of its comprehensive plan or land use regulation in the manner provided in ORS 197.829 * * *. For purposes of this subsection, 'complies' has the meaning given the term 'compliance in the phrase 'compliance with the goals' in ORS 197.747.”

ORS 197.829(1) provides:

“The Land Use Board of Appeals shall affirm a local government's interpretation of its comprehensive plan and land use regulations, unless the board determines that the local government's interpretation:
“(a) Is inconsistent with the express language of the comprehensive plan or land use regulation;
“(b) Is inconsistent with the purpose for the comprehensive plan or land use regulation;
“(c) Is inconsistent with the underlying policy that provides the basis for the comprehensive plan or land use regulation; or
“(d) Is contrary to a state statute, land use goal or rule that the comprehensive plan provision or land use regulation implements.”

Objectors argue that the city's average residential density assumption, 5.46 dwelling units per acre, is lower than the average density assumed in the existing comprehensive plan. Friends objection at 3. More specifically, Objectors argue that the methodology used to determine residential land capacity is not consistent with *former* ORS 197.296(5) or (7), because it does not consider "trends in density and the mix of housing types" and "market factors that will influence future development," in addition to data on historic development. Friends Objection at 4. Notably, Objectors also assert that the city should not have included a three-percent increase in assumed density because such an analysis should occur with the "efficiency measures" step required by *former* ORS 197.296(6)(b).⁴ Friends objection at 4.

Department Response:

McMinnville filed notices of proposed amendments regarding the HNA and EOA with the department on May 14, 2020. The version of ORS 197.296(5) in effect at that time provided in part as follows:

"(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

"(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

"(B) Trends in density and average mix of housing types of urban residential development;

"(C) Market factors that may substantially impact future urban residential development; and

"(D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section."

Per the approved sequential UGB workplan, the "efficiency measures" evaluation is to occur concurrent with the UGB expansion decision, following adoption of the housing needs analysis, economic opportunities analysis, and buildable land inventory.

McMinnville calculated achieved densities for residential development by zone for the time period between 2000 and 2018. Record at 149-151. The analysis includes data on gross and net densities, noting the amount of land on average, which is dedicated for rights-of-way prior to arriving at net densities. The information provides a factual basis to allow estimation of the city's residential land needs based on recent housing production data, consistent with *former* ORS 197.296(5)(a)(A) above. However, it does not factor in potential land use efficiency measures that the city must consider in the next phase of the sequential UGB process. The

⁴ The "three percent cap" was added into *former* ORS 197.296(6) with passage of HB 2001 (the "middle housing bill") in 2019, in part to account for additional residential capacity from middle housing development.

density estimates do include an assumed three percent increase in density assumptions consistent with *former* ORS 197.296(6)(b). However, it is important to consider the context of the “three percent cap,” which was established with passage of the “middle housing bill” (HB 2001 (2019)), effectively serves as a mandatory efficiency measure for the larger Oregon cities, such as McMinnville, which now allow middle housing in all zones where single detached dwellings had been allowed.

Given this context, it is important to note that the applicable statute applies a degree of skepticism to density assumptions made in HNAs as provided below in *former* ORS 197.296(7):

“Using the housing need analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.”

In other words, cities must document actions and analysis sufficient to justify density assumptions in a housing needs analysis. Although the city evaluates “trends in density and the mix of housing types” and “market factors that will influence future development,” in the housing need section of the HNA, the residential density assumptions are necessarily conservative and based on recent production data, as required by *former* ORS 197.296, reinforced by the recent inclusion of the “3 percent cap.” Record at 133-156. As the Objectors note, minimum lot sizes in McMinnville are relatively large, but changes to such provisions and other efficiency measures are appropriately considered at the next phase in the sequential UGB process. The department finds the city’s analysis complies with applicable statutes, including *former* ORS 197.296(7) and Goal 10 and rejects this objection.

B. Second Objection

Friends of Yamhill County and 1000 Friends of Oregon -Current Housing Needs (Housing Needs Analysis)

Objectors argue that the city’s HNA considers the housing needs only of future residents, but not the needs of current residents. Objectors note that OAR 660-008-0005(6) provides in part:

“‘Housing Needs Projection’ refers to a local determination, justified in the plan, of the mix of housing types, amounts and densities that will be:

“(a) Commensurate with the financial capabilities of present and future area residents or all income levels during the planning period;”

Objectors state that “The mix of housing types, amounts, and densities in the Housing Needs Projection purports to be adequate to meet the needs of future residents but is insufficient to meet the unmet needs of present residents.” Friends objection at 5. Objectors cite HNA analysis of the deficit of housing available to current households at specified income levels – those earning between \$10,000 and \$25,000 annually and those earning \$100,000 or more annually (Record at 956). Friends objection at 5-6.

Department Response:

The city’s HNA notes that McMinnville households in the low-income category are paying more for housing than they can afford and because of that, they are currently cost burdened. Record at 122-128. Those in the high-income category conversely are paying less than they can afford, which may be a matter of preference or due to a lack of higher cost, higher amenity housing in McMinnville. Record at 79. Based on this, the HNA finds a need for “all types of government-assisted housing, more affordable housing types (such as manufactured housing in parks and lots, small-homes, duplexes, triplexes, quadplexes, small-lots, and apartments); and housing types of higher values (such as high-amenity or executive housing). Record at 128.

Based on these needed housing types, we evaluate the city’s conclusions regarding meeting housing needs. The HNA finds that development between 2000 and 2018 in McMinnville achieved a housing mix of 62 percent single detached, eight percent single attached, and 31 percent multifamily. Record at 31. Based on evaluation of the city’s demographics and projected population characteristics, the HNA sets a target of 55 percent single detached, 12 percent single attached, and 33 percent multifamily to meet the community’s housing needs through 2041. Record at 144. As noted above, affordable housing for low-income households may be provided in any of these housing types, the question is the level of government subsidy that will be available to provide for McMinnville’s current and future low-income population. It is this question, and other tools and incentives that the city may use to promote affordable housing development that will be more appropriately addressed in the city’s upcoming housing production strategy report. The city has adequately considered the housing needs of current and future residents, and the city’s analysis complies with applicable rules and statutes. Based on this analysis, we find the Objectors have not demonstrated that the city’s HNA methodology violates Goal 10 or OAR 660-008-0005(6), and the director rejects this objection.

C. Third Objection

Friends of Yamhill County and 1000 Friends of Oregon -Lands Not addressed in Average Employment Densities (Economic Opportunities Analysis)

Objectors dispute the methodology used by the city to estimate employment land need for specific uses not included in the EOA employment forecast. The objector notes that the EOA “does not adequately explain why the employment forecast and average employment densities do not account for these uses.” Friends objection at 6. The objector contends that:

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- “The conference center, food hub, and innovation hub are not distinct from the sectors in Exhibit 49.”
 - “Several of the other added uses are more properly considered public uses and should be addressed in the parks and recreation plan or public land need analysis rather than the EOA”
 - “Expansion of the museum and water park are site-specific needs and therefore not appropriate justification for adding unspecified acreage to the urban land need.”
 - “Including the 49 acres in the land need is not justified, lacks an adequate factual base, and would result in greater than a 20-year supply of urban land, in violation of Goal 14 and Goal 2.”

Friends objection at 7.

Department Response:

The city uses a combination of approaches in its EOA to determine its future employment land need. The majority of land need described in the EOA is derived from a “medium-growth” scenario adopted by the city. Record at 364-365. The city based this growth scenario on the 2021 PSU PRC population growth forecast, which is one of two safe harbor approaches provided by OAR 660-0024-0040(9) for the purpose of estimating employment growth. Under this approach, population and job growth are assumed to be consistently proportional during the forecast period. Resulting job growth is translated to land need via an employment density methodology, which assumes an average number of employees per acre based on typical land use intensity of various industries. This analysis results in a total land demand of 405 gross acres to accommodate 6,333 new jobs forecasted for the 2021-2041 planning horizon. Record at 366.

The city also asserts land need for an additional 49 acres of employment land across eight sites, which it identifies as “target industry sectors” identified in the MACTown 2032 Economic Development Strategic Plan. Record at 691-693. These additional sites include: 1) Community Center/Recreation Facility (10 acres), 2) Outdoor Stage/Amphitheater (5 acres), 3) Arts and culture focused event center (3.5 acres), 4) Evergreen Aviation and Space Museum (27 acres), 5) Wings and Waves (existing site, partially vacant), 6) Conference Center (5 acres), 7) Food hub and public market (3.5 acres), 8) Makerspace/innovation hub/fabrication center (2 acres). The total land need described for the above identified uses is 56 acres. Employment growth for these uses is calculated as a total of 153 anticipated new jobs and converted to seven acres of land need based on an average employment density of 23 employees per acre. The analysis accounts for these seven acres in its forecasted land demand derived through employment density. The remaining 49 acres are included in the analysis as land demand for “other needed sites.” Record at 694.

Based on this analysis, the director evaluates the methodology used in the EOA. To determine land need, cities typically begin with safe harbors identified in OAR to forecast local job growth,

and often subsequently choose to exceed the safe harbor by examining local economic development opportunities not accounted for by standard forecasts. Cities also commonly rely on a method of determining land need known as the “target industries approach.” The target industries approach considers the site requirements of specific industries or businesses (including site size) to reach a conclusion about land need, rather than utilizing an employment density calculation to translate forecasted job growth into land need. The target industries approach is not currently defined in OAR chapter 660, division 9, but the Oregon Court of Appeals did not question that method of estimating employment land needs in an EOA, so long as it did not result in a UGB amendment that exceeded a 20-year land supply.⁵

Cities that use the target industries approach normally combine this method with traditional employment growth forecasting, utilizing multiple methods of analysis to determine future employment land need. McMinnville applies a combination of approaches in its EOA, estimating job growth based on the PSU population growth forecast, adjusting the forecast in certain sectors, and additionally including specific target industries identified in the city’s Economic Development Strategic Plan. Although the objectors are correct in their assertion that anticipated job growth for the target industries may be considered as a part of the forecasted employment growth by industry sector, OAR chapter 660, division 9 does not require that all land need be identified through employment growth forecast and job density analyses. EOAs that employ the target industries approach include site requirements for specific industries and sometimes specific site needs for existing businesses. The objection on this point has no basis in rule.

OAR 660-0024-0040(5) provides that:

“Employment land need may be based on an estimate of job growth over the planning period; local government must provide a reasonable justification for the job growth estimate, but Goal 14 does not require that job growth estimates necessarily be proportional to population growth.”

The additional site needs included in the EOA cover a range of community and economic development objectives, including business growth, entrepreneurship support, tourism destinations, and community amenities that generate employment. Record at 691-693. The EOA accounts for additional expected jobs anticipated from these sites in Exhibit 58. Record at 1111. As justification for inclusion of these sites, the city includes in Appendix C of the EOA sources demonstrating need or feasibility, anticipated employment, and site size requirements for each additional site/use identified through the target industries approach. Record at 737-739. The department finds that this is an adequate factual basis for inclusion of the additional site needs in the EOA. The city’s effort to provide sites to accommodate its target industries would not result in a greater than 20-year supply of urban employment land. Based on this analysis, the

⁵ *1000 Friends of Oregon v. LCDC*, 237 Or App 213, 224, 239 P3d 272 (2010).

director finds the Objectors have not demonstrated that the city's EOA methodology violates Goal 14 or Goal 2 and rejects this objection.

D. Fourth Objection

Friends of Yamhill County and 1000 Friends of Oregon - Retail Leakage (Economic Opportunities Analysis)

Citing the EOA's inclusion of additional job creation in the retail sector to remedy "retail leakage," the objectors dispute the city's characterization of its employment forecast as a "safe harbor" while also including additional job creation beyond the safe harbor forecast sources identified in OAR 660-024-0040(9). Friends Objection at 7. The objector does not directly object to the inclusion of additional forecasted job growth in the retail sector, nor does the objection examine the validity of the concept of "retail leakage" or its application in this EOA.

Department Response:

The objectors are correct in their argument that the city has not relied on a safe harbor to forecast employment growth. The city has exceeded the PSU population forecast safe harbor in aggregate through adjustments to several industry sectors that drive the overall employment growth upward. Record at 1101, 1111. In its review of this EOA, the department did not interpret the city's approach as a safe harbor forecast protected from scrutiny. OAR chapter 660, division 9 and OAR 660-024-0040(5) provide that cities may be aspirational in their employment growth forecasting methods and allow flexibility in how the employment growth forecast may be organized. The director finds that although the city has not used a safe harbor, objectors have not raised adequate grounds to determine that the city's approach is non-compliant with the applicable rule. As such, director rejects this objection.

E. Fifth Objection

Friends of Yamhill County and 1000 Friends of Oregon - Refill Development and Employment on Non-Employment Land (Economic Opportunities Analysis)

This objection is focused on two elements of the methodology through which the EOA assigns new employment growth to different types of land. The objectors assert that the EOA violates Goal 14 and Goal 2 (adequate factual base), because it fails to adequately consider the absorption of new jobs on: 1) non-employment land and 2) existing employment sites. The objection cites numerous instances in the record that show the city's assumptions regarding absorption of new jobs on non-employment land and on existing employment sites is too low. Friends objection at 8-9.

Department Response:

This objection is specifically directed to the EOA's consideration of: 1) allocation of new jobs to residential land, which would include people working from home as well as job creation in the

commercial sector that is allowed to develop on land zoned for residential uses; and 2) the rate of absorption of new jobs on existing employment lands through refill and redevelopment.

The EOA does not address in detail how new employment might be accommodated on residential land. Exhibit 53, *Estimate of employment on vacant land by demand use type, McMinnville UGB 2021-2041*, allocates 332 forecasted new jobs in the commercial and industrial sectors to “other land.” The analysis implies that this figure includes jobs located on both residential land and redevelopment/refill sites, as summarized in the narrative. Record at 1104. Although the EOA does not specify which portion of these jobs is allocated to residential land, it does account for this use type. The department’s *Industrial & Other Employment Lands Guidebook* (a resource of best practices for cities) recommends assignment of some jobs to residential or mixed-use zones but does not suggest a threshold or specific methodology for this analysis. The director finds that the objection does not demonstrate that the EOA is not in compliance with applicable rules and statutes related to the matter of employment likely to occur on residential land.

The objector further contends that employment in “assisted living facilities” is likely to occur on residential land, based on existing development trends in the city. Friends Objection at 9. The city’s code refers to this use as “Nursing/convalescent home” and allows it in several zones, including but not limited to commercial and mixed-use office/residential zones.

OAR 660-009-0010(5) provides:

“The effort necessary to comply with OAR 660-009-0015 through 660-009-0030 will vary depending upon the size of the jurisdiction, the detail of previous economic development planning efforts, and the extent of new information on national, state, regional, county, and local economic trends. A jurisdiction’s planning effort is adequate if it uses the best available or readily collectable information to respond to the requirements of this division.”

Although it is probable that a portion of future nursing/convalescent homes might develop on residential land, it is not practical for cities to attempt to forecast highly specific employment types and corollary land use outcomes to this degree of detail over a long-range planning horizon. The director finds the objection has not demonstrated that the city’s effort is inadequate on this matter.

The objectors also dispute the city’s assignment of new employment to existing employment sites through criticism of the EOA’s assumptions about refill and redevelopment rates. Refill refers to new jobs that may be accommodated in existing employment facilities, including through filled vacancies and employment densification. Redevelopment refers to sites within the UGB that are zoned for employment use but are not suited to accommodate new employment based on the condition of existing capital improvements. The EOA assumes that five percent of future employment will be accommodated through refill and redevelopment. The EOA applies

this factor across each of its anticipated use types: industrial, commercial retail, office & commercial services, and tourism services. Record at 314-316.

In Appendix B, *Employment on Other Land and Employment Density*, the EOA provides a comparison table containing information on rates at which employment is anticipated to be accommodated through refill, redevelopment and on non-employment land in a sample of cities throughout Oregon. Approaches cited vary from not accounting for non-vacant land at all, to up to 29 percent for future office employment. Although the assumed five percent factor may be perceived as on the lower end of possible employment accommodation rates on non-vacant land, the EOA provides a detailed analysis of why this is an appropriate assumption:

“The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands. Employment density is discussed further in the next section but must be evaluated together with assumptions about refill and redevelopment. As discussed in the next section, the observed density of employment in commercial and industrial plan designations is currently about 10 employees/net acre in industrial plan designations (down slightly from the 2013 EOA) and 23 employees/net acre in commercial plan designations (up slightly from the 2013 EOA)...

“Both the industrial and commercial employment densities have remained nearly the same over time: from the 2001/03 EOA, the empirical calculations in the 2013 EOA, and the empirical calculations in the current analysis. Industrial densities have decreased slightly from about 11 employees/acre to about 10 employees/acre. Commercial densities have increased slightly from about 22 employees/acre to about 23 employees/acre.”

Record at 1141-1144.

Despite the city’s use of a higher factor for the rate of employment accommodated through refill redevelopment in the 2013 EOA (17 percent), this EOA demonstrates that employment densities in McMinnville have remained largely consistent over time. Record at 1141-1144.

McMinnville’s existing and planned average employment densities in commercial and industrial sectors are comparable to other Oregon cities. Record at 1144. Although the city may make a policy choice to attempt to further increase employment density on existing land, it has opted instead to use this EOA to describe the development pattern most likely to occur, based on historical trends. Efficiency of land use is inherently encouraged through the statewide planning program, but there is no requirement in OAR chapter 660, division 9 that a city endeavor to increase employment density by assuming increasing rates of refill, redevelopment, and employment on residential land through its EOA. Based on this analysis, the director finds the objector has not demonstrated that the city’s analysis violates Goal 14 or Goal 2 and rejects this objection.

F. Sixth Objection

Friends of Yamhill County and 1000 Friends of Oregon - Assumed Reduction on Commercial Jobs per Acre (Economic Opportunities Analysis)

Friends objects to the assumed job density applied to growth in commercial sector jobs by the city in its EOA, noting that it is a reduction to 23 jobs per acre from the 26 commercial jobs per acre applied in the 2013 EOA. Friends also notes that the EOA discloses that sample employment densities of 29 employees per acre in the office commercial sector and 19 employees per acre in the retail commercial sector have been observed in McMinnville. Friends objects that the use of an employment density of 23 jobs per acre across all commercial employment in the EOA is not in compliance with Goal 14 or Goal 2 (adequate factual base), on the grounds that the average employment density should be a result of a weighted proportion of jobs in each sector by those sectors' specific employment densities. Friends Objection at 9-10.

Department Response:

As noted in the Fifth Objection, this EOA demonstrates that employment densities in McMinnville have remained largely consistent over time, despite previous policy choices to include higher employment density figures in prior EOAs. Record at 1141-1144. McMinnville's existing and planned average employment densities in commercial and industrial sectors are comparable to other Oregon cities, and exceed the density levels provided as a best practice in *DLCD's Industrial and Other Employment Lands Analysis – Basic Guidebook*:

“Typical employment densities per net acre range from 8-12 jobs for industrial; 14-20 jobs for commercial; and 6-10 jobs for institutional/other jobs.”

Although the city did not elect to weight its expected employment density by sector to determine an average number to apply across all job growth, its expected employment density meets or exceeds the standard recommended by DLCD. Record at 1151. Based on this analysis, we find the objector has not demonstrated that the city's analysis violates applicable rules provided by OAR chapter 660, division 9, as well as Goal 2 and Goal 14 and we reject this objection.

G. Seventh Objection

Friends of Yamhill County and 1000 Friends of Oregon, Mark Davis - Land for Parks

Objectors raise a number of concerns with the park land needs identified in the adopted land need studies, as follows:

- Sub-objection 1: Objectors assert that the submitted plan amendments inflate overall parkland needs. Objectors note the city's assumptions are based upon a parks master plan adopted in 1999. This plan called for 14 acres of parkland per thousand people, but

lacked any funding mechanism for implementation and has proved unrealistic. Friends objection at 11; Davis objection at 1-2. The city did not include a revised parks master plan, currently under consideration, as part of the sequential UGB work program.

Friends objection at 11. Objectors note that the city has fallen short of acquiring and constructing parks facilities at the rate called for in the Parks, Recreation, and Open Space plan, reportedly acquiring only 50 acres of park land in the period between 1999 and 2019 despite the park land needs expressed in the 1999 adopted parks master plan, and thus the 14 acres per 1000 population standard the city is setting is unrealistic and inflated.

- Sub-objection 2: Objectors object to two aspects of the city's math in determination of parks land need. First, the city's math actually provides park land need at a rate of 35 acres per 1000 population. Friends objection at 11. Second, the city did not count 76 acres of existing but undeveloped land in its calculation of existing park land inventory, thus inflating the amount of park land needed by 76 acres. Davis objection at 3.
- Sub-objection 3: Objectors argue that the city erred in assuming that all park land would be provided on buildable lands. They cite Comprehensive Plan Policy 163.05, which states as follows:

“The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain. Linear parks, greenways, open space, trails, and special use parks are appropriate recreational uses of floodplain land to connect community and other park types to each other, to neighborhoods, and services, provided that the design and location of such uses can occur with minimum impacts on such environmentally sensitive lands.”

Friends objection at 13; Davis objection at 2. The city's plan assumes that all 14 acres per 1000 population of needed parkland will be located on buildable lands, when in fact much of the land needed for linear parks, greenspaces, etc., totaling six of the 14 acres per 1000 of needed parkland, will be located on land that is considered unbuildable for other purposes, and even some of the land devoted to community and neighborhood parks will be located on lands otherwise unbuildable. Davis objection at 3; Friends objection at 14. The result of this miscalculation is an inflation of buildable land needs, both inside the existing UGB and on lands to be added to the UGB. Friends objection at 13-14.

Department Response:

Sub-objection 1: Inflated park land projections

Cities must rely on adopted land need analyses to plan for the community's future land needs and may not rely on non-adopted land need analyses.⁶ Consequently, the city may rely on the park land needs identified in the adopted parks master plan. Although the city might have chosen to wait and include adoption of the draft park plan in the sequential UGB work plan, the city is not required to update the parks master plan as a step in this process, as noted in OAR 660-025-

⁶ *Shamrock Homes LLC v. City of Springfield*, 68 Or LUBA 1 (2013)

0185(2) - “A city and a county may elect to submit a component of an urban growth boundary amendment under section (1) when the city and county determine that the final urban growth boundary amendment is likely to exceed 50 acres.” Because housing capacity analyses are the only type of land need analysis that may not be adopted without addressing an identified deficit in land needs,⁷ cities may adopt other land need analyses, such as economic opportunity analyses and public land need analyses, prior to the determination of the need for UGB expansion, and may be used to inform land needs for that expansion.

Regarding the city’s ability to achieve the goals of its adopted parks and recreation master plan, the director does not presume, as the objectors appear to presume, that the city’s lack of implementation of its 1999 parks and recreation master plan means that it must be assumed the city will be unable to achieve implementation of its assumptions going forward. McMinnville has stated a goal of providing 14 acres per 1,000 population of park land for its residents. There is no evidence in the record, nor do objectors provide any evidence, that this standard is oversized compared to other cities in Oregon or elsewhere, nor is there any numerical standard or guideline for such matters within Statewide Planning Goal 8: Recreation. The sub-objection does not provide a basis for remanding the submittal and is rejected.

Sub-Objection 2: Incorrect numerical calculation of park land need

The city’s calculation of park land need incorporates an error that results in a park land need that is 76 acres greater than justified. The city has 273 acres of developed park land and 76 acres of undeveloped park land, for a total of 349 acres. Record at 337. Based upon the goal of 14 acres per 1000 population set forth in the city’s comprehensive plan and parks and recreation master plan, the city should have 480 acres of park land for its existing population, which means that the city is short 131 acres of park land for its existing population within its existing UGB. Record at 337. However, the city does not count the 76 undeveloped acres of park land toward its existing park land supply, and thus inflates the shortage of existing park land within the existing city by 76 acres. This inflation is then carried forward throughout the city’s calculations, resulting in an overestimation of park land need. The director sustains this part of the objection and remands the parks and recreation buildable lands inventory to correct the calculation.

The director does not understand the basis for the assertion that the city is actually planning for 35 acres per 1000 population of park land rather than 14 acres per 1000 population. To get to 35 acres per 1000 population, the objectors do not include the existing park land deficit within the existing city boundaries and UGB in their calculations. Once those 131 acres (not 207 acres -see preceding paragraph) are included in the calculation, the city’s calculation of park land need is consistent with a 14 acres per 1000 goal for the entire city population, current and future. Therefore, the director rejects this portion of this sub-objection.

Sub-objection 3: Assignment of all park land needs to buildable lands

The analysis within Appendix E cites applicable comprehensive plan policies, including policy 163.05, which states, “The City of McMinnville shall locate future community and neighborhood

⁷ *DLCD v. City of McMinnville*, 41 Or LUBA 210, 224-227 (2001)

parks above the boundary of the 100-year floodplain.” Record at 337. Objectors note that this comprehensive plan policy goes on to add the following: “Linear parks, greenways, open space, trails, and special use parks are appropriate recreational uses of floodplain land to connect community and other park types to each other, to neighborhoods, and services; provided, that the design and location of such uses can occur with minimum impacts on such environmentally sensitive lands.” Friends objection at 13, Davis objection at 2. Objectors note that some current park land areas within McMinnville are located within the 100-year floodplain or in other non-buildable land areas and argue that the public land needs analysis identifies all park land needs to be located on buildable lands, despite language in comprehensive plan policy 163.05 which notes that linear parks, greenways, open space, trails, and similar park lands may be an appropriate use of floodplain lands, if impacts to environmentally sensitive lands are minimized.

The director notes that comprehensive plan policy 163.05 is not a mandate, but an allowance for certain types of park lands to be located within the 100-year floodplain. Objectors ask that a remand require all greenway and open space park lands be located on unbuildable lands (six of the fourteen-acre per thousand population park land need), and indeed even for some of the remaining eight acres per thousand population devoted to community and neighborhood parks. Friends objection at 14. The director does not find that comprehensive plan policy 163.05 requires all such park lands to be non-buildable; however, it is reasonable to expect some park land areas to be on non-buildable lands.

One of the objectors notes that the city stated it would remove some of the six acres per 1000 population parkland devoted to greenway and open space park lands from the developable land total as an “efficiency” measure in a later phase of the sequential UGB process and objects to this methodology. The objector notes that “it is not an efficiency measure to fix something that is not legally justified in the first place.” Davis objection at 3.

However, the director determines that the city’s methodology is a way to start resolution of this issue; such resolution will require additional analysis by the city not only when it considers efficiency measures in a subsequent sequential UGB work task, but also when it considers any actual amendments to the UGB at the conclusion of the sequential UGB process. Without knowing which lands would be added into the UGB and which steps the city might take to accommodate identified parks need in future, it is premature to determine the appropriate proportion of park lands that should be located on non-buildable lands. Consequently, we expect the city to assume that a portion of identified park land needs will be met on non-buildable areas within the expanded UGB at the time of UGB expansion. At that time, the city will need to provide analysis to support allocation of an appropriate portion of park land to be located on non-buildable lands. Based upon this subsequent methodology during the sequential UGB process, at this time the objection has not demonstrated noncompliance and the director rejects this sub-objection.

In conclusion, the director sustains components of objection 7 related to errors in calculating land needs, as described above, based on inconsistency with Goal 2; adequate factual basis, Goal 14, and OAR 660-024-0050(4). The director rejects the remainder of the objections.

H. Eighth Objection

Friends of Yamhill County and 1000 Friends of Oregon - Exclusion of Buildable Land from Inventories Based on Ownership

Objectors raise concerns with the city's assumption that buildable lands owned by existing churches is not deemed to be available to meet identified land needs for churches in the future (38 acres through 2041 and 83 acres through 2067). Objectors assert that the record "does not include an adequate factual base to support the assumption that churches will not use their buildable land to meet the identified need for churches, or alternatively, sell it to other uses to meet other identified land needs." Friends objection at 14-15.

Objectors also raise concerns that the EOA has not included a 57-acre, commercially zoned, parcel owned by Linfield University in the inventory of buildable employment lands. Objectors note that the university's plans to retain the land for future expansion does not preclude future use of the land for student housing or employment uses, such as classrooms and offices. Friends objection at 15-16.

Department Response:

The city provides a database and aerial photographs of existing religious institutions and associated owned land in McMinnville. Record Addendum #1 at 55-60. The city developed this database in 2017 for the city's Affordable Housing Committee to determine if there was interest in partnering with churches to provide affordable housing development. All responded that they were not interested in using their land for that purpose. Record Addendum #1 at 15. Review of the aerial photographs suggests that many of these properties are developed with existing churches and related facilities. The city's land use consultant estimates that cumulatively, church properties on the residential BLI may contain two vacant unconstrained acres and 24 acres of partially vacant unconstrained lands. Record Addendum #1 at 72. On the employment land side, that estimate is two vacant unconstrained acres and two partially vacant unconstrained acres. Record Addendum #1 at 72. Another consideration is that carrying costs on tax-exempt lands such as these are relatively low, which enables churches to hold land for potential expansion needs for long periods with low costs. It is certainly likely that some of these lands will serve church expansions in the future, but less certain that the lands will be put to other uses, as indicated from the results of the 2017 survey. The degree to which existing churches are likely to make surplus lands available to churches wishing to locate in McMinnville is very difficult to estimate. Consequently, the director finds that the city's assumption that these church properties will not redevelop during the planning period to be reasonable.

Regarding the 57-acre parcel retained by Linfield College, a letter from the college indicates they do not anticipate any new land needs over the planning period and state that "the City should not assume non-college use or sale of further property during the planning period." Record Addendum #1 at 439. Based on this response, it is reasonable to consider the 57-acre parcel to be not suitable and available for non-university housing or employment uses. Additionally, the housing and employment analysis within the HNA and EOA has considered group quarters and

college employment opportunities serving the college over the planning period within those respective studies. Record at 133-134, 203-209. Objectors have not raised concerns with those analyses. Record at 133-134, 203-209. The director rejects this objection, based on the inclusion of information from Linfield College, which serves as an adequate factual basis for the consideration of college-owned land in the BLI.

I. Ninth Objection

Friends of Yamhill County and 1000 Friends of Oregon - Urban Reserves

Objectors have expressed concerns with “the use of the 2017 population forecast and other outdated data (vacancy rates, household size, etc.) that were used for McMinnville’s HNA and EOA.” They argue that “OAR 660-032-0020(1) requires use of the most recent Portland State University Population Research Center forecast ‘when changing a comprehensive plan or land use regulation that concerns [land outside Metro], when the change is based on or requires the use of a population forecast.’” Friends Objection at 16. Objectors note that the 2017 forecast anticipated a population of 62,803 in 2067, while the 2020 forecast anticipated a population of 54,552 in 2067. Friends Objection at 16. Objectors ask that this decision direct the city to remove references to the establishment of urban reserves from this decision and to disallow the use of the HNA and EOA to support the establishment of urban reserves in the future.

Department Response:

On May 14, 2020, city staff filed two notices of proposed amendments: one for the adoption of a HNA and residential buildable land inventory (Post Acknowledgement Plan Amendment (PAPA) #001-20), and the other for the adoption of an EOA, employment land buildable land inventory, and other land needs (PAPA #003-20). The draft HNA was dated June 2019 and the draft EOA was dated February 2020.

Regarding population forecasts, OAR 660-032-0020(5) provides as follows:

“If a local government outside the Metro boundary initiates a periodic review or any other legislative review of its comprehensive plan that concerns an urban growth boundary or other matter authorized by OAR 660-032-0040(2) after the Portland State University Population Research Center issues a final population forecast for the local government, but prior to the issuance of a final forecast by PRC in the subsequent forecasting cycle described in OAR 577-050-0040(7), the local government may continue its review using the forecast issued in PRC’s previous forecasting cycle.”

It is not uncommon for cities to file a notice of proposed amendment with the department prior to the issuance of a new population forecast by PSU in order to preserve the validity of analyses of land needs based on the current forecast. Since the director approved use of the sequential UGB process as allowed by *former* ORS 197.296(4) and OAR 660-025-0185, these documents qualify as “concern[ing] an urban growth boundary” and the city is authorized to use the 2017 population forecast in its review. The objection does not demonstrate that the city’s decision to

proceed under the 2017 population forecast is inconsistent with OAR 660-032-0020(5). Based on this analysis, the director concludes that the city's decision to proceed under the 2017 population forecast is allowed consistent with the applicable population forecast requirements.

Objectors ask the department to disallow the use of the HNA and EOA to establish urban reserves in the future. The director finds no basis in rule or statute to do so. The director finds the objector has not demonstrated that the city's analysis violates Goal 14, Goal 2, or OAR 660-032-0020(1) and rejects this objection.

J. Tenth Objection

Friends of Yamhill County and 1000 Friends of Oregon -McMinnville Urbanization Report

Objectors are unclear about the status of the Urbanization Report R and the HNA: the HNA finds 1,185 unconstrained buildable acres of residential land within the UGB while the UR finds only 763 acres of such land. Friends objection at 17, citing record at 11, 64.

Department Response:

The Urbanization Report may be found on pages 7-38 of the record. On page 9, the city explains the purpose of the report:

"The City of McMinnville is in the process of reviewing future land needs and sufficiency of its Urban Growth Boundary (UGB) to meet those needs for a 20-year planning period beginning in 2021, this report was updated in 2023 to account for development through 2021 and the 2020 UGB expansion."

As we have noted, the HNA and EOA were both developed in 2019, but have yet to be adopted. Doubtless, part of the reason for the delay is the statutory "concurrency requirement" described in *DLCD v. City of McMinnville*, 41 Or LUBA 210 (2001). LUBA agreed that LCDC rules, Goal 14, and former ORS 197.296 require a city to address any identified residential land need identified in a housing needs analysis (whether or not it may be met within the current UGB) concurrent with adoption of the HNA. The city notes that time has passed since the preparation of the HNA and EOA, with some significant activities that should be addressed with updates to both buildable land inventories, based on development activity between 2019 and 2021; and to the land capacity within the UGB, which was expanded in 2020. As explained in Ordinance No. 5141 the Urbanization Report was adopted with the updated HNA and EOA, summarizing updates from both studies regarding changes to land inventory and land capacity that have occurred since 2019. Record at 4. Unlike the HNA and EOA, the city did not specifically adopt the UR as part of its comprehensive plan in the Ordinance and was just utilizing a summary/informational document for purposes of the public hearings and community outreach. As such, the city included the UR in the record considered at the public hearing prior to adoption of the updated HNA and EOA.

If there is any doubt about the necessity of updating the urbanization report, objectors need look no further than comparing conclusions from the 2020 draft report and the adopted 2023

Urbanization Report. Record at 36, 3628. The 2020 draft identified a need for 1,399 additional acres to meet McMinnville’s needs until 2041. The adopted 2023 Urbanization Report identifies a need for 422 additional acres.

Lastly, objectors identify an alleged discrepancy between data in the HNA (1,185 unconstrained buildable acres) and in the Urbanization Report (763 unconstrained buildable acres). Friends objection at 17. However, the reduction in acreage is explained in the same section of the HNA. The HNA explains this difference as follows:

“Exhibit 11 includes 383 acres of land in the Urban Holding plan designation that was brought into the UGB in 2020 for public and semi-public uses, such as parks and schools, and 39 acres for neighborhood serving commercial land uses. This accounts for about 422 acres of land in the Urban Holding plan designation.

“Exhibit 11 excludes the land in the Urban Holding plan designation for public and semi-public uses, and 39 acres of land for neighborhood-serving commercial land uses. It shows that McMinnville has 763 gross acres within its UGB for residential uses.”

Record at 67.

With this explanation the director finds that the alleged discrepancy has been accounted for and rejects this objection.

VI. CONCLUSION

The submittal from the City of McMinnville for Task 1 of the approved sequential UGB work program, and supporting comprehensive plan amendments, complies with the requirements of the applicable statewide planning goals, statutes, and administrative rules, except for the land need methodology inconsistencies regarding the parks and recreation buildable lands inventory outlined in the Director Evaluation (section IV.E.2) and Objection No. 7 (section V.G). Therefore, as authorized by OAR 660-025-0150(1)(d) and OAR 660-025-0185(6), the submittal is approved except for the parks and recreation buildable lands inventory, which is remanded.

DATED THIS 1st DAY OF AUGUST 2024

Brenda D Bateman

Brenda Bateman, Director
Department of Land Conservation and Development

ATTACHMENT A: OBJECTION LETTER FROM 1000 FRIENDS AND FRIENDS
OF YAMHILL COUNTY
ATTACHMENT B: OBJECTION LETTER FROM MARK DAVIS

CERTIFICATE OF SERVICE

I certify that on August 1, 2024, I served the attached **DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT APPROVAL AND PARTIAL REMAND OF CITY OF MCMINNVILLE SEQUENTIAL UGB TASK SUBMITTAL (Ordinance No. 1514)** by mailing in a sealed envelope, with first-class postage prepaid, a copy thereof addressed as follows:

Remy Drabkin, Mayor of McMinnville
City Hall
230 NE 2nd Street
McMinnville, OR 97128
Remy.Drabkin@mcminnvilleoregon.gov

Jeff Towery- City Manager
The City Manager's Office
City Hall
230 NE 2nd Street
McMinnville, OR 97128
Jeff.Towery@mcminnvilleoregon.gov

Mark Davis
652 SE Washington Street
McMinnville, OR 97128
mark@startlivingthetruth.com

Rob Hallyburton, Friends of Yamhill County
P.O. Box 1083
McMinnville, Oregon 97128
rob.a.hallyburton@gmail.com

Mary Kyle McCurdy, 1000 Friends of Oregon
133 SW 2nd Ave, Ste 201
Portland, Oregon 97204
mkm@friends.org



Executive Assistant to the Director

COMMUNITY PARKS		ACRES
City Park		16.79
	R4420AD 09800	15.51
	R4420AD 05101	0.56
	R4420AD 06900	0.13
	R4420AD 07000	0.13
	R4420AD 07100	0.07
	R4420AD 07200	0.08
	R4420AD 07300	0.11
	R4420AD 07400	0.19
Joe Dancer Park		107.62
	R4422 02300	79.52
	R4421 00400*	23.90
	R4422 WATER*	4.20
Discovery Meadows Park		20.97
	R4429 00300	17.07
	R4429BB 02600	3.90
Kiwanis Marine Park		4.63
	R4421 00800	1.30
	R4421DB 04200	2.79
	E4421DB ROADS*	0.54
Riverside Dog Park		3.80
	R4421 00100*	3.80
Wortman Park		21.66
	R4416AD00100	21.66
COMMUNITY PARKS TOTAL		175.47

*Notes partial taxlot

MINI-PARKS/PLAYLOTS		ACRES
Bend-o-River		0.33
	R4422CD 00128	0.33
Chegwyn Farms Park		3.94
	R4409CD 00100*	3.94
Greenbriar		0.23
	R4417BC 00100	0.23
Heather Hollow		3.22
	R4429BC 00100	3.22
Jay Pearson Park		2.94
	R4418 00202*	2.94
Kingwood		0.58
	R4422DD06000	0.58
North Evans		0.34
	R4416BC03300	0.34
Taylor		0.31
	R4420DC04900	0.31
Thompson		2.28
	R4428BA04300	2.28
Village Mill		0.49
	R4428BA00111	0.22
	R4428BA00105	0.27
West Hills Park		7.77
	R452400803	7.77
MINI-PARKS/PLAYLOTS TOTAL		22.43

*Notes partial taxlot

TOTAL DEVELOPED PARK LANDS	272.81
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LINEAR/TRAIL PARKS		ACRES
Airport Park		18.82
	R442600203*	2.74
	R4426 ROADS*	0.62
	R442600500*	1.28
	R442600201*	14.18
Ash Meadows		1.29
	R4420CC00239	1.29
BPA Pathway		2.84
	R4419AD02100	0.98
	R4419AC00200	0.08
	R4419AC00101	0.30
	R441901200*	0.32
	R4419AA11700	0.35
	R4419AA11800	0.45
	R4418DC04100	0.36
BPA II Pathway		4.23
	R4418DC00100	0.83
	R4418DC04400	0.14
	R4418DC07100	0.32
	R4418DC06600	0.32
	R4418DB12200	0.66
	R4418DB12000	1.04
	R441800202*	0.63
	R4418AD10800	0.29
Goucher St. Pathway		1.95
	R4420CC ROADS*	1.01
	R4420CC NONTL	0.02
	R4420CB ROADS*	0.92
James Addition		1.54
	R4420CC00124	1.27
	R4419DD00390	0.27
Jandina		2.25
	R4419DD02790	2.25
Jandina III		2.78
	R4419DA13200	1.99
	R4419DA13300	0.79
Roma Sitton		1.69
	R4418AD10900	1.69
Tice Rotary		33.82
	R441700101	32.82
	R441700100	1.00
Westvale		3.70
	R4419DB02400	3.70
LINEAR/TRAIL PARKS TOTAL		74.91

OPEN SPACE/UNDEVELOPED		ACRES
Angella		2.21
	R4428BD02100	2.21
Ashwood/Derby		0.29
	R4420DB02401	0.29
Barber Property		11.76
	R442901201	11.76
Bennett		0.19
	R4416AA05800	0.19
Brookview		0.72
	R4420BA00500	0.72
Carlson		1.53
	R4420DB00300	1.53
Creekside Cozine		3.69
	R4430DD00200	3.69
Creekside #3 Cozine		15.31
	R4430DC03500	15.31
Crestwood		2.08
	R4420BA00300	1.10
	R4420BA00301	0.60
	R4420BA ROADS*	0.38
Davis St. Fill		1.57
	R4421CC00900	0.91
	R4421CC02601	0.66

*Notes partial taxlot

TOTAL UNDEVELOPED PARK LANDS	75.76
TOTAL PARK LANDS	348.57

OPEN SPACE/UNDEVELOPED		ACRES
Elmwood		3.07
	R4420DB00200	1.79
	R4420DA04300	1.28
Fir Ridge		0.69
	R4420AC02600	0.69
Irvine St.		6.68
	R4421CA03200	4.00
	R4421CA03901	0.66
	R4421CA03401	1.63
	R4421CA ROADS*	0.39
Jay Pearson-East		1.16
	R4418 00202*	1.16
Meadowridge		0.69
	R4420BA00409	0.69
Quarry		11.54
	R4419AD00700	11.54
Tall Oaks		12.58
	R442903200	9.60
	R4429BA14190	1.55
	R442900108	1.43

ORDINANCE NO. 5148

AN ORDINANCE AMENDING THE NOVEMBER 2023 “MCMINNVILLE URBANIZATION REPORT”, AND THE NOVEMBER 23 “MCMINNVILLE ECONOMIC OPPORTUNITIES ANALYSIS”, IN RESPONSE TO REMAND ORDER 001943 FROM THE DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT (DLCD).

RECITALS:

WHEREAS, the McMinnville City Council approved Ordinance No. 5141 on February 27, 2024 adopting the November 2023 “McMinnville Urbanization Report”, and Updating the McMinnville Comprehensive Plan, Volume 1, by adopting the November 2023 “McMinnville Housing Needs Analysis: and the November 2023 “McMinnville Economic Opportunities Analysis as part of the McMinnville Comprehensive Plan; and

WHEREAS, the City of McMinnville provided a Notice of Decision to the Department of Land Conservation and Development on March 5, 2024, with a reference to a website that had the public record for the decision; and

WHEREAS, on March 8, 2024, DLCD determined that the submitted record was incomplete pursuant to the requirements of OAR 660-025-0130 and OAR and 660-025-018, and asked the City to provide the entire public record as one indexed document; and

WHEREAS, on May 3, the City of McMinnville provided an indexed public record of 3696 pages; and

WHEREAS, the City of McMinnville provided a revised Notice of Decision to the Department of Land Conservation and Development on May 6, 2024; and

WHEREAS, on May 15, 2024, the City of McMinnville provided Addendum #1 to the indexed public record of 747 pages; and

WHEREAS, on May 23, 2024, Friends of Yamhill County and 1000 Friends of Oregon filed ten objections to the DLCD Director regarding the documents associated with the City of McMinnville’s Ordinance No. 5141; and

WHEREAS, on May 23, 2024, Mark Davis filed two objections to the DLCD Director regarding the documents associated with the City of McMinnville’s Ordinance No. 5141; and

WHEREAS, the City of McMinnville provided a response to the DLCD Director to the objections raised by Mark Davis on July 15, 2024, and the objections raised by Friends of Yamhill County and 1000 Friends of Oregon on July 22, 2024, and July 23, 2024; and

WHEREAS, after review of the objections and the City’s response, the DLCD Director issued a decision affirming the City’s submittal on all objections except for one objection related to current park land inventory that the Director remanded back to the City of McMinnville (DLCD Order 001943) on August 1, 2024; and

WHEREAS, after considering the DLCD Director’s Decision and remand, the McMinnville City Council has elected not to appeal the remand order and is taking action to amend the existing park land inventory as identified in Appendix E of the Economic Opportunities Analysis by adding 76 acres to the existing inventory of park land; and

WHEREAS, this change in park land inventory in this amendment changes the overall land need for public and institutional lands in the 2021 – 2041 planning horizon to a surplus of 44 acres thus reducing the overall land need identified by the HNA and EOA beyond the City’s existing urban growth boundary (UGB) as submitted; and

WHEREAS, the amendment to the land need for public and institutional land resulting in a surplus of 44 gross buildable acres combined with the unchanged land deficit of 202 gross buildable acres of housing land, 29 gross buildable acres of industrial land and 159 gross buildable acres of commercial land for the planning horizon of 2021-2041 results in a total land deficit of 346 gross buildable acres within the city’s existing urban growth boundary; and

WHEREAS, per ORS 197.626(3) and OAR 660-025-0185(1) and (2), the City has entered into a work plan with DLCD to use the Sequential Urban Growth Boundary Amendment Process to evaluate land use efficiency measures and propose an urban growth boundary amendment, if deemed necessary, by March 1, 2026; and

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. The City amends the November 2023 *McMinnville Urbanization Report (November 2023)* and the *McMinnville Economic Opportunities Analysis (November 2023)* per Exhibit A to this ordinance.
2. The City adopts Exhibit B to this ordinance, the *McMinnville Economic Opportunities Analysis (Amended September 2024 by Ordinance No. 5148)*, as part of the McMinnville Comprehensive Plan, replacing the *McMinnville Economic Opportunities Analysis (November 2023)* adopted by Ordinance No. 5141.
3. The City adopts Exhibit C to this ordinance, the *McMinnville Urbanization Report (Amended September 2024 by Ordinance No. 5148)*, replacing the *McMinnville Urbanization Report (November 2023)* adopted by Ordinance No. 5141.

4. The City adopts Exhibit D to this ordinance, amending the Decision Document adopted by Ordinance No. 5141 to support the amendments in Exhibit A.
5. This Ordinance will take effect 30 days after passage by the City Council.

Passed by the McMinnville City Council this 24th day of September 2024 by the following votes:

Ayes: _____

Nays: _____

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

EXHIBITS:

- A. Amendments to McMinnville’s Economic Opportunities Analysis and McMinnville’s Urbanization Report to Respond to DLCD Director’s Decision and Remand Order 001943.
- B. McMinnville Economic Opportunities Analysis, Amended September 2024 by Ordinance No. 5148
- C. McMinnville Urbanization Report, Amended September 2024 by Ordinance No. 5148
- D. Amendment to Ordinance No. 5141 Decision Document

Amendments to McMinnville’s Economic Opportunities Analysis and McMinnville’s Urbanization Report (November 2023, adopted by Ordinance No. 5141) to Respond to DLCD Director’s Decision and Remand Order 001943

Deletions are in strike thru font and amendments are in red font

DOCUMENT: ECONOMIC OPPORTUNITIES ANALYSIS

- 1) Cover Page (Amend ~~November 2023~~ to **September 2024 (Amended, Ordinance No. 5148)**)
- 2) Executive Summary, page x,

Add: *Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024, by adopting Ordinance No. 5148, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the existing inventory thereby reducing the needed park land by 76 acres, changing Exhibits 5 and 6.*

Amend: (Appendix E. Public and Institutional Land Need provides the detailed results for public and institutional uses.) McMinnville will need an additional ~~477~~ **401** acres in the 2021 to 2041 period and ~~780~~ **704** acres in the 2021-2067 period.

- 3) Executive Summary, Page xi

Replace Exhibit 5:

Exhibit 5. Estimated demand (in acres) for public and institutional land, McMinnville UGB, 2021-2041 and 2021-2067

Organization/Sector	Additional Land Need	
	20-Year (2021-2041)	46-Year (2021-2067)
City of McMinnville (non-parks),1	7	11
City of McMinnville (parks),2	392	606
McMinnville Water & Light	21	21
Chemeketa Community College	0	0
Linfield College	0	0
McMinnville School District	10	40
Yamhill County	6	13
State of Oregon	1	2
Federal Government	2	4
Churches	38	83
Other	0	0
Sum	477	780

With amended Exhibit 5:

Exhibit 5. Estimated demand (in acres) for public and institutional land, McMinnville UGB, 2021-2041 and 2021-2067

Organization/Sector	Additional Land Need	
	20-Year (2021-2041)	46-Year (2021-2067)
City of McMinnville (non-parks),1	7	11
City of McMinnville (parks),2	316	530
McMinnville Water & Light	21	21
Chemeketa Community College	0	0
Linfield College	0	0
McMinnville School District	10	40
Yamhill County	6	13
State of Oregon	1	2
Federal Government	2	4
Churches	38	83
Other	0	0
Sum	401	704

Amend: Exhibit 6 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi-public uses, resulting in a surplus of ~~a remaining unmet public and semi-public land need~~ public and semi-public land (44.2 acres), and the opportunity to reassign land inventory from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to categories with a deficit, such as Government (14.6 acres) and other remaining land needs such as housing and employment land for the planning period of 2021 - 2041 (44.2 acres). Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

4) Executive Summary, page Xii

Replace Exhibit 6:

Exhibit 6. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Note: Park land in the UGB expansion includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	392.0	(76.6)
Schools (McMinrville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	476.9	(32.4)

With amended Exhibit 6:

Exhibit 6. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Note: Park land in the UGB expansion includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinrville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

APPENDIX E, PUBLIC AND INSTITUTIONAL LAND NEED

5) Page 142, Add the following language:

Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024 by adopting Ordinance No. 5148, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the

existing inventory thereby reducing the needed park land by 76 acres, changing Figures 1 and 3 reflecting no additional land needed for parks and 44.2 acres of surplus land for Public and Institutional land needs.

Replace Figure 1:

Figure 1. Estimated Public and Institutional Land Needs

Organization/Sector	Add'l Land Need By 2021	Add'l Land Need 2021-2041 (ac)	Add'l Land Need 2041-2067 (ac)	SUM Through 2067 (ac)	Method/Notes
City of McMinnville (non-parks), 1	0	7	4	11	4.5 ac for fire stations plus 0.26 ac/1,000 pop
City of McMinnville (parks), 2	27	365	214	606	Parks Master Plan LOS
McMinnville Water & Light	0	21	0	21	Interview, See Narrative
Chemeketa Community College	0	0	0	0	Interview, See Narrative
Linfield College	0	0	0	0	Interview, See Narrative
McMinnville School District	0	10	30	40	Interview/Memo, See Narrative
Yamhill County	0	6	8	13	Interview, 0.5 ac/1,000 pop
State of Oregon	0	1	1	2	0.08 ac/1,000 pop
Federal Government	0	2	2	4	0.14 ac/1,000 pop
Churches	6	32	44	83	2.88 ac/1,000 pop
Other	0	0	0	0	
SUM	33	444	303	780	

Note 1: Site needs for fire stations are included in 2021-2041 calculation

Note 2: Needs for 2021-2041 include current deficit

General: Figures above don't reflect additional needs if direction of growth absorbs additional sites outside UGB needed/required for services

With amended Figure 1:

Figure 1. Estimated Public and Institutional Land Needs

Organization/Sector	Additional Land Need by 2021	Additional Land Need 2021-2041 (ac)	Additional Land Need 2041-2067 (ac)	Sum Through 2067 (ac)	Method/Notes
City of McMinnville (non-parks),1	0	7	4	11	4.5 ac for fire stations plus 0.26 ac/1,000 pop
City of McMinnville (parks),2	27	289	214	530	Parks Master Plan LOS
McMinnville Water & Light	0	21	0	21	Interview, See Narrative
Chemeketa Community College	0	0	0	0	Interview, See Narrative
Linfield College	0	0	0	0	Interview, See Narrative
McMinnville School District	0	10	30	40	Interview/Memo, See Narrative
Yamhill County	0	6	8	13	Interview, 0.5 ac/1,000 pop
State of Oregon	0	1	1	2	0.08 ac/1,000 pop
Federal Government	0	2	2	4	0.14 ac/1,000 pop
Churches	6	32	44	83	2.88 ac/1,000 pop
Other	0	0	0	0	
Sum	33	368	303	704	

Note 1: Site Needs for fire stations are included in the 2021-2041 Calculation

Note 2: Needs for 2021-2041 include current deficit

General: Figures above don't reflect additional needs if direction of growth absorbs additional sites outside UGB needed/required for services

6) Page 143,

Delete:

~~Figure 3 compares the land need for Public and Institutional land needs through 2041 in Figure 1 with the UGB expansion for Public and Semi-Public land needs for 2003-2023. Figure 3 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi public uses, resulting in n remaining unmet public and semi public land need.~~

Replace with:

Figure 3 compares the land need for Public and Institutional land needs through 2041 in Figure 1 with the UGB expansion for Public and Semi-Public land needs for 2003-2023.

Figure 3 shows that McMinnville's UGB expansion added about 444.5 acres for public and semi-public uses, resulting in no remaining unmet public and semi-public land need, and the opportunity

to reassign land inventory from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to categories with a deficit, such as Government (14.6 acres) and other remaining land needs such as housing and employment land for the planning period of 2021 - 2041 (44.2 acres). Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

7) Page 144

Replace Figure 3:

Figure 3. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	392.0	(76.6)
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	476.9	(32.4)

With amended Figure 3:

Figure 3. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

8) Page 147

Replace the following:

- ~~The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.~~
- ~~The 2017 need was approximately 480 acres; there's a deficit of approximately 207 acres of developed park land.~~

- ~~o Need for 665 total acres by 2041 (an additional need of 185 ac, or total of 392 ac with the current deficit~~
- ~~o Need for 879 total acres by 2067 (an additional need of 399 ac, or total of 606 ac with the current deficit.~~

With:

- o The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.
- o The 2017 need was approximately 480 acres; there's a deficit of approximately 131 acres of park land to meet future park needs.
- o Need for 665 total acres by 2041 resulting in an additional need of 185 acres, or total of 316 acres with the current deficit
- o Need for 879 total acres by 2067 resulting in an additional need of 399 acres, or total of 530 acres with the current deficit.

DOCUMENT: UPDATED MCMINNVILLE URBANIZATION REPORT

- 1) Cover Page (Amend ~~November 2023~~ to **September 2024 (Amended, Ordinance No. 5148)**)
- 2) Page 3,

Amend: **MCMINNVILLE NEEDS ~~422~~ 346 ACRES TO ACCOMMODATE GROWTH THROUGH 2041.**

Amend: McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross residential acres through 2041. For employment growth, McMinnville will need 188 gross acres for employment for the 2021 to 2041 period (29 industrial acres and 159 commercial acres). ~~Finally, McMinnville will need an additional 32 acres~~ **However, McMinnville has a surplus of 44 acres** in the 2021 to 2041 period for public and institutional uses (e.g., parks, schools, infrastructure, churches, etc.)

Replace Table:

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	(32)	(335)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
Total	(422)	(2,048)

Source: ECONorthwest

*Note: This analysis does not estimate demand for industrial land for the 2041-2067 period.

With amended Table:

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	44	(259)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
Total	(346)	(1,972)

Source: ECONorthwest

*Note: This analysis does not estimate demand for industrial land for the 2041-2067 period.

3) Page 4

Add: Public and Institutional Land Needs, estimates other land needs that are not addressed in the HNA and EOA documents. This includes parks, schools, churches, cemeteries and other public and institutional land needs. [\(Appendix E of the Economic Opportunities Analysis.\)](#)

4) Page 30

Replace Table:

LAND ADDED TO THE UGB IN 2020 FOR PUBLIC USES COMPARED WITH ESTIMATED PUBLIC LAND NEEDS THROUGH 2041

CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	315	392	(77)
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	444	477	(32)

With amended Table:

LAND ADDED TO THE UGB IN 2020 FOR PUBLIC USES COMPARED WITH ESTIMATED PUBLIC LAND NEEDS THROUGH 2041

CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	315	316	0
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	444	401	44

City of McMinnville Economic Opportunities Analysis

September 2024
(Amended, Ordinance No. 5148)

Prepared for:
City of McMinnville

FINAL REPORT

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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Acknowledgments

ECONorthwest prepared this report for the City of McMinnville. ECONorthwest and the City thank the many people who helped to develop the McMinnville Economic Opportunities Analysis.

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For over 40 years ECONorthwest has helped its clients make sound decisions based on rigorous economic, planning, and financial analysis. For more information about ECONorthwest: www.econw.com. For more information about this report, please contact:

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Executive Summary

This section summarizes the high-level findings from the analysis of land sufficiency of employment and public or institutional land in the McMinnville urban growth boundary (UGB).

Background

The City of McMinnville is in the process of reviewing future land needs and sufficiency of its Urban Growth Boundary for the planning period of 2021 – 2041 and 2021 – 2067, as part of its “Growing McMinnville Mindfully” program, to ensure that the City has sufficient land supply to support housing, economic development and public amenities to support future growth needs.

This evaluation process is comprised of several technical studies per the following: .

- an Oregon Land Use Goal 10 compliant housing needs assessment (HNA) and residential buildable land inventory,
- an Oregon Land Use Goal 9 compliant Economic Opportunities Analysis (EOA) and an employment buildable lands inventory, and
- an assessment of public and institutional land needs (e.g., parks, schools, etc).

These analyses are combined into a report called an “Urbanization Study” which allows the City of McMinnville to assess whether there is sufficient land within the Urban Growth Boundary (UGB) to accommodate land needs for the 20-year period 2021 – 2041, and to plan for an Urban Reserve Area (URA) to accommodate land needs for the planning period of 2041 – 2067.

This effort started in 2018 that resulted in 2020 draft reports. However, since the City was finishing up its UGB amendments necessary to meet the land needs for the planning period of 2003 – 2023 in 2020, the City elected to wait and update the reports based on the outcomes of that effort.

The analysis in this EOA was updated in 2023 to account for development that has occurred in recent years, as well as to make other minor changes in land needs, as described through this document.

How much growth is McMinnville planning for?

McMinnville is growing. Exhibit 1 summarizes population and employment forecasts for McMinnville. The population forecast projects that McMinnville will grow at 1.36% annually for the 2021-2041 period and 1.20% annually for the 2021-2067 period. The population forecast is based historic population growth trends, demographic changes and trends, and recent

development trends. The employment forecast projects employment growing at the same rate as population.

Exhibit 1. Population and employment forecasts, McMinnville UGB, 2021-2041, 2021-2067

Year	Population	Total Employment
2021	36,238	22,157
2041	47,498	29,042
2067	62,803	38,158
<i>Change 2021-2041</i>		
Number	11,260	6,885
Percent	31%	31%
AAGR	1.36%	1.36%
<i>Change 2021-2067</i>		
Number	26,565	16,001
Percent	73%	72%
AAGR	1.20%	1.19%

Source: ECONorthwest

How much employment land does McMinnville currently have?

McMinnville has 508 buildable acres of employment land. This includes 154 buildable acres of commercial land and 354 buildable acres of industrial land. Exhibit 2 summarizes the buildable lands inventory for employment lands. All of the buildable employment lands are in Water Pressure Zone 1. Some higher elevation areas within the westerly UGB are in Water Pressure Zone 2, which requires new infrastructure to serve that zone before the land can develop.

Exhibit 3 shows a map of the buildable employment land by zone. Some properties are subject to “Planned Development” overlays which provide unique land use regulations for certain properties. The classifications are listed below by zone. A few properties still have rural zoning, and are therefore classified by their urban commercial or industrial plan designation, which specifies the zoning and uses that will apply when rezoned. Planned Development overlays are addressed in the EOA for specific properties as needed.

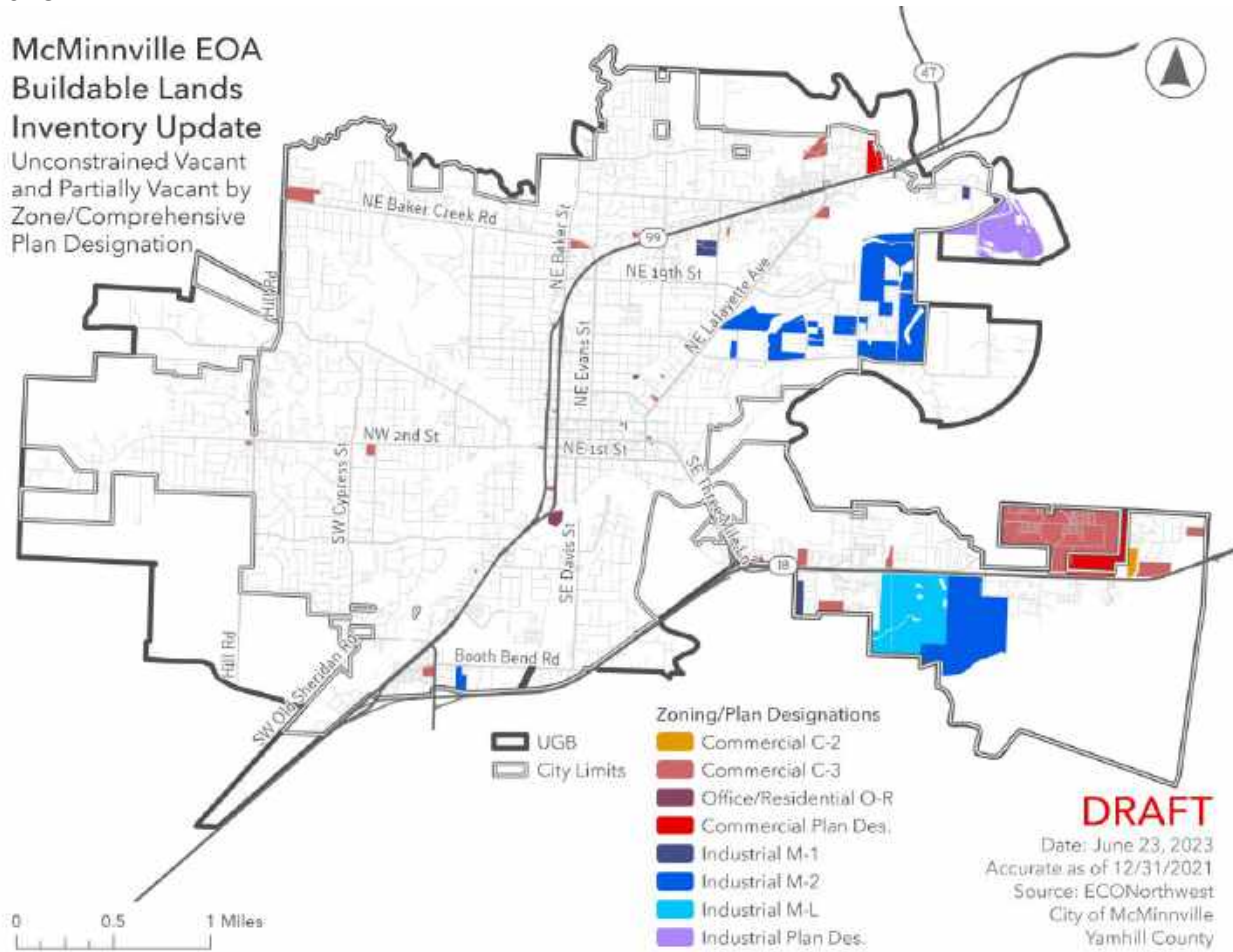
When the City amended its UGB in 2020 with the adoption of Ordinance No. 5089, 39.30 acres of future neighborhood serving commercial land was designated Urban Holding that will be specifically located as the Urban Holding designated land is area planned per the provisions of the McMinnville Growth Management and Urbanization Plan, Appendix G – Framework Plan.

Exhibit 2. Unconstrained buildable vacant and partially vacant land by zoning, McMinnville UGB, 2023

Plan Designation	Buildable Acres
Commercial	154
Commercial zones	115
Urban Holding Plan Des.	39
Industrial	354
Total	508

Source: City of McMinnville GIS data; analysis by ECONorthwest. Note: numbers may not sum due to rounding.

Exhibit 3. Buildable employment land by zone with development constraints, McMinnville UGB, 2023



How much land will be required for employment?

Context

The City last updated its Economic Opportunities Analysis (EOA) in 2013, which was adopted and acknowledged. In 2019, the City adopted the MAC-Town 2032 Economic Development Strategic Plan (EDSP).

This current EOA update for the planning period of 2021-2041, incorporates new trend and forecast data, and ensures the City's land use planning documents provide the land use foundation to support the City's newly adopted economic development strategy, and ensure the Comprehensive Plan supports that strategy. It also considers a longer 46-year planning period, 2021- 2067 in preparation for a future Urban Reserve Area.

Since the City's economic development strategy is articulated in the new EDSP, this EOA update supports and references that work, but the scope didn't duplicate the work that was completed in the EDSP.

Demand

McMinnville will need about 697 gross acres (384 industrial and 313 commercial) for employment for the 2021 to 2041 period and 954 gross acres (384 industrial and 570 commercial) for the 2021 to 2067 period.

Demand was calculated in following components:

- By developing an employment forecast and assigning employment density factors to determine associated land needs, Employment forecasts indicate that McMinnville will add 6,885 jobs between 2021 and 2041 and 16,001 jobs between 2021 and 2067. *For this component of the demand, McMinnville will need at least 405 gross acres (153 industrial and 252 commercial) for employment for the 2021 to 2041 period and 899 gross acres (329 industrial and 570 commercial) for the 2021 to 2067 period.*
- By removing the following employment from the employment forecast, and instead estimating land needs for these employers based on interviews with the respective entities: local government, K-12, and higher education. *These are discussed in the public and institutional land needs section of the Urbanization Summary report, and are not discussed in the land sufficiency analysis for commercial and industrial employment.*
- The City assumed 5% of new employment would be accommodated on sites that don't require new vacant land, through infill, redevelopment, and locations that don't require new employment land.
- By identifying the retail leakage highlighted in a market analysis, which identifies existing deficits in the base year that are not otherwise accounted for in the forecast of future employment from 2021-2041. *McMinnville will need about 12.2 acres to address existing retail leakage.*

- By estimating other needed sites which are not accounted for in the average density assumptions. The sites for these uses are unique and not accounted for in the standard employment density factors. These are target industries and uses in the MAC-Town 2032 Economic Development Strategic Plan. *McMinnville will need 56 acres for other needed sites on commercial (e.g., land needs not accounted for in the employment projections) in the 2021 to 2041 period.* A net increase of 49 acres when adjusting the employment forecast to reflect these unique site needs and adjustments to average density assumptions for these sites and uses.
- Calculation of additional needed sites on industrial land, based on target industries identified in the EDSP, resulted in *overall demand for 384 acres of industrial land.*

Supply

In 2023, within the UGB, McMinnville has 508 buildable acres of employment land. This includes 154 buildable acres of commercial land and 354 buildable acres of industrial land.

- **Commercial.** Of the 154 buildable acres of commercial land, about 89 acres are in vacant lots, and 65 acres are in partially-vacant lots (excluding the 39 acres of land in the Urban Holding zone, which has not yet been zoned commercial). About 56 acres (approximately 36% of the buildable commercial land) is on the Evergreen property, which is subject to a Planned Development that limits uses to tourism-related uses consistent with the master plan. There are only about two dozen tax lots with buildable commercial acreage, and only some of these contiguous. Note that when the City amended its UGB in 2020 with the adoption of Ordinance No. 5089, 39.30 acres of future neighborhood serving commercial land was designated Urban Holding that will be specifically located as the Urban Holding designated land is area planned per the provisions of the McMinnville Growth Management and Urbanization Plan, Appendix G – Framework Plan.
- **Industrial.** Of the 354 buildable acres of industrial land, about 301 acres are in vacant lots, and 53 acres are in partially-vacant lots. About 50% of the supply (177 acres) is in two tax lots over 50 acres, about 88 and 90 acres. McMinnville has one 24 acre site. The remaining sites are smaller than 15 buildable acres.

Sufficiency

Exhibit 4 shows the capacity of unconstrained vacant land and the demand for employment land over the 5-, 10-, 20-, and 46-year planning periods.

Exhibit 4. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Land Use Type	5-year (2021-2026)			10-year (2021-2031)			20-year (2021-2041)			46-year (2021-2067)		
	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)
Industrial	354	38	316	354	77	277	354	384	(29)	354	384	(29)
Commercial	154	63	91	154	126	28	154	313	(159)	154	570	(416)

Source: ECONorthwest.

How much land will be required for public or institutional uses?

Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the existing inventory thereby reducing the needed park land by 76 acres, changing Exhibits 5 and 6 per the following:

Land needed for public or institutional use in McMinnville is shown in Exhibit 5. These needs are not addressed in the HNA or EOA documents but are included in the Urbanization Study report.

(Appendix E. Public and Institutional Land Need provides the detailed results for public and institutional uses.) McMinnville will need an additional 401 acres in the 2021 to 2041 period and 704 acres in the 2021-2067 period.

Exhibit 5. Estimated demand (in acres) for public and institutional land, McMinnville UGB, 2021-2041 and 2021-2067

Organization/Sector	Additional Land Need	
	20-Year (2021-2041)	46-Year (2021-2067)
City of McMinnville (non-parks),1	7	11
City of McMinnville (parks),2	316	530
McMinnville Water & Light	21	21
Chemeketa Community College	0	0
Linfield College	0	0
McMinnville School District	10	40
Yamhill County	6	13
State of Oregon	1	2
Federal Government	2	4
Churches	38	83
Other	0	0
Sum	401	704

The City expanded its UGB in 2020, including land for public and semi-public uses by 444.5 acres, including about 62 acres for Joe Dancer Park. Exhibit 6 compares the land need for Public and Institutional land needs through 2041 with the UGB expansion for Public and Semi-Public land needs for 2003-2023.

Exhibit 6 shows that McMinnville’s UGB expansion added about 444.5 acres for public and semi-public uses, resulting in a surplus of public and semi-public land (44.2 acres), and the opportunity to reassign land inventory from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to categories with a deficit, such as Government (14.6 acres deficit) and other remaining land needs with deficits such as housing and employment land for the planning period of 2041 - 2041. Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

Exhibit 6. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Note: Park land in the UGB expansion includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinrville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

1. Introduction

This report presents an update to the 2013 Economic Opportunities Analysis (EOA) for the City of McMinnville. The purpose of an EOA is to develop information as a basis for policies that capitalize on McMinnville's opportunities and help address the City's challenges. In 2019, the City adopted the *MAC-Town 2032 Economic Development Strategic Plan*. This EOA Update is intended to:

- Provide the analysis and land use foundation necessary to achieve the City's economic development strategy.
- Identify policy issues that will need to be reflected in the Comprehensive Plan to achieve the economic development strategy.
- Update the trend data and forecasting, the buildable land inventory, and employment land needs to a common planning period with the City's housing needs analysis and other land needs. This update is part of an urbanization report to inform the strategy and identify land needs for a 20-year planning period to determine sufficiency of buildable lands and land use policies to meet identified needs consistent with the City's vision. Additional long-term and short-term planning periods are also analyzed consistent with planning for Urban Reserves and to ensure adequate short-term supply of needed sites.

This version of the EOA is intended to provide an update to the previous 2013 EOA, and thus retains portions of the content and narrative throughout. Where necessary, this update uses updated data on employment trends and commercial and industrial land needs, as well as refined approaches to methods for forecasting employment growth. The competitive advantages (i.e., advantages and disadvantages) for economic development in McMinnville did not change substantially since evaluation of these factors in the 2013 EOA or the *MAC-Town 2032 Economic Development Strategic Plan* adopted in 2019. This 2023 EOA updates the information included in the 2013 EOA to include the new information on competitive advantages and the target industries identified in the Strategic Plan, with consideration for any outdated information.

In 2023, the City updated the EOA to account for:

- Changes in the buildable lands inventory, including:
 - Accounting for land brought into the urban growth boundary in 2020
 - Development that occurred through December 31, 2021, as an update to the buildable lands inventory
- Update to the "Other Sites" needed in Exhibit 58 to remove sites that have been accommodated elsewhere.
- Update to the estimate of Land Needed to reflect the decrease in land needs for "Other Sites".

- Update the estimate of Land Sufficiency to reflect changes in the inventory of buildable land and the change in land need.
- Update to Appendix E to acknowledge acreage brought into the UGB to accommodate public and institutional land needs.

Other than these items, the City did not substantively update assumptions in the EOA, as they were thoroughly reviewed by the Project Advisory Committee in development of the EOA.

Contents, Format, and Guiding Requirements

The EOA includes technical analysis to address a range of questions that McMinnville faces in managing its commercial and industrial land. For example, the EOA includes an employment forecast that describes how much growth McMinnville should plan for over the planning period and identifies the amount and type of employment land necessary to accommodate growth in McMinnville over that period. The EOA also includes an inventory of commercial and industrial land within McMinnville’s urban growth boundary (UGB) to provide information about the amount of land available to accommodate employment growth.

This EOA complies with the requirements of statewide planning Goal 9, the Goal 9 administrative rules (OAR 660 Division 9), and the court decisions that have interpreted them. Goal 9 requires cities to identify the characteristics of sites needed to accommodate industrial and other employment uses (OAR 660-009-0025(1)) over the 2021-2041 20-year planning period. This approach could be characterized as a *site-based* approach that projects land need based on the forecast for employment growth, the City’s economic development objectives, and the specific needs of target industries. This updated analysis is more comprehensive than the State requires, as it looks at the employment needs for a 5-, 10-, and 46-year period, in addition to the 20-year period. The shorter-term analyses are intended to identify immediate employment land needs and strategies given current land-need deficiencies, and the 46-year analysis can provide a basis for the establishment of urban reserve areas (URAs).

Background

The City adopted an updated EOA in 2013. It provided the following history of work prior to the 2013 EOA update:

McMinnville’s Comprehensive Plan, as adopted in 1981, consists of three interrelated volumes:

- Volume I – covering background information for the plan process
- Volume II – listing adopted goals and policies
- Volume III – consisting of implementation ordinances and measures including the comprehensive plan and zoning maps, annexation, zoning and land division ordinances, and planned development overlays on areas of special significance

In 2001, the City of McMinnville completed an Economic Opportunities Analysis (EOA) aimed to “inventory all non-residential lands and conduct an analysis of its future commercial and

industrial land needs, consistent with the requirements of current Statewide Planning Goals, laws, and administrative rules.” The EOA identified a potential surplus of industrial land and a deficit of commercial land over what was then a 20-year forecast horizon of 2000-2020. The EOA was approved by the City Council in February 2002 and subsequently acknowledged by the State Land Conservation and Development Commission (LCDC).

In 2003, a McMinnville Growth Management and Urbanization Plan (MGMUP) was adopted as an element of the Comprehensive Plan. This document provided guiding principles and a development concept for future growth, including a proposed expansion of McMinnville’s Urban Growth Boundary (UGB).

In conjunction with this process, the City also updated the work of the 2001 EOA with respect to a revised Population and Employment Justification and a Revised Buildable Land Analysis, to bring these analyses current to the January 1, 2003 starting benchmark of the UGB review process. In effect, the 20-year planning horizon was shifted from 2000-2020 by three years to 2003-2023. In addition, the buildable lands analysis was updated to reflect changes that occurred between 2001 and 2003, and land need projections were adjusted accordingly.

The MGMUP documented the need for UGB expansion approaching 1,125 buildable acres (to meet needs for 2003-2023), with more than 90% of the need accounted by proposed expansion of land for residential, parks and related public uses. The remaining 9% represented land documented as needed for commercial development. The MGMUP was approved by LCDC, but then appealed by private parties to the Oregon Court of Appeals for issues related to prioritization of the types of agricultural land that can be added to the UGB. The Court eventually reversed and remanded LCDC’s approval; LCDC subsequently reversed and remanded their action to the City of McMinnville.

In 2020, the City finished the remanded portion of the work, adopted the revised McMinnville Growth Management and Urbanization Plan and its associated UGB amendment, and the state acknowledged the work in April, 2021.

2013 EOA Update

The City of McMinnville last conducted a Goal 9-compliant analysis and evaluation of economic trends in the 2013 EOA update, which was based on 2010 Census and other employment data. The 2019 Economic Development Strategic Plan also included a Demographic and Economic profile of McMinnville.

The 2013 EOA acknowledged that due to the prior Court of Appeals decision, “a previously determined 106-acre deficiency of commercial land for McMinnville’s’ 20-year need has not been fully remedied. While the City of McMinnville is not pursuing any proposal to increase its UGB at this time, the need to address the potential imbalance of commercial and industrial land requirements has become more apparent due to the effects of a changing global, regional and local economy...”

The 2013 EOA stated, “As noted, while always an option for potential consideration, this EOA update assumes that McMinnville’s UGB will not be expanded during the updated 20-year forecast period for purposes of providing non-residential (or employment) land need; rather, any needs for added forecast employment growth are anticipated to be accommodated through efficiency or other measures as available to avoid UGB expansion.” The 2013 EOA found a 36-acre shortfall of commercial land for the 2013-2033 planning period, and a surplus of industrial land. This resulted in findings that led to subsequent rezoning of some of the surplus industrially-zoned acreage to commercially-zoned acreage in response to identified commercial land deficits.

One of the land-use efficiencies identified in the 2020 UGB amendment was to rezone 40 acres of industrial land to commercial land. This was adopted as a comprehensive plan policy and land-use efficiency but the comprehensive plan map and zoning map amendment have not yet been executed.

Planning Area Definition

The EOA provides the data and analysis necessary to evaluate the sufficiency of McMinnville’s UGB to meet needs for the identified planning period. As such, it includes an evaluation of the buildable lands within McMinnville’s current UGB (as illustrated by the Comprehensive Plan map on the following page). This EOA also provides discussion of the Yamhill County, regional, statewide and national context within which local economic development opportunities are appropriately framed. The report provides information that will be needed to address UGB and Urban Reserve needs for any deficit of lands that isn’t met within the current UGB. It also provides information about site needs and characteristics that will assist with UGB an Urban Reserve alternatives analysis. The analysis area for alternatives analysis is articulated in state law and will be addressed in a separate step in this review.

Community Economic Development Objectives

Current community objectives for economic development can be found as part of the following City documents:

MAC-Town 2032 Strategic Plan (adopted 2019)

In 2019, McMinnville adopted the *MAC-Town 2032 Strategic Plan*, which includes new vision, mission, and values statements. It also includes goals for seven strategic priorities, and for each goal, there are identified objectives and priority actions. Additional actions are also identified.

Vision, Mission, Values

Vision

A collaborative and caring city inspiring an exceptional quality of life.

Mission

The City of McMinnville delivers high-quality services in collaboration with partners for a prosperous, safe, and livable community.

Values

- **Stewardship.** We are responsible caretakers of our shared public assets and resources. We do this to preserve the strong sense of community pride which is a McMinnville trademark.
- **Equity.** We are a compassionate and welcoming community for all – different points of view will be respected. Because not all members of our community are equally able to access our services or participate in public process, we commit ourselves to lowering these barriers.
- **Courage.** We are future-oriented, proactively embracing and planning for change that is good for our community and consistent with our values.
- **Accountability.** We believe healthy civil discourse is fostered through responsive service and clear, accurate, useful information.

Strategic Priorities. To move McMinnville toward its vision, the City believes it will need to make disproportionate investment in time and resources in these areas.

One of these strategic priorities is Economic Prosperity, with the following goal and objectives. Each objective also has associated priority actions.

- Goal: Provide economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors.
- Objectives:
 - Accelerate growth in living wage jobs across a balanced array of industry sectors
 - Improve systems for economic mobility and inclusion
 - Foster opportunity in technology and entrepreneurship
 - Be a leader in hospitality and place-based tourism
 - Locate higher job density activities in McMinnville
 - Encourage connections to the local food system and cultivate a community of exceptional restaurants

MAC-Town 2032 Economic Development Strategic Plan (adopted 2019)

In 2019, McMinnville adopted the *MAC-Town 2032 Economic Development Strategic Plan*, which updated the City’s mission and goals related to economic development, as a supplement to the goals and policies in the Strategic Plan and Comprehensive Plan. The mission in the Plan states:

“McMinnville provides economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors, from steel

manufacturing to technology. Economic growth is collaborative, and inclusive of individuals from diverse backgrounds. Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville’s high quality of life. Our strong downtown serves residents and visitors alike, featuring unique shops and world-class restaurants that offer locally-produced food products and globally-renowned wine. As we evolve, we prize our small-town roots and we maintain McMinnville’s character.”

The “foundational goals and strategies” defined in the plan are:

1. Accelerate growth in living-wage jobs across a balanced array of industry sectors
2. Improve systems for economic mobility and inclusion
3. Maintain and enhance our high quality of life

The “target sector goals and strategies” defined in the plan are:

4. Sustain and innovate within traditional industry and advanced manufacturing
5. Foster opportunity in technology and entrepreneurship
6. Be a leader in hospitality and place-based tourism
7. Align and cultivate opportunities in craft beverages and food systems
8. Proactively assist growth in education, medicine, and other sciences

Economic Opportunities Analysis (2013)

McMinnville last completed an EOA in 2013, as an update to the 2001/2003 EOA process. Section 6 of the EOA provided discussion and findings for each relevant goal in the Comprehensive Plan for community economic development objectives. Chapter 6 provides updated discussion of these Goals. The 2013 EOA also recommended updates to the list of cluster target industries to include Advanced Manufacturing and Healthcare/Traded Sector Services. A full discussion of these sectors is included in Chapter 4 of this EOA.

Comprehensive Plan (Adopted 1981, and subsequently amended).

McMinnville’s Comprehensive Plan consists of three interrelated volumes.

- Volume I – covering background information for the plan process
- Volume II – listing adopted goals and policies
- Volume III – consisting of implementation ordinances and measures including the comprehensive plan and zoning maps, annexation, zoning and land division ordinances, and planned development overlays on areas of special significance

A more detailed statement of economic development goals is embodied by the Comprehensive Plan (Volume II Goals and Policies), Chapter IV – Economy of McMinnville (as amended)

General:

Goal IV 1: To encourage the continued growth and diversification of McMinnville's economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.

Commercial Development:

Goal IV 2: To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.

Goal IV 3: To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood and community serving commercial lands and discouraging strip development.

Goal IV 4: To promote the downtown as a cultural, administrative service, and retail center of McMinnville.

Industrial Development:

Goal IV 5: To continue the growth and diversification of McMinnville's industrial base through the provision of an adequate amount of properly designated lands.

Goal IV 6: To insure industrial development that maximizes efficiency of land uses, that is appropriately located in relation to surrounding land uses, and that meets necessary environmental standards.

Each goal has associated policies and proposals. The Comprehensive Plan includes a series of general, locational and design policies as "more precise and limited statements intended to further define the goals." Also included as part of the Economic Development element of the existing adopted plan are three proposals as "possible courses of action" to further implement the goals and policies.

The 2020 EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census. In addition to retaining all relevant information from the 2013 EOA, the EOA update also uses information from the Three Mile Lane market analysis, completed in March 2019.

Statewide Planning Guidance

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this

report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input-based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

Public Process

At the broadest level, the purpose of the project was to understand how McMinnville's employment has changed since the completion of the 2013 EOA, as well as update the city's employment land needs to align with planning periods used in the 2019 HNA. In 2019, the city adopted an economic development strategy that provided a framework for policies and implementation actions for economic development. The update to the EOA requires a broad

range of assumptions that influence the outcomes. Public engagement during the project was accomplished through facilitation of a Project Advisory Committee as described below.¹

Project Advisory Committee Meetings

The City of McMinnville and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met 5 times² to discuss project assumptions, results, and implications. The project relied on the Project Advisory Committee to:

- Review work products, advise on public involvement, and consider public input when making recommendations.
- Advise the project team on matters regarding employment needs and the buildable lands inventory in McMinnville.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Economic Opportunities Analysis.

A public lands work group was also established to review and make recommendation regarding unique land needs associated with employment and land uses for public and institutional organizations.

In 2023, a Project Advisory Committee met twice to discuss the changes to the EOA analysis described above and throughout the document, and a work session was conducted with the McMinnville City Council.

Organization of this Report

This report is organized as follows:³

- **Chapter 2. The McMinnville Economy** – as a review of pertinent population, demographic and economic trends for McMinnville in the context of what is occurring throughout Yamhill County, a larger economic region, statewide and nationally.
- **Chapter 3. National, State & Regional Outlook** – covering recent economic experience and forecasts external to the community that could influence employment uses reasonably expected to locate or expand in the McMinnville UGB over the 5-, 10-, 20-, and 46-year planning horizons of this EOA.
- **Chapter 4. Economic Development Potential** – focused on factors that currently and prospectively affect economic development in McMinnville.

¹ In addition to Project Advisory Committee meetings, the City of McMinnville also maintained a project website and social media presence.

² Project Advisory Committee meeting dates: July 10, 2019; September 5, 2019; October 10, 2019; November 13, 2019; and January 21, 2020.

³ The organization of the report is intended to align as closely as possible to the 2013 EOA. Some subsections may differ due to changes in methodology or alternative data sources.

- **Chapter 5. Forecast Employment & Land Needs** – detailing an updated UGB employment forecast together with industrial/commercial buildable lands inventory and determination of long- and short- term needs, parcel size evaluation, site characteristics, and commercial/industrial policy options necessary to provide the land use foundation for the City’s economic development strategy.

This report also includes five appendices:

- **Appendix A, Buildable Lands Inventory Methodology**
- **Appendix B, Employment on Other Land and Employment Density**
- **Appendix C, Other Site Needs**
- **Appendix D, Site Need Letters**
- **Appendix E, Public and Institutional Land Need**

2. The McMinnville Economy

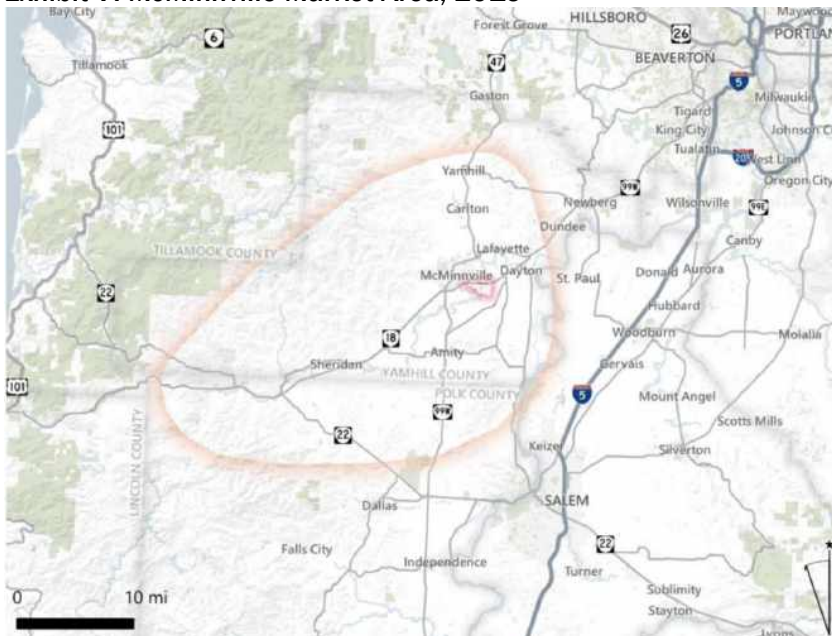
This chapter describes the factors affecting economic growth in McMinnville within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing and attracting businesses, which forms the basis for identifying potential growth industries in McMinnville.

McMinnville exists within the context of the county, market area, region, state, national, and international context and economies. OAR 660-009-0015 (1) requires a review of national, state, regional, county and local trends.

Regions are defined differently for different purposes. McMinnville exists as part of the economy of the following regions. Also included, as available, are pertinent comparable data for Yamhill County, the state of Oregon and United States.

- 10-County Economic Region. (used for 2013 EOA)
- 7-County Portland MSA (US Census Bureau-defined economically integrated region)
- 6-County North Valley Region (used in 2001/03 EOA, which also used "Willamette valley with three additional counties for some indicators)
- 4-County Mid-Valley Region (defined by the Oregon Employment Department and used in their reporting): Linn, Marion, Polk, Yamhill
- Market Area (relates predominantly to retail trade) (Exhibit 7). Market area will vary depending on the type of attractor. Larger regional shopping may have a larger market areas while neighborhood retail will have a smaller market area).

Exhibit 7. McMinnville Market Area, 2019



Source: McMinnville Three Mile Lane Area Plan: Market Analysis; TIGER, Leland Consulting Group.

Employment Trends in McMinnville and Yamhill County

The economy of the nation changed substantially between 1980 and 2018. These changes affected the composition of Oregon’s economy, including McMinnville’s economy. At the national level, the most striking change was the shift from manufacturing employment to service-sector employment. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse economy, with the greatest employment in services. This section focuses on changes in the economy in Yamhill County since 2001 and in McMinnville since 2007.

Exhibit 8 shows covered employment⁴ in Yamhill County for 2001 and 2018. Employment increased by 8,202 jobs, or 29%, over this period, which included the Great Recession and subsequent recovery. The sectors with the largest increases in numbers of employees were Arts, entertainment, and recreation; Healthcare and social assistance; Other services; Accommodation and food services; and Professional and business services.

The average wage for employment in Yamhill County in 2018 was about \$42,321. Employment in higher wage industries, such as Information and Transportation, Warehousing, and Utilities, decreased by 204 jobs over the 2001 to 2018 time period.

Exhibit 8. Covered Employment by Industry, Yamhill County, 2001-2018

Sector	2001	2018	Change 2001 to 2018		
			Difference	Percent	AAGR
Natural Resources and Mining	2,824	3,668	844	30%	1.6%
Construction	1,492	1,977	485	33%	1.7%
Manufacturing	5,584	6,901	1,317	24%	1.3%
Wholesale trade	560	629	69	12%	0.7%
Retail trade	3,157	3,728	571	18%	1.0%
Transportation, Warehousing, and Utilities	645	468	-177	-27%	-1.9%
Information	269	242	-27	-10%	-0.6%
Financial Activities	972	1,007	35	4%	0.2%
Professional and Business Services	1,371	1,936	565	41%	2.1%
Educational Services	1,166	1,512	346	30%	1.5%
Health care and social assistance	2,792	4,881	2,089	75%	3.3%
Arts, entertainment, and recreation	172	350	178	103%	4.3%
Accommodation and food services	2,145	3,441	1,296	60%	2.8%
Other Services	852	1,378	526	62%	2.9%
Unclassified	19	10	-9	-47%	-3.7%
Government	4,090	4,184	94	2%	0.1%
Total	28,110	36,312	8,202	29%	1.5%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2001-2018.

Exhibit 9 shows covered employment and average wage for the 10 largest employment industries in Yamhill County in 2018. Jobs in manufacturing account for about 19% of the

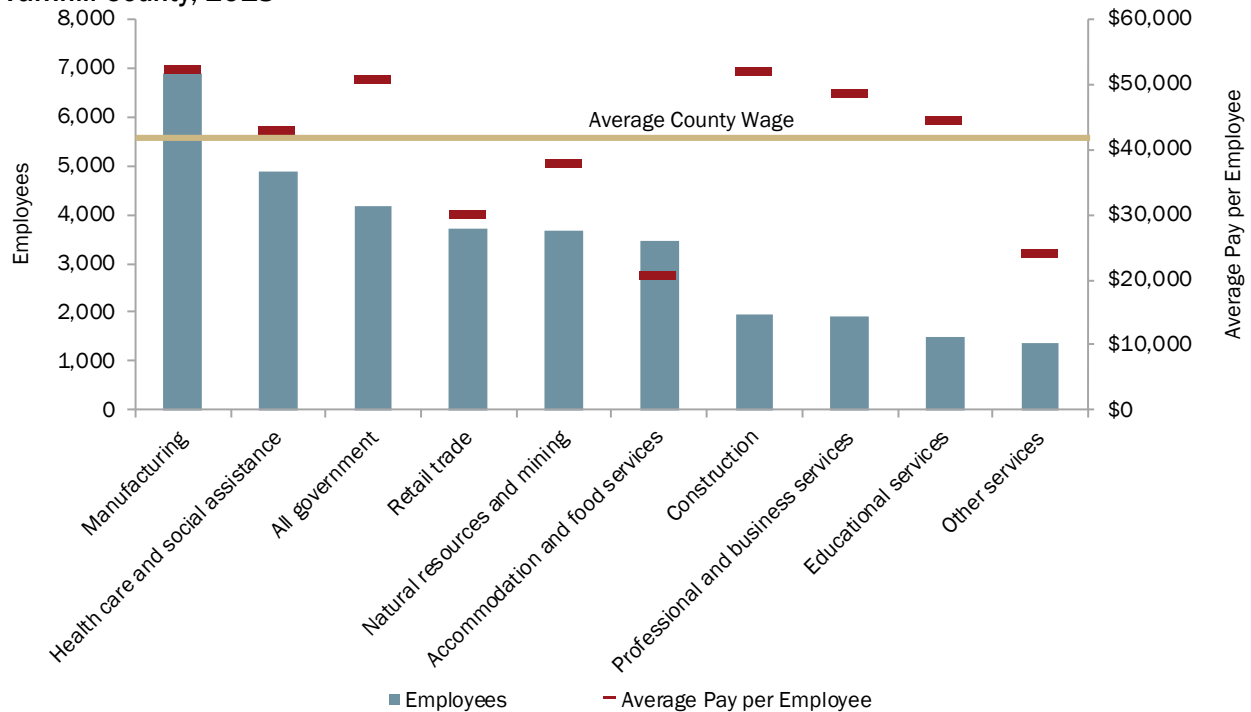
⁴ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as “1099 employees”), or some railroad workers. Covered employment data is from the Oregon Employment Department.

county’s covered employment and these jobs pay approximately 24% more than the county average wage (\$52,303 compared to \$42,321). Healthcare and social assistance jobs are the next largest employment sector, making up about 13% of Yamhill County’s covered employment. Wages in this industry are closer to the county average, paying employees an average of \$42,952. Government jobs account for 12% of the county’s covered employment. These jobs pay roughly 20% more than the county average (\$50,765 compared to \$42,321).

Though not shown in Exhibit 9 due to relatively low employment levels, wholesale trade, on average, pays employees \$62,411, 47% above the county average wage. This sector only makes up about 2% of Yamhill County’s total covered employment, though it pays the highest wages.

Additionally, jobs in construction (\$51,947), professional and business services (\$48,497), and educational services (\$44,398), pay more per year than the county average. However, these three sectors make up a smaller employment base than Retail trade, Natural resources and mining, and Accommodation and food services, which pay below the average county wage.

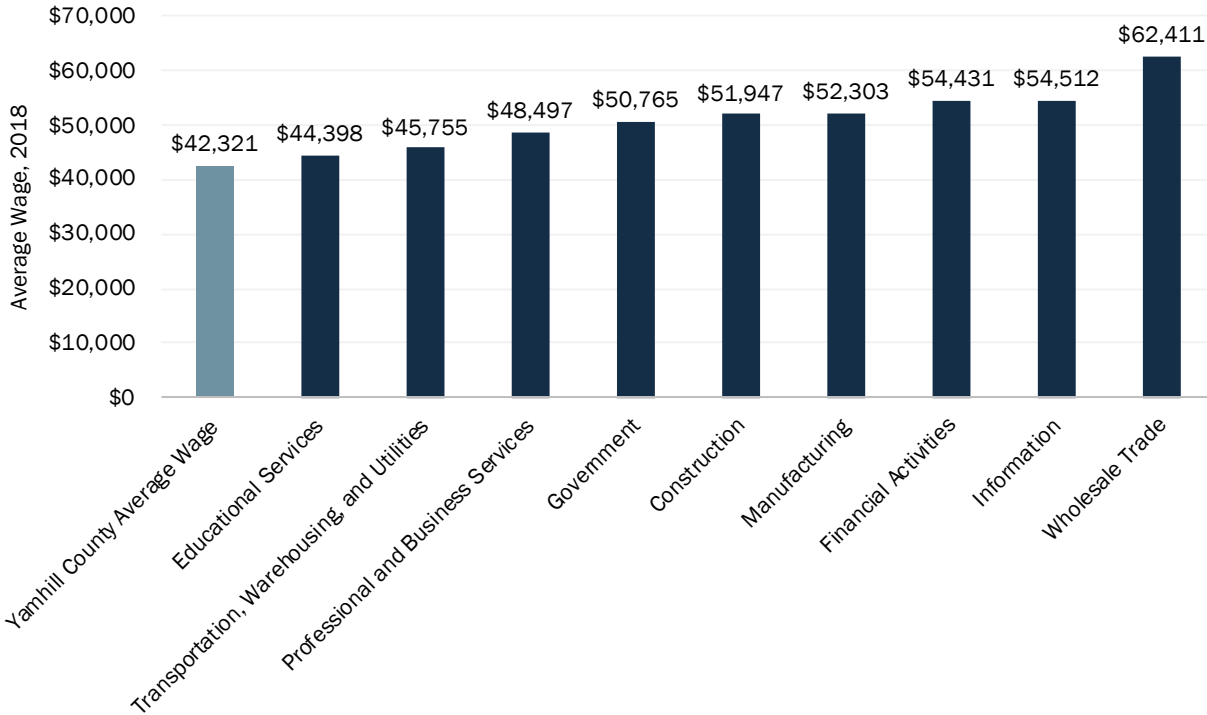
Exhibit 9. Covered Employment and Average Pay by Sector, 10 Largest Employment Sectors Yamhill County, 2018



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018.

Exhibit 10 shows the sectors in Yamhill County that pay an annual average wage above the countywide average wage. Some of these sectors, such as wholesale trade and construction, are shown in Exhibit 9; however, other higher paying sectors include information (\$54,512), financial activities (\$54,431), and manufacturing (\$52,303).

Exhibit 10. Highest Paying Sectors in Yamhill County, 2018



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018.

Between 2007 and 2017, employment in McMinnville increased by about 1,123 employees (8%) at an annual average growth rate of 0.8%. Employment in Accommodation and food services and Retail trade increased by 372 employees and 309 employees respectively, while employment in Transportation and warehousing and Utilities decreased by about 229 (Exhibit 11).

Exhibit 11. Change in Covered Employment, McMinnville UGB, 2007-2017

Sector	Employment		Change in Employment	Percent	AAGR
	2007	2017			
Agriculture, Forestry, and Mining	244	356	112	46%	3.8%
Construction	634	585	(49)	-8%	-0.8%
Manufacturing	2,300	2,277	(23)	-1%	-0.1%
Wholesale Trade	264	127	(137)	-52%	-7.1%
Retail Trade	1,861	2,170	309	17%	1.5%
Transportation and Warehousing and Utilities	369	140	(229)	-62%	-9.2%
Information	136	127	(9)	-7%	-0.7%
Finance and Insurance	511	459	(52)	-10%	-1.1%
Real Estate and Rental and Leasing	138	113	(25)	-18%	-2.0%
Professional and Technical Services	265	367	102	38%	3.3%
Management of Companies	221	117	(104)	-47%	-6.2%
Admin. and Support/Waste Mgmt/Remediation Serv.	494	584	90	18%	1.7%
Health Care and Social Assistance; Private Education Serv.	2,564	3,159	595	23%	2.1%
Arts, Entertainment, and Recreation	134	168	34	25%	2.3%
Accommodation and Food Services	1,131	1,503	372	33%	2.9%
Other Services	417	630	213	51%	4.2%
Government	2,158	2,082	(76)	-4%	-0.4%
Total	13,841	14,964	1,123	8%	0.8%

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 and 2017.

Exhibit 12 shows a summary of covered employment data for the McMinnville UGB in 2017. The sectors with the greatest number of employees were Health care and social assistance and Private education (21%); Manufacturing (15%); and Retail trade (15%). Exhibit 13 shows employment in McMinnville in 2017 for detailed industries in the manufacturing sector. Employment in Food manufacturing and Beverage and tobacco product manufacturing accounted for about one quarter of McMinnville’s manufacturing employment overall.

Exhibit 12. Covered Employment and Average Pay by Sector, McMinnville UGB, 2017

Sector	Establishments	Employees	Payroll	Average pay per employee
Agriculture, Forestry, and Mining	24	356	\$ 11,188,173	\$ 31,427
Construction	104	585	\$ 27,931,863	\$ 47,747
Manufacturing	71	2,277	\$ 113,267,986	\$ 49,744
Wholesale Trade	41	127	\$ 7,778,100	\$ 61,245
Retail Trade	141	2,170	\$ 62,991,136	\$ 29,028
Transportation and Warehousing and Utilities	20	140	\$ 4,582,386	\$ 32,731
Information	19	127	\$ 5,010,927	\$ 39,456
Finance and Insurance	51	459	\$ 29,183,634	\$ 63,581
Real Estate and Rental and Leasing	38	113	\$ 3,815,372	\$ 33,764
Professional and Technical Services	100	367	\$ 21,852,471	\$ 59,544
Management of Companies	9	117	\$ 7,033,600	\$ 60,116
Admin. and Support/Waste Mgmt/Remediation Serv.	49	584	\$ 14,681,454	\$ 25,139
Health Care and Social Assistance; Private Education :	173	3,159	\$ 144,631,456	\$ 45,784
Arts, Entertainment, and Recreation	9	168	\$ 3,128,546	\$ 18,622
Accommodation and Food Services	99	1,503	\$ 27,941,666	\$ 18,591
Other Services	218	630	\$ 13,857,430	\$ 21,996
Government	42	2,082	\$ 101,259,952	\$ 48,636
Total	1,208	14,964	\$ 600,136,152	\$ 40,105

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Exhibit 13. Covered Employment in Manufacturing Industries, McMinnville UGB, 2017

Sector	Establishments	Employees
Food Manufacturing	14	448
Beverage and Tobacco Product Manufacturing	18	134
Wood, Plastic, and Chemical Product Manufacturing	18	536
Metal, Electronic, and Other Product Manufacturing	21	1,159
Total	71	2,277

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

The average size for a private business in McMinnville is 12 employees per business, compared to the State average of 11 employees per private business. Businesses with 50 or fewer employees account for 55% of private employment and 10 or fewer account for 19% of private employment. Exhibit 14 shows the distribution of establishments by size class (i.e., number of employees). Over 75% of the private (i.e., non-government) establishments are businesses with fewer than 10 employees.

Exhibit 14. Covered Private Employment by Size Class, McMinnville UGB, 2017

Establishment size (number of employees)	Number of establishments
0 to 4	682
5 to 9	211
10 to 19	141
20 to 49	87
50 to 99	27
100+	18
Total	1,166

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Exhibit 15 shows the employment and average pay per employee for sectors in McMinnville. Average pay for all employees (\$40,105) is shown as a light brown line across the graph and average pay for individual sectors as short red lines. The figure shows that Health care, social assistance, and Private education; Manufacturing; Government; and Other industrial sectors had above average wages. The lowest wages were in Retail trade and Leisure activities, which includes arts, entertainment, and recreation and accommodation and food services.

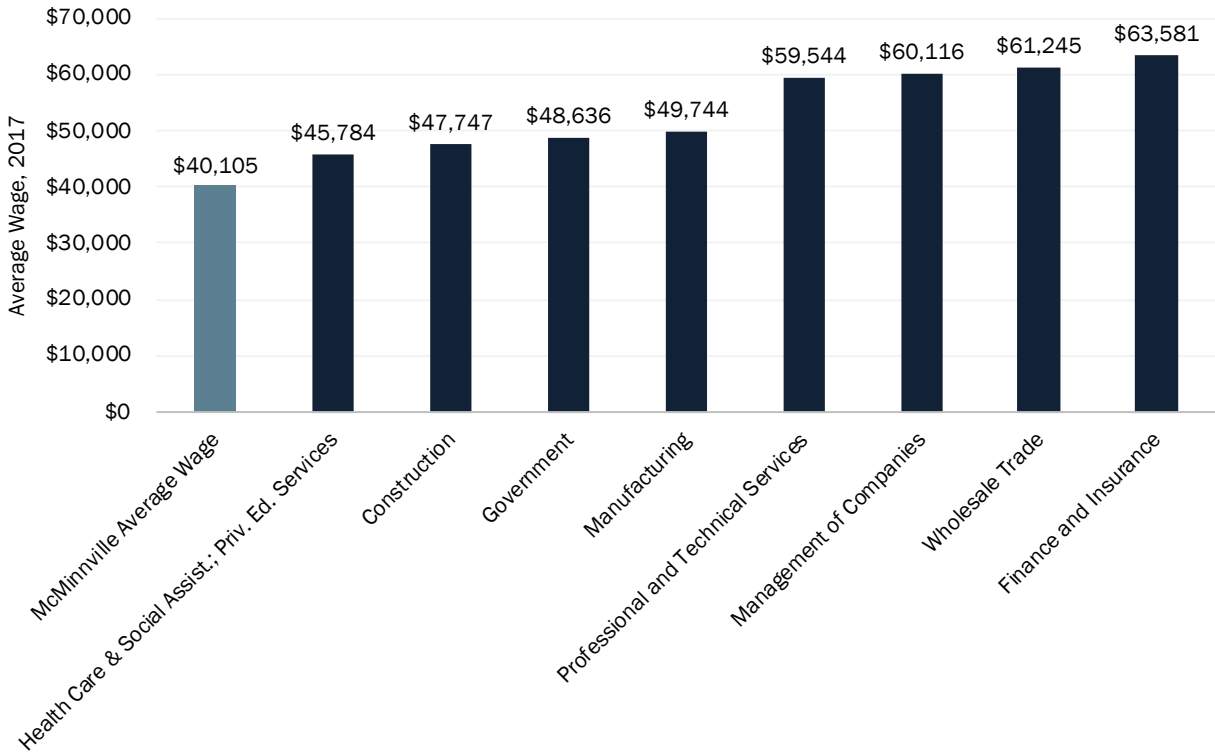
Exhibit 15. Covered Employment and Average Pay by Sector, McMinnville UGB, 2017



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Exhibit 16 shows the sectors with average annual wages that exceed the McMinnville City average. The three highest paying sectors, finance and insurance, wholesale trade, and management of companies, all paid over \$60,000 in 2017. Other higher paying sectors include professional and technical services, manufacturing, government, and construction.

Exhibit 16. Highest Paying Sectors Exceeding Average Wage in McMinnville UGB, 2017



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Outlook for growth in Yamhill County

Exhibit 17 shows the Oregon Employment Department's forecast for employment growth by industry for the Mid-Valley Region (Linn, Marion, Polk, and Yamhill Counties) over the 2017 to 2027 period. Employment in the region is forecasted to grow at an average annual growth rate of 1.1%.

The sectors that will lead employment in the region for the 10-year period are: Private educational and health services (adding 8,100 jobs), Trade, transportation, and utilities (5,100), Government (3,500), Construction (3,000), Leisure and hospitality (3,000), and Manufacturing and Natural resources and mining (2,400 each). In sum, these sectors are expected to add 27,500 new jobs or about 88% of employment growth in the Mid-Valley Region. Yamhill County accounts for about 14% of employment in these four counties, and McMinnville accounts for about 42% of the County's employment.

Exhibit 17. Regional Employment Projections, 2017-2027, Mid-Valley Region (Linn, Marion, Polk, and Yamhill Counties)

Industry Sector	2017	2027	Change 2017 - 2027		
			Number	Percent	AAGR
Total private	208,800	236,400	27,600	13%	1.2%
Natural resources and mining	17,700	20,100	2,400	14%	1.3%
Mining and logging	1,200	1,300	100	8%	0.8%
Construction	14,700	17,700	3,000	20%	1.9%
Manufacturing	27,700	30,100	2,400	9%	0.8%
Durable goods	16,300	17,700	1,400	9%	0.8%
Nondurable goods	11,400	12,400	1,000	9%	0.8%
Trade, transportation, and utilities	42,500	47,600	5,100	12%	1.1%
Wholesale trade	6,200	6,900	700	11%	1.1%
Retail trade	27,800	30,200	2,400	9%	0.8%
Transportation, warehousing, and utilities	8,500	10,500	2,000	24%	2.1%
Information	1,800	1,900	100	6%	0.5%
Financial activities	9,200	9,700	500	5%	0.5%
Professional and business services	19,000	21,000	2,000	11%	1.0%
Private educational and health services	43,700	51,800	8,100	19%	1.7%
Health care and social assistance	35,300	42,500	7,200	20%	1.9%
Leisure and hospitality	22,400	25,400	3,000	13%	1.3%
Accommodation and food services	19,900	22,600	2,700	14%	1.3%
Other services and private households	10,100	11,100	1,000	10%	0.9%
Government	52,200	55,700	3,500	7%	0.7%
Federal government	2,100	2,100	0	0%	0.0%
State government	21,900	23,900	2,000	9%	0.9%
Local government	28,200	29,700	1,500	5%	0.5%
Local education	16,000	16,900	900	6%	0.5%
Total payroll employment	261,000	292,100	31,100	12%	1.1%

Source: Oregon Employment Department. Employment Projections by Industry 2017-2027.

3. National, State, and Regional Outlook

Consistent with Oregon Administrative Rules (OAR 660), McMinnville’s Economic Opportunities Analysis is set within the context of broader nationwide, state, and regional trends. Recent trends and conditions at a national and state level are considered first, followed by detailed information at a regional and local level.

National Trends

Economic development in McMinnville over the next 20 years will occur in the context of long-run national trends. The most important of these trends include:

- **Economic growth will continue at a moderate pace.** Analysis from the Congressional Budget Office (CBO) estimates after the 3.1% real GDP growth in 2018, real GDP will grow by approximately 2.3% in 2019. After 2019, the CBO forecasts the annual average growth of real GDP to slow and stabilize around 1.7% across the 2020 to 2029 period. The primary reason they provide for this slowing growth is that they expect the labor force to grow at a slower rate than historical trends.⁵

The unemployment rate is forecasted to decrease to 3.5% in the second-half of 2019, which is the rate’s lowest point since the 1960s. After this year, the CBO predicts the unemployment rate will rise between 2020 and 2023 due to slower growth in economic output.⁶

- **The aging of the Baby Boomer generation, accompanied by increases in life expectancy.** As the Baby Boomer generation continues to retire, the number of Social Security recipients is expected to increase from 62.5 million in 2018 to over 87.0 million in 2040, a 39% increase. However, due to lower-birth rate replacement generations, the number of covered workers is only expected to increase 12% over the same time period, from 176.0 million to 196.4 million in 2040. Currently, there are 35 Social Security beneficiaries per 100 covered workers in 2018 but by 2040 there will be 44 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.⁷

Baby Boomers are expecting to work longer than previous generations. An increasing proportion of people in their early- to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with

⁵ Congressional Budget Office. *The Budget and Economic Outlook: 2019 to 2029. January 2019.* Retrieved from: <https://www.cbo.gov/system/files/2019-03/54918-Outlook-3.pdf>.

⁶ *Ibid.*

⁷ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, *The 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 25, 2019. Retrieved from: <https://www.ssa.gov/OACT/TR/2019/tr2019.pdf>.

about 30% in 1992.⁸ This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9% of the workforce in 2000 to 4.1% of the workforce in 2010. In 2017, this share reached 5.5%. Over the same eighteen-year period, the share of workers 45 to 64 years increased from 35% of all employed Oregonians in 2000 to 37% in 2017.⁹

- **Need for replacement workers.** The need for workers to replace retiring Baby Boomers will outpace job growth. According to the Bureau of Labor Statistics, total employment in the United States will grow by about 11.5 million jobs over 2016 to 2026. Annually, they estimate there will be 18.7 million occupational openings over the same period. This exhibits the need for employees over the next decade as the quantity of openings per year is large relative to expected employment growth. About 71% of annual job openings are in occupations that do not require postsecondary education.¹⁰
- **The importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average, they will yield higher incomes than occupations that do not require an academic degree. The fastest-growing occupations requiring an academic degree will be registered nurses, software developers, general and operations managers, accountants and auditors, market research analysts and marketing specialists, and management analysts. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for approximately 71% of all new jobs by 2026. These occupations typically have lower pay than occupations requiring an academic degree.¹¹

The national median income for people over the age of 25 in 2018 was about \$48,464. Workers without a high school diploma earned \$19,708 less than the median income, and workers with a high school diploma earned \$10,504 less than the median income. Workers with some college earned \$6,760 less than median income, and workers with a bachelor's degree earned \$13,832 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.¹²

- **Increases in labor productivity.** Productivity, as measured by output per hour of labor input, increased in most sectors between 2000 and 2010, peaking in 2007. However, productivity increases were interrupted by the recession. After productivity decreases from 2007 to 2009, many industries saw large productivity increases from 2009 to 2010.

⁸ "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

⁹ Analysis of 2000 Decennial Census data, 2010 U.S. Census American Community Survey, 1-Year Estimates, and 2017 U.S. Census American Community Survey, 1-Year Estimates, for the table Sex by Age by Employment Status for the Population 16 Years and Over.

¹⁰ "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

¹¹ "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

¹² Bureau of Labor Statistics, Employment Projections, March 2019. <http://www.bls.gov/emp/epchart001.htm>.

Industries with the fastest productivity growth were Information Technology-related industries. These include wireless telecommunications carriers, computer and peripheral equipment manufacturing, electronics and appliance stores, and commercial equipment manufacturing wholesalers.¹³

Since the end of the recession (2010), labor productivity has increased across a handful of large sectors but has also decreased in others. In wholesale trade, productivity – measured in output per hour – increased by 19% over 2009 to 2017. Retail trade gained even more productivity over this period at 25%. Food services, however, have remained stagnant since 2009, fluctuating over the nine-year period and shrinking by 0.01% over this time frame. Additionally, the Bureau of Labor Statistics reports multifactor productivity in manufacturing has been slowing down 0.3% per year over the 2004 to 2016 period. Much of this, they note, is due to slowdown in semiconductors, other electrical component manufacturing, and computer and peripheral equipment manufacturing.¹⁴

- **The importance of entrepreneurship and growth in small businesses.** According to the U.S. Small Business Office of Advocacy, small businesses are those that have fewer than 500 employees. However, the Oregon Office of Small Business Advocacy defines small businesses as those with fewer than 100 employees. For consistency in our small business data comparisons, we will maintain the definition of small businesses to be those with fewer than 100 employees.

The U.S. Census Bureau’s Statistics of U.S. Businesses (SUSB) shows in 2016 that about 98% of all firms in the United States had fewer than 100 employees. Their employees accounted for approximately 33% of American workers.¹⁵ The National League of Cities suggests ways that local governments can attract entrepreneurs and increase the number of small businesses including strong leadership from elected officials; better communication with entrepreneurs, especially about the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.¹⁶

- **Increases in automation across sectors.** Automation is a long-running trend in employment, with increases in automation (and corresponding increases in productivity) over the last century and longer. The pace of automation is increasing, and the types of jobs likely to be automated over the next 20 years (or longer) is broadening.

¹³ Brill, Michael R. and Samuel T. Rowe, “Industry Labor Productivity Trends from 2000 to 2010.” Bureau of Labor Statistics, *Spotlight on Statistics*, March 2013.

¹⁴ Michael Brill, Brian Chanksy, and Jennifer Kim. “Multifactor productivity slowdown in U.S. manufacturing,” *Monthly Labor Review*, U.S. Bureau of Labor Statistics, July 2018. Retrieved from: <https://www.bls.gov/opub/mlr/2018/article/multifactor-productivity-slowdown-in-us-manufacturing.htm>.

¹⁵ U.S. Census Bureau, Statistics of U.S. Businesses. Data by Enterprise Employment Size, 2016. Retrieved from: <https://www.census.gov/data/tables/2016/econ/susb/2016-susb-annual.html>

¹⁶ National League of Cities “Supporting Entrepreneurs and Small Businesses” (2012). <https://www.nlc.org/supporting-entrepreneurs-and-small-business>.

Lower paying jobs are more likely to be automated, with potential for automation of more than 80% of jobs paying less than \$20 per hour over the next 20 years. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more are at risk of being automated over the next 20 years.¹⁷

Low- to middle-skilled jobs that require interpersonal interaction, flexibility, adaptability, and problem solving will likely persist into the future as will occupations in technologically lagging sectors (e.g. production of restaurant meals, cleaning services, hair care, security/protective services, and personal fitness).¹⁸ This includes occupations such as (1) recreational therapists, (2) first-line supervisors of mechanics, installers, and repairers, (3) emergency management directors, (4) mental health and substance abuse social workers, (5) audiologists, (6) occupational therapists, (7) orthotists and prosthetists, (8) healthcare social workers, (9) oral and maxillofacial surgeons, and (10) first-line supervisors of firefighting and prevention workers. Occupations in the service and agricultural or manufacturing industry are most at-risk of automation because of the manual-task nature of the work.^{19,20,21} This includes occupations such as (1) telemarketers, (2) title examiners, abstractors, and searchers, (3) hand sewers, (4) mathematical technicians, (5) insurance underwriters, (6) watch repairers, (7) cargo and freight agents, (8) tax preparers, (9) photographic process workers and processing machine operators, and (10) accounts clerks.²²

- **Transformation of retail.** Historical shift in retail businesses, starting in the early 1960s, was the movement from one-off, ‘mom and pop shops’ toward superstores and the clustering of retail into centers or hubs. Notably, we still see this trend persist; for example, in 1997, the 50 largest retail firms accounted for about 26% of retail sales and by 2007, they accounted for about 33%.²³ The more recent shift began in the late 1990s, where technological advances have provided consumers the option to buy goods through e-commerce channels. The trend toward e-commerce has become increasingly preferential to millennials and Generation X, who are easier to reach online and are more responsive to digital ads than older generations.²⁴ Since 2000, e-commerce sales

¹⁷ Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.

¹⁸ Autor, David H. (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. *Journal of Economic Perspectives*, Volume 29, Number 3, Summer 2015, Pages 3–30.

¹⁹ Frey, Carl Benedikt and Osborne, Michael A. (2013). *The Future of Employment: How Susceptible Are Jobs to Computerisation?* Oxford Martin School, University of Oxford.

²⁰ Otekhile, Cathy-Austin and Zeleny, Milan. (2016). Self Service Technologies: A Cause of Unemployment. *International Journal of Entrepreneurial Knowledge*. Issue 1, Volume 4. DOI: 10.1515/ijek-2016-0005.

²¹ PwC. (n.d.). Will robots really steal our jobs? An international analysis of the potential long-term impact of automation.

²² Frey, Carl Benedikt and Osborne, Michael A. (2013). *The Future of Employment: How Susceptible Are Jobs to Computerisation?* Oxford Martin School, University of Oxford.

²³ Hortaçsu, Ali and Syverson, Chad. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. *Journal of Economic Perspectives*, Volume 29, Number 4, Fall 2015, Pages 89-112.

²⁴ Pew Research Center (2010b). *Generations 2010*. Retrieved Online at: <http://www.pewinternet.org/Reports/2010/Generations-2010.aspx>

grew from 0.9% of total retail sales to 9.7% (2018). Over 2000 to 2018, e-commerce retail sales have grown at a rate 18% per year.²⁵ It is reasonable to expect this trend to continue. While it is unclear what impact e-commerce will have on employment and brick and mortar retail, it seems probable that e-commerce sales will continue to grow, shifting business away from some types of retail. Over the next decades, communities must begin considering how to redevelop and reuse retail buildings in shopping centers, along corridors, and in urban centers.

The types of retail and related services that remain will likely be sales of goods that people prefer to purchase in person or that are difficult to ship and return (e.g., large furniture), specialty goods, groceries and personal goods that maybe needed immediately, restaurants, and experiences (e.g., entertainment or social experiences). According to the Urban Land Institute, in the post-disruption era of retail, new trends in this sector are beginning to emerge. These changes include the convergence of technology and shopping, as businesses focus on brand awareness and customer engagement via digital channels in the physical retail space.²⁶

In addition to dynamics with e-commerce, other factors influencing changes in retail include the growth of big box stores, income inequality, and changing preferences. The New York Times reported that while Amazon had \$38 billion in sales between 2000 and 2013, Costco had about \$50 billion and Sam’s Club had about \$32 billion.²⁷ The other factors influencing traditional retail—income inequality and emphasis on services over goods—result in either less consumer spending overall or changes in preferences of consumers who increasingly spend more on services or experiences.

This shift in the retail industry is also described in the *Three-Mile Lane Area Plan: Market Analysis*, which documents proactive steps to adapt to the changing retail landscape by "commissioning studies of the marketplace and developing new strategies to maintain and foster better retail environments."²⁸ It specifically describes the difference between "experiential consumerism" and other types of retail that are more likely to directly compete with e-commerce. Examples of "experiential consumerism" include dining, grocery, health and fitness clubs, etc.²⁹ These types of retail are typically located on main streets and neighborhood or commercial centers.

- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. High-quality natural resources continue to be important in some

²⁵ U.S. Census Bureau, Monthly Retail Trade, Latest Quarterly E-Commerce Report. Retrieved online at: <https://www.census.gov/retail/index.html#ecommerce>

²⁶ Diane Hoskins. "Three Trends Shaping Retail's Great Transformation." *Urban Land Institute*, September 3, 2019. Retrieved from: <https://urbanland.uli.org/economy-markets-trends/three-trends-shaping-retails-great-transformation/>

²⁷ Austan Goolsbee. "Never Mind the internet. Here's What's Killing Malls." *The New York Times*. February 14, 2020 <https://www.nytimes.com/2020/02/13/business/not-internet-really-killing-malls.html>

²⁸ McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

²⁹ Ibid. pg 36.

states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.³⁰

- **Continued increase in demand for energy.** Energy prices are forecasted to increase over the planning period. While energy use per capita is expected to decrease through 2050, total energy consumption will increase with rising population. Energy consumption is expected to grow primarily from industrial (0.7%) and, to a lesser extent, commercial users (0.2%). Residential and transportation consumption are forecasted to decrease (-0.2% for both). This decrease in energy consumption for transportation is primarily due to increased federal standards and increased technology for energy efficiency in vehicles. The unspecified sector, which is made up of consumption not attributed to residential, commercial, industrial, or transportation, is forecasted to increase consumption by 1.4% through 2050. Going forward through the projection period, potential changes in federal laws (such as decreases in car emissions) leave energy demand somewhat uncertain.

Energy consumption by type of fuel is expected to change over the planning period. By 2050, the U.S. will continue to shift from crude oil towards natural gas and renewables. For example, from 2018 to 2050, the Energy Information Administration projects that U.S. energy consumption of motor gasoline will average a 0.9% annual decrease, while consumption of renewable sources will grow at 1.6% per year and natural gases liquefied for exporting will grow 5.0% per year through 2050. With increases in energy efficiency, strong domestic production of energy, and relatively flat demand for energy by some industries, the U.S. will be able to be a net exporter of energy over the 2018 to 2050 period. Demand for electricity is expected to increase 0.2% per year annually over 2018 to 2050 as the population grows and economic activity increases.³¹

- **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, energy consumption for transportation will decrease. These increasing energy prices may decrease willingness to commute long distances, though with expected increases in fuel economy, it could be that people commute further while consuming less energy.³² Over 2018 to 2038, the U.S. Energy Information Administration estimates in its forecast that the decline in transportation energy consumption is a result

³⁰ For a more thorough discussion of relevant research, *see*, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

³¹ Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019. <https://www.eia.gov/outlooks/aeo/pdf/AEO2019.pdf>. Note, the cited growth rates are shown in the Executive Summary and can be viewed here: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=1-AEO2019&cases=ref2019&sid=&sourcekey=0>.

³² Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019.

of increasing fuel economy offsetting the total growth in vehicle miles traveled (VMT). VMT for passenger vehicles is forecasted to increase through 2050.

- **Potential impacts of global climate change.** The consensus among the scientific community that global climate change is occurring expounds important ecological, social, and economic consequences over the next decades and beyond.³³ Extensive research shows that Oregon and other western states already have experienced noticeable changes in climate and predicts that more change will occur in the future.³⁴

In the Pacific Northwest, climate change is likely to (1) increase average annual temperatures, (2) increase the number and duration of heat waves, (3) increase the amount of precipitation falling as rain during the year, (4) increase the intensity of rainfall events, and 5) increase sea level. These changes are also likely to reduce winter snowpack and shift the timing of spring runoff earlier in the year.³⁵

These anticipated changes point toward some of the ways that climate change is likely to impact ecological systems and the goods and services they provide. There is considerable uncertainty about how long it would take for some of the impacts to materialize and the magnitude of the associated economic consequences. Assuming climate change proceeds as today's models predict, however, some of the potential economic impacts of climate change in the Pacific Northwest will likely include:³⁶

³³ Karl, T.R., J.M. Melillo, and T.C. Peterson, eds. 2009. *Global Climate Change Impacts in the United States*. U.S. Global Change Research Program. June. Retrieved June 16, 2009, from www.globalchange.gov/usimpacts; and Pachauri, R.K. and A. Reisinger, eds. 2007. *Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II, and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*.

³⁴ Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Upper Willamette River Basin of Western Oregon*. Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009, from <http://climlead.uoregon.edu/pdfs/willamettereport3.11FINAL.pdf> and Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Rogue River Basin of Southwest Oregon*. Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009 from <http://climlead.uoregon.edu/pdfs/ROGUE%20WSFINAL.pdf>

³⁵ Mote, P., E. Salathe, V. Duliere, and E. Jump. 2008. *Scenarios of Future Climate for the Pacific Northwest*. Climate Impacts Group, University of Washington. March. Retrieved June 16, 2009, from <http://cse.washington.edu/db/pdf/moteetal2008scenarios628.pdf>; Littell, J.S., M. McGuire Elsner, L.C. Whitely Binder, and A.K. Snover (eds). 2009. "The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate - Executive Summary." *In The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate*, Climate Impacts Group, University of Washington. Retrieved June 16, 2009, from www.cse.washington.edu/db/pdf/wacciaexecsummary638.pdf; Madsen, T. and E. Figdor. 2007. *When it Rains, it Pours: Global Warming and the Rising Frequency of Extreme Precipitation in the United States*. Environment America Research & Policy Center and Frontier Group.; and Mote, P.W. 2006. "Climate-driven variability and trends in mountain snowpack in western North America." *Journal of Climate* 19(23): 6209-6220.

³⁶ The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon’s agriculture through changes in growing season, temperature ranges, and water availability.³⁷ Climate change may impact Oregon’s forestry through an increase in wildfires, a decrease in the rate of tree growth, a change in the mix of tree species, and increases in disease and pests that damage trees.³⁸
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,³⁹ (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times, these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2008 and 2009 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn was decreases in employment related to the housing market, such as construction and real estate. As these industries recover, they will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

State Trends

Short-Term Trends

According to the Oregon Office of Economic Analysis (OEA), the Oregon economy “is on firmer ground today following a rocky start to the year....” They emphasize, however, that the economy continues to strike the “sweet spot” despite a rocky start to 2019.⁴⁰ The OEA also reports that although the Oregon economy has been slowing down over the last couple of years and is not outpacing the nation any longer, its “growth is strong enough to keep up with a growing population but also deliver economic and income gains to Oregonians.”⁴¹

³⁷ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

³⁸ “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

³⁹ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

⁴⁰ Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 2. Retrieved from: <https://www.oregon.gov/das/OEA/Documents/forecast0519.pdf>.

⁴¹ *Ibid*, page 2.

Wages in Oregon continue to remain below the national average, but they continue to rise and remain strong, staying at their highest point relative to the state's mill closures in the 1980s.⁴² By the end of 2019, the OEA forecasts 39,800 jobs will be added to Oregon's economy. This is an approximate 2.1% annual growth in total nonfarm employment relative to 2018 levels.⁴³ The health services, professional and business services, leisure and hospitality, retail trade, and manufacturing industries are forecasted to account for well over half of the total job growth in Oregon for 2019. Oregon continues to have an advantage in job growth compared to other states, due to its industrial sector and in-migration flow of young workers in search of jobs.

The housing market continues to recover as Oregon's economy improves, though new supply is not keeping up with demand. As a result, prices continue to rise to considerable levels and the OEA reports housing "(in)affordability is becoming a larger risk" to Oregon's economic outlook.⁴⁴ Oregon is seeing an increase in household formation rates, which is good for the housing market as this will "help drive up demand for new houses."⁴⁵ Though younger Oregonians are tending to live at home with their parents longer, the aging Millennial generation (from their early 20s to mid-to-late 30s) and the state's increase in migration will drive demand for homes in the coming years. Housing starts in 2019 are on track to reach 20,600 units and in 2020, starts are expected to increase to 21,800. Beyond 2020, the OEA forecasts an average growth of 24,000 units per year to satisfy the demand for Oregon's growing population and to make up for the under development of housing post-recession.⁴⁶

The Oregon Index of Leading Indicators (OILI) continues to grow quite rapidly in 2019 despite a decrease in 2018. The leading indicators showing improvement are: air freight, consumer sentiment, and withholding. Indicators that are slowing down include: help wanted ads, housing permits, industrial production, initial claims, the manufacturing purchasing managers index (PMI), new incorporations, and the Oregon Dollar Index. The one indicator not improving at this point in time is semiconductor billings. Relative to their September 2018 forecast, many economic indicators in their May 2019 forecast have changed from *improving* to *slowing*, which further illustrates the slowing down of Oregon's economy after several years of extended growth.⁴⁷

Oregon's economic health is dependent on export markets. The value of Oregon exports in 2018 was \$22.3 billion, a 2% growth from 2017. In 2018, Oregon's exports made up approximately 9.4% of its total 2018 GDP.⁴⁸ The countries that Oregon exports the most to are China (21.4% of total Oregon exports), Canada (14.4%), Japan (9.8%), South Korea (7.6%), Malaysia (6.6%), and

⁴² *Ibid*, page 6.

⁴³ *Ibid*, page 36.

⁴⁴ *Ibid*, page 13.

⁴⁵ *Ibid*, page 12.

⁴⁶ *Ibid*, page 12.

⁴⁷ *Ibid*, page 9.

⁴⁸ U.S. Bureau of Economic Analysis. Gross Domestic Product (GDP) by State (Millions of current dollars). Retrieved from: <https://apps.bea.gov/iTable/indexregional.cfm>

Vietnam (5.0%).⁴⁹ With the escalating trade war occurring overseas, specifically with China, Oregon exports are left potentially vulnerable, as China is a top destination for Oregon exports.⁵⁰ The OEA notes that it is too soon to assess the disruptiveness of the trade war on global supply chains, however, developments will be tracked as it continues. An economic slowdown across many parts of Asia will have a spillover effect on the Oregon economy.

Long-term Trends

State, regional, and local trends will also affect economic development in McMinnville over the next 20 years. The most important of these trends includes: continued in-migration from other states, distribution of population and employment across the state, and change in the types of industries in Oregon.

- **Continued in-migration from other states.** Oregon will continue to experience in-migration (more people moving *to* Oregon than *from* Oregon) from other states, especially California and Washington. From 1990 to 2018, Oregon’s population increased by about 1.35 million, 69% of which was from people moving into Oregon (net migration). The average annual increase in population from net migration over the same time period was approximately 32,000 persons. During the early- to mid-1990’s, Oregon’s net migration was highest, reaching over 60,000 in 1991, with another relatively high peak of 57,100 persons in 2017. Oregon has not seen negative net migration since the early- to mid-1980’s.⁵¹
- **Forecast of job growth.** Total nonfarm employment is expected to increase from 1.95 million in 2019 to 2.04 million in 2022, an increase of 88,000 jobs. The industries with the largest growth are forecasted to be Government, Health Services, Professional and Business Services, Leisure and Hospitality, and Retail, accounting for 89% of employment growth.⁵²
- **Continued importance of manufacturing to Oregon’s economy.** Oregon’s exports totaled \$19.4 billion in 2008, nearly doubling since 2000, and reached \$22.3 billion in 2018. The majority of Oregon exports go to countries along the Pacific Rim, with China, Canada, Japan, South Korea, Malaysia, and Vietnam as top destinations. Oregon’s largest exports are tied to high tech and mining, as well as agricultural products.⁵³

⁴⁹ United States Census Bureau. State Exports from Oregon, 2015-2018. Retrieved from: <https://www.census.gov/foreign-trade/statistics/state/data/or.html>.

⁵⁰ Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 2.

⁵¹ Portland State University Population Research Center. 2018 Annual Population Report Tables. April 2019. Retrieved from: <https://www.pdx.edu/prc/population-reports-estimates>.

⁵² Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 36.

⁵³ United States Census Bureau. State Exports from Oregon, 2015-2018. Retrieved from: <https://www.census.gov/foreign-trade/statistics/state/data/or.html>.

Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.⁵⁴

- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon’s manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing.⁵⁵
- **Income.** Oregon’s income and wages are below that of a typical state. However, Oregon wages continue to grow and remain strong, and they are at their highest point relative to the mill closures resulting from the early 1980’s recession. In 2018, the average annual wage in Oregon was \$53,058, and in 2017, the median household income in Oregon was \$60,212 (compared to national average wages of \$57,265 in 2018, and national household income of \$60,336 in 2017).⁵⁶ Total personal income (all classes of income, minus Social Security contributions, adjusted for inflation) in Oregon is expected to increase by 22%, from \$219.5 billion in 2019 to \$267.6 billion in 2023.⁵⁷ Per capita income is expected to increase by 16% over the same time period, from \$51,700 (thousands of dollars) in 2019 to \$60,200 in 2023 (in nominal dollars).⁵⁸
- **Small businesses continue to account for a large share of employment in Oregon.** While small firms played a large part in Oregon’s expansion between 2003 and 2007, they also suffered disproportionately in the recession and its aftermath (64% of the net jobs lost between 2008 and 2010 was from small businesses).

In 2016, small businesses (those with 100 or fewer employees) accounted for 95% of privately-owned businesses in Oregon. Said differently, most businesses in Oregon are small (in fact, 76% of all businesses have fewer than 10 employees), but the largest share of Oregon’s employees work for medium-to-large businesses (those with 100 or more employees).⁵⁹

⁵⁴ Oregon Employment Department. *Employment and Wages by Industry (QCEW)*. 2018 Geographic Profile, Manufacturing (31-33). Retrieved from: qualityinfo.org.

⁵⁵ Although Oregon’s economy has diversified since the 1970’s, natural resource-based manufacturing accounts for about 37% of employment in manufacturing in Oregon in 2018, with the most employment in Food Manufacturing (29,900) and Wood Product Manufacturing (23,400) (QCEW).

⁵⁶ Average annual wages are for “Total, all industries,” which includes private and public employers. Oregon Quarterly Census of Employment and Wages, 2018. Retrieved from: <https://www.qualityinfo.org>; Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2017; Total, U.S. Census American Community Survey 1-Year Estimates, 2017, Table B19013.

⁵⁷ Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 36.

⁵⁸ *Ibid*, page 36.

⁵⁹ U.S. Census Bureau, 2016 Statistics of U.S. Businesses, Annual Data, Enterprise Employment Size, U.S and States.

The average annualized payroll per employee for small businesses was \$37,958 in 2016, which is considerably less than that for large businesses (\$57,488) and the statewide average for all businesses (\$47,746).⁶⁰ Younger workers are important to continue growth of small businesses across the nation. More than one-third of Millennials (those born between 1980 - 1999) are self-employed, with approximately half to two-thirds interested in becoming an entrepreneur. Furthermore, in 2011, about 160,000 startup companies were created each month; 29% of these companies were founded by people between 20 to 34 years of age.⁶¹ According to the Kauffman Indicators of Entrepreneurship, in 2018, about 79% of startups nationwide were still active after one year. On average, startups nationwide created approximately 5.2 jobs in their first year (when normalized by population).⁶² However, it is typically the case that startups are important for job creation on a longer time horizon, well beyond their first year, as “fewer than half of all startups in America are still in business after five years.”⁶³

- **Entrepreneurship in Oregon.** The creation of new businesses is vital to Oregon’s economy as their formations generate new jobs and advance new ideas and innovations into markets. They also can produce more efficient products and services to better serve local communities. The Kauffman Foundation reports several statistics at the state level related to entrepreneurship. They report: the rate of new entrepreneurs, the opportunity share of new entrepreneurs (new entrepreneurs who created a business by choice instead of necessity), startup early job creation (the average number of jobs created by startups in their first year, normalized by population), and startup early survival rate (the percent of startups that are still active after one year).

According to Kauffman’s indicators, Oregon’s opportunity share of new entrepreneurs is at its highest relative point post-recession, reaching approximately 80% in 2017, up from its post-recession low of 71% in 2012. Startup early job creation also continues to increase. In 2017, the average number of jobs created by startups in their first year reached 5.24, which is comparable to the national average of 5.27. Relative to Oregon’s post-recession low of 3.80 in 2010, the average number of startup jobs have increased approximately 38%. However, the two remaining entrepreneurial indicators, the rate of new entrepreneurs and startup early survival rate, are declining somewhat in Oregon. In 2017, the rate of new entrepreneurs decreased by 0.02 percentage points, from 0.34% in 2016 to 0.32% in 2017, though Oregon’s 2017 rate aligns closely with the national average of 0.33%. For Oregon’s startup early survival rate, it declined to 78.4% in 2017 from a post-recession peak of 80.1% in 2015. Though this decline is not substantially large, the downward trend suggests startups, on average, are not persisting as well as they used to

⁶⁰ *Ibid.*

⁶¹ Cooper, Rich, Michael Hendrix, Andrea Bitely. (2012). "The Millennial Generation Research Review." Washington, DC: The National Chamber Foundation. Retrieved from: <https://www.uschamberfoundation.org/sites/default/files/article/foundation/MillennialGeneration.pdf>.

⁶² Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Indicators: Startup Early Job Creation and Startup Early Survival Rate. Information retrieved on December 19, 2019 from: <https://indicators.kauffman.org/data-table>

⁶³ Nish Acharya. “Small Business Are Having A Bigger Impact on Job Creation Than Large Corporations.” *Forbes*, May 5, 2019. <https://www.forbes.com/sites/nishacharya/2019/05/05/who-is-creating-jobs-in-america/#5c74c156597d>

relative to two years ago. Oregon’s startup early survival rate in 2017 is 1.4 percentage points below the national average of 79.8%.⁶⁴

Moreover, in 2018, the Oregon OEA reports new business applications in Oregon are increasing. They do, however, simultaneously note startup businesses “are a smaller share of all firms than in the past.”⁶⁵ Though this measurement of economic activity does not constitute a full understanding of how well entrepreneurship is performing, it does provide an encouraging signal.

Regional and Local Trends

Throughout this section and the report, McMinnville is compared to Yamhill County and the State of Oregon. These comparisons are to provide context for changes in McMinnville’s socioeconomic characteristics.

Availability of Labor

The availability of trained workers in McMinnville will impact development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in McMinnville over the next 20 years include its growth in its overall population, growth in the senior population, and commuting trends.

Growing Population

Population growth in Oregon tends to follow economic cycles. Oregon’s population grew from 2.8 million people in 1990 to nearly 4.2 million people in 2018, an increase of over 1,350,000 people at an average annual growth rate of 1.4%. Oregon’s growth rate slowed to 1.1% annual growth between 2000 and 2018.

McMinnville’s population increased by 15,916 residents over 1990 to 2018, nearly doubling in size. This growth is reflected in its average annual growth rate (AAGR) of 2.3% (and notably, the growth rate used for the 2000-2020 period in the 2002 McMinnville Housing Needs Analysis), which is 0.9 percentage points higher than the State’s rate of 1.4%. Similar to McMinnville, Yamhill County’s population grew more rapidly than the State, averaging 1.8% growth year-over-year. The County added 41,864 residents over 1990 to 2018 and McMinnville accounts for about 38% of this growth.

⁶⁴ Kauffman Foundation. *Kauffman Indicators of Entrepreneurship. State Profile: Oregon*. Retrieved from: <https://indicators.kauffman.org/state/oregon>

⁶⁵ Lehner, Josh. (August 2018). “Start-Ups, R&D, and Productivity.” Salem, OR: Oregon Office of Economic Analysis. Retrieved from: <https://oregoneconomicanalysis.com/2015/03/13/start-ups-and-new-business-formation/>.

Exhibit 18. Population Growth, McMinnville, Yamhill County, and Oregon, 1990 – 2018

Geography					Change, 1990 - 2018		
	1990	2000	2010	2018	Number	Percent	AAGR
McMinnville	17,894	26,499	32,930	33,810	15,916	89%	2.3%
Yamhill County	65,551	84,992	95,925	107,415	41,864	64%	1.8%
Oregon	2,842,337	3,421,399	3,844,195	4,195,300	1,352,963	48%	1.4%

Source: U.S. Census Bureau, 1990, 2000, and 2010. Portland State University Population Estimates, 2018.

Age Distribution

The number of people aged 65 and older in the U.S. is expected to increase by nearly three-quarters by 2050, while the number of people under age 65 will only grow by 16%. The economic effects of this demographic change include a slowing of the growth of the labor force, need for workers to replace retirees, aging of the workforce for seniors that continue working after age 65, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.⁶⁶

Exhibit 19 through Exhibit 22 show the following trends:

- McMinnville’s population is aging slightly faster than Yamhill County’s population. Populations of both McMinnville and Yamhill County are aging faster than Oregon’s population with respect to each region’s growth in median age.
- Over the 2000 to 2013-2017 period, those in the age groups of 45 to 64 and 65 years and older in McMinnville increased by 59% and 48%, respectively. These age groups grew substantially more than all other age categories. This suggests that McMinnville may be retaining residents throughout their mid-to-late careers as they age and/or attracting more people in their mid-to-late careers.
- Yamhill County’s population is expected to continue to age, with people 60 years and older increasing from 23% of the population in 2017 to 28% of the population in 2035. This is consistent with statewide trends. McMinnville and Yamhill County may continue to attract mid-life and older workers over the twenty-year planning period. While the share of retirees in these respective areas may increase over the next 20 years, availability of people nearing retirement (e.g., 55 to 70 years old) is likely to increase. People in this age group may provide sources of skilled labor, as people continue to work until later in life. These skilled workers may provide opportunities to support business growth in these areas.

⁶⁶ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017, *The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, July 13, 2017. *The Budget and Economic Outlook: Fiscal Years 2018 to 2028*, April 2018.

McMinnville’s median age increased by about 4.6 years between 2000 and 2013-2017.

This change is slightly larger than Yamhill County’s increase of 4.1 years. Median age increases for both regions exceeded Oregon’s change of 2.8.

Exhibit 19. Median Age, McMinnville, Yamhill County, and Oregon, 2000 to 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, Table P013; American Community Survey 2013-2017 5-year estimates, Table B01002.

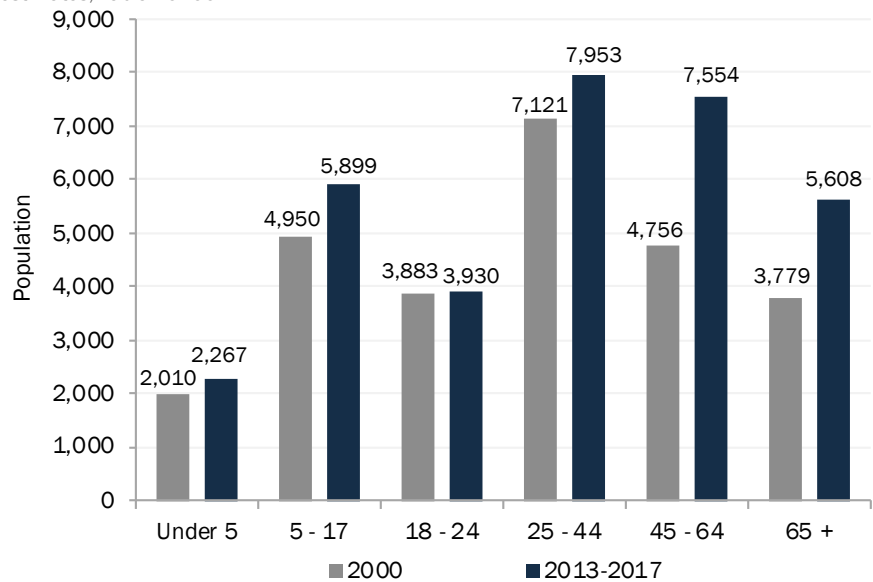
2000	31.5 McMinnville	34.1 Yamhill County	36.3 Oregon
2013-17	36.1 McMinnville	38.2 Yamhill County	39.2 Oregon

Over the 2000 to 2013-2017 period, McMinnville’s largest population increase was for those 45 to 64 (59%) and those aged 65 and older (48%).

This is consistent with statewide trends, where the aforementioned age categories increased the most relative to younger age categories. The Oregon population of those 45 to 64 years of age increased by 30% and those 65 and older increased by 50%.

Exhibit 20. McMinnville Population Change by Age Group, 2000 to 2013-2017

Source: U.S. Census Bureau, 2000 Summary File; American Community Survey 2013-2017 5-year estimates, Table B01001.



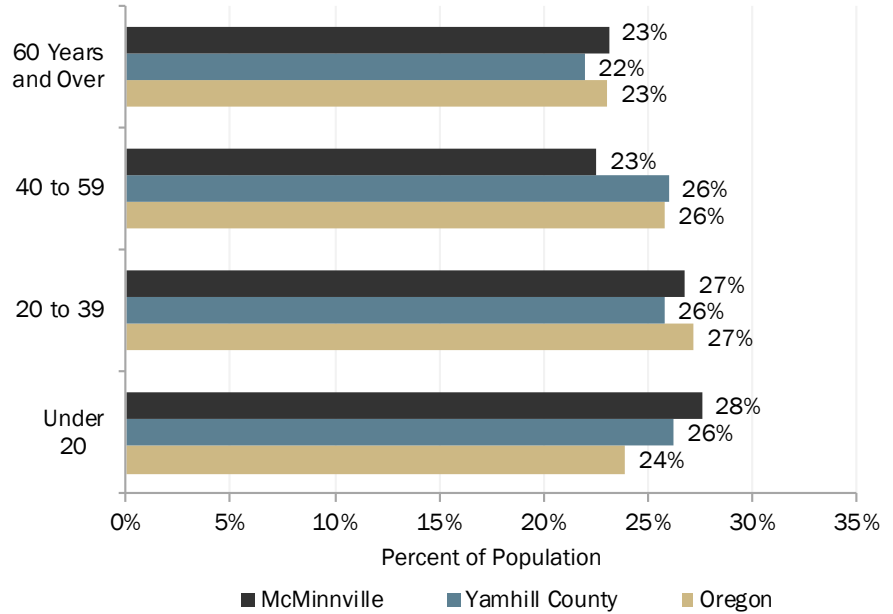
During the 2013-2017 period, the age distribution of McMinnville residents was roughly even across each category, with a slightly smaller proportion of middle-to-older aged adults (40 and older) relative to those 39 years of age and younger.

About 46% of McMinnville residents are 40 years and older and 54% are 39 and younger.

Additionally, the proportion of McMinnville residents under 20 years of age was four percentage points higher than Oregon.

Exhibit 21. Population Distribution by Age, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey, 2013-2017 5-year estimate, Table B01001.

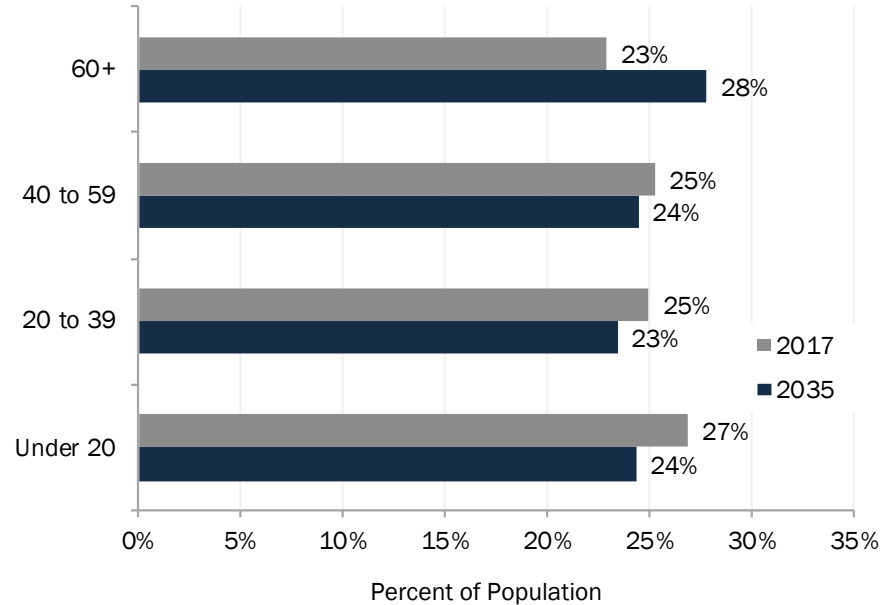


By 2035, Yamhill County will have a larger share of residents older than 60 than it does today. The population forecast for all other age groups projects smaller County population shares by 2035.

The share of residents aged 60 years and older will account for 28% of Yamhill County's population, compared to 23% in 2017.

Exhibit 22. Population Growth by Age Group, Yamhill County, 2017 - 2035

Source: Oregon Population Forecast, 2017.



Income

Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. McMinnville’s median household income (\$50,299) was below the County median (\$58,392) during the 2013-2017 period. Average wages at businesses in McMinnville (\$40,105) were lower than the County average (\$42,315).⁶⁷

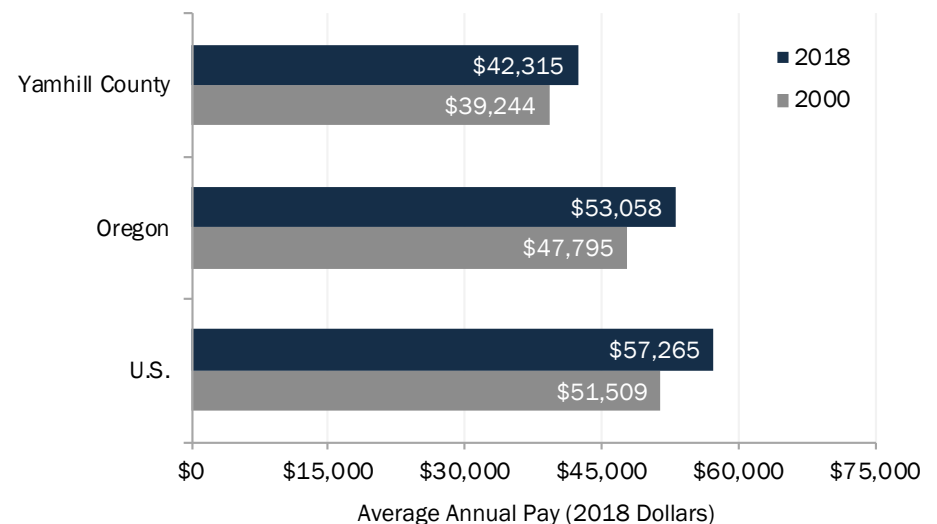
Between 2000 and 2018, Yamhill County’s average wages increased as they also did in Oregon and the nation. When adjusted for inflation to 2018 dollars, average annual wages grew by 8% in Yamhill County, 11% in Oregon, and 11% in the nation.

From 2000 to 2018, average annual wages rose in Yamhill County, Oregon, and the nation.

In 2018, average annual wages were \$42,321 in Yamhill County, \$53,058 in Oregon, and \$57,265 across the nation.

Exhibit 23. Average Annual Wage, Covered Employment, Yamhill County, Oregon, and the U.S., 2000 to 2018, Inflation-adjusted 2018 Dollars

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.
Note: 2018 average annual pay estimates are preliminary, according to the BLS.



Over the 2013-2017 period, the median household income in McMinnville was below that of Yamhill County and Oregon by 14% and 10%, respectively.

Exhibit 24. Median Household Income (MHI),⁶⁸ 2013-2017, Inflation-adjusted 2017 Dollars

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19013.

\$50,299 McMinnville	\$58,392 Yamhill County	\$56,119 Oregon
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⁶⁷ According to the Census, Household income includes the income of the householder and other income earners ages 15 or older, thus the mix of sources of income ranges in reporting of household income. Average wage is calculated using Quarterly Census of Employment and Wages data, based on payroll information and number of employees by establishment.

⁶⁸ The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they are related or not.

McMinnville median family income during the 2013-2017 period, similar to median household income, was below the median family income of both Yamhill County and Oregon by 12% and 15%, respectively.

Exhibit 25. Median Family Income,⁶⁹ 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19113.

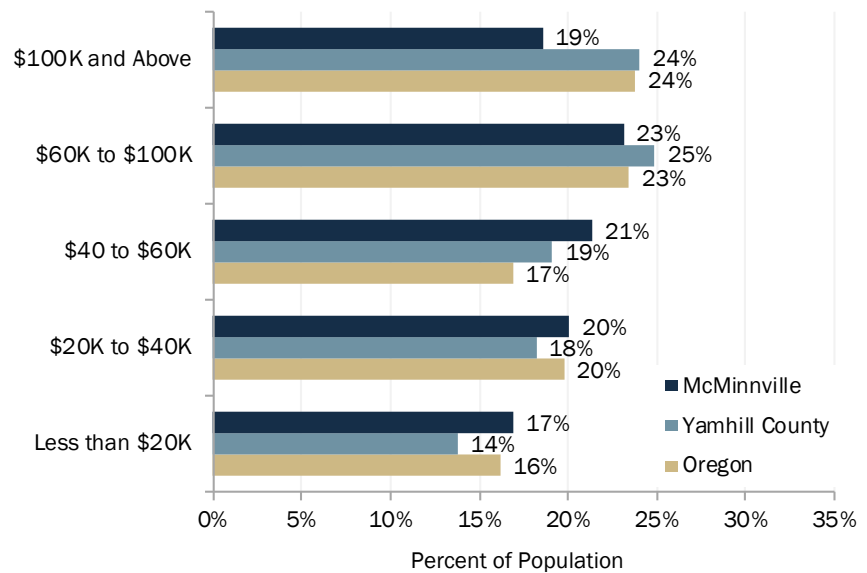
\$58,620 McMinnville	\$66,732 Yamhill County	\$69,031 Oregon
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During the 2013-2017 period, 37% of McMinnville households earned less than \$40,000 annually, compared to 32% of Yamhill County households and 36% of Oregon households.

Over the same period, McMinnville households had a lower proportion of higher income earnings (\$100,000 and above) relative to Yamhill County and Oregon.

Exhibit 26. Household Income by Income Group, McMinnville, Yamhill County, and Oregon, 2013-2017, Inflation-adjusted 2017 Dollars

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19001.



⁶⁹ The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who are related to the head of household by birth, marriage, or adoption.

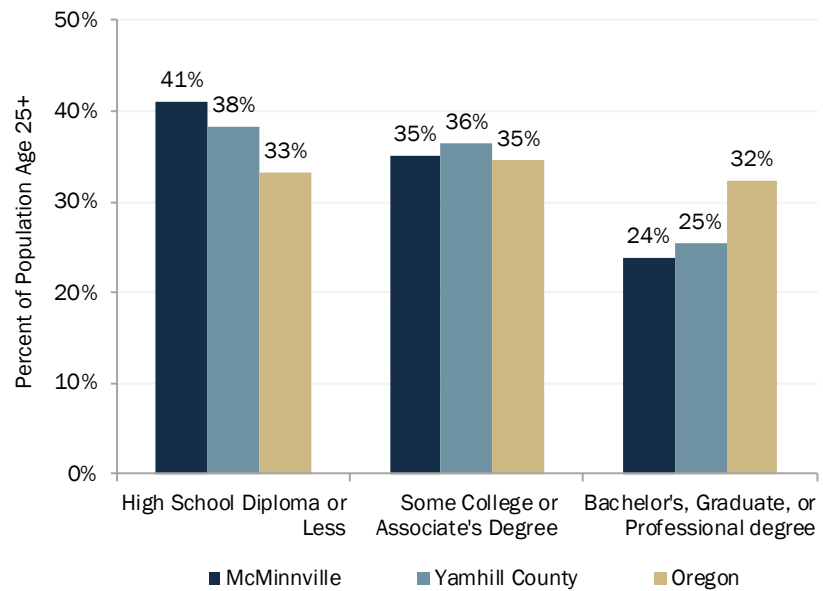
Educational Attainment

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers.

McMinnville's residents are consistent with residents statewide regarding their completion of some college or attainment of an Associate degree; however, attainment of a Bachelor's degree or a professional degree is lower for McMinnville's residents relative to statewide trends.

Exhibit 27. Educational Attainment for the Population 25 Years and Over, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B15003.



Labor Force Participation and Unemployment

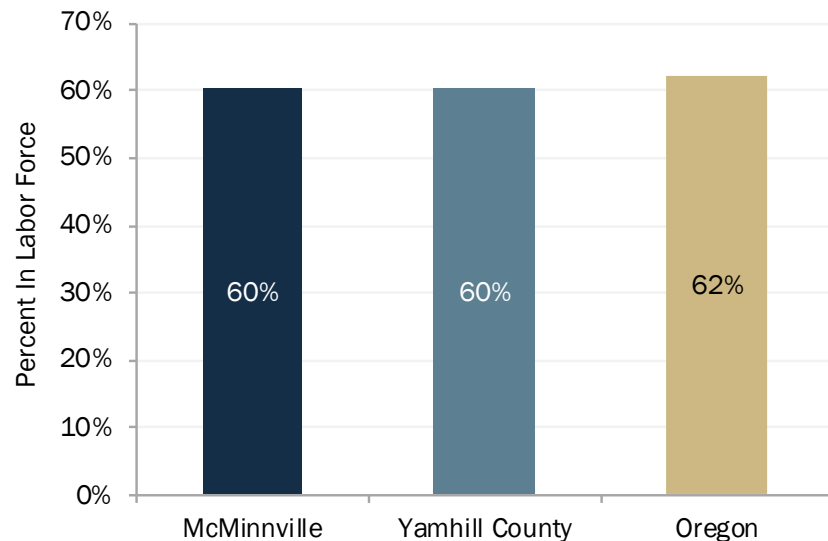
The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2013-2017 American Community Survey, Yamhill County had more than 49,000 people in its labor force during that period and McMinnville had close to 15,500 people in its labor force.

In 2017, the Oregon Office of Economic Analysis reported that 64% of job vacancies were difficult to fill. The most common reason for difficulty in filling jobs included a lack of applications (30% of employers' difficulties), lack of qualified candidates (17%), unfavorable working conditions (14%), a lack of soft skills (11%), and a lack of work experience (9%).⁷⁰ These statistics indicate a mismatch between the types of jobs that employers are demanding and the skills that potential employees can provide.

McMinnville's labor force participation rate for the 2013-2017 period is comparable to Yamhill County.

Exhibit 28. Labor Force Participation Rate, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B23001.



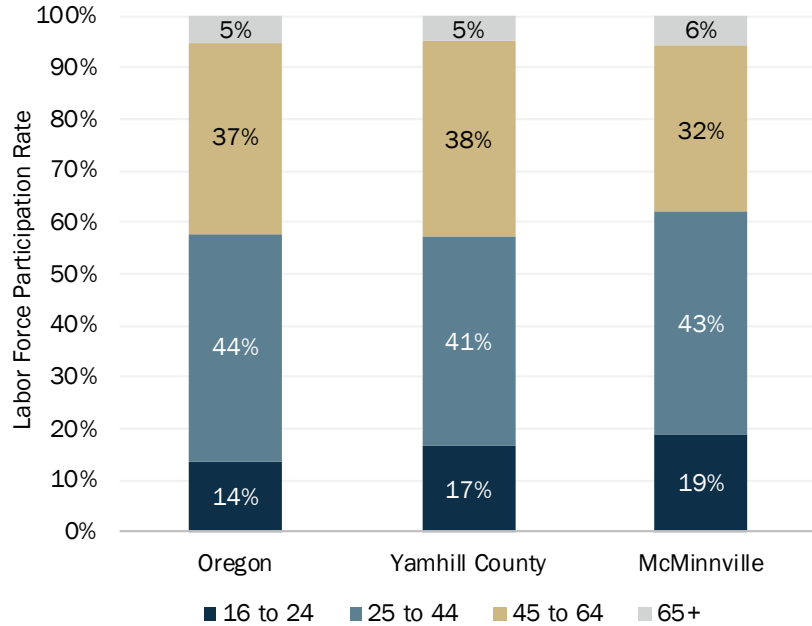
⁷⁰ Oregon's Current Workforce Gaps: Difficult-to-fill Job Openings, Oregon Job Vacancy Survey, Oregon Employment Department, June 2018.

By age group, McMinnville has a larger share of residents aged 16 to 24 participating in the labor force relative to Yamhill County and Oregon.

In contrast, McMinnville has a smaller share of residents aged 45 to 64 participating in the labor force compared to Yamhill County and Oregon.

Exhibit 29. Labor Force Participation Rate, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table S2301.

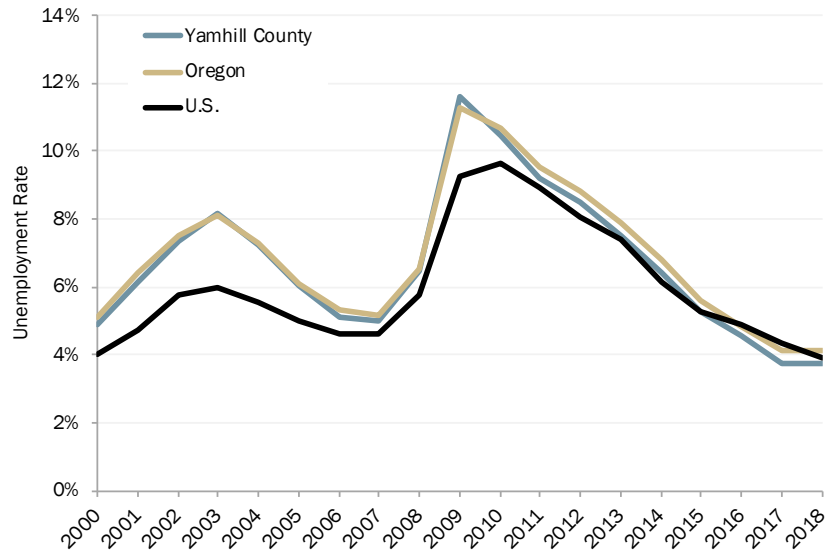


The unemployment rates in Yamhill County, Oregon, and the nation have declined below their respective 2000 rates.

Yamhill County closely follows Oregon's unemployment rate. In 2018, the unemployment rate in Yamhill County was 3.8%. In Oregon, the rate was 3.9%, and in the nation, 4.2%.

Exhibit 30. Unemployment Rate, Yamhill County, Oregon, and the U.S., 2000 - 2018

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Labor Force Statistics.



Commuting Patterns

Commuting plays an important role in the McMinnville’s economy because employers in these areas are able to access workers from people living in cities across Yamhill County and from the broader Mid-Willamette Valley Region.

Exhibit 32 shows that 38% of people who work in McMinnville reside in McMinnville, 4% commute from Salem, 3% commute from Portland, and 3% from Newberg. The remaining workers commute from various other cities located across the Region.

McMinnville is part of an interconnected regional economy.

Of the approximate 15,080 persons employed in McMinnville (as of 2017), 62% of workers commute to their jobs from outside of the City. The remaining 38% of workers both live and are employed in McMinnville.

Exhibit 31. Commuting Flows, McMinnville, 2017

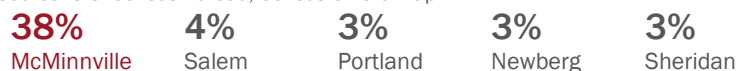
Source: U.S. Census Bureau, Census On the Map.



As of 2017, about 38% of all people who work in McMinnville also live in McMinnville.

Exhibit 32. Places Where McMinnville Workers Lived,⁷¹ 2017

Source: U.S. Census Bureau, Census On the Map.



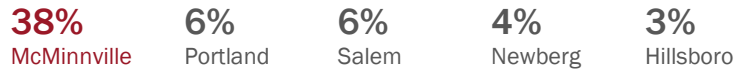
⁷¹ In 2017, 15,080 people worked at businesses in McMinnville, with 38% (5,721) people both employed and working in McMinnville.

About 38% of residents who live in McMinnville also work in McMinnville.

Six percent of McMinnville residents commute to Portland for work and another six percent commute to Salem.

Exhibit 33. Places Where McMinnville Residents were Employed,⁷² 2017

Source: U.S. Census Bureau, Census On the Map.



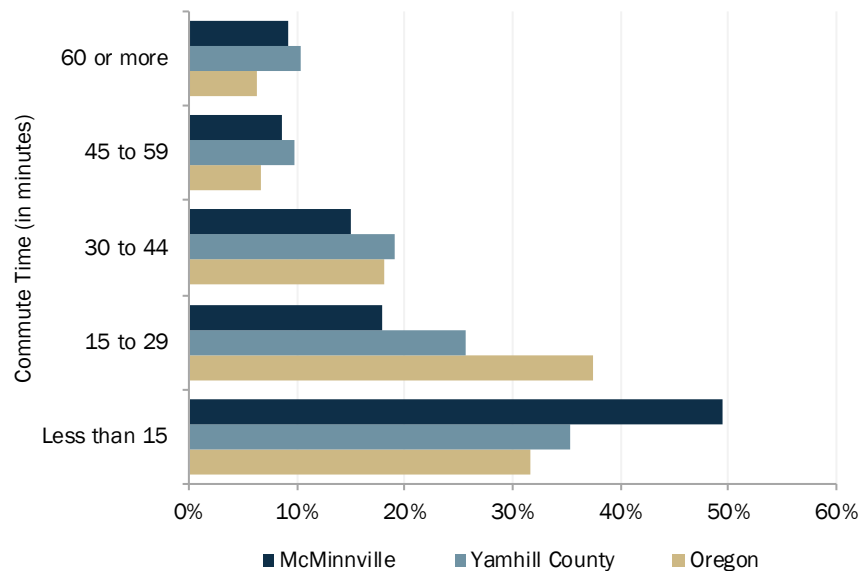
During the 2013-2017 period, about 49% of McMinnville workers had a commute of less than 15 minutes, compared to 35% of Yamhill County workers and 32% of Oregon workers.

Relative to Yamhill County and Oregon workers, McMinnville workers tend to have shorter commute times.

Where the majority (55%) of Oregon workers have commutes between 15 to 44 minutes, only 33% of McMinnville workers have commute times of that length. However, at the higher end of commuting times (45 minutes or more), almost one-fifth (18%) of McMinnville workers spend a sizable amount of time on the road.

Exhibit 34. Commute Time by Place of Residence, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B08303.



⁷² In 2017, 5,569 residents of McMinnville worked, with 38% of McMinnville residents (5,569 people) both living and employed in McMinnville.

Tourism in the Willamette Valley Region and Yamhill County

Longwoods International provides regional statistics on travel. The following information is from Longwoods International's 2017 Regional Visitor Report for the Willamette Valley Region, which is defined as Benton, Lane (eastern, non-coastal region), Linn, Marion, Polk, and Yamhill counties.⁷³ Broadly, travelers to the Willamette Valley Region accounted for:⁷⁴

- 5.5 million overnight trips in 2017, or 16% of all Oregon overnight travel that year.
- The primary market area for travelers over 2016 and 2017 were Oregon, California, and Washington:⁷⁵ 48% of Willamette Valley visitors came from Oregon, 19% came from California, and 14% came from Washington.
- About 53% of visitors stayed 2 or fewer nights over 2016 and 2017 in the Willamette Valley, 32% stayed 3 to 6 nights, and 15% stayed 7 or more nights. The average nights spent in the Willamette Valley Region was 4.3.
- The average per person expenditures on overnight trips in 2017 ranged from \$9 on recreation, sightseeing, and entertainment to \$35 per night on lodging.
- About 75% of visits to the Willamette Valley Region over 2016 and 2017 were via personally-owned automobiles/trucks, 18% were by rental car, and 13% were via an online taxi service (such as Lyft or Uber).
- Over 2016 and 2017, visitors tended to be middle-to-older aged adults, with the average age being about 48.7. Those aged 18 to 34 made up 24% of overnight visits, 34% were between 35 and 54, and 42% were 55 and older. About 56% of visitors graduated college or completed a post-graduate education. Additionally, 44% of visitors earned less than \$50,000 in household income, 37% earned between \$50,000 and \$99,999, and 19% earned more than \$100,000. The average household income for Willamette Valley visitors was about \$64,560.

⁷³ Travel Oregon. "Oregon 2017: Regional Visitor Report, Willamette Valley Region," Longwoods International, October 2018. Retrieved from: <http://industry.traveloregon.com/research/archive/willamette-valley-oregon-overnight-travel-study-2017-longwoods-international/>.

⁷⁴ Longwoods International issues caution in interpreting these tourism estimates in the Willamette Valley Region as the sample size for the marketable trips this region is low. For this reason, the data reported is a combination of survey data from 2016 and 2017.

⁷⁵ The data reported in this bullet as well as other bullets noting years "2016 and 2017" are based on *marketable trips*. Longwoods International states marketable trips "are defined as those trip types that can be influenced by marketing efforts and include leisure and business-leisure trips."

Yamhill County's direct travel spending increased 139% from 2000 to 2018.

The Willamette Valley Region's direct travel spending increased by 100% over the same period.

Exhibit 35. Direct Travel Spending (\$ millions), 2000 and 2018

Source: Dean Runyan Associates, Oregon Travel Impacts, 1991-2018.

2000	\$1,000	\$56.7
	Willamette Valley Region	Yamhill County
2018	\$2,000	\$135.7
	Willamette Valley Region	Yamhill County

Yamhill County's lodging tax receipts increased 653% over 2006 to 2018.

Exhibit 36. Lodging Tax Receipts (\$ millions), 2006 and 2018

Source: Dean Runyan Associates, Oregon Travel Impacts, 1991-2018.

2006	\$111.0
	Yamhill County
2018	\$835.8
	Yamhill County

Yamhill County's largest visitor spending for purchased commodities is accommodation and food services.

Exhibit 37. Largest Visitor Spending Categories (\$ millions), Yamhill County, 2018

Source: Dean Runyan Associates, Oregon Travel Impacts.

\$27.9	\$6.3	\$3.9
Accommodations and Food Services	Arts, Entertainment, and Recreation	Retail

Yamhill County's largest employment generated by travel spending is also in the accommodations and food services industry.

Exhibit 38. Largest Industry Employment Generated by Travel Spending (thousands), Yamhill County, 2018

Source: Dean Runyan Associates, Oregon Travel Impacts.

1.1 jobs	0.5 jobs	0.1 jobs
Accommodations & Food Services	Arts, Entertainment, and Recreation	Retail

The number of person nights spent in Yamhill County increased from 1,706,000 in 2017 to 1,773,000 in 2018, an increase of 67,000 overnight stays, or 4%. Over the last nine years, from 2010 to 2018, person nights increased approximately 19%.

4. Economic Development Potential

The fundamental purpose of Goal 9 is to make sure that a local government plans for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

“Economic development is the process of improving a community’s well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy.”⁷⁶

That definition acknowledges that a community’s wellbeing depends in part on narrower measures of economic wellbeing (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From the municipal point of view, investment and resulting increases in property tax are important outcomes of economic development.
- The evaluation of tradeoffs and balancing of policies to decide whether such growth is likely to lead to overall gains in wellbeing (on average and across all citizens and businesses in a jurisdiction, and all aspects of wellbeing) is something that decision makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land-use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and the State. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development regarding economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Specifically, new, small businesses (those with fewer than 100 employees) are accounting for a larger share of the job growth in the United States.⁷⁷ This shift toward a focus on entrepreneurship, innovation, and small businesses presents additional options for local support for economic development

⁷⁶ *An Economic Development Toolbox: Strategies and Methods*, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

⁷⁷ According to the 2018 Small Business Profile from the US Small Business Office of Advocacy, small businesses account for over 99 percent of total businesses in the United States, and their employees account for nearly 50% of American workers. <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>

beyond firm attraction and retention. Thus, a key question for economic development policy is: *What are the factors that influence business and job growth, and what is the relative importance of each?* Specifically, OAR 660-009-0015(4) requires that cities conduct an assessment of community economic development potential, as part of the EOA. This assessment considers: market factors, infrastructure and public facility availability and access, labor, proximity to suppliers and other necessary business services, regulations, and access to job training.

The local factors that form McMinnville’s competitive advantage are summarized in the subsections below.

Factors Affecting Community Economic Development Potential

OAR 660-009-0015(4) stipulates that relevant economic advantages and disadvantages considered with the EOA “may include but are not limited to” factors of: location, size and buying power of markets; availability of transportation facilities for access and freight mobility; public facilities and public services; labor market factors; access to suppliers and utilities; necessary support services; limits on development due to federal and state environmental protection laws; and educational and technical training programs.” This 2020 EOA update is organized to address these considerations together with other factors distinctive to economic development in McMinnville.

Location, Size & Buying Power of Markets. Location is an economic factor that is prominently mentioned in prior planning documents. The 2019 *MAC-Town 2032 Economic Development Strategic Plan* identifies both strengths and weaknesses related to McMinnville’s location and associated transportation factors. Comparative advantages and disadvantages and their implications for economic opportunity in McMinnville are drawn from the 2013 EOA together with more recent MEDP, SEDCOR, and related industry analyses, summarized as follows.⁷⁸

Advantages:

- *Ease of access – with proximity to Portland, Salem & the Oregon coast.* McMinnville is only 40 miles from Portland, 27 miles from Salem, and 51 miles from Lincoln City on the Oregon coast.⁷⁹
- *Central location to serve local community and regional employment and commercial service needs.* McMinnville is well situated to serve the employment and commercial needs of the local community and a larger market area of approximately 75,000 residents, according to the Three Mile Lane market analysis. The City’s market area encompasses

⁷⁸ The 2020 EOA update provides updated information related to comparative advantages and disadvantages, while keeping the structure of the 2013 EOA. Factors that are no longer relevant to McMinnville were removed.

⁷⁹ Source is www.maps.google.com.

North Willamette Valley region—comprised of Yamhill-Carlton, Chehalem Mountains, McMinnville, Ribbon Ridge, Dundee Hills, and Eola-Amity Hills – has been identified with 503 wineries and 20,279 acres of grapes as of 2018.

In addition to recognition as the leading production area for Oregon’s wine industry, Yamhill County agricultural production adds to both local and visitor appeal. The area is known for quality fresh-to-market products including berries, nuts, milk, eggs, fruits and vegetables – and increasingly for custom/organic livestock production. Nursery crops, grass and legume seeds, Christmas trees, grain and hay add to the diversity of Yamhill County agricultural production – as the 6th leading county in terms of value of production in Oregon in 2017.⁸³

The Evergreen Air Museum attracted an estimated 88,400 visitors in 2018. With over 3 million annual visitors, the Spirit Mountain Casino located 24 miles from downtown McMinnville is widely cited as one of the top visitor draws in the state.⁸⁴

McMinnville also is recognized statewide for its remarkable comeback and current vitality of its historic downtown core area. Promoted as “Oregon’s favorite main street,” the McMinnville Downtown Association characterizes the appeal of downtown in these terms:

“Quaint boutiques, unique shops, and local galleries abound. Music fills the air from our farmers’ market performers and outdoor concerts all summer long, and pours out of our restaurants and pubs on winter evenings.”⁸⁵

Disadvantages:

- *Retail sales leakage occurring due to lack of major comparison retail.* As described by the Three Mile Lane market analysis, there is a considerable retail sales leakage of an estimated \$208 million annually throughout the McMinnville Market Area. Factoring in household growth projections, the market analysis forecasts demand for an additional 539,000 square feet of retail development in the McMinnville market area over the coming decade, with 150,000 square feet (or about 28%) being captured in the Three Mile Lane area.⁸⁶

Sites in the McMinnville UGB offer the potential to serve a local and regional market extending to Sheridan/Willamina, Polk County and even some coastal communities – with improved opportunity to serve the Newberg-Dundee area as a result of the recently completed bypass construction. Centrally located sites with good highway access and street visibility can be instrumental to attract commercial businesses that may require market areas of 50,000-100,000+ population.

⁸³ U.S. Census of Agriculture. Yamhill County Profile. 2017.

⁸⁴ As cited by Memorandum #2, Market Study Current Conditions, prepared as part of Northeast Gateway Plan by Leland Consulting Group for the City of McMinnville, May 23, 2011.

⁸⁵ As cited by www.downtownmcminnville.com, as of September 2012.

⁸⁶ McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

- *Need for additional value-added opportunities for visitors.* A key challenge for the future is to provide more and better value-added opportunities for visitors to spend more time and money while visiting the McMinnville area.

Also, the 2019 *Willamette Valley Winery Association Visitor Profile Study* reported that about 53.8% of domestic visitors to the area are non-Oregon residents. Survey respondents noted difficulty of travel to the Willamette Valley as a key factor in not returning to the area. The study also stated that the typical Oregon resident wine tourist spends about \$151.63 per person per day, while the typical non-Oregon resident spends about \$416.43 per person per day.

Note: The 2013 EOA noted the following disadvantage at that time:

“Limited duration of tourism visitation & low expenditure capture. While the McMinnville area and Yamhill County can now boast some of the state’s top tourism attractions, visitor spending does not appear to match visitation. This is because visitors tend not to stay overnight (but are often day visitors) and do not appear to be making substantial expenditures while in the area.”

This has changed substantially. Visit McMinnville reports that visitor spending in Yamhill County has doubled in the last ten years. Lodging statistics in McMinnville are up across the board, including demand, rate, length of stay, occupancy, revenue, and number of properties & inventory of rooms.

Availability of Transportation Facilities for Access & Mobility. Location, size and buying power of markets are substantially affected by current and planned transportation facilities. This is particularly the case in Yamhill County which increasingly has experienced the negative economic development effects of highway congestion on the 99W corridor. However, completion of Phase 1 of the Newberg-Dundee Bypass in January of 2018 has partially reduced congestion, especially for local residents of the region.

Economic development opportunities may be substantially enhanced with further plans for transportation improvements—as with the second phase of the Newberg-Dundee bypass, which is currently in its design phase. A broader look at the role transportation plays in shaping McMinnville’s economic opportunities is outlined as follows.

Advantages:

- *Western & mid-valley cross-roads.* McMinnville is directly served by Highway 99W – as a historically significant central organizing spine to access commercial and industrial businesses throughout the community. Highway 18 has come to play an increasingly important role, not only as a by-pass route for through traffic traveling between the Oregon coast and the Portland metro area but also as a means of accessing more local and regional employment/institutional uses as well as the McMinnville airport. While not directly in McMinnville, Highway 22 (via 99W) provides access to Salem and to Interstate 5 (within approximately 30 miles).

- *Changing traffic patterns.* While serving as one indicator of overall economic activity, this is of particular importance for retail and service businesses as well as tourism oriented destinations reliant on high traffic counts. As of 2018, an estimated 22,900 vehicles per day traveled Highway 18 in the vicinity of the McMinnville airport – an increase of 44% over 2005 counts.⁸⁷

On Highway 99W, up to an estimated 21,900 vehicles traveled daily through McMinnville in 2018, (representing an increase in 99W in-town traffic with 18,900 vehicles in 2013).⁸⁸

- *Air and rail accessibility.* As a general aviation airport, McMinnville Municipal Airport has the capacity to handle corporate jet aircraft – together with availability of aircraft rentals, flight instruction, aircraft maintenance, and fuel. The Portland International Airport (PDX) is located 36 miles from McMinnville, offering daily direct flights with passenger and freight service to Asia, Europe, and Mexico as well as cities throughout the U.S.

The Willamette and Pacific Railroad maintains freight service to McMinnville industrial users. This short-line carrier connects to the Burlington Northern Santa Fe and Union Pacific carriers for transcontinental shipments to and from McMinnville.

Disadvantages:

- *Poor linkages to Interstate freeway access.* Congestion on the 99W corridor in the area of Dundee and further north is cited as a disincentive to business investment from existing and prospective new firms in documents including the 2019 *MAC-Town 2032 Economic Development Strategic Plan*. Of particular concern is the approximate 30-mile distance from McMinnville to the Interstate 5 corridor, exacerbated by substantial congestion affecting connecting routes during much of the business day, especially for the segment of the 99W corridor extending from the Highway 18 merge north of McMinnville through Newberg. The *MAC-Town 2032 Economic Development Strategic Plan* notes that the development of the Highway 99 bypass will likely “improve access to McMinnville.”
- *Challenging Air & Rail Service.* While the distance to PDX for scheduled air service is less than 50 miles, regional roadway congestion makes travel times unpredictable during business hours and about half this distance from McMinnville occurs on two-lane roadways. With increasing regional traffic congestion, access to Portland International Airport is ever more problematic both for freight shippers and employees who must travel for their jobs.

As described by the 2001 EOA, “lack of convenient and efficient access to Portland International Airport was one factor cited by Hewlett-Packard in its decision to leave McMinnville, and it may discourage other existing or prospective firms from expanding

⁸⁷ Annual Average Daily Traffic counts (point near McMinnville Airport). Oregon Department of Transportation. <https://gis.odot.state.or.us/transgis/>

⁸⁸ Annual Average Daily Traffic counts (point near McMinnville High School). Oregon Department of Transportation. <https://gis.odot.state.or.us/transgis/>

or locating in McMinnville.” Also noted is that rail traffic bound for Portland has been routed south, then north, due to the unsuitability of existing trackage north of McMinnville.

The Oregon Department of Transportation (ODOT) completed construction of Phase 1 of the Newberg-Dundee Bypass and has proceeded into the design phase for Phase 2, which will affect economic opportunities in the coming years. Per the fact sheet associated with Phase 1 of the Bypass project, congestion was reduced by approximately 20% in downtown Newberg and by 40% in downtown Dundee. Freight traffic was also reduced by approximately 45% in Newberg and 68% in Dundee. These congestion reductions have the added benefit of increasing safety on 99W and simultaneously diminishing travel time during peak commute periods.⁸⁹ The Phase 2 improvement (currently in a design phase) is expected to have the effect of further reducing travel times on the 99W corridor north of McMinnville to Newberg via an extension of the Phase 1 Bypass.

Public-Private Facilities, Services & Environmental Factors. This discussion combines related items of OAR 660-009-0015(4) as related to public facilities and public services, access to suppliers and utilities, necessary support services, and environmental limitations. This is due to the inter-connected roles of these factors in affecting overall economic activity for both industrial and commercial business activities.

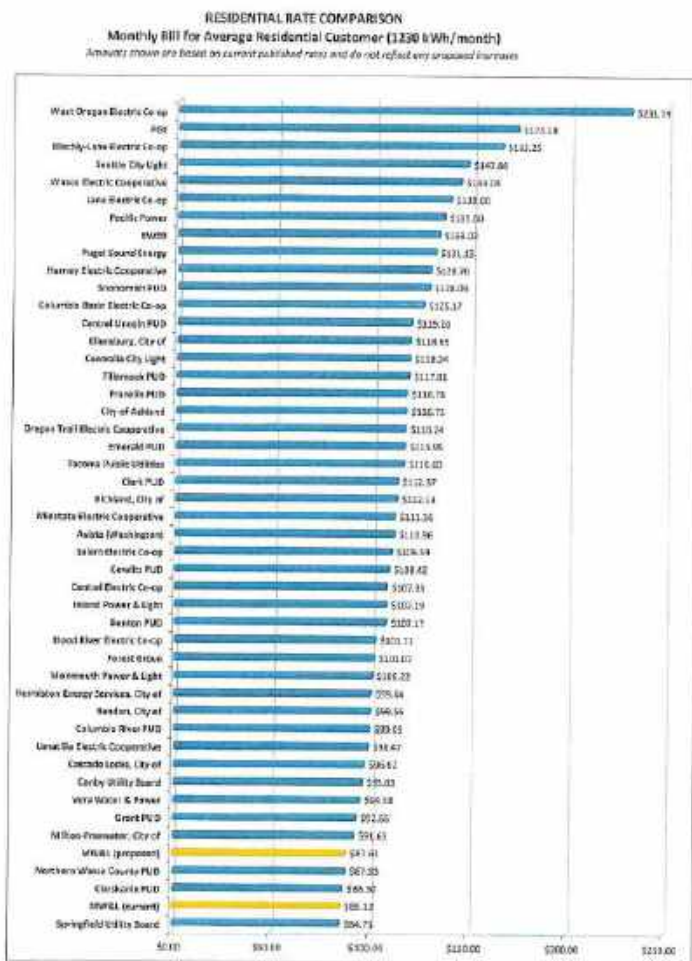
The availability and cost of both public and private support services can affect the costs of living or doing business in McMinnville. Environmental factors can similarly serve to constrain or, in some cases, benefit economic development investments. A firm’s location decision may reflect consideration of the comparative value versus cost of doing business in McMinnville or other potentially viable locations in Oregon or elsewhere.

Advantages:

- *Low public utility rates.* McMinnville is recognized as offering low electricity and water rates compared with other public and private utilities region-wide and statewide (Exhibit 40). The public utility provider, McMinnville Water and Light (MW&L), was founded in 1889 and continues to provide low cost, reliable water and power services.

⁸⁹ Oregon Department of Transportation. 2014. *Newberg-Dundee Bypass Project*. Retrieved from: <http://oregonjta.org/region2/files/highway99w/docs/overall-fact-sheet-for-web-dec-2014.pdf>

Exhibit 40. Residential Rate Comparison for Oregon Utility Services



Source: McMinnville Water and Light.

- *Water & sewer capacity for growth.*
 - *Water supply and water rights.* Water supply is from the Yamhill and Nestucca River basins. In 2005, MW&L completed expansion of McGuire Reservoir, more than doubling reservoir capacity, providing ample water supply through at least 2025. Beyond 2025, MW&L has sufficient capacity for water rights and supply to meet needs through at least 2075. This will address needs for the City’s 20-year planning horizon of 2041 and the longer 2067 planning horizon.
 - *Treatment capacity.* In 2010, MW&L completed expansion of the Water Treatment Plant (WTP). This increased capacity from 13 MGD to 22 MGD. The WTP can be expanded from the current 22 MGD to a maximum of 30 MGD. MW&L’s 2010 master plan projects that this will provide treatment capacity through 2045. This addresses needs through the City’s 20-year planning horizon through 2041, and MW&L can either expand treatment capacity at this location or supplement with new treatment capacity from the new intake on the Willamette to meet needs beyond 2045 through the 2067 planning horizon.

- *Long-Term Water Supply.* Previously noted as a disadvantage in the 2013 EOA, recent actions have turned long-term water supply into an advantage. While recent expansions to McGuire Reservoir are expected to provide ample supply through about 2025, actions are also being undertaken to address longer-term needs. A 2008 Yamhill County Water Supply Analysis concluded that most providers in Yamhill County have adequate water rights to meet projected maximum day demands to 2050; exceptions are noted for Dayton, Lafayette, McMinnville Water and Light (MWL), and Yamhill. As a result, MWL is partnering with the Cities of Carlton, Dayton and Lafayette in an application to the state to secure a water permit to the Willamette River as a potential second municipal source. In addition, this will provide McMinnville with a secondary source, as well as adequate supply and water rights through 2075.

In 2011, the Yamhill Regional Water Authority (YRWA) acquired a water right on the Willamette River with a 2011 priority date. In 2016, MW&L acquired an additional right with a priority date of 1982. In 2017, MW&L purchased a site on the Willamette River for a future intake and pump station. In 2018, MW&L procured the services of Carrollo Engineering to verify that the site would support facilities for a 50 MGD intake and pump station. In 2019, MW&L signed an agreement to supply water to the City of Lafayette. Engineering Design of the inter-tie is underway with construction in 2020. Tentative plans are to start supplying Lafayette with water in the summer of 2020. In 2020, MWL anticipates acquiring an additional senior water right from the Willamette for 4.8 MGD. For McMinnville, this means there will be adequate supply and water rights to meet needs through at least 2075.

- *Internet Services.* In the 2019 strategic plan, goal 1.4.3, which is to "identify and complete high-priority infrastructure projects that serve McMinnville's current and future business community," details a potential project where City staff will evaluate a 10GB fiber network with local Internet Service Provider, Online Northwest.
- *Local business entrepreneurship – with a record of technological innovation.* Focus groups conducted in 2007 for the MEDP strategic economic development plan coupled with interviews for the Marion-Polk-Yamhill County regional economic development strategy have pointed to this factor as a major distinctive strength of the mid-Willamette Valley region. The *MAC-Town 2032 Economic Development Strategic Plan* dedicates one of its target sector goals to foster opportunities in technology and entrepreneurship. This goal is comprised of four strategies, which include making McMinnville a location for small- and medium-sized technology firms to relocate and grow, provide co-working and other work arrangements enabled by telecommunications technology, incubate new businesses and start-ups, and create new talent pipelines for tech-related occupations.⁹⁰

⁹⁰ City of McMinnville. *MAC-Town 2032: Economic Development Strategic Plan*. Retrieved from: <https://www.mcminnvilleoregon.gov/sp/page/mac-town-2032-economic-development-strategic-plan>

Perhaps less readily recognized is the diversity of other small manufacturing and industrial companies that serve global markets through technological innovation and astute market positioning. Examples range from area aerospace and metals component manufacturers to technology companies to wineries.

- *Comparative property tax rates.* While the significance of property and other taxes to business investment decisions is debated nationally and regionally, there is no question that McMinnville’s relative tax burden has changed appreciably in a more favorable direction in recent years.
- *Economic development assistance.* A public services advantage noted with the 2001 EOA is the presence of the McMinnville Downtown Association, providing economic development assistance for businesses locating or expanding in the historic downtown. Since its formation in 1976, the association has been recognized for successful downtown revitalization and leadership among Oregon Main Street communities. Formed in 2006, the public-private organization, McMinnville Economic Development Partnership (MEDP), continues to serve as a single point of contact for economic development assistance for industrial and other firms throughout the McMinnville community. Further, the 2019 *MAC-Town 2032 Economic Development Strategic Plan* identified a “positive business climate perceptions and a sense of civic leadership” as a strength in McMinnville.

Disadvantages:

- *Environmental Effects on Land Supply.* The City of McMinnville has identified lands in steep slopes (of 15% or greater), floodplains, and wetlands identified in the National Wetlands Inventory (NWI) as environmental constraints. Lands with any of these characteristics are considered as constrained or unbuildable and have been deducted from lands identified as available whether vacant or partially vacant.

Labor Market Factors (including Training). This discussion combines two factors listed by OAR 660-009-0015(4) – notably items (d) labor market factors and (h) education and technical training programs – due to their mutual interdependence.

The availability of adequate, qualified labor is critical for economic development. This labor force is not limited to local McMinnville residents as local firms can draw workers from surrounding communities situated within a reasonable commute distance. Similarly, a portion of the McMinnville adult population may find employment in other communities – both nearby as well as extending into the Salem and Portland metro areas.

While direct information on the quality of the workforce is not always readily available, demographic characteristics that are typically used to indicate the quality of the labor force include age distribution, educational attainment, employment by occupation or industry, and race/ethnicity. Also of importance are opportunities for workforce training.

Advantages:

- *Favorable workforce demographics.* As detailed with the comparative demographic and economic data in Chapters 2 and 3 of this EOA update, factors conducive to adequacy of abundant labor supply in McMinnville include above average population growth rates, low median age of population, and high proportion of McMinnville residents who are able to find work locally. A well-represented Latino population also offers advantages for businesses that benefit from greater cultural diversity in accessing customers in a more diverse marketplace both regionally and nationally.
- *Ability to access much larger metro area workforce pool.* With an in-city labor pool of over 15,000, McMinnville employers have ready access to a countywide labor market of nearly 50,000. For some specialty positions in which the local market may not have adequate depth, there is an even larger regional Mid-Valley labor pool on which to draw – much of which is located within a 20-40 mile drive from McMinnville. However, employers have noted the immediately available labor pool in McMinnville as an issue.
- *Moderate local & countywide unemployment.* The 2013 EOA noted that McMinnville unemployment in McMinnville (in 2010) was 9.3%—above the U.S. rate of 9.0% and below the statewide rate of 10.4%. Comparatively, unemployment has improved since the recession. In 2018, the unemployment rate in Yamhill County was 3.8%.
- *The Linfield/Chemeketa Community College connection.* As a top-ranked U.S. News & World Report college in the western U.S., Linfield College has established a west coast if not national reputation for academic excellence and value. In December 2019, Linfield was ranked #117 among national liberal arts colleges by the national magazine U.S. News & World Report.⁹¹ A question for the future may be how best to leverage this reputation for greater community and economic benefit.

The Chemeketa Community College – Yamhill Campus offers increasing opportunity for linkages with economic development, particularly through workforce training targeted to the needs of local employers. Another example of a partnership opportunity would be the creation of an entrepreneurship program – marketed cooperatively to area businesses. The Yamhill Valley Campus was expanded to a new location directly adjacent to the Highway 18 corridor in 2011.

- *Workforce training resources.* Workforce recruitment programs are available through the McMinnville WorkSource Center (Oregon’s public workforce system), Express Employment Professionals, and the Oregon Employment Department. For young professionals, career centers at Linfield College, Chemeketa Community College (Yamhill Valley Campus), George Fox University, Portland Community College (Newberg), and McMinnville High School, provide support for improving skills and

⁹¹ U.S. News. *Best Colleges Rankings*. Linfield College, 900 S.E. Baker St., McMinnville, OR. Rank information retrieved on December 19, 2019 from: <https://www.usnews.com/best-colleges/linfield-college-3198>

connecting them with businesses in the broader Yamhill County region.⁹² Additionally, the MDEP operates a summer internship program named McMinnville WORKS, which assists in connecting local businesses with talented collegiate youth.⁹³

Disadvantages:

- The most significant labor force disadvantage is indicated by relatively low rates of college graduates. Only 24% of McMinnville adults have college degrees, compared to 25% in Yamhill County and 32% in Oregon, according to 2013-2017 ACS 5-year estimates.
- A related disadvantage may lie with relatively high proportions of service workers – as compared with the entire county, Mid-Valley region, entire state and U.S. This is one reason that McMinnville household incomes are also below those of the comparison geographies.

However, in some cases this available labor force will constitute a comparative advantage for firms that depend on service occupations. This is especially the case if local work force skills can also be enhanced over time to allow for improved wages and career options.

Other Factors. In addition to the factors identified in conjunction with OAR 660-009-0015(4), there are other factors of importance specifically to the McMinnville community. These relate to local demographics and also land availability. Key advantages and disadvantages as noted from this and other similar analyses pertinent to McMinnville are outlined below.

Advantages:

- *Diverse industry mix.* McMinnville has a relatively diverse mix of industry for a community its size, a factor noted by the 2001 EOA. This diverse employment base is attributed, in part, to the actions of McMinnville Economic Development Partnership (MEDP). Also noted by the 2001 EOA, the 2007 MEDP Strategic Plan, and more recently in the 2019 *MAC-Town 2032 Economic Development Strategic Plan*, is that the local diversity of employment is due in part to the perceived quality of life in McMinnville. This factor is important to attracting businesses and entrepreneurs seeking quality communities for themselves and their employees.
- *A relatively young & diverse population – with increased Latino presence.* Median age of McMinnville residents is three years less than that of the entire state of Oregon. Higher proportions of residents are found locally for all age cohorts from childhood to young adults (to age 39). Companies looking for youthful workforce can find it in McMinnville.

⁹² McMinnville Economic Development Partnership (MDEP), Find Your Workforce.

<https://www.mcminnvillebusiness.com/workforce>

⁹³ MDEP, The McMinnville WORKS Summer Internship Program.

<https://www.mcminnvillebusiness.com/mcminnville-works-internship-program>

McMinnville is at the leading edge of Oregon's population transformation. The community's Latino population increased from less than 15% of the city-wide total in 2000 to 22% in 2013-2017 (well above the statewide proportion of 13%). Throughout the entire mid-Willamette Valley region as well as statewide, the Hispanic/Latino population is expected to represent an increasingly important component of the next generation of workers and of customers for commercial services. McMinnville has an opportunity to lead the way – providing new career options for Latino workers and business development options for Hispanic-owned businesses.

- *Small-town residential charm including a walkable downtown.* While quality of life is often considered difficult to quantitatively assess, perceptions of quality of life relative to other communities can affect business location and expansion decisions. This is especially the case for entrepreneurial and other individually owned, non-corporate enterprises.

The 2018 Economic Development Strategic Plan's mission states, "Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville's high quality of life... As we evolve, we prize our small-town roots and we maintain McMinnville's character."⁹⁴ As described by the website of the McMinnville Area Chamber of Commerce, "McMinnville is located in the western portion of Oregon's agriculturally rich Willamette Valley on U.S. Highway 99W."

The quiet, friendly city enjoys a central location to Pacific Ocean beaches (50 miles), the big city (Portland - 30 miles to the northeast), and the state capitol (Salem - 25 miles southeast), with an easy scenic drive to Mt. Hood and other ski areas. "McMinnville offers small-town charm in a full-service city."⁹⁵

Disadvantages:

- *Restricted population growth.* Since 2000, population has been increasing somewhat more rapidly than the state, but at an approximate 1.4% per year average rate. In the past, City services have been able to match without experiencing major fiscal issues. However, continued population growth at a somewhat reduced coordinated population growth rate averaging about 1.2% per year is now forecast through 2067. Constrained land supply is restricting growth and the cost of services is increasing faster than increases in assessed values.
- *Vulnerability to eroding incomes & standard of living.* As of 2013-2017, median household incomes for McMinnville are 14% below Yamhill County and 10% below statewide medians. Average wages for the McMinnville UGB are comparable to Yamhill County but below comparable regional, statewide and national figures.

⁹⁴ MAC-Town 2032 Economic Development Strategic Plan. 2019. p.10.

⁹⁵ Cited from www.mcminnville.org, as of September 2012.

As is occurring statewide and nationally, wages are now accounting for less than a 50% share of total personal income. Yamhill County residents also are more dependent on transfer payments than is the case regionally or nationally.

Future prosperity may be jeopardized to the extent that non-wage sources of income are subject to changing federal policies and the status of national/global investment markets – combined with social service needs for those dependent on transfer payments.

Improving the ratio of wage to non-wage income will be influenced directly through the combination of providing more jobs and better paying job opportunities locally.

- *Tentative integration of Latino population into community & business leadership.* As noted with the 2007 MEDP Strategic Plan, in many communities with rapidly growing Hispanic populations, it has proven challenging to effectively draw Latinos into positions of community leadership and business ownership. The result can be lost opportunity for Latino business patronage and a more dynamic cultural environment that draws new blood, new ideas and new investment. A foundational strategy in the *MAC-Town 2032 Economic Development Strategic Plan* is to “improve systems for economic mobility and inclusion,” with emphasis on training, resources, and support for underrepresented entrepreneurs and workers.
- *Inadequacy of commercial and industrial buildable land.* The 2001/03 and 2013 EOA processes all concluded that the McMinnville UGB would experience a deficit of buildable commercial land over a 20-year time horizon. The 2013 EOA resulted in a 36-acre deficit of commercial land for the 2013 to 2033 planning period, and the results in Chapter 5 show deficits of both commercial and industrial land for the 2021-2041 planning period.

McMinnville’s Strengths, Weaknesses, Opportunities, and Threats

As part of the *MAC-Town 2032 Economic Development Strategic Plan*, McMinnville community members completed a SWOT analysis for economic development in McMinnville. It describes McMinnville’s Strengths, Weaknesses, Opportunities, and Threats.

<p>Strengths</p> <ul style="list-style-type: none"> • High quality of life to boast about and attract investment • Strong, widely-recognized downtown • Robust wine and tourism economy, as well as cultural (e.g. Air and Space Museum) and recreational amenities that bring visitors • Well known regionally and nationally as a destination for wine and food, with some supporting tourist assets • Balanced employment across industry sectors • Presence and involvement of postsecondary educational institutions (Linfield College and Chemeketa Community College) • Location advantages: <ul style="list-style-type: none"> • Good location in proximity to major metro area • High quality soils in surrounding areas, climate suited for agriculture • Natural environment assets nearby, including Yamhill River, access to the ocean and mountains • Inexpensive power and water, with sustainable sources • Major infrastructure assets: major highways, freight rail, airport • Various parks and recreational assets • Positive business climate perceptions and a sense of civic leadership 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Relatively low educational attainment • A limited labor pool for local companies and those looking to relocate • Difficult access to and from I-5 and no near near-term possibility of a more direct connection • End-of -the-line location for wine country visitors coming from the Portland area • Lack of housing options • Low levels of professional and office office-using employment • Comparatively high poverty rates and low median household income
<p>Opportunities</p> <ul style="list-style-type: none"> • Proximity to Portland allows McMinnville to capitalize on urban infrastructure and amenities • Local airport has comparative advantages over other regional airports • Highway 99 bypass : future completion will improve access to McMinnville • A stronger framework for regional collaboration , improved opportunity in surrounding communities • Opportunity sites for new downtown development • New housing development – higher density , diversity of types, live live-work units • Improved connections to the University of Oregon and Oregon State University • Stronger branding and improved gateways into McMinnville • Innovation in agriculture and food systems • Wine -oriented makerspace • Food hub • \$6M gift to Linfield College’s wine program • Expanded culinary and craft beverage retail offerings 	<p>Threats</p> <ul style="list-style-type: none"> • Limited land availability for residential, commercial and industrial development • Regulatory challenges associated with UGB expansion • Worsening housing affordability • Brain drain due to local graduates leaving for other job markets • Absorption of projected growth without detrimental impacts to character, congestion, affordability • Future oversaturation of wine/tourism and increasing concentration of low-wage service industry jobs • Need to find a sustainable solution to homelessness • Future impacts of climate change on agriculture and related industries, including tourism

Target Industries

The characteristics of McMinnville will affect the types of businesses most likely to locate in the city. McMinnville's attributes that may attract firms are: McMinnville's access to land and resources; recreational opportunities; and quality of life.

2013 Updated Cluster Targets

The 2013 EOA recommended a short list of cluster target industries, described as:

- **Advanced Manufacturing.** Corresponds to an industry cluster pivotal to the Oregon Business Plan and Business Oregon (the Business Development Department). In McMinnville, this cluster is exemplified by major McMinnville employers including Cascade Steel, Meggitt Polymers and Composites, NW Unmanned Aerial Systems, Betty Lou's, Inc., and Freelin-Wade Co. Also included are agricultural producers ranging from employers in the emerging breweries to small boutique wineries as in the Granary district which also serve to complement the Yamhill County Agri-Business Economic and Community Development Plan.
- **Healthcare/Traded Sector Services.** Aimed to facilitate continued competitiveness and future expansion of non-manufacturing businesses that serve area residents plus customers located beyond the immediate McMinnville/Yamhill County community. Willamette Valley Medical Center and associated health care facilities can be expected to continue to experience employment growth in the years ahead. Examples of traded sector service activities are diverse, ranging from Linfield College to Evergreen International Airlines to Oregon Mutual Insurance. Also included is a significant component of small firms as the export-focused portion of McMinnville's fast growing and entrepreneurial service business sector such as Precision Analytical, Hurst Berry Farms Corporate Headquarters, and NW Rapid Manufacturing.

MAC-Town 2032 Economic Development Strategic Plan Target Sectors

Furthermore, Goals 4-8 of the *MAC-Town 2032 Economic Development Strategic Plan* outline the "target sector goals and strategies," as well as potential tasks and projects, as follows:

- **4. Sustain and Innovate within Traditional Industry and Advanced Manufacturing**
 - 4.1 Ensure workforce availability in trades and other mid-skill positions.
 - Encourage expansion and allocate resources for middle, high school, and community and technical college programs that encourage career exploration and skills development in trades and mid-skill occupations
 - Convene a panel of business leaders from traditional industry and advanced manufacturing employers in McMinnville to pioneer a collaborative approach to expanding apprenticeships and volunteering employee time to teach in-demand skills to individuals evaluating trade-based careers.

- 4.2 Connect traditional industry and advanced manufacturing to innovation resources for sustainable growth.
 - Highlight industrial innovation in McMinnville through periodic events, posts and other marketing, connecting innovators through storytelling and innovation partnerships.
 - Plan and participate in an industrial innovation working group or recurring social event to facilitate idea sharing and cross-pollination among business leaders.
 - Connect business leaders with regional innovation resources through Business Oregon and other innovation-oriented organizations.
 - Consider an international sister city program to share innovative practices.
- 4.3 Expand and market land availability for industrial activities.
 - Promote and market the McMinnville Industrial Park as a target area for advanced manufacturing investment within Yamhill County.
 - Coordinate with McMinnville Industrial Promotion to ensure leadership succession and continued engagement.
- **5. Foster Opportunity in Technology and Entrepreneurship**
 - 5.1 Become a place where small and medium technology firms can relocate and grow.
 - Foster physical connections to existing tech and entrepreneurship hubs through low-cost air services.
 - Market McMinnville as a destination for young and aspiring employees to find opportunity in business, entrepreneurship, computer and software engineering and other programs in Oregon’s post-secondary institutions.
 - Survey local "tech" employers to identify current regulatory shortcomings or infrastructural needs for business relocation and expansion.
 - Promote the concept of McMinnville's "tech terroir" to emphasize McMinnville's potential assets to entrepreneurs, business owners and others involved in tech-oriented occupations.
 - Explore opportunities to improve connections to and otherwise better leverage McMinnville's dark fiber ring for business use.
 - Hire an innovation officer and/or complete a comprehensive strategy around smart cities and innovation in urban sustainability.
 - Create an “Invest in the Future” grant program that is targeted towards private investment and business development with living wage job outcomes.

- 5.2 Provide opportunities for co-working, teleworking, and other arrangements enabled by telecommunications technology.
 - Collaborate to develop a coworking space to foster entrepreneurship, innovation and to enable convenient telecommuting to regional employers in Portland or elsewhere. Explore unique partnership opportunities for cooperative or pop-up telecommuting spaces.
- 5.3 Incubate new businesses and start-ups.
 - Maintain a list of funding sources for start-up and expansion grants for locally-owned businesses.
 - Coordinate with partners to improve access to funding and resources available through local foundations, non-profits and other funders in McMinnville to empower local capacity-building efforts.
 - Study the feasibility of aggregators or cooperatives to efficiently distribute locally-made products from McMinnville businesses to larger metropolitan markets.
- 5.4 Create new talent pipelines for tech-related occupations.
 - Connect business leaders with interested local educators to develop extracurricular activities and to improve current curricula and align education and training with emerging employer needs.
 - Cultivate relationships with post-secondary institutions to ensure awareness of job opportunities in McMinnville, and ensure that McMinnville job opportunities are represented on school job boards, in job fairs, and other promotional events.
- **6. Be a Leader in Hospitality and Place-Based Tourism**
 - 6.1 Make downtown the best it can be.
 - Evaluate current zoning, historical districts and designations, and existing land use patterns, including underutilized parcels, to ensure that key downtown parcels offer the highest and best use for their location.
 - Communicate with County officials to explore the potential for a purpose-built County facility, outside of downtown, that includes a courthouse, commissioners offices, and clerks office.
 - Continue to evaluate new downtown events to diversify downtown events and activities and publicize emerging retailers or other non-retail organizations.
 - Evaluate the feasibility of improving or expanding the provision of public restrooms in the downtown area.
 - 6.2 Become the preferred destination for wine-related tourism.

- Collaborate to expand marketing of McMinnville and Yamhill Valley products and to improve national and international recognition of local wine.
- Connect hoteliers and other hospitality professionals in Oregon and elsewhere to local opportunities for high-quality additions to McMinnville’s current hospitality offerings.
- Collaborate with Travel Oregon to host a tourism workshop for McMinnville business owners to establish and leverage competitive advantages of over similar regional offerings.
- Leverage Linfield’s wine studies program to identify opportunities to increase visitation to the Willamette Valley region and to the viticultural areas immediately surrounding McMinnville
- 6.3 Diversify tourism destinations beyond wine.
 - Create branded itineraries for a range of activities and distribute online and in hard copy throughout McMinnville and at local and regional airports to offer pre-planned adventures for visitors.
 - Optimize social media performance by continuing and expanding the use of hash tags, branded icons, slogans, and other techniques to highlight and encourage sharing of McMinnville-based experiences.
 - Conduct a feasibility study to identify the potential costs and economic and fiscal impacts of building an indoor sports complex for local recreation and regional event use.
 - Engage the Wings and Waves water park to identify and pursue opportunities for growth and expansion.
 - Become a national destination for bicycle tourism and other recreational and leisure activities.
- 6.4 Market and promote McMinnville.
 - Develop and maintain robust relationships with Travel Oregon, and seek promotion opportunities accordingly.
 - Document and track the economic impact of tourism and outdoor recreation to Yamhill Valley communities.
 - Work with visit McMinnville and local hoteliers to identify gaps in available conference space and to establish a plan to expand McMinnville’s offerings for small and large conferences.
- **7. Align and Cultivate Opportunities in Craft Beverages and Food Systems**
 - 7.1 Maintain prominence in wine while looking for opportunities to innovate within supply chains, viticulture and production.

- Convene a technical assistance panel to identify new opportunities in urban wine-making and distribution and to establish a framework for collaboration and innovation in wine-making that best leverages public and private resources and identifies critical public/private partnerships.
 - Expand programming at IPNC to include a technical component for knowledge sharing between wine-makers and other professionals in viticulture and oenology.
 - Encourage collaborative research at Linfield and Chemeketa CC and facilitate connections between these schools and other viticulture programs nationally.
 - Proactively recruit beverage-makers that complement existing wineries and breweries, such as cideries and distilleries.
- 7.2 Locate higher job-density food and beverage activities within McMinnville.
- Ensure the sufficiency of regulations in applicable zones to accommodate urban wine-making and other non-retail aspects of the wine industry, including transportation and distribution.
 - Encourage further clustering of wine-oriented business in the Granary/Alpine District.
 - Contact wineries throughout the region to identify growth-oriented operations needing new or larger space, and target marketing and recruitment efforts accordingly.
 - Recruit food processing and production companies that offer synergies with wineries, such as charcuterie and cheese companies.
 - Coordinate with educational institutions to anticipate needs and ensure that McMinnville remains a hub for wine education while expanding culinary education and training locally
 - Hire an Agriculture Coordinator or Resource Officer to connect producers with resources and coordinate efforts to innovate within wine and agriculture.
 - Convene a group of wine-makers and entrepreneurs to evaluate the feasibility of a wine maker-space or similarly collaborative wine-making space for small producers, experimental products, or research.
 - Conduct a feasibility study and potentially complete a business plan for an integrated food hub and permanent, year-round farmer's market.
 - In partnership with other Oregon cities and counties, commission a study of value-added industry successes and best practices related to agriculture in western U.S. and Canadian communities.

- Liaise with researchers at OSU’s Small Farms Program and other similar agricultural programs throughout the state and the region.
 - Invite educators in the region to conduct research and teaching based in the Yamhill Valley, including possible distance learning and online college course options.
 - Explore opportunities for expanded agricultural production using hydroponics, aquaponics and other similar cultivation methods
- 7.4 Open new markets for local agricultural products.
 - Establish a branding and marketing program for local agricultural products, such as “Yamhill County Grown” or similar.
 - Develop and market a local Farm-to-Table program by connecting Yamhill Valley farmers with local restaurants.
 - Explore the potential for a cooperative distribution model to move McMinnville’s agricultural products to restaurants in the Portland metro.
- 7.5 Encourage a holistic approach to local food culture, improving connections to the local producers and cultivating a community of exceptional restaurants and culinary establishments.
 - Create a forum for local restaurateurs to connect with local agricultural producers and improve culinary offerings.
 - Work with stakeholders to establish a local demonstration or innovation kitchen that can be rented to test new recipes, host small events, or otherwise incubate local culinary endeavors.
 - Publicize local food offerings across all price levels through a branded guide to local cuisine, and distribute at and regional hotels, wineries, airports and other places frequented by travelers.
 - Partner on development of a “Farm-for-a-Day” agri-tourism program connecting local farming operations to paying guests.
 - Evaluate alignment of current food cart regulations with community goals.
- 7.6 Preserve natural assets while ensuring long-term stability in agricultural production.
 - Espouse an approach to environmental stewardship and encourage participation and support by local farmers for initiatives in keeping with this approach.
 - Establish and facilitate a business leadership group to identify solutions to sustainability challenges.

- Establish local resiliency infrastructure and training through programs like FEMA’s Community Emergency Response Teams (CERT) or other community-based models
- **8. Proactively Assist Growth in Education, Medicine and Other Sciences**
 - 8.1 Leverage institutional land assets and support planning for institutional growth and clustering.
 - Ensure that the Willamette Valley Medical Center can accommodate future growth through a master plan that includes supportive zoning, targeted capital improvements and other tools.
 - Use regulatory tools and constructive dialogue with businesses to encourage clustering of medical-professional uses near the Willamette Valley Medical Center and to create a regional anchor for health care.
 - Engage McMinnville’s large institutions in a dialogue about proactive planning for large and underutilized land assets.
 - Assess the desirability and potential feasibility of the creation of a “university district” or similar near one or more of McMinnville’s college campuses.
 - 8.2 Assist in recruitment and training to fill specific workforce needs.
 - Identify and fill gaps in education and training opportunities at local educational institutions for in-demand skills in “Eds and Meds” occupations.
 - Connect employers in education and health care to national skilled workforce pools through branding, recruitment, relocation incentives and other tools.
 - Explore public-private and other partnerships to improve amenities for students and employees, potentially including an expanded supply of student housing or housing appropriate for students on or near Linfield and Chemeketa campuses, and improved transportation to campuses and other institutions.
 - 8.3 Support the expansion of programmatic offerings at local institutions.
 - Work with Linfield College and Chemeketa CC to assess demand for education and training in health care and related services and to expand programming accordingly.
 - Engage Chemeketa CC leadership in a dialogue to explore the creation an on-site culinary and hospitality program.
 - Collaborate with leadership at the school district and at Linfield and Chemeketa to better engage Oregon’s four-year public universities.

- Connect local students with opportunities to work with OSU Extension, in labs or to participate in other UO and OSU programs prior to high school graduation.
 - Explore the creation of an aviation education program that leverages McMinnville's existing infrastructure and workforce assets.
 - Identify opportunities to bring programming offered at other Chemeketa Community College campuses to McMinnville, particular when serving established local industries.
 - Foster R&D opportunities for existing and emerging industries.
- 8.4 Improve and expand connections between key institutions and the City of McMinnville.
 - Create safer and more intuitive physical connections to McMinnville from Linfield and Chemeketa, including better sidewalks, lighting and public transportation, particularly along Davis Street.
 - Proactively engage students in community events to improve dialogue between permanent residents and college attendees.

5. Forecast Employment and Land Needs

Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land need and site characteristics for McMinnville is based on expected employment growth and the types of businesses that are likely to locate in McMinnville over the 5-, 10-, 20-, and 46-year periods. This chapter presents the buildable land inventory, analysis of target industries that build from recent economic trends, an employment forecast and associated land needs, and other land needs that aren't accounted for by the employment forecast.

EOA Update Process

The updated employment forecast and land needs estimates started with discussion of the assumptions used in the 2013 EOA. The project team conducted a detailed review of the 2013 assumptions and presented the assumptions, along with updated and new data to the Project Advisory Committee (PAC) for review and discussion during the September and October PAC meetings. The information generated considerable discussion at the PAC and ultimately resulted in PAC recommendations regarding the assumptions. The employment forecasts and land need estimates presented in this chapter reflect the PAC recommendations.

Buildable Lands Inventory

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the McMinnville UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the McMinnville UGB. The results are based on analyses of Yamhill County GIS property data and State of Oregon GIS employment data by ECONorthwest and reviewed by City staff. The remainder of this chapter summarizes key findings of the draft buildable lands inventory.

The buildable lands inventory was updated to account for expansion of the McMinnville UGB in 2020 and development that occurred through December 31, 2021.

The general steps in the buildable lands inventory are:

1. Generate UGB "land base"
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results

5. Tabulate and map results

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all commercial and industrial tax lots in the UGB are classified into one of the following categories and based on a tax lot's status as of December 2021:

- *Vacant land.* Vacant land is defined as tax lots either (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements. This is consistent with OAR 660-009-005(14).
- *Vacant small lot.* The OAR 660-009-005(14) definition of vacant land does not include lots smaller than one half-acre. McMinnville has a meaningful number of developed sites with existing employment uses that are less than one half-acre. Remaining vacant lots (i.e., with no improvements) less than one half-acre are defined as vacant small lots.⁹⁶
- *Partially vacant land.* Partially vacant land is defined as tax lots between one and five acres occupied by a use that could still be further developed based on the zoning. The final determination of partially vacant land was based on a visual assessment of aerial imagery and City staff verification.
- *Developed land.* OAR 660-009-0005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.” Lands not classified as vacant, partially-vacant, or public or exempt are considered developed.
- *Public or exempt land.* Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches, institutions, and other semi-public organizations, and properties with conservation easements. Public lands were identified using the Yamhill County Assessment property tax exemption codes and City staff verification.

The next section provides a summary of the results of the commercial and industrial buildable lands inventory for the McMinnville UGB in both tabular and map formats. Appendix A. Buildable Lands Inventory presents the detailed methodology for developing the inventory.

⁹⁶ This development status classifications was added to the buildable lands inventory based on PAC recommendation at the February 27, 2020 meeting.

Buildable Lands Inventory Results

Exhibit 41 summarizes all land included in the employment land base (e.g., lands with plan designations that allow employment) in the McMinnville UGB. ECONorthwest used this land base in the buildable lands inventory for McMinnville. The land base includes traditional employment designations within the McMinnville UGB, which includes about 1,494 acres in 983 tax lots in total.⁹⁷

Exhibit 41. Tax lots and total acres in employment land, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent (total acreage)
Commercial	718	73%	607	41%
Commercial C-1	1	0%	1	0%
Commercial C-2	1	0%	4	0%
Commercial C-3	652	66%	502	34%
Office/Residential O-R	59	6%	19	1%
Commercial Plan Des.	5	1%	80	5%
Industrial	265	27%	888	59%
Industrial M-1	42	4%	81	5%
Industrial M-2	203	21%	596	40%
Industrial M-L	2	0%	115	8%
Industrial Plan Des.	18	2%	96	6%
	983	100%	1,494	100%

⁹⁷ Note: the 2013 EOA reported a total acreage that included land with a public or semi-public (i.e., institutional) use. Since the 2020 update accounted for public and institutional land need separately, the resulting total acreage of employment land is lower.

Development Status

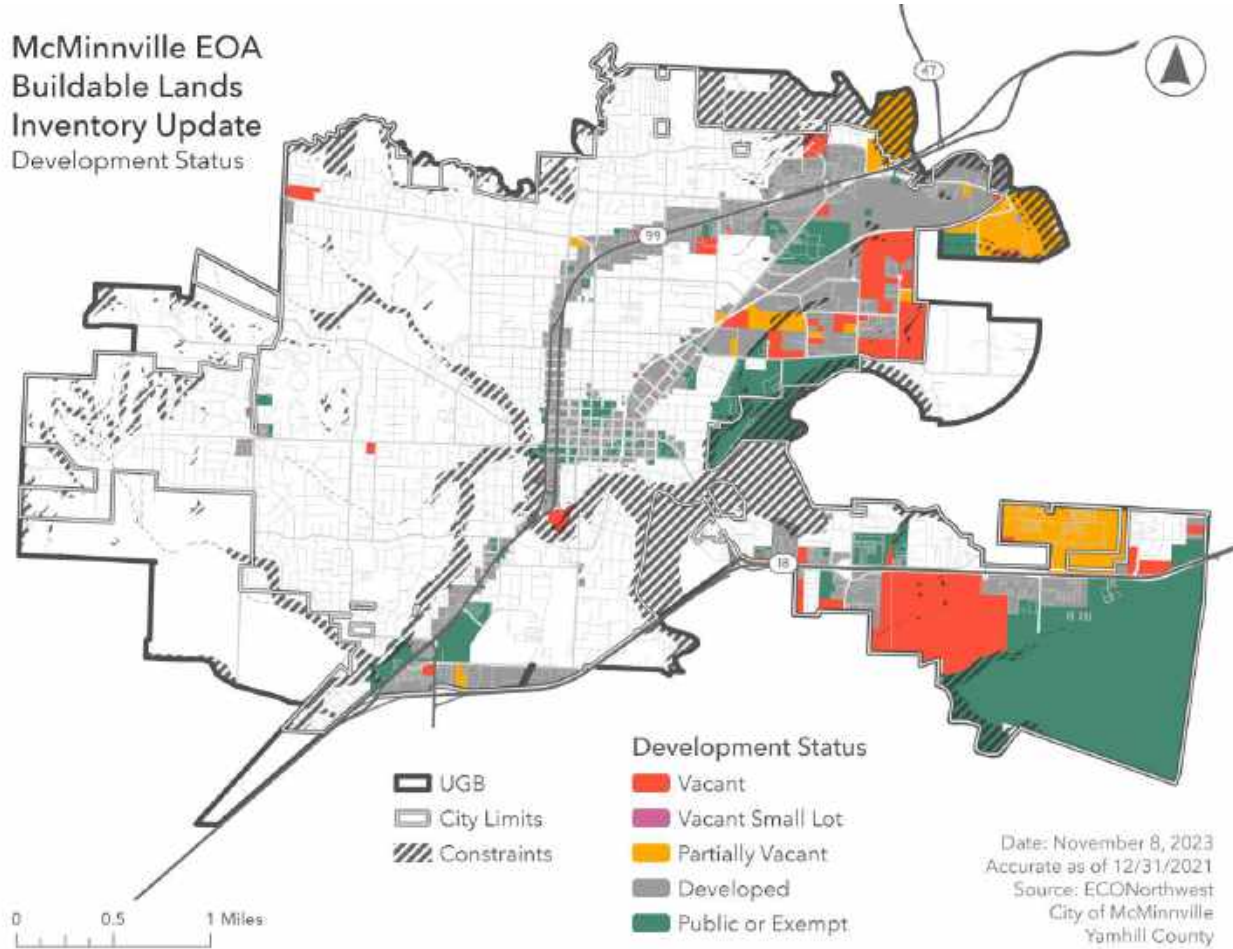
Exhibit 42 shows commercial and industrial land in McMinnville by development status. Of the 1,494 total acres, about 878 acres (59%) are in classifications with no development capacity (or, “committed acres”). Of the remaining 616 acres, 147 acres (10%) are constrained and 469 acres (31%) are buildable land with development capacity. Appendix A. Buildable Lands Inventory provides more detail about the constraints associated with employment land, as recommended by the PAC.

Exhibit 42. Employment acres by classification and plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
Commercial	607	433	59	115
Commercial C-1	1	1	0	-
Commercial C-2	4	-	-	4
Commercial C-3	502	418	6	79
Office/Residential O-R	19	11	5	3
Commercial Plan Des.	80	4	47	28
Industrial	888	445	88	354
Industrial M-1	81	55	11	15
Industrial M-2	596	354	26	215
Industrial M-L	115	24	3	88
Industrial Plan Des.	96	12	48	36
Total	1,494	878	147	469

Exhibit 43. Employment land by classification with development constraints, McMinnville UGB, 2023



Vacant Buildable Land

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with service constraints, (3) areas with physical constraints (areas with wetlands, floodways, floodplain, and steep slopes as summarized in Appendix A).

Exhibit 44. Employment land with unconstrained development capacity (vacant and partially vacant) by plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	115	50	65
Commercial C-1	-	-	-
Commercial C-2	4	4	-
Commercial C-3	79	43	36
Office/Residential O-R	3	3	-
Commercial Plan Des.	28	0	28
Industrial	354	301	53
Industrial M-1	15	13	2
Industrial M-2	215	200	15
Industrial M-L	88	88	-
Industrial Plan Des.	36	1	35
Total	469	352	117

When the City amended its UGB in 2020 with the adoption of Ordinance No. 5089, 39.30 acres of future neighborhood serving commercial land was designated Urban Holding that will be specifically located as the Urban Holding designated land is area planned per the provisions of the *McMinnville Growth Management and Urbanization Plan, Appendix G – Framework Plan*.

Exhibit 45 summarizes the land buildable employment land within current zoning from Exhibit 44 and the additional 39 acres of land in Urban Holding for neighborhood serving commercial. It shows that McMinnville has 154 acres of land for commercial uses and 354 acres of land for industrial uses.

In McMinnville, it is common that development applications include approvals for “Planned Developments” which may modify the underlying zoning regulations, and may include an associated master plan for a property. Permitted uses in zoning districts may be amended to include other uses on a portion of the property, or certain uses otherwise permitted in the underlying zoning may be precluded by the Planned Development overlay regulations. For example, while the Evergreen property is zoned C-3 General Commercial, it is subject to a Planned Development overlay that restricts uses to certain tourism-related uses.

Exhibit 45. Summary of employment land with unconstrained development capacity (vacant and partially vacant) by plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Plan Designation	Buildable Acres
Commercial	154
Commercial zones	115
Urban Holding Plan Des.	39
Industrial	354
Total	508

The newly added 39 acres of land for neighborhood commercial services in the Urban Holding Plan Designation is not shown in Exhibit 46 or Exhibit 47 because it has not yet been zoned for commercial uses and is still designated as part of the Urban Holding Plan Designation (which is mapped in the buildable lands inventory of the *McMinnville Housing Needs Analysis* report). The City will zone specific land within the Urban Holding Plan Designation for neighborhood serving commercial land as part of future planning processes.

Exhibit 46 shows the size of lots by plan designations for buildable employment land. McMinnville has 23 lots less than 0.5 acre (5.9 acres of land); 20 lots between 0.5 and 1 acres (15.4 acres of land); 33 lots between 1 and 5 acres in size (79.9 acres of land); 11 lots between 5 and 10 acres in size (72.8 acres of land); 5 lots between 10 and 20 acres in size (69.6 acres); and 4 lots over 20 acres in size (225.4 acres of land).

Exhibit 46. Lot size by plan designation, buildable acres, McMinnville UGB, 2023

Note: This exhibit does not include the 39 acres of land in Urban Holding for future neighborhood serving commercial uses.

Buildable Acres in Tax Lots										Total
< 0.50 Acre	0.50 - 0.99 Acres	1.00 - 1.99 Acres	2.00 - 4.99 Acres	5.00 - 9.99 Acres	10.00 - 19.99 Acres	20.00 - 25.00 Acres	25.01 - 49.99 Acres	50.00+	Acres	
Buildable Acres on Partially Vacant Tax Lots										
<i>Commercial</i>	0.4	0.7	-	4.4	22.4	13.5	23.2	-	-	65
Commercial C-3	0.4	0.7	-	4.4	17.4	13.5	-	-	-	36
Commercial Plan Des.	-	-	-	-	5.0	-	23.2	-	-	28
<i>Industrial</i>	1.1	5.6	3.5	25.5	-	16.8	-	-	-	53
Industrial M-1	-	-	2.4	-	-	-	-	-	-	2
Industrial M-2	0.8	2.9	-	11.4	-	-	-	-	-	15
Industrial Plan Des.	0.4	2.7	1.2	14.1	-	16.8	-	-	-	35
Buildable Acres on Vacant Tax Lots										
<i>Commercial</i>	3.3	2.9	3.5	21.2	19.5	-	-	-	-	50
Commercial C-2	-	-	-	4.2	-	-	-	-	-	4
Commercial C-3	2.7	2.9	3.5	14.2	19.5	-	-	-	-	43
Office/Residential O-R	0.5	-	-	2.7	-	-	-	-	-	3
Commercial Plan Des.	0.0	-	-	-	-	-	-	-	-	0
<i>Industrial</i>	1.1	6.2	12.3	9.4	31.0	39.4	24.3	-	177.8	301
Industrial M-1	0.8	1.0	-	-	10.9	-	-	-	-	13
Industrial M-2	0.3	4.5	12.3	9.4	20.0	39.4	24.3	-	89.6	200
Industrial M-L	-	-	-	-	-	-	-	-	88.2	88
Industrial Plan Des.	-	0.8	-	-	-	-	-	-	-	1
Acreage Subtotal	5.9	15.4	19.4	60.5	72.8	69.6	47.5	-	177.8	469
Number of Partially Vacant Tax Lots with Buildable Acreage										
<i>Commercial</i>	1	1	-	1	3	1	1	-	-	8
Commercial C-3	1	1	-	1	2	1	-	-	-	6
Commercial Plan Des.	-	-	-	-	1	-	1	-	-	2
<i>Industrial</i>	3	8	3	7	-	1	-	-	-	22
Industrial M-1	-	-	2	-	-	-	-	-	-	2
Industrial M-2	2	4	-	3	-	-	-	-	-	9
Industrial Plan Des.	1	4	1	4	-	1	-	-	-	
Number of Vacant Tax Lots with Buildable Acreage										
<i>Commercial</i>	15	4	2	7	3	-	-	-	-	31
Commercial C-2	-	-	-	1	-	-	-	-	-	1
Commercial C-3	12	4	2	5	3	-	-	-	-	26
Office/Residential O-R	2	-	-	1	-	-	-	-	-	
Commercial Plan Des.	1	-	-	-	-	-	-	-	-	
<i>Industrial</i>	4	7	9	4	5	3	1	-	2	35
Industrial M-1	2	1	-	-	2	-	-	-	-	5
Industrial M-2	2	5	9	4	3	3	1	-	1	28
Industrial M-L	-	-	-	-	-	-	-	-	1	1
Industrial Plan Des.	-	1	-	-	-	-	-	-	-	
Lot Subtotal	23	20	14	19	11	5	2	-	2	96

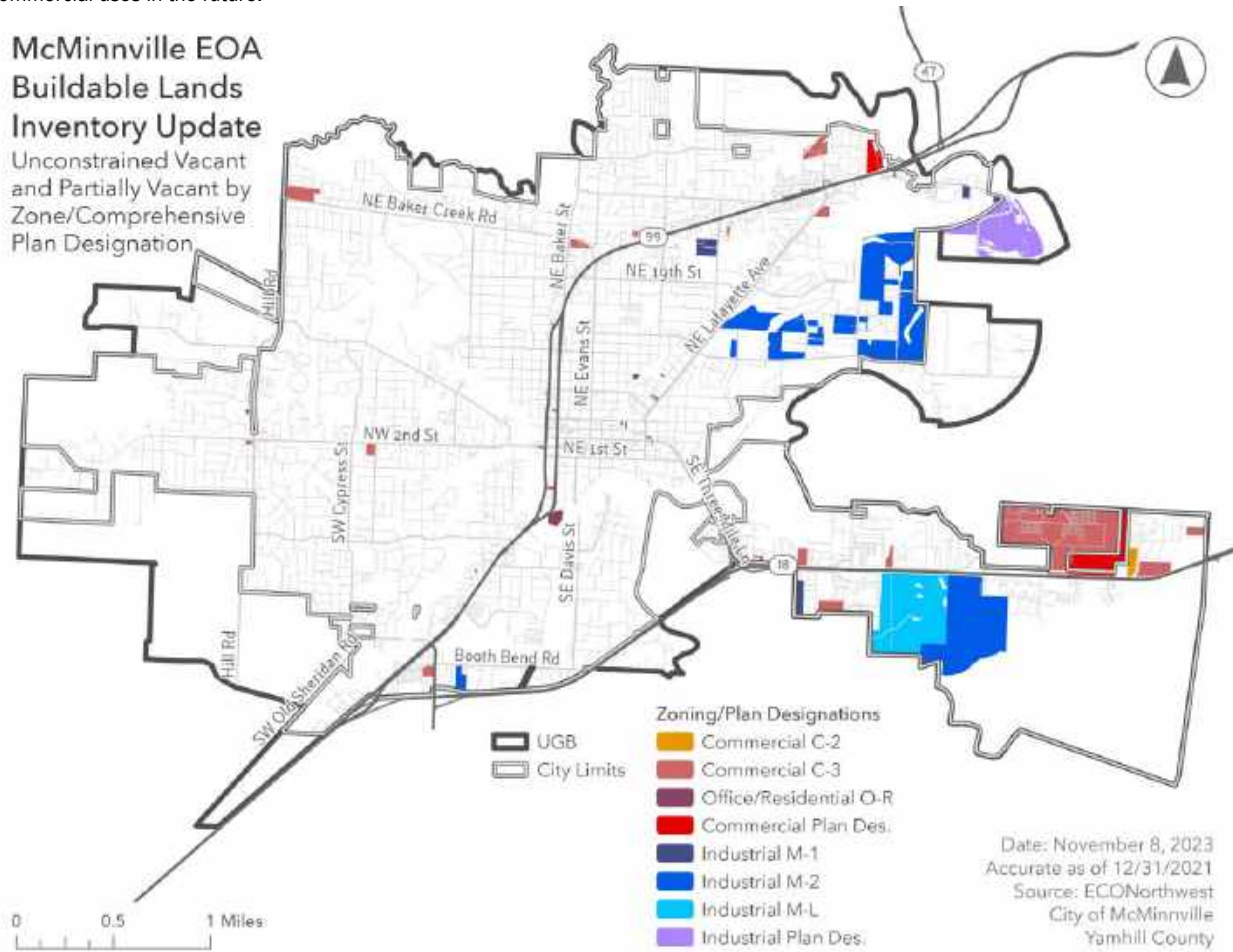
Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Exhibit 47. Buildable employment land by zone with development constraints, McMinnville UGB, 2023

Note: This exhibit does not show the 39 acres of land in Urban Holding for future neighborhood serving commercial uses. The McMinnville Housing Needs Analysis buildable lands inventory shows all land in Urban Holding, including the land that will be zoned for neighborhood commercial uses in the future.

**McMinnville EOA
Buildable Lands
Inventory Update**

Unconstrained Vacant
and Partially Vacant by
Zone/Comprehensive
Plan Designation



Forecast of Employment Growth and Commercial and Industrial Land Demand

Demand for industrial and commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in McMinnville. The employment projections in this section build off of McMinnville's existing employment base, assuming overall future growth is similar to Yamhill County's long-term historical employment growth rates.

The employment forecasts do not take into account a major change in employment that could result from the location (or relocation) of one or more large employers in the community during the planning period that would account for a substantial portion of the overall forecast. Such a major change in the community's employment would exceed the growth anticipated by the city's employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses). Major economic events, such as the successful recruitment of a very large employer, are difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

The 2013 EOA defined the process of projecting demand for industrial and commercial land as a series of 10 steps. The table below outlines these steps and identifies the recommendations, if applicable, decided by the PAC during meetings held between July and November of 2019. Generally, the PAC started with a discussion of the assumptions used in the 2013 EOA, and reviewed alternatives for the 2020 update.

Exhibit 48. Steps to project demand for commercial and industrial land in McMinnville

Step	Purpose	Options	Recommended Option
Step 1. Set Forecast Time Period	Establish the 20-year planning period; select a base year	2021-2041 with adjustments to account for 2019-21	The state requires a 20-year planning period; 2021-41 is used for consistency with the Housing Needs Analysis
Step 2. Population Forecast	The population forecast does not serve a direct purpose other than being the basis for one of the safe harbor employment forecast methods.	Use the required PSU forecast.	State policy allows no flexibility in this process.
Step 3. Evaluate UGB Employment Trend	Inform allocations of employment to land use types.	This is an analytical step and does not require assumptions.	
Step 4. Evaluate and Select Job Forecast	Develop a 20- and 46-year employment forecast.	Option 1 (low-growth, 1.13%): OED safe harbor method Option 2 (medium-growth, 1.36%): PSU safe harbor population forecast Option 3 (high-growth, 1.70%): Non-safe harbor method used as the baseline in the 2013 EOA.	Option 2
Step 5. Allocate Job Growth by Land Use Type Scenarios	Allocate jobs to land using land use types.	Option 1: 2013 EOA Method Option 2: Four land use types (service commercial, retail, industrial, govt) Option 3: Five land use types (the four above plus a tourism category).	Option 3
Step 6. Allocate Job Growth by Land Development Status	This step makes deductions for employment that will not require vacant land.	Option 1: 17% (per 2013 EOA) Option 2: Alternative assumption justified by PAC.	5% for all land use types
Step 7. Apply Job Density Factors	Analyze existing job densities to inform density factors (expressed in employees per acre – EPA)	Option 1: use factors from the 2013 EOA Option 2: use modified factors based on analysis	11 employees per acre for industrial land use type 23 employees per acre for commercial land use types
Step 8. Estimate 20-Year Employment Land Demand	Apply all of the assumptions to the land demand model to estimate 20- and 46- year land demand.	No options – this is an analytical step	n/a
Step 9. Estimate Additional Land Need Not Determined in Forecast	This step accounts for other types of employment land need including other needed sites and retail leakage.	Option 1: Do not assume additional need Option 2: Provide findings and analysis that supports additional land needs.	Option 2.
Step 10. Compare Land Demand to Supply	Compare land need to the supply as documented in the buildable land inventory. Conduct one further step of assessing land suitability.	No options – this is an analytical step	n/a
Step 11. Evaluate Policy Options and Objectives	This update will not include a top to bottom review of policy options and objectives – those were assessed in the 2013 EOA and in the 2019 EDSP. Some modifications may be required to reflect changing conditions.		

Employment Base for Projection

This section addresses Step 1: Set Forecast Time Period, Step 2: Population Forecast, and Step 3: Evaluate UGB Employment Trend.

The purpose of the employment projection is to model future employment land need for general employment growth. The forecast of employment growth in McMinnville starts with a base of employment growth on which to build the forecast. Exhibit 49 shows ECONorthwest's estimate of total employment in McMinnville in 2017.

To develop the figures, ECONorthwest started with estimated covered employment in the McMinnville UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, McMinnville had about 14,964 covered employees in 2017.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Yamhill County is only about 76% of *total* employment reported by the U.S. Department of Commerce.⁹⁸ We evaluated this ratio for each industrial sector for Yamhill County and used the resulting ratios to determine the number of non-covered employees. This allowed us to determine the total employment in McMinnville. Exhibit 49 shows McMinnville had an estimated 20,990 *total* employees within its UGB in 2017.

The PAC approved the use of the covered to total employment ratios shown in Exhibit 49.

⁹⁸ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other non-covered workers.

Exhibit 49. Estimated total employment by sector, McMinnville UGB, 2017

Sector	Generalized Land Use Type	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, and Mining	Industrial	356	356	100%
Construction	Industrial	585	852	69%
Manufacturing	Industrial	2,277	2,549	89%
Wholesale Trade	Industrial	127	180	71%
Retail Trade	Retail Commercial	2,170	2,842	76%
Transportation and Warehousing and Utilities	Industrial	140	250	56%
Information	Office & Commercial Services	127	211	60%
Finance and Insurance	Office & Commercial Services	459	912	50%
Real Estate and Rental and Leasing	Office & Commercial Services	113	867	13%
Professional and Technical Services	Office & Commercial Services	367	998	37%
Management of Companies	Office & Commercial Services	117	161	73%
Admin. and Support/Waste Mgmt/Remediation Serv.	Office & Commercial Services	584	1,044	56%
Health Care and Social Assistance; Private Education Serv.	Office & Commercial Services	3,159	4,457	71%
Arts, Entertainment, and Recreation	Tourism Services	168	458	37%
Accommodation and Food Services	Tourism Services	1,503	1,666	90%
Other Services	Office & Commercial Services	630	1,105	57%
Government	Government	2,082	2,082	100%
Total Non-Farm Employment		14,964	20,990	76%

Source: 2017 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

Forecast growth rates

This section addresses Step 4: Evaluate and Select Job Forecast.

The employment forecast covers the 2021 to 2067 period, with increments of 5, 10, 20, and 46-years. This forecast requires an estimate of total employment for McMinnville in 2021. While there is no required method for employment forecasting, OAR 660-024-0040(9) sets out some optional “safe harbors”⁹⁹ that allow a city to determine employment land need. The PAC evaluated three options for the forecast, including use of two safe harbors from OAR 660-024.

- **Low-growth scenario (1.13%).** The low-growth option uses the safe harbor that allows a city to base their employment forecast on regional employment projections from the Oregon Employment Department (OED).¹⁰⁰ The regional employment projection for the

⁹⁹ A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as, “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way or necessarily the preferred way to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

¹⁰⁰ OAR 660-024-0040(9) states: “The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

Mid-Valley Area (Linn, Marion, Polk, and Yamhill Counties) for the 2017 to 2027 period shows that employment will grow at an average annual growth rate of 1.13%.

- **Medium-growth scenario (1.36%).** The medium-growth option is another safe harbor, based on the rate of growth from the current population projections from Portland State University.¹⁰⁰ The coordinated population forecast for the McMinnville UGB between 2021 and 2041 shows that population will grow at an average annual growth rate of 1.36%, and long-term average annual growth rate between 2021 and 2067 of 1.19%.
- **High-growth scenario (1.70%).** The high-growth option aligns with the moderate (referred to as “baseline”) forecast rate used in the 2013 EOA. The 2013 EOA evaluated low, moderate, and high growth alternative scenarios. At the time the 2013 EOA was completed, the OED forecast for the Mid-Valley region was the “low-growth” scenario at 1.5%, and the “high-growth” scenario of 1.9% was based on the OED forecast for the Portland metro area. This option does not conform to the safe harbors in OAR 660-024-0040(9) and would require substantial evidence as a factual basis for choosing a non-safe harbor growth rate. Examples of substantial evidence to justify a non-safe harbor growth rate include adopted and relevant economic development policies or site needs considerations.

Exhibit 50 shows employment growth in McMinnville between 2021 and 2041, as well as 2021 and 2067, based on the average annual growth rate of each forecast scenario. The estimated number of employees for the beginning of the planning period is extrapolated from the estimate of total employment in 2017 from Exhibit 49 (20,990 employees), using the appropriate forecast rate for each scenario.

For the 2021 to 2041 period, the low-growth scenario would result in an increase of 5,544 employees; an increase of 6,885 employees in the medium-growth scenario; and an increase of 9,003 employees in the high-growth scenario.

(B) The population growth rate for the urban area in the appropriate 20-year coordinated population forecast determined under rules in OAR chapter 660, division 32.

Exhibit 50. Employment growth scenarios, total employment, McMinnville UGB, 2021–2067

Year	Low-growth (based on OED forecast)	Medium-growth (based on PSU population forecast)	High-growth (based on 2013 EOA moderate forecast)
2021	21,957	22,157	22,454
2026	23,228	23,708	24,429
2031	24,573	25,367	26,577
2041	27,501	29,042	31,457
2067	36,853	38,158	48,759
Change 2021 to 2041			
Employees	5,544	6,885	9,003
Percent	25%	31%	40%
AAGR	1.13%	1.36%	1.70%
Change 2021 to 2067			
Employees	14,896	16,001	26,305
Percent	68%	72%	117%
AAGR	1.13%	1.19%	1.70%

Source: ECONorthwest

The PAC recommended using the medium-growth option (1.36% AAGR) for the employment forecast for the 2021-2041 planning period. The results of the employment forecast presented in the EOA reflect this growth rate.

Allocation to land use types

This section addresses Step 5: Allocate Job Growth by Land Use Type Scenario

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in McMinnville will look for a variety of site characteristics, depending on the industry and specific circumstances. For example, small retail stores may look for an existing space in a shopping center in an area with high visibility for attracting customers, while a new food product manufacturer may need a mid-sized site of 5 to 10 acres in an area with direct access to a state highway.

At direction from the PAC, ECONorthwest grouped employment into five broad proposed categories of land use based on North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, tourism services, and government.¹⁰¹ This approach differs from the 2013 EOA, which defined three land use types—commercial, industrial, and institutional. The primary difference in the proposed updated categories is a separation of different types of commercial land into retail, office, and tourism commercial. Some of these land use types might have different site needs considerations, and these land use types better align with the City’s economic development goals, such as a focus on tourism-related employment. This was based on identifying commercial sub-types associated with the target industries in the Economic Development Strategy, to assess whether land needs

¹⁰¹ The generalized land use type categories are defined by the NAICS sectors listed in Exhibit 49.

might differ for these commercial sub-types. ECONW informed the PAC that the sub-types could ultimately be recombined at the end of the analysis if the differentiation didn't prove useful. Ultimately, the three commercial subtypes were recombined into a single commercial category, as the employment sectors didn't necessarily correlate to distinct land uses that would be differentiated through zoning. For example, the NAICS codes included in the tourism category included food and beverage, which are typically permitted in the same zones as retail commercial. Ultimately, the land uses almost exclusively related to destination tourism uses that weren't consistent with the employment density factors were instead addressed as other needed sites and that is addressed in more detail in the respective section in this chapter.

Exhibit 51 shows the expected share of employment by land-use type in 2021 and the forecast of employment growth by land-use type in 2041 in the McMinnville UGB, and Exhibit 52 shows employment growth for all growth increments. The PAC recommended the future share of land use types will align with both projections from the Oregon Employment Department (OED) for the Mid-Valley Area, as well as economic development goals and policies as stated in the *MAC-Town 2032 Economic Development Strategic Plan* and *Three Mile Lane Area Plan*.

OED projects that in the 2017 to 2027 period, the share of future employment in industrial sectors will increase; the share of retail commercial as well as government employment will decrease; and the share of office and commercial services and tourism services will increase.¹⁰² These trends closely align with McMinnville's future economic development goals, though the *MAC-Town 2032 Economic Development Strategic Plan* estimates growth in office employment, as well as an emphasis on tourism-related services, advanced manufacturing (i.e., industrial), and food and beverage manufacturing target industries.

The values highlighted in green in Exhibit 51 show the future share of total new employment for each land use type in 2041, based on the information summarized above. **The green highlighted percentages in the 2041 “% of Total” column are assumptions recommended by the PAC.**

Exhibit 51. Forecast of employment growth by land use type, McMinnville UGB, 2021–2041

Land Use Type	2021		2041		Change 2021 to 2041
	Employment	% of Total	Employment	% of Total	
Industrial	4,431	20%	6,099	21%	1,667
Retail Commercial	3,102	14%	3,485	12%	383
Office & Commercial Services	10,192	46%	13,650	47%	3,458
Tourism Services	2,216	10%	3,485	12%	1,269
Government	2,216	10%	2,323	8%	108
Total	22,157	100%	29,042	100%	6,885

Source: ECONorthwest

¹⁰² Oregon Employment Department Industry Employment Forecast 2017-2027, Mid-Valley Area (Linn, Marion, Polk, and Yamhill Counties). Published June 26, 2018.

Exhibit 52. Forecast of employment growth by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Land Use Type	New Employment Growth			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	417	834	1,667	3,582
Retail Commercial	96	192	383	1,477
Office & Commercial Services	864	1,729	3,458	7,742
Tourism Services	317	635	1,269	2,363
Government	27	54	108	837
Total	1,721	3,443	6,885	16,001

Source: ECONorthwest

Estimate of Demand for Commercial and Industrial Land

The next step in the employment forecast is to estimate the demand of commercial and industrial land.

The estimate of demand for commercial and industrial land included three components: (1) employment forecast and employment density assumptions, with deduction for employment that won't require vacant employment land, (2) recapture of existing retail leakage, and (3) other needed sites which are not accounted for in the average employment density factors; these are target industries and uses in the *MAC-Town 2032 Economic Development Strategic Plan*. In addition, employment for public/institutional uses was backed out of the employment forecast and land needs were calculated separately.

The employment forecast includes all new employment in the McMinnville UGB. Some of this employment, however, will not be located on vacant commercial or industrial land. Other lands that will accommodate new employment growth include residential land and redevelopment sites. Another factor in estimating the demand for commercial and industrial land is consideration for employment density, or employees per acre. Appendix B provides additional background information developed for the PAC to make recommendations for new employment on vacant commercial and industrial land, as well as employment density. Government employment was also backed out of the forecast because government land need was addressed as part of the public/institutional land need process.

The next section describes the approach for (1) estimating employment on vacant commercial and industrial land with considerations for employment on redevelopment sites, and (2) estimating employees per acre by land use type.¹⁰³

¹⁰³ Note: the government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs. Deductions for private education were also made in the office and commercial services category, based on employment reported (IPEDS data) for Linfield College of 360 employees. Adjustments for future employment at Linfield assumed the share of Linfield employment would remain the same.

Employment that does not require vacant commercial and industrial land

This section addresses Step 6: Allocate Job Growth by Land Development Status

Some employment growth in McMinnville will not require vacant (or partially vacant) employment land over the planning period. This includes redevelopment of areas with existing employment, where redevelopment increases the intensity of employment uses (i.e., more employees are accommodated on the same amount of land). The 2013 EOA assumed that 17% of employment for each land use type would not require vacant commercial or industrial land.¹⁰⁴ **Based on the information presented in Appendix B, the PAC determined that a reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment.**

Exhibit 53 shows the estimate of employment on vacant commercial and industrial land by land use type for each scenario, using the 5% assumption for employment that will occur through redevelopment, refill, or on non-employment sites. The table (reading left to right) starts with the number of new employment growth calculated over the planning period; then calculates the amount of employment that does not require vacant employment land based on 5% of the new employment growth; and results in the amount of new employment growth on vacant industrial and commercial land. From this point in the analysis forward, the commercial land use types (i.e., retail commercial, office and commercial services, and tourism services) were combined as the land needs for these land use types overlap.

Exhibit 53. Estimate of employment on vacant land by land use type, McMinnville UGB, 2021–2041

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	83	1,584
Commercial	4,998	249	4,749
Total	6,665	332	6,333

Source: ECONorthwest Note: As described above, government employment is calculated separately and is not included in Exhibits 45-48.

Exhibit 54. Estimate of employment on vacant land by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Land Use Type	Employment on Vacant Land			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	396	792	1,584	3,403
Commercial	1,187	2,373	4,749	10,756
Total	1,582	3,165	6,333	14,159

Source: ECONorthwest

¹⁰⁴ The 2013 EOA used a 17% assumption, based on a PAC recommendation. The 2001/03 EOA assumed 14-17%, depending on the land use type. This EOA updated used 5% based on empirical analysis that showed refill and redevelopment rates didn't achieve employment densities that would be associated with 17% refill/redevelopment on employment land.

Employment density

This section addresses Step 7: Apply Job Density Factors and Step 8: Estimate 20-Year Employment Land Demand.

This section shows the resulting demand for vacant (including partially vacant) land in McMinnville over the 20-year period, accounting for potential variations in employment density. The assumptions about employment density are based on the 2013 EOA, as stated in text excerpt below. Based on information provided in Appendix B, the PAC recommended using an employment density of 11 employees per acre for industrial employment and 23 employees per acre for commercial employment (i.e., retail commercial, office and commercial services, and tourism services). Further explanation of employment density and the conversion of net to gross acres is provided below.

- **Employment density.** Employees per acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses. Employment densities factor in all employment on a site, whether full or part time or different shifts in a workday. Thus, employment at a given site may overrepresent the number of employees at a site at a specific time. For example, retail service locations often have many part-time employees who work different shifts. Despite the potential for overestimating the number of employees on site at a given time, the data do provide a reasonable estimate of total employment on a site and therefore total employees per acre, and this is reflected in the analysis of historic employment density, too.
- **Conversion from net-to-gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way.¹⁰⁵ Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.¹⁰⁶ A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Based on empirical evaluation of McMinnville’s existing net-to-gross ratios, ECONorthwest uses a net-to-gross conversion factor of 6% for industrial and 18% for commercial, retail, and tourism.

Using these assumptions, the forecasted growth of 6,333 new employees between 2021 and 2041 will result in the following demand for vacant (and partially vacant) employment land: 153

¹⁰⁵ The 2013 EOA does not describe a method for converting net to gross acres.

¹⁰⁶ OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

gross acres of industrial land and 252 gross acres of commercial land (Exhibit 55). Exhibit 56 shows the demand for vacant land to accommodate employment growth in the 5-, 10-, 20-, and 46-year planning periods.

Exhibit 55. Demand for vacant land to accommodate employment growth, McMinnville UGB, 2021–2041

Land Use Type	New Emp. on Vacant Land	Employees per	Land Demand (Net Acres)	Land Demand (Gross Acres)
		Acre (Net Acres)		
Industrial	1,584	11	144	153
Commercial	4,749	23	206	252
Total	6,333		351	405

Source: ECONorthwest

Exhibit 56. Demand for vacant land to accommodate forecasted employment growth, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Land Use Type	Land Demand (Gross Acres)			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	38	77	153	329
Commercial	63	126	252	570
Total	101	202	405	899

Source: ECONorthwest

Estimated Land Need 2019-2021

The projected growth for 2019 to 2021 has been removed from this analysis, as the buildable lands inventory was updated to December 2021. This update accounted for actual growth that occurred through 2021.

Retail Leakage

In 2018, the city of McMinnville initiated development of a plan for the Three Mile Lane Area Plan (3MLAP). The project updates the 1981 Three Mile Lane Overlay District (amended in 1994) and the 1996 Highway 18 Corridor Refinement Plan. The 3MLAP will integrate a wide range of land uses and a multi-modal transportation system that serves both local and state transportation needs and provides active connectivity within the plan area as well as to the City’s downtown core. Leland Consulting Group performed the market analysis for the project.

The project analyzed a market area that represents the area from which the most demand for residential, commercial, and industrial uses will originate, and where most of the competitive development is located. The market area (shown in Exhibit 7 and Exhibit 39) is roughly bounded by the Willamette River to the east, Tillamook State Forest to the west, and Polk County to the south—although the market does extend into Polk County, there are few residents or jobs located in this area—and the City of Yamhill to the north. The study includes a

retail leakage analysis, with the express intent that the city would capture some of the retail spending that is occurring in the larger Salem, Portland, and I-5 corridor markets.¹⁰⁷

Leland characterizes retail leakage as follows:

“Retail sectors in which household spending is not fully captured are called “leakage” categories, while retail categories in which sales are higher than estimated household demand generated by existing residents are called “surplus” categories. A retail sales surplus indicates that a community pulls consumers and retail dollars in from outside the trade area, thereby serving as a regional market. Conversely, when local demand for a specific product is not being met within a trade area, consumers are going elsewhere to shop, creating retail leakage.”¹⁰⁸

The study reports overall demand for 529,000 square feet of retail space in the study area for a 10-year period (Table ES-3, pg 4). The study also shows a breakdown of the 10-year demand broken out by demand from household growth, leakage recapture, and replacement space (Figure 38, pg 51). Data provided by Leland show that the leakage recapture component of the 10-year demand is 131,808 square feet. This is an element of retail land need that is not reflected in the employment forecast.

Exhibit 57 shows an estimate of land needed to accommodate recapture of retail leakage. The analysis builds from the Leland estimates and assumes 470 square feet per employee. The square feet per employee assumption comes from Metro’s Employment Density Study (pg 17). Dividing recapturable existing leakage by square feet per employee provides an estimate of the amount of employment generated by the space; dividing that by the PAC approved assumption of 23 employees per acre yields the land need assumption. The results show that McMinnville needs an additional 12.2 acres of land to accommodate recapture of retail leakage.

¹⁰⁷ Note: As discussed in Chapter 3, while retail environments are changing at a national level, the extent to which e-commerce will replace all types of retail is unclear and unlikely. The need for certain types of retail will persist both nationwide and in places like McMinnville.

¹⁰⁸ McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

Exhibit 57. Demand for Regional Commercial and Office Space

Sector	Recapture-able Existing Leakage (s.f.)	SF/Emp	Employees (20 years)	Employees Per Acre (EPA)	Acres
Furniture & Home Furnishings	6,257	470	13	23	0.6
Electronics and Appliance	4,450	470	9	23	0.4
Building Material, Garden Equip	-	470	-	23	-
Food & Bev. (grocery)	0	470	-	23	-
Health & Personal Care	-	470	-	23	-
Clothing & Accessories	9,600	470	20	23	0.9
Sporting Gds, Hobby, Books, Music	6,076	470	13	23	0.6
General Merchandise	83,278	470	177	23	7.7
Misc. Store Retailers	-	470	-	23	-
Food & Drinking Places	21,611	470	46	23	2.0
Other (incl. cinema, prof./med office, banks)	538	470	1	23	0.0
Totals	131,808		280		12.2

Source: Demand estimates by Leland Consulting Group; sq ft per employee assumptions from the Metro Employment Density Study; EPA assumptions from EOA PAC

Land Needs Not Addressed in the Average Employment Densities (Other Needed Sites)

This section addresses Step 9: Estimate Additional Land Need Not Determined in Forecast

Statewide planning Goal 9 requires cities to “Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”¹⁰⁹ McMinnville has identified several employment land needs that have other needed sites. These related to target industry sectors identified in the *MAC-Town 2032 Economic Development Strategic Plan*. These are addressed in the respective subsections below, describing these land needs and the factual basis for each need.

Other Needed Sites Calculated Separately from Average Employment Densities

The City’s Economic Development Strategic Plan provides the City’s economic development opportunities, vision, and strategy. The City need not be bound by history and past trends, but can rather seek to achieve the community’s economic vision, supported by data, and realistically achievable given competitive advantage, as supported by data and emerging trends.

Statewide Planning Goal 9 states that comprehensive plans for urban areas shall: “Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.” This indicates that cities have some degree of flexibility in determining land needs as long as (1) they are consistent with plan policies, and (2) are justifiable. The land needs described in this section are all identified in existing city plans, but are not considered in the employment forecast.

¹⁰⁹ <https://www.oregon.gov/lcd/OP/Documents/goal9.pdf>

The needs analysis also needs to account for these other needed sites for uses anticipated as part of the Economic Development Strategy. Below are some examples of other needed sites in McMinnville and other Oregon communities:

- For example, when McMinnville’s UGB was established in the early 1980s, it wasn’t anticipated that there would be a need for a large site for the Evergreen Museum or water park. These facilities occupy approximately 70 acres of their sites. These have substantial economic benefits to the McMinnville economy. In 2018, they had over 88,000 visitors. They also require large sites, differ from traditional employment uses, don’t fit neatly within an employment density assumptions, and they consume a significant amount of the land supply in the UGB.
- Another example of a needed site for tourism is the US Cellular Park in Medford. The park is 132 acres with 15 sports fields. The 2018 Annual Report shows that in 2018 it generated \$11.5 million estimated economic impact, surpassing \$100 million cumulative local economic impact since its inception in 2008, helping to sustain 110 jobs in the local economy based on the direct spending of visiting teams.¹¹⁰
- The City of Redmond is expanding its UGB to add nearly 949 acres for several employment uses. This allows the Deschutes County Fair and Expo Center to build out and become more of a regional player (with an additional 120 acres), while providing a new home for the Oregon National Guard’s Redmond Armory (approximately 40 acres). It also provides nearly 700 acres for large industrial projects.¹¹¹
- The Allison Inn and Spa in Newberg takes advantage of place-based tourism. It is on a 35 acre site in the City of Newberg. It is situated adjacent to rural land with surrounding views of wine country and farmland. It includes accommodations, restaurant and bar, spa and meeting and event center. This could be considered an adaptation of one of the prototypes described in the agri-tourism plan described below, but adapted for an urban location interfacing with a rural setting, rather than located in a rural location.
- Over a decade ago, a County-wide plan was undertaken related to agri-tourism. It identified six prototype projects, each with specific assumptions about characteristics. These were predominantly rural prototypes, but the opportunities for these prototypes haven’t been realized.¹¹²

The Economic Development Strategic Plan identifies 57 items that potentially have site-related needs. Based on further review and discussions, we assume the approximately 47 other items not included in the list of ten site needs below would be addressed through traditional sites needs within the standard site needs and average employment density calculations. Exhibit 58

¹¹⁰ *U.S. Cellular Community Park Annual Report*. Medford Parks, Recreation & Facilities. 2018.

<https://www.sportsmedford.com/Assets/48/2018%20USCCP%20Annual%20Report.pdf>

¹¹¹ “Fairground expansion, armory and more coming to SE Redmond.” Stephen Hamway. *The Bulletin*. Feb 3, 2019.

<https://www.bendbulletin.com/localstate/6884610-151/fairgrounds-expansion-armory-and-more-coming-to-se-redmond>

¹¹² *Yamhill County Agri-Business Economic and Community Development Plan Summary Report*. Barney & Worth, Inc. June 2009. https://www.co.yamhill.or.us/sites/default/files/Summary_Report_-_Yamhill_County_Agri-Business.pdf

summarizes the land needs for these other needed sites. (Appendix C. provides a detailed version of this table.)

The June 2023 update of the EOA removed the following items from Exhibit 58:

- See Ya Later Foundation Champions Center.
- Equestrian center with supporting commercial activity inside UGB, which located elsewhere (not within McMinnville).

These changes reduced the land needs in Exhibit 58 to 49 acres.

Exhibit 58. Land needs identified in the MAC-Town 2032 Economic Development Strategic Plan (EDSP): Other needed sites not reflected in average employment density calculations

Use	Description or Example*	Land Need	Total Employment Adjustment (Source)	EDSP or Other Reference
1. Community Center/Recreation Facility	Update, improve, expand and add recreational facilities that serve the community's needs (Community Center and Aquatic Center).	10 acres	22 employees (Source: Parks Director)	3.2.2
2. Outdoor Stage/ Amphitheater	Britt, Jacksonville Cuthbert, Eugene Bi-Mart, Central Point Les Schwab, Bend	5 acres plus parking	30 employees (Source: Britt Festival - 2,200 seating capacity)	3.2.1.
3. Arts and culture focused event center	Chehalem Cultural Center, Newberg)	3.5 acres	15 employees (Source: Chehalem Cultural Center)	3.3
4. Evergreen Aviation and Space Museum	Support existing facilities; based on facilities in master plan	27 acres	57 employees (Source: Evergreen Master Plan)	3.3
5. Wings and Waves	Opportunities for growth and expansion	Location-specific land need at existing partially vacant site	<i>Included in Evergreen Master Plan, see above</i>	6.3.
6. Conference Center:	40,000 sf conference space, accommodation, and parking:	5 acres	13 employees (Source: Feasibility Analysis)	6.4
7. Food hub and public market	Focused on local craft foods & beverages	3.5 acres	13 employees (Source: USDA Regional Food Hub Resource Guide)	3.2.2.
8. Makerspace/innovation hub/ fabrication center	Supports local innovation & entrepreneurial ecosystem	2 acres	3 employees (Source: Talent Maker City)	6.3.
TOTAL		56 acres	153 employees 153 employees @ 23 emp/acre = 7 acres 56 acres – 7 acres = <u>net increase of 49 acres</u>	

*Additional examples are provided in the following narrative.

1. COMMUNITY CENTER/RECREATION FACILITY

Strategy 3.2.2 of the MAC-Town 2032 EDSP seeks to cultivate partnerships to develop and market McMinnville’s recreation amenities. A specific action in that section is to add recreational facilities that serve the community’s needs including a Community Center and Aquatic Center.

The McMinnville Parks Department is in the process of completing a feasibility analysis for a facility and is currently estimating demand of 10 acres. Further information is expected to be available in February 2020.

This is consistent with other examples reviewed by ECONorthwest. ECONorthwest reviewed characteristics of comparable community centers. These include two facilities run by the Salvation Army (Kroc centers in Salem and Coeur d’Alene), and three city-managed facilities in Eugene, Portland, and Federal Way Washington. Exhibit 59 provides a summary of the facilities.

Exhibit 59. Community Center Characteristics

Facility	Facility Size (sq ft)	Site Size (acres)	Description
Salem Kroc Center	91,500	22.0	LEED certified with a waterpark (including a Jr. Olympic competition pool, water slide, lazy river, hot tub, and splash pad), Fitness Center, Gymnasium, Game Room, Art Studio, Library/Media Center, Amphitheater, Chapel/Performing Arts Center, 4000 ft ² of Event Space
Coeur d’Alene Kroc Center	132,000	12.0	Competition and leisure pools, health and wellness center, gym and climbing wall, game room, and classrooms
East Portland Community Center	45,000	5.7	Full-size gymnasium with retractable bleachers Transverse bouldering wall Fitness center with cardiovascular and circuit strength equipment Exercise studio with sprung wood floor and mirrors Multi-purpose, and poolside rooms Outdoor courtyard Indoor 4-lane Pool Indoor zero-depth entry leisure pool with current channel, waterslide, splashdown
Federal Way Community Center	72,000	10.0	Aquatics center, three gyms, fitness center, climbing pinnacle and Splash Café
Eugene Amazon Community Center	n/a	12.0	Outdoor pool, two community centers with many amenities, parking

Based on information from the Parks Department, and consistent with review of comparable facilities, the land need for this use is assumed to be 10 acres.

2. OUTDOOR STAGE/AMPHITHEATER

Strategy 3.2.1 of the MAC-Town 2032 EDSP seeks to update City Plans to evaluate and prioritize investments in recreation infrastructure. The strategy specifically identifies the desire to “add an outdoor stage or amphitheater to one of McMinnville’s existing parks.” The following list provides capacity and site sizes for amphitheaters in other Oregon cities.

- Les Schwab Amphitheater, Bend ~8,000 capacity ~5 acres plus parking (parking co-located with other uses)
- Bi-Mart Amphitheater, Central Point: ~6,000+ total capacity (~1985 fixed seats plus lawn), (parking co-located with other uses); ~5+ acres, plus parking & other support areas
- Britt Festival, Jacksonville: 2,200 total capacity (1,000 fixed seating plus lawn), parking co-located with other uses); Approximately 4 acres plus parking, (includes main stage, small stage, concession buildings, seating, staging area)
- Cuthbert Amphitheater, Eugene: 5,000 total capacity; parking co-located with Alton Baker Park; Approximately 4.3 acres without patron parking (includes main stage, seating, concession areas, and performer/equipment parking).

Based on review of comparable facilities, the land need for this use is assumed to be 5 acres. Assume shared parking, otherwise additional land will be needed for dedicated parking.

Note: This is calculated separate from the See Ya Later Foundation Champion Center. While that facility proposed an amphitheater. That site plan identified an amphitheater, but the concept is a different facility than what is identified in the Economic Development Strategic Plan. The Champion center would rely on use of two athletic fields for area comparable to above facilities ranging from 2,200-8,000 capacity (plus parking).

3. ARTS AND CULTURE FOCUSED EVENT CENTER

Strategy 3.3 (Leverage arts and culture amenities) of the MAC-Town 2032 EDSP identifies the desire for an arts and culture focused center. Specifically, the plan states “Initiate a conversation between local artists, arts organizations, philanthropies and other parties to identify the potential for an arts and culture-focused event center in McMinnville.” The strategy also includes the need for a community art space “Evaluate the feasibility of a public private partnership to create a community art space or collaborative studio and cooperative gallery.” Following is a summary of similar cultural centers:

- Chehalem Cultural Center, Newberg – is located in a historic building and houses a fine arts gallery and exhibition hall, three multipurpose arts studio classrooms, a state-of-the-art clay studio, a recording studio with four music practice studios, meeting space, and a 5,200 square foot grand ballroom for public and private events.

Based on review of comparable facilities, the land need for this use is assumed to be 3.5 acres.

4. OPPORTUNITIES TO SUPPORT EVERGREEN AVIATION AND SPACE MUSEUM

This opportunity is identified as part of Strategy 3.3 – Leverage arts and culture amenities. Specifically, the project is to establish periodic, formal dialogue with the Evergreen Aviation and Space Museum to anticipate their needs and identify opportunities to provide support.

This expansion is consistent with the adopted Evergreen Master Plan and would build out about 27 additional buildable acres of the property (with constrained areas left intact –wetlands, ravine, etc.) The master plan also includes an adventure course and associated features that extend would outside the UGB. The use of the site is limited by the Planned Development Ordinance to the master plan unless the PD Ordinance is amended.

This opportunity assumes expansion onto ownership of partially vacant land of 27 acres. This deduction is included as part of the other needed sites since a portion of the site (27 acres) was inventoried as vacant in the buildable lands inventory.

5. WINGS AND WAVES OPPORTUNITIES FOR GROWTH AND EXPANSION

This opportunity is related to Strategy 3.3 and is part of McMinnville’s overall tourism strategy. The Waterpark was bought by The Falls Event Center in 2017, and is now run as a separate organization.

This opportunity assumes expansion onto ownership of partially vacant land.

6. CONFERENCE SPACE

This opportunity relates to Strategy 6.4 – Market and promote McMinnville. The plan includes a project to “Work with visit McMinnville and local hoteliers to identify gaps in available conference space and to establish a plan to expand McMinnville’s offerings for small and large conferences.” Towards that end, Visit McMinnville retained Johnson Consulting to complete a market analysis for conference facilities. The January 2018 report, titled *McMinnville Conference Center and Destination Analysis*, identifies need for a 40,000 sq ft conference space not including accommodations and parking. We looked at the following comparable facilities:

- Washington County Event Center: 89,000 sf; ~8 acres with parking
- Seaside: 25,000 sf, 10 meeting rooms; 4 acres with parking
- Pendleton: 28,000 sf, 9 meeting rooms; 12.5 acres with parking
- Blair County Convention Center, PA. 2 levels, ~50,000 sf; 11 acres with parking
- Blue Water Convention Center, MI: ~40,000 sf; 12 acres

Based on review of comparable facilities, the land need for this use is assumed to be 5 acres.

7. CRAFT FOOD AND BEVERAGE FOOD HUB/FARMERS MARKET

McMinnville wants to develop an integrated food hub and year-round farmers market. Farmers markets are physical retail marketplaces intended to sell foods directly by farmers to consumers. Food hubs offer a combination of aggregation, distribution, and marketing services at an affordable price. Food hubs make it possible for many producers to gain entry into new larger-volume markets that boost their income and provide them with opportunities for scaling up production. Combining food hubs and farmers markets creates opportunities to better integrate local food value chains. Examples of farmers markets and food hubs include:

- Olympia Farmers Market, Olympia WA - supports local sustainable agriculture by connecting the public with local farmers, artisans, and other producers in an economically viable marketplace, has over 100 vendors and an estimated 400,000 visitors per year; 4.7 acres
- Bellingham Farmers Market, Bellingham WA – promotes and encourages the development of local, small scale agriculture and ensure a market balance for small, local growers and has over 100 vendors and is co-located at a transit station in downtown Bellingham; 1.5 acres
- Fallon Food Hub Co-op, Fallon NV – has the mission of educate residents about the benefits of eating seasonally and healthfully in order to create a thriving and expanding local food scene resulting in increased opportunities for area producers; 2.2 acres
- Catskills Food Hub, Sullivan County NY – a non-profit organization working to strengthen local agriculture, increase access to fresh food, and improve health outcomes for Sullivan County and the region; 2.7 acres
- Puget Sound Food Hub, Mt. Vernon WA – supports the relationship between regional farmers and their customers, enabling a values-based supply chain for food safety and transparency; 3.2 acres

Based on review of comparable facilities, the land need for this use is assumed to be 3.5 acres.

8. MAKERSPACE/INNOVATION HUB/ FABRICATION CENTER

Most industrial land demand is already reflected in the employment forecast. McMinnville wants to develop additional strategies to bolster the local maker community and the entrepreneurial ecosystems. Makerspace and fabrication laboratories are strategies that communities are pursuing. Makerspaces are community-operated, often nonprofit, workspaces where people with common interests, such as computers, machining, technology, science, digital art, or electronic art, can meet, socialize and collaborate. CraterWorks Makerspace, located in Central Point, also includes a commercial kitchen and market space. It is about 2 acres in size.

Based on review of comparable facilities, the land need for this use is assumed to be 2 acres.

Site Characteristics and Needed Sites

OAR 660-009-0015(2) requires the EOA to “identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses.” The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

The rule, OAR 660-009-0015(2), states that “[i]ndustrial or other employment uses with compatible site characteristics may be grouped together into common site categories.” The rule suggests, but does not require, that the City “examine existing firms in the planning area to identify the types of sites that may be needed.” For example, site types can be described by: (1)

plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, McMinnville groups its future employment uses into three general categories based on land use types: (1) commercial (includes retail commercial, office & commercial services, and tourism services)¹¹³; (2) industrial; and (3) sites needed to meet specific economic development objectives (e.g., other land needs not addressed in the employment forecast as discussed above).

In short, in addition to estimating the acreage needed to accommodate current and future employment, it is necessary for the city to determine if it has sites with characteristics suitable for the development to address needs and opportunities. This includes site size, topography, access, utilities, and other characteristics such as location and proximity to other uses and amenities.

As a first step, ECONorthwest analyzed the size distribution of developed employment sites in McMinnville by land use type. Exhibit 60 shows the results. The majority of commercial lots are small – 88% of commercial lots are less than 1 acre, and 42% of the commercial land (in acres) is in lots less than 1 acre. No developed commercial lots are larger than 20 acres. (Some shopping centers include multiple tax lots).

¹¹³ At early stages of the EOA, McMinnville broke commercial out into separate land use categories, but found that many overlap and do not have distinct site needs from other commercial categories by NAICS sector.

Industrial sites show a different pattern. Seven industrial sites (about 2 percent of all industrial sites) are greater than 10 acres but account for 25% of all industrial land in acres. While McMinnville has 122 industrial sites less than 1 acre, those sites account for only 7% of developed industrial land (in acres). Some industrial users occupy multiple buildings and/or tax lots.

Exhibit 60. Size distribution of developed employment sites by land use type, McMinnville UGB, 2019

Land Use Type	Developed acres size									Total
	<0.50 acre	0.50-0.99 acres	1.00-1.99 acres	2.00-4.99 acres	5.00-9.99 acres	10.00- 19.99 acres	20.00- 25.00 acres	25.01- 49.99 acres	50.00+ acres	
Commercial										
Acres	96	54	57	90	26	34	-	-	-	357
Percent of Acres	27%	15%	16%	25%	7%	9%	0%	0%	0%	100%
Tax Lots	509	80	41	30	4	3	-	-	-	667
Percent of Tax Lots	76%	12%	6%	4%	1%	0%	0%	0%	0%	100%
Industrial										
Acres	12	19	43	87	91	61	25	-	79	417
Percent of Acres	3%	4%	10%	21%	22%	15%	6%	0%	19%	100%
Tax Lots	96	26	32	29	13	5	1	-	1	203
Percent of Tax Lots	47%	13%	16%	14%	6%	2%	0%	0%	0%	100%

In addition to basic logistical considerations, there are workforce considerations for locating within a community. For example, in the Three Mile Lane study, it was found that employers located to the area because there were sites that had land needed for expansion; however, employees preferred to be in amenity-rich locations. Employers have had to adjust business practices to accommodate employees in these locations absent the presence of amenities, such as those which were available in prior locations before relocating to accommodate space needs. This largely illustrates the need for the city’s growth management strategy of balanced land uses that provide for a nearby mix of uses and opportunities to reduce vehicle miles travelled.

For certain development types, there is a standardized taxonomy and these types have specific site characteristic needs. The City’s economic development vision and strategy may deviate from some of these typical prototypes in order to promote an authentic place-based experience, but the real estate principles must still function properly. Exhibit 61 and Exhibit 62 show taxonomies for industrial and commercial categories. The site characteristics for commercial and industrial uses shown in the exhibits equate to characteristics that are both “necessary” and “typical” for the target industries identified in the City’s MAC-Town 2032 Economic Development Strategic Plan.

It should be noted that certain development types need larger sites that must be planned and located all at one time, even if future phases within the development build out over time. Therefore, those sites need to be accounted for up-front, rather than incrementally. Other land uses have needs that don’t fit into these broad categories but have other programmatic needs that define the site needs. Examples of these other needed sites apply to uses such as convention/ conference space, regional athletic facilities, etc. For those facilities identified in the Economic Development Strategy that have special sites needs that aren’t sufficiently accounted for in the land needs calculated by the employment forecast and employment density, site characteristics have been separately described below.

Exhibit 61. Shopping Center Taxonomy, ICSC



U.S. Shopping-Center Classification and Typical Characteristics*								
Type of Shopping Center	Concept	Typical GLA Range (Sq. Ft.)	Acres	# of Anchors	% Anchor GLA	Typical Number of Tenants	Typical Type of Anchors	Trade Area Size
General-Purpose Centers								
Super-Regional Mall	Similar in concept to regional malls, but offering more variety and assortment.	600,000+	60-120	3+	50-70%	N/A	Full-line department store, mass merchant, discount department store, fashion apparel store, semi-anchor, oneplex or other large-scale entertainment attraction, and food-and-beverage service cluster.	5-25 miles
Regional Mall	General merchandise or fashion-oriented offerings. Typically enclosed with inward-facing stores connected by a common walkway. Parking surrounds the outside perimeter.	400,000-600,000	40-100	2+	50-70%	40-80 stores	Full-line department store, mass merchant, discount department store, fashion apparel store, semi-anchor, oneplex or other large-scale entertainment attraction, and food-and-beverage service cluster.	5-15 miles
Community Center ("Large Neighborhood Center")	General merchandise or convenience-oriented offerings. Wider range of apparel and other soft goods offerings than neighborhood centers. The center is usually configured in a straight line as a strip, or may be laid out in an L- or U shape, depending on the site and design.	125,000-400,000	10-40	2+	40-60%	15-40 stores	Discount store, supermarket, drug, large-specialty discount (toys, books, electronics, home improvement/furnishings or sporting goods, etc.).	3-6 miles
Neighborhood Center	Convenience-oriented.	30,000-125,000	3-5	1+	30-50%	5-20 stores	Supermarket	3 miles
Strip/Convenience	Attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape. A convenience center is among the smallest of the centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area.	< 30,000	< 3	Anchor-less or a small convenience-store anchor.	N/A	N/A	Convenience store, such as a mini-mart.	< 1 mile
Specialized-Purpose Centers								
Power Center	Category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants.	250,000-600,000	25-80	3+	70-90%	N/A	Category killers, such as home improvement, discount department, warehouse club and off-price stores.	5-10 miles
Lifestyle	Upscale national-chain specialty stores with dining and entertainment in an outdoor setting.	150,000-500,000	10-40	0-2	0-50%	N/A	Large-format upscale specialty	8-12 miles
Factory Outlet	Manufacturers' and retailers' outlet stores selling brand-name goods at a discount.	50,000-400,000	10-50	N/A	N/A	N/A	Manufacturers' and retailers' outlets	25-75 miles
Theme/Festival	Leisure, tourist, retail and service-oriented offerings with entertainment as a unifying theme. Often in urban areas, they may be adapted from older—sometimes historic—buildings, and part of a mixed-use project.	80,000-250,000	5-20	Unspecified	N/A	N/A	Restaurants, entertainment	25-75 miles
Limited-Purpose Property								
Airport Retail	Consolidation of retail stores located within a commercial airport.	75,000-300,000	N/A	N/A	N/A	N/A	No anchors; retail includes specialty retail and restaurants.	N/A

*Disclaimer: While every effort is made to ensure the accuracy and reliability of the information contained in this report, ICSC does not guarantee and is not responsible for the accuracy, completeness or reliability of the information contained in this report. Use of such information is voluntary, and reliance on it should only be undertaken after an independent review of its accuracy, completeness, efficiency, and timeliness. Criteria used in the definitions above are intended to be only typical of general features, rather than covering all situations.

Exhibit 62. Industrial Development Profile Matrix, 2015

STATE OF OREGON - Infrastructure Finance Authority
Industrial Development Competitiveness Matrix



PROFILE	Production Manufacturing		Value-Added Manufacturing and Assembly		Light / Flex Industrial			Warehousing & Distribution		Specialized			
	A	B	C	D	E	F	G	I	H	J	K	L	
	Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Advanced Manufacturing & Assembly	General Manufacturing	Industrial Business Park and R&D Campus	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	LVA Manufacturing / Research	Data Center	Rural Industrial	
CRITERIA	Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.												
1 GENERAL REQUIREMENTS													
2 PHYSICAL SITE													
TOTAL SITE SIZE**	Competitive Acreage*	10 - 100+	5 - 25+	5 - 25+	5 - 25+	5 - 15+	20 - 100+	5 - 15+	20 - 100+	10 - 25+	10 - 25+	5 - 25+	
3 COMPETITIVE SLOPE:	Maximum Slope	0 to 5%	0 to 5%	0 to 5%	0 to 7%	0 to 5%	0 to 7%	0 to 12%	0 to 5%	0 to 5%	0 to 7%	0 to 5%	
4 TRANSPORTATION													
5 TRIP GENERATION:	Average Daily Trips per Acre	40 to 60 (ADT / acre)	40 to 60 (ADT / acre)	50 to 60 (ADT / acre)	40 to 60 (ADT / acre)	40 to 50 (ADT / acre)	60 to 150 (ADT / acre)	170 to 180 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	20 to 30 (ADT / acre)	40 to 50 (ADT / acre)
6 MILES TO INTERSTATE OR OTHER PRINCIPAL ARTERIAL:	Miles	w/ in 10	w/ in 10	w/ in 30	w/ in 15	w/ in 20	N/A	N/A	w/ in 5 (only interstate or equivalent)	w/ in 5 (only interstate or equivalent)	N/A	w/ in 30	N/A
7 RAILROAD ACCESS:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Avoid	N/A
8 PROXIMITY TO MARINE PORT:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Not Required	N/A
9 PROXIMITY TO REGIONAL COMMERCIAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Required	Preferred	Preferred	Preferred	Preferred	Competitive	N/A
	Distance (Miles)	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	w/ in 30	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	N/A
10 PROXIMITY TO INTERNATIONAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Competitive	Preferred	Preferred	Preferred	Competitive	Preferred	N/A
	Distance (Miles)	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	w/ in 100	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	N/A
11 UTILITIES													
WATER:	Min. Line Size (Inches/Dmtr)	8" - 12"	12" - 16"	12" - 16"	8" - 12"	6" - 10"	8" - 12"	4" - 6"	4" - 8"	4" - 6"	4" - 8"	16"	4" - 8"
	Min. Fire Line Size (Inches/Dmtr)	10" - 12"	12" - 18"	10" - 12"	10" - 12"	8" - 10"	8" - 12"	6" - 10"	10" - 12"	6" - 8"	6" - 10"	10"-12"	6" (or alternate source)
	High Pressure Water Dependency	Preferred	Required	Required	Preferred	Not Required	Preferred	Not Required	Not Required	Not Required	Not Required	Required	Not Required
	Flow (GPD / Acre)	1600	5200	3150	2700	1850	2450	1600	500	500	1600	50-200 (Gallons per MWH) †	1200
SEWER:	Min. Service Line Size (Inches/Dmtr)	6" - 8"	12" - 18"	10" - 12"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	4"	4"	6"	8"-10"	4" - 6" (or on-site source)
	Flow (Gallons per Day per Acre)	1500	4700	2600	2500	1700	2000	1600	500	500	1300	1000 (GPD / Acre) ‡	1000
NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	4" - 6"	6"	4"	6"	4"	6"	2"	2"	2"	2"	4"	N/A
	On Site	Competitive	Competitive	Preferred	Competitive	Competitive	Competitive	Preferred	Preferred	Preferred	Preferred	Preferred	Preferred
ELECTRICITY:	Minimum Service Demand	2 MW	4-6 MW	2-6 MW	1 MW	0.5 MW	0.5 MW	0.5 MW	1 MW	1 MW	0.5 MW	5-25 MW	1 MW
	Close Proximity to Substation	Competitive	Competitive	Not Required	Competitive	Preferred	Competitive	Preferred	Not Required	Not Required	Not Required	Required, could be on site	Not Required
	Redundancy Dependency	Required	Preferred	Not Required	Required	Not Required	Competitive	Required	Not Required	Not Required	Not Required	Required	Not Required
TELECOMMUNICATIONS:	Major Communications Dependency	Preferred	Required	Preferred	Required	Required	Required	Required	Preferred	Preferred	Required	Required	Preferred
	Route Diversity Dependency	Not Required	Required	Not Required	Required	Not Required	Preferred	Required	Not Required	Not Required	Not Required	Required	Not Required
	Fiber Optic Dependency	Preferred	Required	Preferred	Required	Preferred	Required	Required	Preferred	Preferred	Required	Required	Not Required
12 SPECIAL CONSIDERATIONS:	<p>Adequate distance from sensitive land uses (residential parks, large retail centers) necessary. High throughput of materials. Large yard spaces and/or buffering required. Often transportation related requiring marine/rail links.</p> <p>Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.</p> <p>May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.</p> <p>Surrounding environment of great concern (vibration, noise, air quality, etc.). Increased setbacks may be required. Onsite utility service areas. Avoid sites close to treatment plants, landfills, sewage lagoons, and similar land uses. Lower demands for water and sewer treatment than Production High-Tech Manufacturing.</p> <p>Adequate distance from sensitive land uses (residential parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.</p> <p>High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.</p> <p>Relatively higher parking ratios may be necessary. Will be very sensitive to labor force and the location of other similar centers in the region. High reliance on telecom infrastructure.</p> <p>Transportation routing and proximity to/from major highways is crucial. Expansion options required. Truck staging requirements mandatory. Minimal route obstructions between the site and interstate highway such as rail crossings, drawbridges, school zones, or similar obstacles.</p> <p>Transportation infrastructure such as roads and bridges to/from major highways is most competitive factor.</p> <p>Must be located within or near FAA regulated UAV testing sites. Moderate utility demands. Low reliance on transportation infrastructure.</p> <p>Larger sites may be needed. The 25-acre site requirement represents the most typical site. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.</p> <p>Located in more remote locations in the state. Usually without direct access (within 50 miles) of Interstate or City of more than 50,000 people.</p>												

Mackenzie: Business Oregon

Terms:	
More Critical	'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards
↑	'Competitive' significantly increases marketability and is highly recommended by Business Oregon. May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
Less Critical	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
	* Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.
	**Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space
	† Data Center Water Requirements: Water requirement is reported as gallons per MWH to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).
	‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.



Current Revision Date: 6/23/2015

To meet the requirements of OAR 660-009-0015(2) to identify the number of needed sites by type, we analyzed the existing distribution of developed sites by size (Exhibit 60) and applied it to overall land need for the 2021-2041 period. Exhibit 63 summarizes needed sites by size class. Exhibit 64 allocates needed sites to target sizes within those size class ranges consistent with the methodology in the Industrial Sites Information memorandum distributed at the February 27, 2020 PAC meeting.¹¹⁴ This was based on the range and distribution of site sizes for larger industrial sites described in the MEDP letter (Appendix D. Site Need Letters). These tables also include the estimates for the smaller site sizes of 0.5-2.0 acres discussed in the Employment Sites memo, consistent with the tables labeled “Need 2” in that memo, which was supported by the PAC. Exhibit 63 and Exhibit 64 now also incorporate smaller site sizes less than 0.5 acres, as described in the buildable lands inventory methodology.

Exhibit 63. Revised Employment Site Size Classes and Assignment of Needed Sites

Original Size Classes and Assignments			Revised Size Classes and Assignments		
Original Size Classes	Needed Sites	Ac Range	Revised Size Classes	Needed Sites	Ac Range
NA <i>(By definition in OAR 660 Division 9, undeveloped sites less than ½ acre are not defined as vacant sites)</i>	NA	NA	<0.5 acre	23	0-12
0.5-0.99 ac	10	5-10	0.5-0.99 ac	10	5-10
1.00-1.99	12	12-24	1.00-1.99	12	12-24
2.00-4.99	4	8-20	2.00-4.99	4	8-20
5.00-9.99	3	15-30	5.00-9.99	3	15-30
10.00-19.99	10	100-200	10.00-19.99	10	100-200
20.00-49.99	8	160-400	20.00-25.00	7	140-175
			25.01-49.99	1	25-50
50.00+	0	0	50.00+	0	0
Total	47 sites	300-684 ac	Total	70 sites	305-521 ac

Needed Industrial Sites Provide for at Least an Adequate Supply

Goal 9 and ORS 197.712(2)(c) specify that Comprehensive Plans for urban areas shall: ...“Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”

The employment forecast and employment density factors identified a need for 153 industrial acres. The needed sites identified above in Exhibit 64, appropriately located, would provide for at least an adequate supply of sites of suitable sizes for a variety of industrial uses consistent with plan policies, as required by Goal 9. To be competitive, this would assure there would be a

¹¹⁴ https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/7-industrial_sites_narrative_summ_2-26-2020_letterhead.pdf

supply of available of sites with a variety of sizes and characteristics to meet a variety of needs at any given time during the planning period.

Exhibit 64. Needed sites, competitive supply and choice consistent with IFA criteria

Site Size Class	Needed Sites By Class	Ac Range for Needed Sites	Needed Sites By Target Size	Ac for Needed Sites
<0.5	23	0-12	23@0.48 ac	11.0
0.5-0.99 ac	10	5-10	5@0.5 ac 5@ 1ac	2.5 5.0
1.00-1.99	12	12-24	6@1 ac 6@2 ac	6.0 12.0
2.00-4.99	4	8-20	2@2 ac 2@4 ac	4.0 8.0
5.00-9.99	3	15-30	3@5 ac	15.0
10.00-19.99	10	100-200	5@10 ac 5@15 ac	50.0 75.0
20.00-25.00	7	140-175	4@20 ac 3@25 ac	80.0 75.0
25.01-49.99	1	25-50	1@40ac	40.0
50.00+	0	0	0	0
Total	70 sites	305-521 ac	70 sites	384 ac

Note: MIP/MEDP Input re: Size Class Distribution – Size Assigned. Appendix D. Site Need Letters provides letters from MIP and MEDP stating needed site sizes.

Exhibit 65 provides a detailed summary of the needed sites between 5 and 50 acres listed in Exhibit 64. The sites listed in this table are identified based on industries listed in the IFA matrix (Exhibit 62) and the target sectors identified in McMinnville’s 2019 Economic Development Strategic Plan. The results of Exhibit 64 and Exhibit 65 show that McMinnville needs 384 acres for industrial land over the 20-year period.

Exhibit 65. Needed industrial and traded sector employment sites

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinnville	Needed Site Sizes	Size Class				
						5-9.9	10-14.9	15-19.9	20-25	25.1-50

Production Manufacturing

4:

A. Heavy Industrial / Manufacturing (10-100+ ac)	EDSP: Traditional Ind.& Advanced Manuf.	A. Preferred	2	10-25 ac	(1) 15ac, (1) 25ac		1	1		
B. High Tech/Clean Tech Manufacturing (5-100+ ac)	2013 EOA: Advanced Manufacturing	B. Preferred	2	5-25 ac	(1) 10ac, (1) 25ac		1		1	

Value-Added Manufacturing & Assembly

4:

C. Food Processing (5-25+ ac)	EDSP: Craft Beverages and Food Systems	C. Preferred	2	5-25 ac	(1) 5ac, (1) 10ac	1	1			
D. Advanced Manufacturing and Assembly (5-25+ ac)	EDSP: Traditional Ind. & Advanced Manuf.	D. Not Required	2	5-25 ac	(1) 15ac, (1) 20ac			1	1	

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinnville	Needed Site Sizes	Size Class				
						5-9.9	10-14.9	15-19.9	20-25	25.1-50

Light/Flex Industrial

6:

E. General Manufacturing (5-15+ ac)	EDSP: Technology and Entrepreneurship	E. Preferred	3	5-15 ac	(1) 5ac, (1) 10ac, (1) 15ac	1	1	1		
F. Indust. Business Park and R&D Campus (20-100+ ac)	EDSP: Education, Medicine and Other Sciences	F. Preferred	2	5-15 ac	(1) 40ac (Innovation Campus)	1	1			
G. Business / Admin Services (5-15+ ac)	2013 EOA: Healthcare/Traded Sector Services	G. Not Required			(1) 5ac, (1) 10ac					1

Warehousing & Distribution

5:

H. Regional Warehouse / Distribution (20-100+ ac)	EDSP: Craft Beverages and Food Systems	H. Preferred	2	20-25 ac	(1) 20ac, (1) 25ac					2
I. Local Warehouse / Distribution (10-25+ ac)	EDSP: Craft Beverages and Food Systems	I. Preferred	3	10-25 ac	(1) 10ac, (1) 15ac, (1) 20ac		1	1	1	

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinnville	Needed Site Sizes	Size Class				
						5-9.9	10-14.9	15-19.9	20-25	25.1-50
Specialized			2:							
J. UAV Manufacturing / Research (10-25+ ac)	EDSP: Traditional Industry and Advanced Manuf.	J. Not Required	1	10-25 ac	(1) 15ac			1		
K. Data Center (10-25+ ac)	EDSP: Technology and Entrepreneurship	K. Avoid	1	10-25 ac	(1) 20ac				1	
L. Rural Industrial (5-25+ ac)		L. N/A	N/A	5-25 ac	N/A					
Total:			21 sites of 5-40 acres		SUM: 21 sites 5ac-40ac (335 ac.)	3	5	5	7	1
					(Rail Preferred for 14 sites)					

*RP=Rail Preferred

Land Sufficiency

This section addresses Step 10: Compare Land Demand to Supply

Exhibit 66 shows commercial and industrial land sufficiency within the McMinnville UGB. It shows:

- **Vacant or partially vacant unconstrained land** from **Error! Reference source not found.** within the UGB. Exhibit 66 shows that McMinnville has 354 gross acres of industrial land, and 154 gross acres of commercial land (see Exhibit 45).
- **Demand for commercial and industrial land** from Exhibit 55, which shows McMinnville will need a total of 153 gross acres for industrial uses and 252 gross acres for commercial uses over the 2021-2041 period based on portion of demand determined through the forecast.
- **Retail Leakage** Additional needs, addressed previously in this Chapter, include retail leakage that is current demand that predates the employment forecast associated with new population growth (12-acre demand over the 20-year period)
- **Demand for commercial land needs with other needed sites** not adequately accounted for in the average employment density calculations. Forecast commercial land includes land use types of retail commercial, office and commercial services, and tourism services. These uses for other needed sites for target sectors are identified in the Economic Development Strategic Plan (56-acre demand over the 20-year period), a net difference of 49 additional acres after adjusting for associated employment.
- **Needed site sizes** from Exhibit 64 shows that McMinnville has an overall need for 384 acres of industrial land in site sizes between less than 0.5 acres and up to 50 acres in size.

Exhibit 66 shows that McMinnville has:

- A 29-acre deficit of industrial land in 2041
- A 159-acre deficit of commercial land in 2041.

Exhibit 66. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021-2041

Land Use Type	Land Supply (Suitable Gross Acres)	Demand (Gross Acres)	Land Sufficiency (Deficit)
Industrial	354	384	(29)
Commercial	154	313	(159)
<i>Forecast</i>		252	
<i>Retail leakage</i>		12	
<i>Other needed sites</i>		49	
Total	508	697	(189)

Source: ECONorthwest

Summary of Land Sufficiency for Employment Land in McMinnville

This section summarizes the analysis completed in Chapter 5 and the findings related to land sufficiency for employment land in McMinnville.

The current EOA update brings the 2013 document to the current 20-year planning period of 2021-2041, incorporating new trend and forecast data, and ensuring the City's land use planning documents provide the land use foundation to support the City's newly adopted economic development strategy, and ensure the Comprehensive Plan supports that strategy. It also considers a longer 46-year planning period. Since the City's economic development strategy is articulated in the new EDSP, this EOA update supports and references that work, but the scope didn't duplicate the work that was completed in the EDSP.

Demand

McMinnville will need about 697 gross acres (384 industrial and 313 commercial) for employment for the 2021 to 2041 period and 954 gross acres (384 industrial and 570 commercial) for the 2021 to 2067 period (Exhibit 67).

Demand was calculated in following components:

- By developing an employment forecast and assigning employment density factors to determine associated land needs, Employment forecasts indicate that McMinnville will add 6,885 jobs between 2021 and 2041 and 16,001 jobs between 2021 and 2067. *For this component of the demand, McMinnville will need at least 405 gross acres (153 industrial and 252 commercial) for employment for the 2021 to 2041 period and 899 gross acres (329 industrial and 570 commercial) for the 2021 to 2067 period (Exhibit 56).*
- By removing the following employment from the employment forecast, and instead estimating land needs for these employers based on interviews with the respective entities: local government, K-12, and higher education. *These are discussed in the public and institutional land needs section of the Urbanization Summary report, and are not discussed in the land sufficiency analysis for commercial and industrial employment.*
- The City assumed 5% of new employment would be accommodated on sites that don't require new vacant land, through infill, redevelopment, and locations that don't require new employment land.
- By identifying the existing retail leakage identified in a market analysis, which identifies existing deficits in the base year which are not otherwise accounted for in the forecast of future employment from 2021-2041. *McMinnville will need about 12.2 acres to address existing retail leakage.*
- By estimating other needed sites which are not accounted for in the average density assumptions. The sites for these uses are unique and not accounted for in the standard employment density factors. These are target industries and uses in the MAC-Town 2032 Economic Development Strategic Plan. *McMinnville will need 56 acres for other*

needed sites on commercial (e.g., land needs not accounted for in the employment projections) in the 2021 to 2041 period. A net increase of 49 acres when adjusting the employment forecast to reflect these unique site needs and adjustments to average density assumptions for these sites and uses.

- Calculation of additional needed sites on industrial land, based on target industries identified in the EDSP, resulted in *overall demand for 384 acres of industrial land for the 2021-2041 period. This analysis does not estimate demand for industrial land for the 2041 – 2067 period.*

Supply

In 2019, within the UGB, McMinnville has 508 buildable acres of employment land. This includes 154 buildable acres of commercial land and 354 buildable acres of industrial land.

- **Commercial.** Of the 154 buildable acres of commercial land, about 50 acres are in vacant lots, 65 acres are in partially-vacant lots, and 39 acres in the Urban Holding zone for future neighborhood commercial services. About 56 acres (approximately 36% of the buildable commercial land) is on the Evergreen property, which is subject to a Planned Development that limits uses to tourism-related uses consistent with the master plan. There are only 39 tax lots with buildable commercial acreage, and only some of these contiguous.
- **Industrial.** Of the 354 buildable acres of industrial land, about 301 acres are in vacant lots, and 53 acres are in partially-vacant lots. About 50% of the supply (177 acres) is in two tax lots over 50 acres, about 88 and 90 acres. McMinnville has one 24 acre site. The remaining sites are smaller than 15 buildable acres.

Sufficiency

Exhibit 67 shows the capacity of unconstrained vacant land and the demand for employment land over the 5-, 10-, 20-, and 46-year planning periods.

Exhibit 67. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Note: The analysis did not forecast industrial growth for the 2041-2067 period.

Land Use Type	5-year (2021-2026)			10-year (2021-2031)			20-year (2021-2041)			46-year (2021-2067)		
	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)
Industrial	354	38	316	354	77	277	354	384	(29)	Not forecast for 2041-2067		
Commercial	154	63	91	154	126	28	154	313	(159)	154	570	(416)

Source: ECONorthwest.

The next chapter provides a discussion of McMinnville’s existing Comprehensive Plan goals and policies related to economic development. It suggests updates to policies that may not align with the findings of this EOA or recent updates to supporting planning work including the MAC-Town 2032 Economic Development Strategic Plan.

6. Comprehensive Plan Policies

OAR 660-009-0020 outlines requirements for industrial and other economic development policies.

Local comprehensive plans are to provide a commitment to provide a competitive short-term supply together with a commitment to provide adequate sites and facilities. With this EOA, also identified are fulfillment of community economic development objectives.

Economic Development Goals and Policies

As noted at the outset of this EOA update report, the 2019 MAC-Town Economic Development Strategic Plan states the City of McMinnville’s mission related to economic development:

“McMinnville provides economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors, from steel manufacturing to technology. Economic growth is collaborative, and inclusive of individuals from diverse backgrounds. Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville’s high quality of life. Our strong downtown serves residents and visitors alike, featuring unique shops and world-class restaurants that offer locally-produced food products and globally-renowned wine. As we evolve, we prize our small-town roots and we maintain McMinnville’s character.”

The currently adopted Comprehensive Plan also includes more detailed goal statements, and some goals include specific policies. This EOA update provides suggested changes to goals and policies that may not align with the city’s current vision for economic development. The suggested changes are indicated with items to **remove** or items to consider **adding**.

Goal IV 1: To encourage the continued growth and diversification of McMinnville’s economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.

Goal IV 2: To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.

Policy:

- 21.00 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the City. Such uses shall locate according to the goals and policies in the comprehensive plan.
- 21.01 The City shall periodically update its economic opportunities analysis to ensure that it has within its urban growth boundary (UGB) a 20-year supply of lands designated for commercial and industrial uses. The City shall provide an adequate

number of suitable, serviceable sites in appropriate locations within its UGB. If it should find that it does not have an adequate supply of lands designated for commercial or industrial use it shall take corrective actions which may include, but are not limited to, redesignation of lands for such purposes, or amending the UGB to include lands appropriate for industrial or commercial use. (Ord.4796, October 14, 2003)

- 21.02 The City shall encourage and support the start up, expansion or relocation of high-wage businesses to McMinnville.
 - 1. The City shall coordinate economic efforts with the Greater McMinnville Area Chamber of Commerce, McMinnville Industrial Promotions, McMinnville Downtown Association, Yamhill County, Oregon Economic and Community Development Department, and other appropriate groups.
 - 2. Economic development efforts shall identify specific high-wage target industries and ensure that adequately sized, serviced, and located sites exist within the McMinnville urban area for such industries. (Ord.4796, October 14, 2003)
- 21.03 The City shall support existing businesses and industries and the establishment of locally owned, managed, or controlled small businesses. (Ord.4796, October 14, 2003)
- 21.04 The City shall make infrastructure investments that support the economic development strategy a high priority, in order to attract high-wage employment. (Ord.4796, October 14, 2003)
- 21.05 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the city. Such uses shall locate according to the goals and policies in the comprehensive plan. (Ord.4796, October 14, 2003)

Goal IV 3: To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood and community serving commercial lands and discouraging strip development.

General Policies:

- 22.00 The maximum and most efficient use of existing commercially designated lands will be encouraged as will the revitalization and reuse of existing commercial properties.
- 23.00 Areas which could in the future serve as commercial sites shall be protected from encroachment by incompatible uses.
- 24.00 The cluster development of commercial uses shall be encouraged rather than auto-oriented strip development. (Ord.4796, October 14, 2003)

Locational Policies:

- 24.50 The location, type, and amount of commercial activity within the urban growth boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord.4796, October 14, 2003)

- 25.00 Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.
- 26.00 The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district, and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.
- 27.00 Neighborhood commercial uses will be allowed in residential areas. These commercial uses will consist only of neighborhood oriented businesses and will be located on collector or arterial streets. More intensive, large commercial uses will not be considered compatible with or be allowed in neighborhood commercial centers.
- 28.00 A commercial planned development should be encouraged in the proximity of the intersection of Hill Road and West Second Street. Such a development should service the needs of people in western McMinnville. The development should be anchored by a grocery store.

Design Policies:

- 29.00 New direct access to arterials by large-scale commercial developments shall be granted only after consideration is given to the land uses and traffic patterns in the area of development as well as at the specific site. Internal circulation roads, acceleration/deceleration lanes, common access collection points, signalization, and other traffic improvements shall be required wherever necessary, through the use of planned development overlays.
- 30.00 Access locations for commercial developments shall be placed so that excessive traffic will not be routed through residential neighborhoods and the traffic-carrying capacity of all adjacent streets will not be exceeded.
- 31.00 Commercial developments shall be designed in a manner which minimizes bicycle/pedestrian conflicts and provides pedestrian connections to adjacent residential development through pathways, grid street systems, or other appropriate mechanisms. (Ord.4796, October 14, 2003)
- 32.00 Where necessary, landscaping and/or other visual and sound barriers shall be required to screen commercial activities from residential areas.
- 33.00 Encourage efficient use of land for parking; small parking lots and/or parking lots that are broken up with landscaping and pervious surfaces for water quality filtration areas. Large parking lots shall be minimized where possible. All parking lots shall be interspersed with landscaping islands to provide a visual break and to provide energy savings by lowering the air temperature outside commercial structures on hot days, thereby lessening the need for inside cooling. (Ord.4796, October 14, 2003)
- 34.00 The City of McMinnville shall develop and maintain guidelines concerning the size, placement, and type of signs in commercial areas.

- 35.00 The City of McMinnville shall encourage the development of a sign system that directs motorists to parking areas.

Goal IV 4: To promote the downtown as a cultural, administrative service, and retail center of McMinnville.

Downtown Development Policies:

- 36.00 The City of McMinnville shall encourage a land use pattern that:
 - 1. Integrates residential, commercial, and governmental activities in and around the core of the city;
 - 2. Provides expansion room for commercial establishments and allows dense residential development;
 - 3. Provides efficient use of land for adequate parking areas;
 - 4. Encourages vertical mixed commercial and residential uses; and,
 - 5. Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)
- 37.00 The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)
- 38.00 The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.
- 39.00 The City of McMinnville shall encourage and allow the development of pocket parks, landscaping, and other natural amenities to provide a visual contrast between streets and parking lots and buildings to enhance the general appearance of the downtown.
- 40.00 The City of McMinnville shall encourage and develop a policy of cooperation with federal, state, and local governments and agencies regarding the location of public administrative and service facilities in the downtown area and further encourage these same agencies to develop off-street parking opportunities and transportation alternatives for their employees.
- 41.00 The City of McMinnville shall encourage the expansion of retail and other commercial enterprises east of the railroad tracks and north and south of Third Street consistent with the adopted “Downtown Improvement Plan.” (Ord.4796, October 14, 2003)
- 42.00 The City of McMinnville shall continue to redesignate streets and traffic patterns in and around the downtown area to facilitate the movement of automobile traffic and provide for the safety and convenience of pedestrians.

- 43.00 The City of McMinnville shall allow the closing and/or vacating of streets to provide additional areas for off-street parking where such closure will not affect the ability of the police and fire departments, and public utilities to provide their designated service functions or where such closures will not negatively affect the overall traffic circulation in the downtown area.
- 44.00 The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.
- 45.00 The City of McMinnville shall study the feasibility of developing bicycle and pedestrian paths and/or lanes between residential areas and the activity centers in the downtown. (Ord.4961, January 8, 2013)
- 46.00 The City shall work to implement the recommendations of the adopted “McMinnville Downtown Improvement Plan.”
- 46.01 The City shall, through its Landscape Review Committee, develop a list of street trees acceptable for planting within the public rights-of-way, parks and open spaces, and downtown. In addition, the committee shall develop standards for the planting of these trees, particularly within the downtown area, such that sidewalk and tree root conflicts are minimized. This effort should be coordinated with McMinnville Water and Light in an effort to minimize conflicts with utility lines.
- 46.02 The City shall, as funding permits and generally in the following order, periodically inventory trees within its public rights-of-way, parks and open spaces, and downtown area in order to assess the overall health of the city’s urban forest and to determine those specific trees that may require maintenance, or removal and replacement. As a goal, the City seeks to maintain a diverse urban forest in terms of age and species.
- 46.03 The City shall take steps to minimize hardships to property owners situated adjacent to street trees that may have been found to be the cause of, but not limited to, the cracking or raising of a public sidewalk, or interfering with sewer lines that serve his/her property. In such cases, the City shall install root barriers, if practicable, or remove the offending tree(s). (Ord. 4816, December 14, 2004; Ord.4796, October 14, 2003)

Proposals:

- 6.00 A planned development overlay should be placed on the large cluster commercial development areas and the entrances to the City to allow for review of site design, on-site and off-site circulation, parking, and landscaping. The areas to be overlaid by this designation shall be noted on the zoning map and/or comprehensive plan map.
- 7.00 The City of McMinnville should study the feasibility of designating areas fronting Third Street east of the railroad tracks for retail commercial only, and designated areas on the fringes of the downtown as office residential.

- 8.00 The City of McMinnville should encourage the development of a commercial planned development center in the southwestern portion of the city large enough in scale to serve the needs of the area’s population. The center should be in proximity of the intersection of Old Sheridan Road, U.S. Highway 99W, and Oregon Highway 18.

Goal IV 5: To continue the growth and diversification of McMinnville’s industrial base through the provision of an adequate amount of properly designated lands.

Goal IV 6: To insure industrial development that maximizes efficiency of land uses, that is appropriately located in relation to surrounding land uses, and that meets necessary environmental standards.

General Policies:

- 47.00 Industries that locate in the community shall meet federal, state, and local environmental standards. These standards shall be given full weight in evaluating the desirability of the industry. Criteria for evaluation shall include, but not be limited by the effect the industry would have on:
 - 1. The natural environment, including air and water quality, natural drainage ways, and soil properties and other physical characteristics of the land including topography.
 - 2. The human environment, including the amount of noise and traffic generated and the ability of the housing industry to provide sufficient dwelling units with at least an adequate level of required urban services.
 - 3. The physical facilities of the community, including the ability of sanitary and storm sewer systems, water supply and distribution system, energy supply distribution systems, police and fire, and schools to provide designated services.
- 48.00 The City of McMinnville shall encourage the development of new industries and expansion of existing industries that provide jobs for the local (McMinnville and Yamhill County) labor pools.

Locational Policies:

- 49.00 The City of McMinnville shall use its zoning and other regulatory methods to prevent encroachment into industrial areas by incompatible land uses.
- 49.01 The City shall designate an adequate supply of suitable sites to meet identified needs for a variety of different parcel sizes at locations which have direct access to an arterial or collector street without having to pass through residential neighborhoods. (Ord. 4961, January 8, 2013)
- 49.02 The location, type, and amount of industrial activity within the Urban Growth Boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord. 4961, January 8, 2013)

- 49.03 In designating new industrial properties, and in redesignating properties to industrial zoning from other designations, the City shall work to provide employment opportunities in locations that are reasonably accessible to McMinnville residents, while minimizing the need to drive through existing or planned residential neighborhoods. (Ord. 4961, January 8, 2013)
- 50.00 The City of McMinnville shall encourage industrial uses to locate adjacent to the airport and south of Three Mile Lane, adjacent to the existing Riverside Drive industrial area, and in existing industrial areas through the proper designation of lands on the comprehensive plan and zoning maps. Comprehensive plan and/or zoning map changes to industrial designations in other areas may be granted if all the applicable goals and policies of the plan can be met.
 - *The City should consider updating this policy to reflect findings of the Three Mile Lane Area Plan, which discusses potential commercial uses in this area.*
- 51.00 The City of McMinnville shall encourage the location of airport-related industrial uses only on the industrial land which is adjacent to the airport. Those lands so reserved shall be designated in the planned development overlay covering this area.
 - *The City should consider updating this policy to reflect updated goals for the area near the airport.*
- ~~▪ 52.00 The City of McMinnville shall create a new "limited light industrial" zone which shall be placed on the industrial areas on the south side of Three Mile Lane in those areas where residential development is expected on the north side of the road. The new zone will allow only those types of industrial uses that will not conflict with the residential uses.~~
- ~~▪ 53.00 The City of McMinnville shall encourage the phased development of industrial land so that a moderate rate of growth occurs. A moderate rate of growth will be considered that rate which enables the City to provide urban services in a timely, orderly, and economic fashion, and which allows the private sector to provide for the needs of the new residents.~~
- 54.00 The City of McMinnville shall establish industrial planned development ordinances which shall be placed over the future industrial areas designated on the McMinnville Comprehensive Plan Map, the industrial reserve area, and certain existing industrially designated areas within the city limits. The overlay shall also be applied to any areas which are in the future designated for future industrial use through an amendment to the comprehensive plan map. The overlays shall provide standards to control the nuisance and negative environmental effects of industries. These controls shall cover, but not be limited to, the following areas:
 - 1. Landscaping and screening
 - 2. Noise suppression
 - 3. Light and heat suppression
 - 4. Pollution control for air, water, and land

- 5. Energy impacts
- 6. Traffic impacts
- 55.00 Deleted as per Ord. 4796, October 14, 2003.
- 56.00 Deleted as per Ord. 4796, October 14, 2003.
- 57.00 Agricultural activities shall be encouraged on industrially designated lands until such time as the lands are utilized for industrial purposes.

Appendix A. Buildable Lands Inventory

ECONorthwest prepared a Goal 10 compliant Economic Opportunities Analysis (EOA) for the City of McMinnville to assess whether the city has sufficient land within its Urban Growth Boundary (UGB) to accommodate population and employment growth forecast for the 20-year period between 2021 and 2041, as well as 5-, 10-, and 46-year planning periods. A key component of this study is the buildable lands inventory (BLI).

The legal requirements that govern the BLI for the City of McMinnville are defined in Statewide Planning Goal 10, OAR 660-009-0005, and OAR 660-009-0015(3). This Appendix summarizes the methods ECONorthwest used to conduct employment buildable lands inventory.

In 2023, ECONorthwest updated the BLI from the 2020 *McMinnville Economic Opportunities Analysis* report to December 2021 to account for: land brought into the UGB through the 2020 Urban Growth Boundary (UGB) expansion; development that occurred between January 1, 2018 and December 31, 2021; and other changes such as changes in zoning or tax lot divisions. For this update, ECONorthwest used 2022 (assessor tax year) data.

Study Area

The Commercial and Industrial BLI for McMinnville includes all commercial and industrial land within the McMinnville UGB. From a practical perspective, this means that all lands within tax lots identified by the Yamhill County Assessment and Taxation Office that fall within a commercial or industrial plan designation were inventoried. Note that tax lots do not generally include road or railroad rights-of-way or water. ECONorthwest used an April 2023 tax lot shapefile (the same data used for the residential BLI) from the City of McMinnville for the analysis, as well as previous information used for the 2018 EOA. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

Methods for Inventory of Commercial and Industrial Lands

For commercial and industrial land, the general structure is similar to the residential lands process with a few differences. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. Following are the administrative rules that provide guidance on the commercial and industrial BLI.

OAR 660-009-0005:

(1) *"Developed Land"* means non-vacant land that is likely to be redeveloped during the planning period.

(2) *"Development Constraints"* means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to,

wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

(11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

(12) "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use.

(13) "Total Land Supply" means the supply of land estimated to be adequate to accommodate industrial and other employment uses for a 20-year planning period. Total land supply includes the short-term supply of land as well as the remaining supply of lands considered suitable and serviceable for the industrial or other employment uses identified in a comprehensive plan. Total land supply includes both vacant and developed land.

(14) "Vacant Land" means a lot or parcel:

(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or

(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

The 2023 update used building permits from 2019 to December 2021 to identify tax lots where new development has occurred. Tax lots that were previously designated as vacant in 2019 but had an associated building permit on them were re-designated as developed. As an additional step to maintain thoroughness, tax lots were again filtered through the development status classification scheme to identify any tax lots where the improvement value increased from \$0 to values over \$10,000. Beyond these changes, we used the 2019 BLI results unless there was a clear reason for doing otherwise.

Unlike with residential lands, the rules for employment lands include the concept of "suitability" which can be affected by factors other than the physical attributes of land. (See OAR 660-009-0005 (11) and (12) above.) The proposed BLI methods do not fully address the suitability factors, rather, they more narrowly assess whether a parcel is buildable based solely on attributes of the land. ECONorthwest had additional discussions with City staff about the assumptions embedded in the BLI as well as whether to apply additional suitability factors to employment lands, and if so, what factors to use.

Inventory Steps

The steps in the inventory of commercial and industrial buildable lands are:

1. Generate UGB “land base”
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

Step 1: Generate UGB “land base”

The commercial and industrial inventory used all of the tax lots in the McMinnville UGB with the appropriate plan designations. Specific designations that were used include:

- Commercial¹¹⁵
- Industrial

Step 2: Classify lands

In this step, ECONorthwest classified each tax lot with a plan designation of Commercial or Industrial (based on the lot’s status as of April 2023) into one of five mutually exclusive categories based on development status:

- Developed land
- Vacant land
- Vacant small lot land
- Partially vacant land
- Public or exempt land

ECONorthwest initially identified buildable land and classify development status using a rule-based methodology. The rules are described below.

¹¹⁵ The inventory also includes the 39 acres of land that McMinnville brought into the UGB for neighborhood servicing commercial uses, per Ordinance No. 5098, the McMinnville Urban Growth Management Plan. This land is in the Urban Holding zone, as discussed in the *McMinnville Housing Needs Analysis* report.

Development Status	Definition	Statutory Authority
Vacant Land	A tax lot: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements For the purpose of criteria (a) above, lands with improvement values of \$0 were be considered vacant.	OAR 660-009-005(14)
Vacant Small Lot	Tax lot less than one half-acre without buildings or improvements.	No statutory definition. Included based on PAC recommendation at February 27, 2020 meeting.
Partially Vacant Land	Partially vacant tax lots are those between one and five acres occupied by a use that could still be further developed based on the zoning. This determination is based on a visual assessment and City staff verification.	No statutory definition
Public or Exempt Land	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. Public lands are identified using the Yamhill County Assessment property tax exemption codes.	No statutory definition
Developed Land	OAR 660-009-005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.” Lands not classified as vacant, partially-vacant, undevelopable, or public or exempt are considered developed.	OAR 660-009-005(1)

Step 3: Identify constraints

The commercial and industrial inventory uses development constraints consistent with guidance in OAR 660-009-0005(2). Most of the development constraints are the same as those used for residential lands. (The exception is steep slopes, which are defined as 15% or greater for employment lands and 25% or greater for residential lands.) Note that the previous EOA in 2013 used the 25% threshold for steep slopes. In the 2020 update, the PAC recommended using 15% to better reflect needs for development of employment land.

Constraint	Statutory Authority	Threshold	File name
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Goal 5 Natural Resource Constraints			
Regulated Wetlands	OAR 660-009-0005(2)	Within National Wetlands Inventory	NWI
Natural Hazard Constraints			
Floodways	OAR 660-009-0005(2)	Lands within FEMA FIRM identified floodway	Floodplains_and_Floodways
100 Year Floodplain	OAR 660-009-0005(2)	Lands within FEMA FIRM 100-year floodplain	Floodplains_and_Floodways
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	TBD
Conservation Easements	OAR 660-009-0005(2)	Lands within conservation easements, as identified by City staff.	

These areas were treated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands that were identified as vacant or partially vacant.

Step 4: Verify inventory results

As with the residential BLI, ECONorthwest used a multi-step verification process. This included review of aerial imagery, discussion and verification with City staff, and review of 2013 EOA results.

Step 5: Tabulate and map results

The results of the commercial BLI are presented in tabular and map format in Chapter 5.

Appendix B. Employment on Other Land and Employment Density

This appendix presents research and findings that ECONorthwest completed to provide rationale for employment density and “refill” and redevelopment assumptions for the 2020 update of the City of McMinnville’s EOA. It presents empirical analysis of existing employment densities in McMinnville and information on assumptions used for EOAs in comparison cities noted in *Exhibit 1*.

Exhibit 1. Cities used for comparison to the City of McMinnville by population and county

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

In addition, with the 2013 EOA, the City also previously collected comparative data from other cities and the 2001/03 EOA for employment density and “refill” and redevelopment factors. That is summarized in Figure 40 of the 2013 EOA, which is also attached at the end of this document. It also includes guidelines from DLCD’s Goal 9 Guidebook. The City elected to add additional comparable cities to the analysis as three of the five cities in Figure 40 are metro cities with considerably different economic development opportunities and strategies.

Employment on Other (Non-Vacant) Land

ECONorthwest compiled information from the comparison cities on assumptions used in each city’s EOA for employment that doesn’t require vacant commercial or industrial land. (This corresponds to step 6 in the EOA summary matrix.) The 2013 McMinnville EOA used an overall assumption for employment on non-vacant land of 17%. Exhibit 2 summarizes assumptions used in other Oregon comparison cities.

Exhibit 2. Employment on other land assumptions for comparison cities

City	Emp. on Other Land	Rationale/Approach	Date
Ashland	20%	Empirical analysis of capacity on redevelopable lands.	2007
Newberg	5% (retail only)	Empirical analysis. (See Figure 40 on pg. 85 of 2013 McMinnville EOA)	2006
Redmond	10%	Reasonable judgement. (pg. 5-29).	2005
Grants Pass	10%	Reasonable judgement based on comparison areas. (pg. 8-46)	2007
Albany	0%	Redevelopment was accounted for in the BLI, so they did not account for it again in the forecast. (pg. 11)	2005
Corvallis	Industrial: 11% Retail: 12% Office: 29%	Reasonable judgement based on available buildable land. (pg. 4-56)	2016
Bend		Note: Bend used a site-based approach for estimating land need. We do not recommend this approach.	2016

DLCD’s Goal 9 workbook presented guidelines of 85-90% growth on vacant land, based on 10-15% refill and redevelopment cited as a rule of thumb.

The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands. Employment density is discussed further in the next section, but must be evaluated together with assumptions about refill and redevelopment. As discussed in the next section, the observed density of employment in commercial and industrial plan designations is currently about 10 employees/net acre in industrial plan designations (down slightly from the 2013 EOA) and 23 employees/net acre in commercial plan designations (up slightly from the 2013 EOA). Exhibits 3A-3C show the effective densities resulting from applying 17%, 10%, and 5% of new employment to developed commercial and industrial sites.

For industrial employment, this ranges from absorbing between 96 to 325 additional employees from present through 2041, and increasing to absorb between 191 to 650 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 10 employees/acre to between 11 to 12 employees/acre.

For commercial development, this ranges from absorbing between 295 to 1,003 additional employees from present through 2041, and increasing to absorb between 619 to 2,103 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 23 employees/acre to between 25 to 29 employees per acre.

Exhibit 3A. Effective Employment Densities with 17% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	17% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 17% of emp to 2041	17% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 17% of emp to 2067
Industrial	3,422	4,485	428	10	325	4,810	11	650	5,135	12
Commercial	6,245	8,184	357	23	1,003	9,187	26	2,103	10,287	29

Exhibit 3B. Effective Employment Densities with 10% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	10% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 10% of emp to 2041	10% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 10% of emp to 2067
Industrial	3,422	4,485	428	10	191	4,676	11	383	4,868	11
Commercial	6,245	8,184	357	23	590	8,774	25	1,237	9,421	26

Exhibit 3C. Effective Employment Densities with 5% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	5% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 5% of emp to 2041	5% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 5% of emp to 2067
Industrial	3,422	4,485	428	10	96	4,581	11	191	4,676	11
Commercial	6,245	8,184	357	23	295	8,479	24	619	8,803	25

Both the industrial and commercial employment densities have remained nearly the same over time: from the 2001/03 EOA, the empirical calculations in the 2013 EOA, and the empirical calculations in the current analysis. Industrial densities have decreased slightly from about 11 employees/acre to about 10 employees/acre. Commercial densities have increased slightly from about 22 employees/acre to about 23 employees/acre.

The 2001/03 EOA used variable assumptions for refill/redevelopment, with 17% for industrial, 15% for commercial, and 13% for institutional, while the 2013 EOA increased these all to 17%.

Average employment densities don't appear to have increased consistent with those rates. Actual changes compared to assumptions about refill/redevelopment of the existing developed sites may be the result of:

- Refill/redevelopment has not occurred, or has occurred at lower rates than assumed in McMinnville's prior EOAs
- Employment densities of existing businesses may have declined, through reduction of employees or through expansion of facilities without commensurate increases in employment densities
- Increases in employment density in some cases may have been offset by reductions in employment density in other cases

Potential reasons may include:

- Increases in automation, where operations occupy the same space, but with fewer employees
- More new businesses/new land use of types with the same or lower employment densities than previous business' employment densities
 - Potential increases in area devoted to storage, cold storage, warehousing, and distribution, some of which may increase together with surrounding agricultural uses.
 - Potential increases in area devoted to indoor grow operations, potentially further increasing from the growth of industrial hemp production.¹¹⁶

The dynamics of new job creation should also be considered in evaluating refill and redevelopment.

- How strongly is job growth correlated with the size or age of a business? How much job growth is created through newer start-ups vs. long-term growth of more established businesses? How many smaller entrepreneurial businesses intend to grow to be larger businesses vs. remain smaller?
- While there may be capacity to add employees within established space for existing businesses, new businesses may need their own facilities that can't be located within the facilities of other businesses. Some existing businesses may retain partially vacant sites in the event they need to expand. Some businesses will require ownership of their land and facilities rather than leasing space on existing developed sites.

An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 emp/ac to about 11 emp/ac on existing developed sites. This is generally consistent with McMinnville's historic trends.

¹¹⁶ <https://www.forbes.com/sites/andrebourque/2019/01/31/how-hemp-is-moving-oregon-marijuana-to-an-indoor-grow-crop/#10ff80b960ed>

The empirical calculated density for commercial sites in the 2013 EOA was 22 emp/acre, but an aspirational policy of 26 emp/acre was adopted. Any of the three scenarios calculated above (5%, 10%, or 17%) for refill/redevelopment on *currently* developed sites would result in an increase in density on these sites that would exceed currently observed densities, ranging from 24 to 26 emp/acre by 2041. Carrying over the 17% assumption from the 2013 EOA would mean an assumed employment density of 29 emp/acre on these sites by 2067, compared to the current 23 emp/acre, and exceeding even the aspirational overall assumption of 26 emp/acre used in the 2013 EOA. An assumption of 5% commercial refill/redevelopment would result in an increase in employment density from 23 emp/ac to 25 emp/ac on these sites in 2067.

Recommended approach and assumptions

This update could simply carry forward the 17% refill/redevelopment assumption from the 2013 EOA for all categories, but the analysis of empirical data, calculations of effective density, and comparisons with other cities and the DLCDC Goal 9 Guidebook suggest that assumption is high, and that McMinnville hasn't achieved this historically. Further, even if that level of refill/redevelopment had been achieved historically, carrying over an assumption for each planning period would have a compounding effect of assuming unlimited, successively higher capacity of the same existing developed sites to absorb more employment each time. This would push the employment density for those developed lands up each planning cycle, where infill and redevelopment would have already theoretically occurred and increased in each previous planning cycle.

A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend. This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.

The assumed 17% refill/redevelopment rate from the 2013 EOA would be an aspirational assumption that exceeds the empirical densities and exceeds the aspirational density from the 2013 EOA. It is an estimate that we don't anticipate will be achieved, and is higher than most comparisons. The 2001/03 EOA refill/redevelopment assumption of 17% for industrial and 15% for commercial is another aspirational assumption that hasn't been observed historically.

The tables below show the result of the 5%, 10%, and 17% refill/redevelopment assumptions for comparison for the 2021-2041 period.

The government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs.

Exhibit 4a. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (17% Assumption)

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	283	1,384
Retail Commercial	383	65	318
Office & Commercial Services	3,346	569	2,777
Tourism Services	1,269	216	1,053
Total	6,665	1,133	5,532

Exhibit 4b. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (10% Assumption)

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	167	1,500
Retail Commercial	383	38	345
Office & Commercial Services	3,346	335	3,011
Tourism Services	1,269	127	1,142
Total	6,665	667	5,998

Exhibit 4c. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (5% Assumption)

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	83	1,584
Retail Commercial	383	19	364
Office & Commercial Services	3,346	167	3,179
Tourism Services	1,269	63	1,206
Total	6,665	332	6,333

Employment Density

ECONorthwest completed an empirical analysis of the overall employment density in commercial and industrial areas, as well as in sample areas for the following land use types included in the employment forecast—industrial, office commercial, and retail commercial.¹¹⁷ The 2013 McMinnville EOA used the following assumptions for employment density:

- **Industrial:** 11 employees per acre
- **Commercial:** 26 employees per acre

The 2013 EOA included an empirical analysis of employment density. The 11 employee/acre industrial density was the empirical calculated density. The empirical commercial employment density was 22 employees per acre. The 26 employee/acre density was an aspirational, policy-based assumption.

In the PAC materials provided for the meeting on September 5, 2019, we completed a sensitivity analysis for employment density based on the 2013 EOA assumptions. The analysis shows the effect of a 10% increase and 10% decrease of the 2013 employment density assumptions and the range of resulting needed acreage. The PAC requested further research based on existing employment density in McMinnville. The results of that analysis are provided in this section.

Overall employment density for existing employment in McMinnville

The analysis of overall employment density for commercial and industrial areas included lots identified as “developed” in the buildable lands inventory (BLI) and summarized the employment per acre on these sites by plan designation (commercial or industrial land only). Land in wetlands was removed from the acreage calculation to better account for land used for employment. We calculated employment density, expressed here as total employees per acre, by dividing the number of employees on developed sites in commercial and industrial plan designations by the acreage (less wetlands) of those developed sites. The results of this calculation were:

- **Industrial:** 10 employees per acre
- **Commercial:** 23 employees per acre

Exhibit 5 shows the results of applying these employment density assumptions for the remaining land use types.

¹¹⁷ The other land use types—tourism services and government—were excluded from the sample area analysis. The PAC will be discussing site characteristics. The sites needed for tourism services are typically similar to the needs for retail commercial. Thus, it is reasonable to assume the same employment density for both tourism services and retail commercial. Government employment will not require vacant commercial and industrial land, so we did not analyze employment density for this land use type.

Exhibit 5a. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 17% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,467	10	147	156
Retail Commercial	337	23	15	18
Office & Commercial Services	2,945	23	128	156
Tourism Services	1,117	23	49	59
Total	5,866		338	389

Exhibit 5b. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 10% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	10	150	160
Retail Commercial	345	23	15	18
Office & Commercial Services	3,011	23	131	160
Tourism Services	1,142	23	50	61
Total	5,998		346	398

Exhibit 5c. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 5% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	10	158	169
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
Total	6,333		365	420

While this approach provides a reasonable indication of employment densities in McMinnville, the mix of types of employment on sites may affect the overall result (i.e., not all employment in industrial areas is classified as industrial employment). However, these results align with comparable areas and previous guidelines for calculating employment density, and are therefore reasonable assumptions for the purposes of the EOA.

Sample area employment density for existing employment in McMinnville

ECONorthwest also analyzed sample areas representative of employment in McMinnville by land use type. City staff assisted in choosing these areas for further analysis based on local knowledge as well as requirements for data confidentiality. Again, we calculated the employment density by dividing the number of total employees in each sample area by the total acreage of the sample area site. The results by land use type were:

- **Industrial:** 11 employees per acre
- **Office commercial:** 29 employees per acre
- **Retail commercial:** 19 employees per acre

Similar to the first approach to calculate overall employment density, a sample area approach also has limitations. Sample areas, by definition, do not provide information on employment density across McMinnville. However, these areas were chosen based on a representation of typical employment areas in McMinnville. Limitations in data availability, reporting, and confidentiality also present limitations in results.

The results of both approaches align with results from other studies in comparable cities, as well as the guidelines in DLCD's *Industrial and Other Employment Lands Analysis – Basic Guidebook*, which states:

“Typical employment densities per net acre range from 8 - 12 jobs for industrial; 14 - 20 jobs for commercial; and 6 - 10 jobs for institutional/other jobs.”

The next section provides background information on employment density assumptions used in cities that are comparable to McMinnville.

Exhibit 6 shows the results of applying these employment density assumptions for the remaining land use types.

Exhibit 6a. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 17% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,384	11	126	134
Retail Commercial	318	19	17	20
Office & Commercial Services	2,777	29	96	117
Tourism Services	1,053	19	55	68
Total	5,532		294	339

Exhibit 6b. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 10% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	11	136	145
Retail Commercial	345	19	18	22
Office & Commercial Services	3,011	29	104	127
Tourism Services	1,142	19	60	73
Total	5,998		319	367

Exhibit 6c. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 5% deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	19	19	23
Office & Commercial Services	3,179	29	110	134
Tourism Services	1,206	19	63	77
Total	6,333		336	388

Employment density comparison

City of McMinnville staff provided ECONorthwest with a list of cities typically used for comparison purposes. The cities and their population are listed in Exhibit 7.

Exhibit 7. Cities used for comparison to the City of McMinnville by population and county

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

Each city listed above has completed an EOA between 2005 and 2016. Methodologies for each EOA varied, and information related to employment density assumptions was not consistently reported. The assumptions document in each EOA are listed in Exhibit 8, along with a description of the rationale or approach used for arriving at the employment density numbers, if available. These approaches generally fell into two categories, either (1) a reasonable judgement based on comparable cities or (2) an empirical analysis of existing employment density or other metric.

Exhibit 8. Employment densities for comparison cities

City	Employment Density (employees per acre)			Rationale/Approach	Date
	Industrial	Commercial	Retail		
Ashland	12	17	--	Reasonable judgement/comparison (pg. C-6)	2007
Newberg	11	21	21	Empirical analysis (pg. 84 McMinnville 2013 EOA)	2010
Redmond	5 (low) – 12 (high)	12 (low) – 20 (high)	--	Empirical analysis/comparison (pg. 5-29)	2005
Grants Pass	10	17	17	Reasonable judgement/comparison (pg.8-47)	
Albany	12	--	20	Reasonable judgement/comparison (pg 11)	2007
Corvallis	10	35	25	Empirical analysis (pg 4-60)	2016
Bend	--	--	--	<i>Note: Bend did not use an EPA approach for the 2016 EOA.</i>	2016

Recommended assumptions and approach

The results of the empirical analysis are within reasonable ranges for employment densities. Exhibit 9 shows the recommended approach of 11 employees per acre for industrial and 23 employees per acre for all other land use types. It would also be possible to use the commercial density as a total control for the commercial subcategories and allocate a proportion of the total acreage to each subcategory based on the share from the sampled employment densities if preferred, but we believe this method is reasonable.

Exhibit 9. Estimate of future land demand for new employment (recommended approach), McMinnville UGB, 2021 to 2041, after 5% refill/redevelopment deduction

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
Total	6,333		351	405

These calculations do not include the government land needs, which are calculated separately.

During discussion of site characteristics, a portion of the commercial uses will be split out and assigned to neighborhood-serving commercial and services to be located in neighborhood areas.

Figure 40. Comparative Employment Density & Redevelopment Factors

Reference	Employment Density (Jobs per Acre)	% of Job Growth on Vacant Employment Land
2001 McMinnville EOA	11 industrial 22 commercial 35 institutional	83% industrial 85% commercial 87% institutional (based on factors including 1-5% requires no non-res built space or land, 5-7% on existing developed land, and 5% vacancy rate)
DLCD Goal 9 Guidebook (2005)	8-12 industrial 14-20 commercial 6-10 institutional & other (demand for net acres; also noted is that each acre can accommodate 10-15 jobs for general commercial and office-park industrial, 20 for offices in non-metro downtowns & suburban settings)	85-90% job growth on vacant land (based on 10-15% use of vacant or redeveloped buildings cited as general rule of thumb)
Salem-Keizer Metro Area Regional EOA 2012-2032 (May 2011)	Forecast densities @: 20 light industrial (above 12-15 current) 36 general office (reflecting current average with range from 27 in retail areas to 73 in Salem central business area) Retail/personal service uses forecast not by jobs per acre (but @ 0.30 FAR)	95% industrial 83% general office (based on assumption that 5% of industrial and 17% of office new employment will locate in existing space or sites not requiring new land; EOA also notes that "there is no study that quantifies how much employment is commonly accommodated in existing built space over a 20-year period in a city.")
Albany EOA Update (2007)	12 industrial 20 commercial retail/services 10 government	100% job growth on vacant land (was at 90% with 2000 EOA @ 10% refill rate but adjusted to 0% rate as the updated 2007 BU already accounted for infill and redevelopment on supply side of analysis)
Newberg EOA (2010)	11 industrial (including 10% increase in density as efficiency measure) 21 commercial retail & office (overall average with office calculated @ 40% FAR & avg 201 sf/job; retail estimated @ 14.8 net buildable acres per 1,000 new households)	See density for industrial Office appears to assume 100% development on vacant land Retail assumes 95% use of vacant land (with 5% assumed for infill & redevelopment)
City of Beaverton Final Draft EOA (2010)	18 general industrial 10 warehouse 23 flex/business park 58 office 30 retail 38 institutional (@ Metro method of jobs/bldg sf & FAR for densities)	94.2% industrial 92.7% commercial (calculated for excess vacancy above 6% target normalized rate with excess figures at 5.8% industrial, 7.3% commercial)
Metro Urban Growth Report (2009)	6 general industrial & warehouse 23 flex/business park 45 office 27 retail 27 institutional (Calculated using jobs/bldg sf & FAR for densities; @ low end of spectrum for outer ring suburbs)	80-90% general industrial, warehouse & flex/business park (10-20% refill) 70% office (30% refill) 40-70% retail (or 30-60% refill with most (generally @ lower end of refill rates) 60-65% institutional (or 35-40% refill) (Range for outer ring suburbs, 2015-30 time period)

Sources: From documents prepared by ECONorthwest, Johnson-Gardner and E. D. Hovee & Company, LLC.

Appendix C. Other Site Needs

Use	Description or Example*	Land Need	EDSP Reference or Other Reference	Employment/Acreage Adjustment	Notes
1. Community Center/ Recreation Facility	Update, improve, expand and add recreational facilities that serve the community's needs including a Community Center and Aquatic Center.	10 acres	3.2.2	<p>22 Employees net increase for additional programs</p> <p>(In addition to assuming no net change with transfer of existing FTE from old to new location).</p> <p>Source: Parks Director</p>	<p>The description in the EDSP wasn't explicit regarding a public or private facility. Therefore, for purposes of the EOA, this wasn't initially assigned to public land. The City's feasibility analysis work is now underway, and this is calculated as a public facility.</p> <p>The Parks LOS of 14 acres/1000 population is for neighborhood parks, community parks, and greenways, and doesn't include this type of special use facility.</p> <p>For City of McMinnville non-park needs, the assumption was 7 additional acres for 2021-2041, including 4.5 acres for fire stations, plus 0.26 acres per 1,000 population. There is a need for 10 acres for a community center and aquatic center, which alone would exceed the total additional need already identified for the 20-year period, unless it could be sited on land already owned by the City. The feasibility analysis has not yet progressed to the siting criteria / site selection phase, so there hasn't been a determination about location.</p> <p>Therefore, at this time, the proposal retains an assumption of an additional 10 acre land need. If it is later determined the facility can be sited on property already owned by the city, then the additional 10 acres could be removed from this category, and accordingly, no further deduction of employment would be made for calculating the land need associated with the use, as it wouldn't be separately classified as an 'other needed site.'</p>

2. Outdoor Stage/ Amphitheater	Examples: Britt, Jacksonville Cuthbert, Eugene Bi-Mart, Central Point Les Schwab, Bend	5 acres plus parking (Assume parking is co-located and shared with other use)	3.2.1	15 Full Time, 45 Seasonal, (60 total payroll June-September). 30 Employees. Tot Adj for Annual Average. <i>Source: Britt Festival (2,200 seating capacity)</i>	If an amphitheater is to serve a tourism-driving economic development function that would attract artists on a tour circuit, it would need to be sized to meet the minimum criteria for seating capacity necessary to reflect the realities of ticket sales. Of the four such examples evaluated for facility size, Britt was at the low end of seating capacity, at 2,200. Several of these are located in public parks and operated by separate operators. The location within a park helps allow for shared parking facilities. Therefore, the size estimate is just for the amphitheater, and not for the additional land needed for venue parking.
3. Arts and culture focused event center	Example: Chehalem Cultural Center, Newberg	3.5 acres	3.3	7 Full Time + 2 FTE estimated as 8 Part-Time = 15 Employees <i>Source: Chehalem Cultural Center</i>	This item combines items which are separately identified in the EDSP (community art space, collaborative studio, cooperative gallery, arts and culture-focused event center).
4. Evergreen Aviation and Space Museum	Support existing facilities Based on facilities in master plan for site	27 acres	(3.3)	Master Plan Facilities: Adventure Park (50 person capacity): 6 Lodge (96 rooms) 45 Other: Admin Building, Restoration Building, <u>Support Building,</u> <u>Student Housing): 6</u> Sum: 57 Employees	In the EDSP, a single strategy discusses assisting efforts of uses including Evergreen and the Yamhill County Heritage Museum. However, since the EOA effort is focused on the UGB, the language used in the EOA related to this item has been revised to discuss only the Evergreen property which is in the UGB, to clarify the land-use aspects of this item pertaining to the UGB focus on Evergreen and not the Heritage Museum, which is not in the UGB. The employment estimate relates to the master plan for the property.
5. Wings and Waves	Opportunities for growth and expansion	Location- specific land need at existing partially vacant site. See above.	6.3	See above.	For purposes land needs discussion, this is discussed in the context of the overall larger Evergreen properties, without separately discussing site needs separately for Evergreen and Wings & Waves. Therefore, the needs discussed for “Evergreen” above are inclusive of the property for Wings & Waves.
6. Conference Center	40,000 sf conference space, accommodation, and parking:	5 acres	6.4	13 Employees <i>Source: Feasibility Analysis</i>	

7. Food hub and public market	Focused on local craft foods & beverages	3.5 acres	3.2.2	13 Employees <i>Source: USDA "Regional Food Hub Resource Guide"</i>	The referenced resource guide indicates that the average number of employees created by a food hub is 13 employees.
8. Makerspace/ innovation hub/ fabrication center	Supports local innovation & entrepreneurial ecosystem	2 acres	6.3	3 Employees + Contracted Services <i>Source: Talent Maker City</i>	Talent Maker City is a nonprofit organization that operates a makerspace in Talent, Oregon, in the heart of their downtown. They have two full-time employees and one part-time employee. They also contract with independent contractors, including retired teachers and specialists in their fields to conduct classes and workshops.
TOTAL		56 acres (total)		<u>Average Annual Employment:</u> Community Center: 22 (net) Amphitheater: 30 Arts & Culture Center: 15 Evergreen + Wings & Waves: 57 Conference Center: 13 Food Hub: 13 <u>Makerspace: 3</u> Sum: 153 Employees 153 Employees @ 23 emp/acre = 7 acres 56 acres - 11 acres = <u>net increase of 49 acres</u> for other needed sites, over acres calculated from average employees/acre	

Appendix D. Site Need Letters

McMinnville | ECONOMIC DEVELOPMENT PARTNERSHIP

Please accept these comments regarding the City of McMinnville's Economic Opportunity Analysis and the estimated future industrial land needs. MEDP has had the good fortune to work with many economic development partners over the years as we work to further our mission of advancing strategies that respond to the needs of McMinnville's traded-sector businesses. We do this through four economic development strategies guided by the City's MAC Town 2032 Economic Development Strategic Plan: 1) Business Retention & Expansion, 2) Business Attraction, 3) Workforce Development, and 4) Innovation Development.

Without available, buildable industrial lands the strategic plan cannot be fully realized. The historical job growth and the projected job growth of 27% over the next 20 years will struggle to take place without planning for necessary industrial land.

The current estimates state McMinnville will need 153 acres of buildable industrial lands by 2041 and 329 buildable acres by 2067. Currently, we have 323 acres of identified industrial land. The reality of those numbers is that 177 of those acres are on two sites. The highest and best use and market realities for these sites with Highway 18 frontage may make these sites impractical to retain as large industrial sites that would be available for industrial use. The potential unavailability of these sites for industrial use would place us well behind the projected need.

While acres available and acres needed may be close to matching up, the fact is there are few perfect sites. An available site may meet a company's minimum requirements, but it's location, shape, slope, or infrastructure may not work. So, they will look for another similar sized site in a different location (hopefully) within the community. McMinnville has lost out on potential opportunities due to lack of rail-served sites, proximity to a major metro area, access to a major airport, or location close enough to an Interstate. It is critical we don't lose out on projects due to a lack of available sites for our targeted industries.

In order to address our targeted industry's needs of high-tech/clean-tech manufacturing, value-added manufacturing, UAV manufacturing, business park, innovation campus, and local and regional headquarters, we will need varying sizes of sites with various requirements. The minimum lot size for these sectors should be 5 acres with a span of up to 25 acres.

Rail served sites continue to be a requirement for some companies interested in a McMinnville location. An additional 5 sites of 5-25 acres would be a good use of rail-served industrial property.

Also, with over 80 manufacturers in McMinnville, we will need sites for existing companies that are growing out of 0.5 – 5-acre sites into larger sites of 10 -20 acres. An additional 5 sites would accommodate additional existing business expansions.

Potential developments associated with targeted sectors include the creation of a mixed-used Innovation Center that would require 20-40 acres, depending on density, and an Airpark allowing for local, regional headquarter space. This could require 3-5 sites of 5-25 acres, and an additional 10 sites between 2-25 acres for companies wanting access to the airport, or access to an Innovation Center.

The types of companies in the targeted sectors are meant to continually diversify the local economy and never rely heavily on a single business, or industry. The ability to have various site sizes and locations to choose from can assist with potential job growth. Available sites are like options that attract opportunity. Without multiple options of readily buildable industrial lands, you risk the loss of new business growth.

Sincerely,

Scott G. Cooper, CEcD
Executive Director
McMinnville Economic Development Partnership

231 NE 5th Street | McMinnville, Oregon 97128 | 503.474.6814 | www.McMinnvilleBusiness.com

McMinnville Industrial Promotions, Inc.

P.O. Box 328
McMinnville, Oregon 97128

To Whom It May Concern:

McMinnville Industrial Promotions, Inc. ("MIP") appreciates the opportunity to present its written comments related to the City of McMinnville's Economic Opportunities Analysis and Urbanization Report (Phase 2) as coordinated with the City's MAC-Town 2032 Economic Development Strategic Plan. MIP specifically addresses its remarks regarding future industrial land needs and sufficiency of the City's Urban Growth Boundary to ensure a reasonable estimate of industrial land inventory necessary to support good jobs and amenities in the future that create a high quality of life for McMinnville residents.

MIP advocates for a robust industrial lands inventory that accomplishes the City's Strategic Plan priorities by providing enough flexibility to foster an attractive business climate, positioning McMinnville's businesses for modern development and investment, and utilizing the City's strengths to encourage a sustainable economy for future generations.

MIP was incorporated in 1953 in response to the closure of two large manufacturers in the area, a devastating loss at the time of approximately 350 jobs. Also facing a slowdown in the timber industry, a local group of business and professional leaders pledged their own money to attract new businesses to McMinnville and diversify its economic base. In 1955, the corporation was expanded to a community corporation, and ultimately it progressed to a for-profit corporation a year later. Regardless of its structure, MIP has never lost sight of its initial mission and special corporate purpose- to foster, encourage, promote, and improve the industrial, commercial, and physical development of the City of McMinnville. MIP seeks to support the continuation of present businesses, but also attract new industries that strengthen the community as a whole, provide long term economic stability to the area, and which provide living wage opportunities to residents. Over the last 67 years, MIP has invested and assisted in growing industrial businesses. Notable accomplishments of MIP include being the first industrial development company in the Pacific Northwest to qualify for Small Business Administration funds, which was recognized when nine different industrial projects broke ground in McMinnville in 1969. In addition, MIP formed a unique partnership with the City of McMinnville to acquire and develop the major industrial park infrastructure in 1983. MIP has and continues to play a unique role in business and industrial real estate development in the City.

There is no denying that McMinnville is uniquely situated. While the City is disadvantaged due to its relatively far location from a major metropolitan area and its airport (PDX) (approximately 60 miles away), it has developed into an economic hub nonetheless. The availability of ample water and electricity at a low price continues to make the City attractive for businesses to locate to a more rural area and provides occupational opportunities to McMinnville and the surrounding communities. Encouraging vibrant and diverse businesses has created economic collaboration and resiliency, which should be prioritized and maintained if McMinnville is to continue to be an economic engine in Yamhill County. As such, MIP is a proponent of protecting currently industrially zoned properties and supports the future planning for expansion of the industrial zone.

The availability of shovel-ready industrial employment lands is critical to expanding and attracting businesses that provide high-wage jobs. The City has forecasted that employment in the industrial area will grow by approximately 27% over the next 20 years. In that analysis, it is determined that approximately 153 buildable acres are needed to account for and service this growth by 2041, and upwards of 329 buildable acres are needed by year 2067. Currently, 323 acres are part of the overall identified inventory.

The foregoing indicates that McMinnville has just barely enough gross industrial lands inventory for its needs over the next 40 years. However, simply looking at the gross numbers provides an inaccurate and incomplete picture of the location and suitability of the currently zoned industrial sites and does not account for the various development costs associated with many of those acres. 177 of those buildable acres are concentrated in two large tax lots located on the Three Mile Lane corridor, 89.6 and 87.5 acres respectively. There are significant and very costly barriers to the development of this land. First and foremost, ODOT has been fiercely protective of preserving the Hwy 18 McMinnville bypass, and costs of developing the public improvements to accommodate ODOT's requirements would be substantial (and not possible for most buyers). Other hurdles to overcome include actual acquisition of the property, time for site readiness, site planning, and additional infrastructure and improvement changes. The costs associated with the 177 acres has impeded industrial development of this property and will likely continue for the foreseeable future.

Also, due to the fact that the majority of growth and development in the industrial sector has occurred, and continues to occur, on parcels between 0.5 and 10 acres in McMinnville (and on 25 acres or less statewide), having more than half of the industrially zoned lands tied up on two parcels has made it impractical for business placement or relocation to the Three Mile Lane area. As such, growth is constrained with available parcels located in the industrial park unless a second industrial area is constructed with the needed infrastructure, which is unlikely at this time.

Finally, it is also very possible that owners or developers of either or both of these large parcels will ultimately seek rezoning to respond to the current severe deficit of lands available for residential development or commercial requirements located within the Urban Growth Boundary.

As such, only 146 acres are reasonably and realistically available for development in the core industrial area. If the type and character of available sites are taken into consideration, McMinnville actually has a large deficit of available and buildable industrial lands that will not meet its needs even in the next 20 years. With this, McMinnville risks local businesses leaving, or the encroachment of industry into other neighborhoods, resulting in safety and other nuisance concerns.

It has been the collective experience of MIP's leadership that the majority of companies looking to locate here in McMinnville need small parcels (0.5-5 acres in size) for development. In fact, MIP has partitioned many of its larger holdings for sale to businesses looking to build on smaller parcels. MIP has seen this type of development crucial to its mission. Industries in close proximity cultivate a vibrant manufacturing sector by offering differentiated as well as supportive services and products. Additionally, a mixture of locally owned businesses allow for the community to weather ups and downs throughout the business cycle, and not be dependent on a few large employers. If readily and economically developable industrial lands hit a ceiling, McMinnville is in danger of losing businesses that would otherwise integrate into and diversify the economic base. Not only would business opportunities be stifled, but would also consequentially result in lost or lower wage jobs.

Recently, MIP has negotiated transactions that proposed developing between 20-30 acres of property. While there is not a tremendous immediate need for sites between 10-30 acres, MIP sees the importance for these options to be included as part of the overall land inventory to accommodate and attract various future developments. After reviewing the State of Oregon Industrial Development Competitive Matrix, it is clear that to be competitive in all fields of manufacturing (including high tech), light industrial uses, warehousing and distribution, and other specialized uses, the most common requested site size is between 5-25 acres. As such, in order to stay competitive with the rest of the state, McMinnville will need to have a variety of industrial sites that are readily and economically developable.

McMinnville needs a sufficient industrial land inventory with a larger variety of different-sized parcels to continue to cultivate business growth and infrastructure development. This can only be done by steadfastly preserving the current zoning of industrial properties, and by the City expanding its Urban Growth Boundary to increase industrial acreage.

Further, if the City considers rezoning the Three Mile Lane parcels for a use that could justify the significant costs of infrastructure, the City must first increase the number of readily buildable industrial lands in its Urban Growth Boundary to accommodate industrial needs over the next 40 years, ensuring there is no net loss of lands available for industrial uses.

Thank you for your consideration.

Respectfully Submitted,



Doug Hurl, President

Appendix E. Public and Institutional Land Need

Note: The City of McMinnville amended the overall existing park land inventory on September 24, 2024, by adopting Ordinance No. 5148, in response to a remand order from the Department of Land Conservation and Development (DLCD Order 001943, dated August 1, 2024). Based on the remand, the City added 76 acres of undeveloped park land to the existing inventory thereby reducing the needed park land by 76 acres, changing Figures 1 and 3 reflecting no additional land needed for parks and 44.2 acres of surplus land for Public and Institutional land needs.

Public and Institutional Land Needs were developed by a special work group (Public Lands Work Group) in 2019 that then presented their recommendations to the Project Advisory Committee for approval. The Public Lands Work Group solicited data and concurrence from the City of McMinnville, McMinnville Water and Light, Chemeketa Community College, Linfield College, McMinnville School District and Yamhill County.

Below is the content of a memorandum dated November 13, 2019, that was presented to the Project Advisory Committee. Where identified, this memorandum was updated to reflect the 2023 update.

Summary

Public and institutional land needs calculated separately from the employment forecast are summarized in *Figure 1* below, and more detailed information follows.

Figure 1. Estimated Public and Institutional Land Needs

Organization/Sector	Additional Land Need by 2021	Additional Land Need 2021-2041 (ac)	Additional Land Need 2041-2067 (ac)	Sum Through 2067 (ac)	Method/Notes
City of McMinnville (non-parks), ¹	0	7	4	11	4.5 ac for fire stations plus 0.26 ac/1,000 pop
City of McMinnville (parks), ²	27	289	214	530	Parks Master Plan LOS
McMinnville Water & Light	0	21	0	21	Interview, See Narrative
Chemeketa Community College	0	0	0	0	Interview, See Narrative
Linfield College	0	0	0	0	Interview, See Narrative
McMinnville School District	0	10	30	40	Interview/Memo, See Narrative
Yamhill County	0	6	8	13	Interview, 0.5 ac/1,000 pop
State of Oregon	0	1	1	2	0.08 ac/1,000 pop
Federal Government	0	2	2	4	0.14 ac/1,000 pop
Churches	6	32	44	83	2.88 ac/1,000 pop
Other	0	0	0	0	
Sum	33	368	303	704	

Note 1: Site Needs for firestations are included in the 2021-2041 Calculation

Note 2: Needs for 2021-2041 include current deficit

General: Figures above don't reflect additional needs if direction of growth absorbs additional sites outside UGB needed/required for services

The City expanded its UGB in 2020, including land for public and semi-public uses. *Figure 2* shows the need for housing and public and semi-public land needs from City of McMinnville

based on the report *Growing McMinnville Mindfully – McMinnville Growth Management and Urbanization Plan 2003-3023*.

Figure 2. Total additional residential acres needed in the McMinnville UGB, 2003-2023 Phase 2 after land-use efficiencies are applied.

Source: City of McMinnville, *Growing McMinnville Mindfully – McMinnville Growth Management and Urbanization Plan 2003-3023*

Note: Park land includes about 62 acres of land for Joe Dancer Park, which was brought into the UGB but is in a floodplain.

Category of Land Need	Phase 2 Land Brought into UGB
New Housing	222.0
Parks	315.4
Schools	54.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-public Services	22.5
Infrastructure	2.6
Total	666.5

Figure 3 compares the land need for Public and Institutional land needs through 2041 in Figure 1 with the UGB expansion for Public and Semi-Public land needs for 2003-2023.

Figure 3 shows that McMinnville’s UGB expansion added about 444.5 acres for public and semi-public uses, resulting in no remaining unmet public and semi-public land need, and the opportunity to reassign land need from those categories that have a surplus such as Schools (Public and Private), Churches and Semi-Public Services (Water and Light) to those categories with a deficit, such as Government (14.6 acres) and other remaining land needs such as housing and employment land for the planning period of 2021 - 2041 (44.2 acres). Since a majority of the surplus school land is in planned residential areas, the City is electing to apply this surplus to the housing need as part of its land-use efficiency work planned in Task 2 of the approved Sequential UGB work plan.

Figure 3. Comparison of Land Added to the UGB for Public and Semi-Public land needs in 2020 with the Estimate of Public and Institutional Land Need through 2041

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	315.4	316.0	0.0
Schools (McMinnville SD)	54.0	10.0	44.0
Private Schools (colleges)	1.5	0.0	1.5
Religious (churches)	47.6	38.4	9.2
Government (City, County, State, Federal)	0.9	15.5	(14.6)
Semi-public Services (Water & Light)	25.1	21.0	4.1
Total	444.5	400.9	44.2

Background

Certain land uses don't lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. At a previous meeting, information was presented about public and institutional organizations and lands. Preliminary data was presented about calculations using a ratio of acreage per 1,000 population that can be used to forecast site needs. However, this method isn't always applicable to each of these entities. Following the September 5, 2019 PAC Meeting #2, staff held meetings with representatives of public and institutional organizations to discuss land needs and methods. This memo summarizes the results of the meetings and summarizes some information discussed at the last PAC meeting.

City of McMinnville

- **General, Misc. City Departments: (Administration, Office, Police, Public Works, Fleet, Library, Recreation Buildings, etc.).**
 - Planning staff met with representatives from respective City departments to discuss land needed by the City of McMinnville. Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning periods.
 - The City Manager indicated that a ratio of current acreage per 1,000 population would likely over-estimate the City's future land needs. Given existing facilities and site arrangements, there are opportunities to consolidate facilities, redevelop/expand onto existing city sites, use land more efficiently, grow into more recent expansions that retain capacity, etc.
 - With a forecast population of about 48,000 in 2014 and 63,000 in 2067, it is not expected that the City would grow to a size that would necessitate substantial

branch facilities or satellite locations during the planning period (such as a library branch etc.).

- The City Manager and Engineering Staff suggested that base year acres/1,000 population data from cities of approximately 48,000 population and 63,000 population corresponding to the future planning horizon year population for McMinnville might help inform ratios associated with McMinnville’s future land needs.
- Data for cities of approximately 48,000 and 63,000 population was analyzed for comparison. *Figure 4* shows a summary of data for comparison cities – including cities for which data was not available. As noted above, the City Manager and Engineering Staff suggested that a straight-line ratio of acres per 1,000 population might overestimate needs. Therefore, staff used only the portion of City lands with facilities exclusive of the airport, floodplain, and utility sites for estimating additional City land needs. (Parks were calculated separately). Approximately 18 acres of the 83.1 City acres is non-utility facilities. Only that portion was used for calculating future needs. That portion had a 0.51 ac/1000 population ratio. Since it was assumed a straight-line extension would overestimate needs, staff used half of that ratio (0.25 ac/1000 population), and the specific information for fire station sites noted below was added to that estimate.

Figure 4. Ratio Information Available from Other Cities

▪ City	▪ Ratio (acres per 1,000 pop)
Redmond 2005 (total)	▪ 110 ac/1000 (calculated) 10 ac/1000 (assumed need)
McMinnville 2019 (less parks, airport, floodplain)	▪ 2.38/1000
McMinnville, 2019 (less parks, airport, floodplain, utility sites)	▪ 0.51/1000
Corvallis	▪ No additional land need identified, didn’t list ratio
Albany	▪ Not readily available
Springfield	▪ Not readily available
Medford (less parks)	▪ 1.5/1000

- **Fire:**
 - The Fire Department anticipates transition from a single downtown station to three satellite stations at approximately 1.5 acres each: (1) Baker Creek/Hill Road area, (2) Airport area, (3) Northeast area. The estimated need would be about **4.5 acres for three substations**. There could be opportunities to co-locate police substations at sites. There is potential that they could be co-located on sites with other uses. The NE station may be within the current UGB or may be further to

the northeast. There is potential for the current station to be re-used for other municipal or other uses.

- **Police:**
 - **No specific plans for new facilities.** Their needs can be accounted for as part of the overall City need using the same methods.

- **Airport:**
 - **No additional land needs identified.**

- **Sewer:**
 - **Treatment: No additional land needs anticipated.** The City owns 5 tax lots with approximately 70 acres east of the UGB where the sewer treatment plant is sited. No additional land need is anticipated. There is capacity to expand the treatment plan on the existing site. If there is a UGB expansion to east which includes this area, these properties won't be available for buildable land for other uses.

 - **Collection System: No significant additional land demand is assumed outside of the public right-of-way, so no calculation has been added or assumed for this de minimus need.** Minimal needs for future pump stations may be needed for new development. Site needs for small pump stations are similar to or smaller than a residential lot. The land needs for these facilities are relatively small and no additional acres are proposed. Depending on direction of growth, there could be needs for larger pumping facilities.

- **Parks:**
 - The Comprehensive Plan includes the following policies:
 - **159.00.** The City of McMinnville's Parks, Recreation, and Open Space Master Plan shall serve to identify future needs of the community, available resources, funding alternatives, and priority projects
 - **163.05.** The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain
 - **170.05.** For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used

 - The Master Plan level of service (LOS) standard is 14 acres/1,000 persons.

 - The 2017 UGB population was 34,293.

- The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.
- The 2017 need was approximately 480 acres; there's a deficit of approximately 131 acres of park land to meet future park land needs.
- Need for 665 total acres by 2041 resulting in an additional need of 185 acres, or total of 316 acres with the current deficit
- Need for 879 total acres by 2067 resulting in an additional need of 399 acres, or total of 530 acres with the current deficit.
- Absent joint use agreements with other entities for public use of facilities consistent with the needs identified in the Park Master Plan, park sites and recreational facilities that aren't city-owned aren't assumed to meet the LOS for developed park needs. If there are separate standards for open space, that may be evaluated.

Note: Mark Davis, a member of the Project Advisory Committee wrote a memo for the committee to consider on park land need, which is attached at the end of this appendix.

- **Other (stormwater):** While no specific need was identified, there was a sense that stormwater detention and water quality standards would likely increase the amount of land that will need to be dedicated for on-site stormwater management (detention and treatment) as best practices seek to manage stormwater close to “where the rain hits the ground” to reduce peaking of down stream flows and conveyance of sediment and/or contaminants in runoff. These sites may be privately or publicly owned and maintained, but should be accounted for.
- **Other (transit related):** There was a sense that, as the community grows and the transit system expands and matures, it expected that there will be a more robust transit system with some additional land needs.

Planning Staff met with representatives of the following organizations regarding their future land needs.

McMinnville Water & Light (MWL):

Estimated need of 21-24 acres for the 20- and 46-year periods, plus additional location/development specific needs

- General: It is estimated that in addition to sites already owned by MWL, they will need approximately 21 additional acres for power and water, and may have additional needs that are dependent on specific growth characteristics and developments. Some users

require an on-site substation that requires a site and land. If growth occurs to the west further upslope into the west hills, that might include the 3-acre reservoir site needed to serve water pressure Zone 2, and could necessitate an additional reservoir/site if growth continues far enough upslope to result in a Zone 3 service area.

- The additional 21-acre need includes 16 acres for a treatment plant and pumping facilities which could co-locate with a power substation in the easterly portion of the UGB; an additional 2 acres in the easterly UGB area for power, and an additional 3 acres in the westerly UGB for additional storage for fire flow.

Yamhill County

- Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning periods.
- The acreage per 1,000 population estimate is a reasonable method, first deducting the fairgrounds property before calculating the ratios. The Fairgrounds is approximately 36 acres of a 44-acre site.
- Current county-owned sites don't allow for much incremental on-site expansion, so additional capacity would likely require redevelopment or expansion onto additional land.
- Transit may have a need for expanded bus parking/storage area that doesn't require new structures
- Locational analysis: The County Parks Master Plan identifies potential lands for parks at key locations in proximity to McMinnville near confluence areas shown on vision map in the Master Plan)
- The County owns approximately 44 acres in the UGB, including the Fairgrounds. The 36-acre Fairgrounds site includes other uses including County Public Works, which occupies about 7 acres. Therefore, approximately 29 acres of County-owned land was deducted for the Fairgrounds before calculating the ratio of acres per 1,000 population, leaving 16 acres remaining, which is approximately 0.5 acre/1000 population.

Chemeketa Community College

No new land needs. Chemeketa Community College sold the property they previously owned, the former campus site, on Hill Road. Their McMinnville campus on Norton Lane houses their facilities as well as commercial and office tenants. For planning purposes, Chemeketa doesn't anticipate new land needs beyond their current ownership, and doesn't anticipate displacement of tenants.

Linfield College

No new land needs. Linfield College doesn't anticipate new land needs beyond their current ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

McMinnville School District

In addition to existing schools, the School District owns three reserve sites for future schools. Below is a summary of needs in addition to existing schools and reserve sites. In addition to these sites, the School District estimates it will need 40 additional acres for future school sites, with 10 of those additional acres needed between 2021 and 2041, and 30 of those acres needed between 2041 and 2067. *See Attachment 1.*

2021-2041

- The need is for one additional 10-acre early learning center site.

2041-2067

- The need includes one additional 12-acre elementary school site.
- The need includes an additional 18 acres for a new high school, in addition to the 42-acre site on Hill Road, whether that site could be added to for a total of 60 acres or whether that site would be sold and a new 60-acre site acquired.

Other Land Needs

Other public and semi-public land needs presented in *Figure 1* which aren't part of the employment forecast were calculated using the ratios in *Figure 5*.

Figure 5. Other Existing Ratios for McMinnville, 2019

Public/Semi-Public Use	Tax Lots	Acres	Acres/1000 persons	Percent of Acres
State	4	2.92	0.08	0%
State	4	2.92	0.08	0%
Federal	5	4.96	0.14	0%
Federal	5	4.96	0.14	0%
Religious/Cemetery	76	104.23	2.98	6%
Church	64	100.53	2.88	6%

Memo

Date: October 28, 2019

To: Public/Semi-Public Lands Work Group

From: Mark Davis

Subject: Park Land Needs

McMinnville is in the process of projecting its future land needs. These plans must have an adequate factual basis. The projections must be supported by evidence that establishes some likelihood that the projections will be realized and that the plans will be implemented.

At the last meeting I raised objections to the proposed addition of 392 acres of land for City parks over the next 20 years because there was no plan for funding or implementation. The acreage calculation is based on a recommendation in the outdated Parks Plan that the City should have 14 acres of parks per thousand residents, a number we failed to reach by 1999, so in addition to building parks for new residents we were supposed to have built additional parks over the last 20 years to erase this deficit. Due to the chaotic nature of the discussion that followed my comments and the fact that not all members of the Work Group were present, I would like to clarify the points I was trying to make at that time.

The Parks Plan: The McMinnville Parks, Recreation and Open Space Master Plan (commonly referred to as the Parks Plan) was adopted in 1999. It explicitly covered a 20-year period that ended in 2019 and therefore cannot be relied upon to justify land needs through either 2041 or 2067. At the public gathering that preceded its adoption, where citizens were asked to brainstorm their ideas for the Parks Plan and put dots next to the ones they liked, several persons asked, "How is this going to be paid for?" We were repeatedly told that we did not need to worry about cost because the City Council had the job of figuring out how to pay for it. As a result the so-called "plan" reads more like a "wish list." It carried an estimated price tag in 1999 dollars of over \$52 million. The actual park funding over the past 20 years came from a \$9 million bond measure and a relatively small amount of SDC dollars.

What Got Built: Since 1999, the city added only about 50 acres of parks.¹ About 10,000 persons were added to the City's population in the last 20 years. Per the Parks Plan 14 acres per

¹ The 1999 Plan showed 273.66 acres of existing parks in Tables A-1 and A-2. The total acreage today as shown on the staff memo dated 10/10/19 is 348.57 acres, suggesting that we added about 75 acres in parks. However, it appears that some corrections were made to the 1999 data, as City Park then was 13 acres but today is shown as 16.79 acres, and Joe Dancer Park was formerly 85.38 acres but now counts as 107.62 acres. Correcting for these changes implies about 50 acres were added, and when we look at what was actually developed (Discovery Meadows, Riverside Dog Park, Chegwyn Farms, Heather Hollow, Jay Pearson, Thompson and West Hills), those new parks total about 45 acres, suggesting 50 acres is about right.

thousand standard, we should have added 140 acres of parks. We achieved only about one-third of the goal, to say nothing of making up the deficit because we were far under the 14 acres/1000 for the existing residents and were proposing to make up that deficit also. So, when we look at the 392 acres proposed this time, only about 180 acres is for the projected population increase. The balance is to make up a purported deficit that grows every year. Based on the evidence of what actually happened in the past 20 years, there is no reasonable basis to expect that the additional 392 acres the city proposes to urbanize will actually develop as parks over the planning period.

How the Schools Fit In: Table A-3 in the Parks Plan is a Facility Inventory: School Facilities. The Plan repeatedly calls for creating joint use agreements with the School District to share lands, thus reducing the need for the City to develop more park land. The School District representative at our meeting acknowledged that they do not lock their facilities and accept public use of the school grounds when school activities are not ongoing. This is not a complete solution to the clear need for more park land, but even without a formal joint use agreement (a high priority 20 years ago that never got done) it is obvious that some portion of school grounds will be used for park-type activities, much like it has for the past 50 years. This needs to be accounted for in the city's projection.

The Comp Plan Policies: All three of the Comprehensive Plan Policies cited in the 10/10/19 staff memo regarding the need for park land were adopted after I made similar objections to the unrealistic park land projections in the last UGB expansion attempt. At this point declaring a Parks Plan that has expired and was not implemented as the basis for an even bigger ask for park land makes no logical sense. Further, policy 163.05 excluding waterways that may flood from any community or neighborhood park would preclude including a creek in the park like we now have at City Park and Wortman Park. Is it really good park planning policy to keep all water features out of our bigger parks? Sure, we don't want our bathrooms and permanent park facilities to get flooded, but having a mixture of natural features surely makes a park more inviting.

Financial Reality: At present the City is considering building a new combined Aquatic/Community Center at a price tag that could exceed \$50 million based on a recent consultant's report to the City Council. The reason the Council is considering the new facility is that making repairs to the existing pool and community center buildings cost almost as much as a new facility. So, regardless of how this process works out over the next few years, the Parks and Recreation Department is looking at tens of millions of expenditures on facilities. Looking at the estimates in the Parks Plan and adjusting them for current costs suggests that adding 392 acres of parks is going to cost over \$100 million.

McMinnville voters are responsive to reasonable requests for public facilities and voted for a 20-year, \$9 million parks bond that has financed most of the improvements in park lands we have seen since 2000. Based on the Council conversation it appears that when the parks bond expires

in 2021 the City will be considering using that bonding capacity for the new Aquatic/Community Center. If so, where is the money going to come from to develop 392 acres of parks, to say nothing of paying for the ongoing maintenance of that much land?

City Responsibility: This park land figure is the one area in the upcoming UGB expansion proposal that the City actually controls. We can make our best estimate of how many housing units, commercial buildings and industrial sites we need over 20 years, but there is no way to know how the private sector will respond. On parks the people finally approving the UGB expansion (i.e. the City Council) are also the body that will authorize the development of all City parks, presumably after getting public approval of a bond measure. Our history with the expired Parks Plan does not suggest that passing the buck to the future will result in the parks getting built. We need a realistic plan for funding also.

Conclusion: I am not opposed to adding lands for parks. I support that goal. However, it takes more than simply increasing the number of acres of land inside the UGB or pointing to an aspirational standard. It takes a real plan that describes the types of parks to be built including their cost and the sources of funding to get that many acres of park land developed. I do oppose an unrealistic increase in overall land need based on a purely aspirational projection of park land that lacks any historical evidence.

I also want to make clear that my statements are not a criticism of Susan Muir, Jay Pearson or any of the hardworking park staff members. I am confident that were the financial resources made available to develop more parks that our Parks and Recreation Department would eagerly expand our inventory of parks.



McMinnville School District No. 40

800 NE Lafayette Avenue McMinnville, Oregon 97128 Phone: (503) 565-4000 Fax: (503) 565-4030

MEMO

DATE: November 14, 2019
 TO: City of McMinnville Public Lands Work Group
 From: Susan Escure, McMinnville School District Finance Director
 Subject: Land Needs Assessment - Public Schools

Introduction

Currently the District does not have an adopted plan for school facility needs for the periods going out the 50 years needed by the urbanization study. The District is in the process of updating our Long-Range Facilities Plan which will not be formally adopted until next year. In 2017, The District contracted with Flo Analytics to prepare a 5 year and 10 year enrollment forecast with a more in depth study of enrollment within our elementary boundaries. This study provided information for our most recent boundary changes adopted for the 2019-20 school year. The following land needs assessment is based upon a combination of the demographer report, our internal enrollment projections and decisions made as part of our 2016 capital bond project.

Flo Analytics Enrollment Forecast

Our demographer's forecast was limited to 10 years. However, it did take into account planned developments within the District. The District is projected to capture 84.4% of the District population of all school-age children. Overall average student yield factors applied to new housing development are 0.45 students/Single Family Unit and 0.20 students per Multi-family Unit. The following is a summary of their 5-year and 10-year forecast:

October 1	2017	2022	2027
Elementary	3,047	2,969	3,103
Middle School	1,541	1,587	1,550
High School	2,176	2,347	2,159
Total	6,764	6,902	6,813
% increase over 2017		2.0%	.7%

Internal Projections

The District uses a 3 year or 8 year average cohort survival rate to forecast increases in enrollment for grades 1-12. The increase in these grades are due to in-migration and enrollment of students from private schools and home school as they age. This cohort survival rate across all grades = 2% increase in enrollment annually. Kindergarten enrollment is based on a historic average capture rate of 40% of the county births five years prior. For 2025 and after, the kindergarten enrollment increase is projected at 1%. Student enrollment counts are attendance-based not residence-based. Enrollment includes intra-district transfers from neighboring districts. Additionally, the enrollment projection includes attendance of all District students, not just those located within the City of McMinnville.

Land Needs Assessment - Public Schools (continued)

October 1 Enrollment Projection	2017	2019	2021	2041	2067
Elementary	3,047	2,885	2,883	3,281	4,252
Middle School	1,541	1,686	1,596	1,650	2,138
High School	2,176	2,130	2,251	2,263	2,934
Total	6,764	6,701	6,730	7,194	9,324
(Decrease) Increase over 2017		(63)	(34)	430	2,560
% (decrease) increase over 2017		(0.9%)	(0.5%)	6.4%	37.8%
Average Annual Growth Rate		(0.5%)	(0.1%)	0.3%	0.8%

Capacity

The following capacity estimates are based on current class size and programs. If future funding allows the District to substantially decrease class size or increase programs, these capacities would be less. Additionally, classroom modulars are used at some school sites and they are included in the calculation of our current capacity. The District foresees the need to add on to the current school sites to increase classroom space for additional programs and replacement of classroom modular before adding schools for enrollment growth, especially at the elementary level.

Property held for future school sites:

Hill Road & Cottonwood Drive	11 acres	Future Elementary Site
McDonald Lane, next to Grandhaven	26 acres	Future Middle School Site
Hill Road property	42 acres	Future High School Site

Elementary School Capacity

Elementary schools are configured for grades K through 5 with a capacity of 600 each. Currently there are six elementary schools which totals a maximum capacity of 3,600. For purposes of this land needs assessment, we are assuming a per school capacity ranging from 550 to 600 to account for pre-school and/or additional program needs.

Elementary school sites are on average 10 to 12 acres. The District currently holds property at Cottonwood and Hill Road for a future elementary site. The District would need to purchase one more 8-10 acre site by end of 2067 according to this projection.

Middle School Capacity

We currently have two middle schools with a maximum capacity of 900 each configured for grades 6-8 for a total capacity of 1,800. There is a wave of larger cohort classes in middle school currently, however, future cohorts entering middle school are expected to decrease and remain lower until 2041 – 2067.

The desired middle school is approximately 20 acres. The District currently holds 26 acres on McDonald Lane adjacent to Grandhaven Elementary for a future middle school site. No additional acreage is needed for a middle school site before 2067.

Land Needs Assessment - Public Schools (continued)

High School Capacity

Our current high school configuration after the 2019 Addition has a maximum capacity of 2,800 students. Approximately 160 students are served off site at the alternative program at Cook School and the online program at Adams Campus. Based on this projection, the high school would not reach maximum capacity until 2060-65.

In 2015, the Long Range Facilities Task Force recommended to the School Board to continue the High School Master Plan proposed in 2006 to the voters which included a plan to rebuild the high school at the current site over three phases. The first phase was completed in 2010, the second phase was just completed in 2019 with the addition of a Career Technical Center. Although many constituents desire two small high school versus one large high school, current school funding does not cover the cost of operating two high schools. (Operating costs include costs such as: utilities, maintenance, administration and support staff). The high school enrollment would need to grow to almost 3,000 in order for the District to afford the operation costs of two comprehensive high schools (1,500 each).

During this planning period, the committee also looked at building a new high school at the Hill Road location and repurposing the current high school property. The committee decided against this for several reasons: 1) the District would need to ask voters for a significant increase over the current school capital bond rate, 2) the Hill Road site is only large enough for a high school of 2,300-2,500, which could be outgrown before the District could afford a second high school, and 3) the Committee felt that the District should continue with the plan that the voters had already approved in 2006.

The District currently holds 42 acres on Hill Road as a future high school site. A larger site of closer to 60 acres may be more desirable in order to include additional space for career technical programs. In addition, satellite sites may be needed for increased professional technical classes such as home construction or HVAC certification.

Summary

Based on our enrollment projections as described, the District projects the need for the following additional school buildings during the periods 2021-41 and 2041-2067.

Number of Schools	Current	2021-2041	2041-2067
Elementary & Early Learning Center	6	+1	+ 2
Middle School	2	0	+ 1
High School	1	0	+ 1
Total	9	+1	+ 4

After taking into account current property held for future use, the District projects the following land needs:

- An additional site of 10 – 12 acres for an Elementary School.
- A larger 60 acre high school site for a second high school.
- An additional 8-10 acre site for an Early Learning Center.



Vice President for Finance & Administration
900 SE Baker Street
McMinnville, OR 97128-6894
503.883.2458 / 503.883.2630

January 16, 2020

To: Tom Schauer

Subject: Land Needs Summary Memorandum Dated November 13, 2019

As requested per your email January 16, 2020, this memo confirms the information below which summarizes Linfield College's response per the Land Needs Summary Memorandum dated November 13, 2019.

No new land needs. Linfield College doesn't anticipate new land needs beyond their current ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

MA Rodriguez

Mary Ann Rodriguez
Vice President of Finance & Administration/CFO

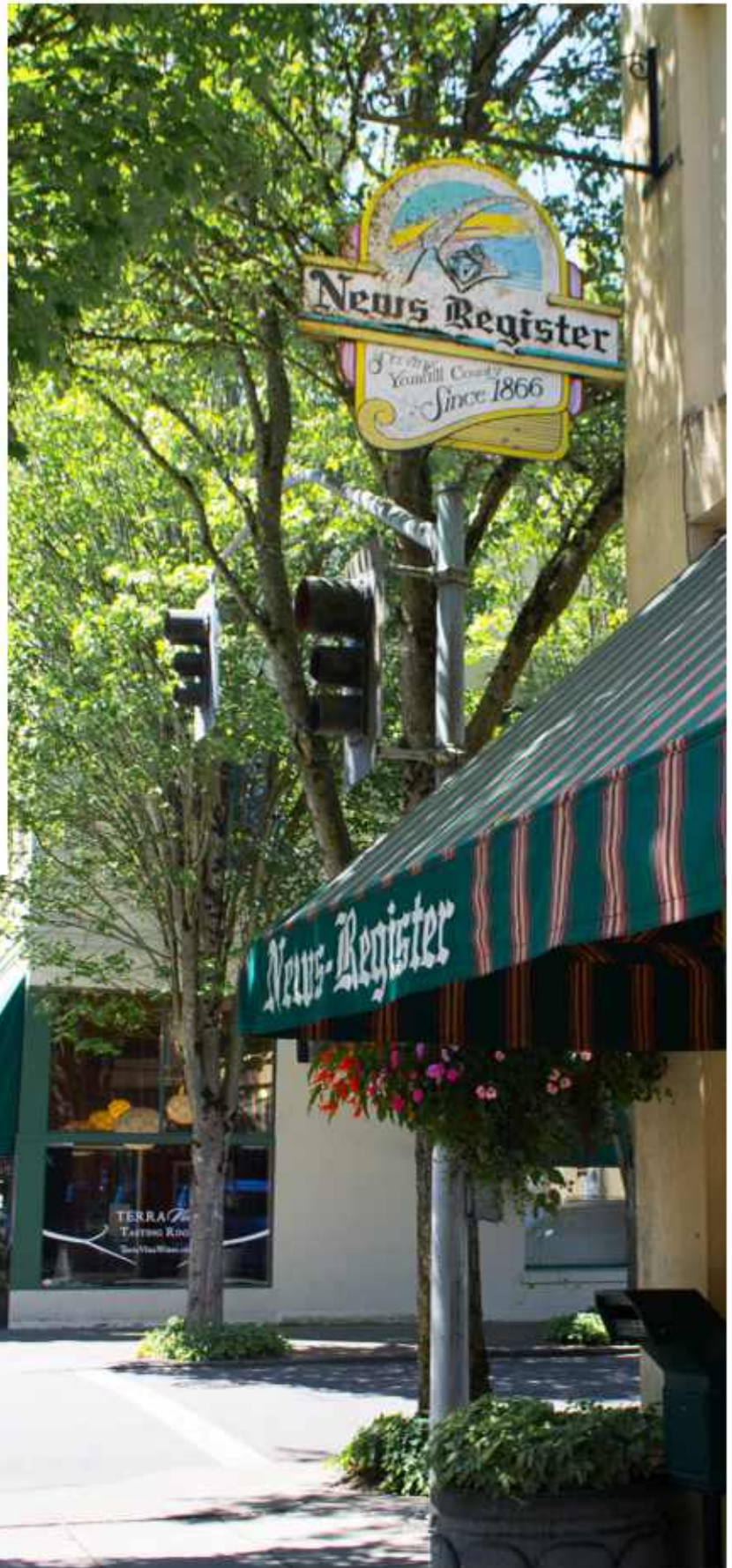


Updated McMinnville Urbanization Report:

Housing Needs Analysis and Economic Opportunities Analysis

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MCMINNVILLE URBANIZATION REPORT: SUMMARY

The City of McMinnville is in the process of reviewing future land needs and sufficiency of its Urban Growth Boundary (UGB) to meet those needs for a 20-year planning period beginning in 2021, this report was updated in 2023 to account for development through 2021 and the 2020 UGB expansion.

This evaluation process requires several technical studies. These include:

- a Goal 10 compliant housing needs assessment (HNA) and residential buildable land inventory,
- a Goal 9 compliant Economic Opportunities Analysis (EOA) and an employment buildable lands inventory, and
- an assessment of public and institutional land needs (e.g., parks, schools, etc).

These analyses allow the City of McMinnville to assess whether there is sufficient land within the Urban Growth Boundary (UGB) to accommodate land needs for the 20-year period between 2021-2041. The purpose of the Urbanization Report is to (1) evaluate growth forecasts; (2) inventory how much buildable land the City has; (3) identify housing needs; (4) identify economic development strategies; and (5) determine how much land the City will need to accommodate growth between 2021-2041.

McMinnville is growing. The official population forecast projects that McMinnville will grow at 1.36% annually adding 11,260 new residents during the 2021-2041 period. This translates into a need for 4,657 new housing units.



MCMINNVILLE NEEDS 346 ACRES TO ACCOMMODATE GROWTH THROUGH 2041

McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross residential acres through 2041. For employment growth, McMinnville will need 188 gross acres for employment for the 2021 to 2041 period (29 industrial acres and 159 commercial acres). However, McMinnville has a surplus of 44 acres in the 2021 to 2041 period for public and institutional uses (e.g., parks, schools, infrastructure, churches, etc.)

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	44	(259)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
Total	(346)	(1,972)

Source: ECONorthwest

*Note: This analysis does not estimate demand for industrial land for the 2041-2067 period.

INTRODUCTION



The City of McMinnville is in the process of analyzing whether it has enough land to accommodate future growth. McMinnville last reviewed its Urban Growth Boundary (UGB) in 2007-08. The UGB is the line that determines the outer extent of urban growth in McMinnville. McMinnville is growing — between 2000 and 2019 the city grew by 28% adding 7,431 new residents. Growth is forecast to continue — McMinnville is projected to grow to 47,498 by 2041 — a 29% increase over the 2019 population.

This report is the culmination of several years of work and was updated in 2023 to account for changes in McMinnville in recent years. It summarizes the results of two longer technical reports and a series of memoranda that evaluation different elements of land need and supply in McMinnville:



- **City of McMinnville Housing Needs Analysis (HNA)** presents the full results of the housing needs analysis (HNA) for McMinnville and is intended to comply with statewide planning Goal 10 (housing) and Oregon Administrative Rule (OAR) 660-008. It includes an inventory of buildable residential lands in McMinnville and an estimate of new housing units needed to accommodate forecast population growth.
- **City of McMinnville Housing Strategy**, presents recommendations and implementation actions intended to result in policy changes that provide opportunities for development of housing to meet McMinnville's identified housing needs.
- **McMinnville Economic Opportunities Analysis (EOA) Update**, includes a buildable lands inventory of commercial and industrial lands within the Urban Growth Boundary (UGB), an analysis of commercial and industrial land needs for the next 20 years (and longer), and a determination of sufficiency of whether the buildable lands in the UGB will meet the 20-year identified needs.
- **Public and Institutional Land Needs**, estimates other land needs that are not addressed in the HNA and EOA documents. This includes parks, schools, churches, cemeteries and other public and Institutional land needs. (Appendix E of the Economic Opportunities Analysis.)



City staff and ECONorthwest staff worked with the Housing Needs Analysis Project Advisory Committee (HNAPAC) to review the results of the Housing Needs Analysis and develop the Housing Policy and Actions Strategy, and the Economic Opportunities Assessment Project Advisory Committee (EOAPAC) to review the results of the Economic Opportunities Analysis and public/institutional land needs. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020, development in McMinnville through 2021, and to meet requirements of new State legislation.

This report is organized by the following sections:

- **Buildable Lands Inventory**
- **Housing Needs Analysis**
- **Economic Opportunities Analysis**
- **Public and Institutional Land Needs**

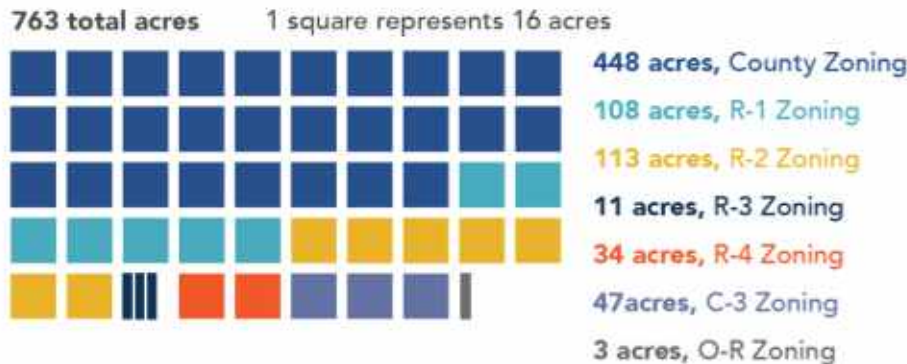
Overview

The buildable lands inventory (BLI) provides a basis for analysis of development capacity on residential, commercial, and industrial land in the City of McMinnville. Legal requirements govern the development of the BLI. The Housing Needs Analysis and Economic Opportunities Analysis provide detailed methods, definitions, and results from the BLIs for residential, commercial, and industrial land. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020 and development in McMinnville through 2021, as well as policy changes enacted by HB 2001 (2019 Oregon Legislature).

Residential Buildable Land

McMinnville has 763 acres of residential land that is vacant or partially vacant. The majority of McMinnville's buildable land (448 acres) is county-zoned land, which are not available for urban densities until they annex. In addition, some of McMinnville's buildable land (131 acres) is in Water Zone 2 which is not likely to be served with water for 10 years (about 2030).

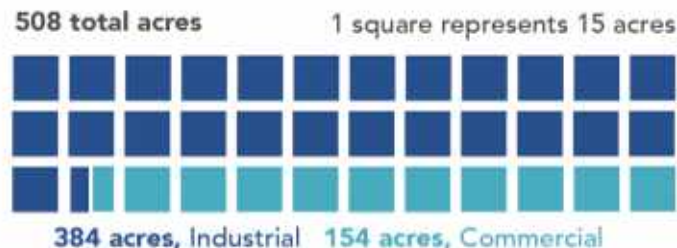
MCMINNVILLE'S BUILDABLE VACANT AND PARTIALLY VACANT RESIDENTIAL LAND, BY ZONING DISTRICT, 2023



Commercial and Industrial Buildable Land

McMinnville has 508 acres of vacant and partially vacant land in commercial and industrial comprehensive plan designations. Of this land, 354 acres of McMinnville's vacant land are in industrial designations and about 154 vacant acres are in commercial designations.

MCMINNVILLE'S BUILDABLE VACANT & PARTIALLY VACANT COMMERCIAL & INDUSTRIAL LAND, BY ZONING DISTRICT, 2023



Definitions

Buildable Land:

Unconstrained vacant and partially-vacant land designated for residential, commercial, or industrial development.

Vacant Land:

Unconstrained suitable land designated for residential, commercial, or industrial development.

Partially Vacant Land:

Unconstrained suitable land with enough land to could support additional residential, commercial, or industrial development under the existing zoning standards.

Constrained land:

Land that is not available for development based upon one or more factors such as environmental protections, such as flood plain or wetlands.

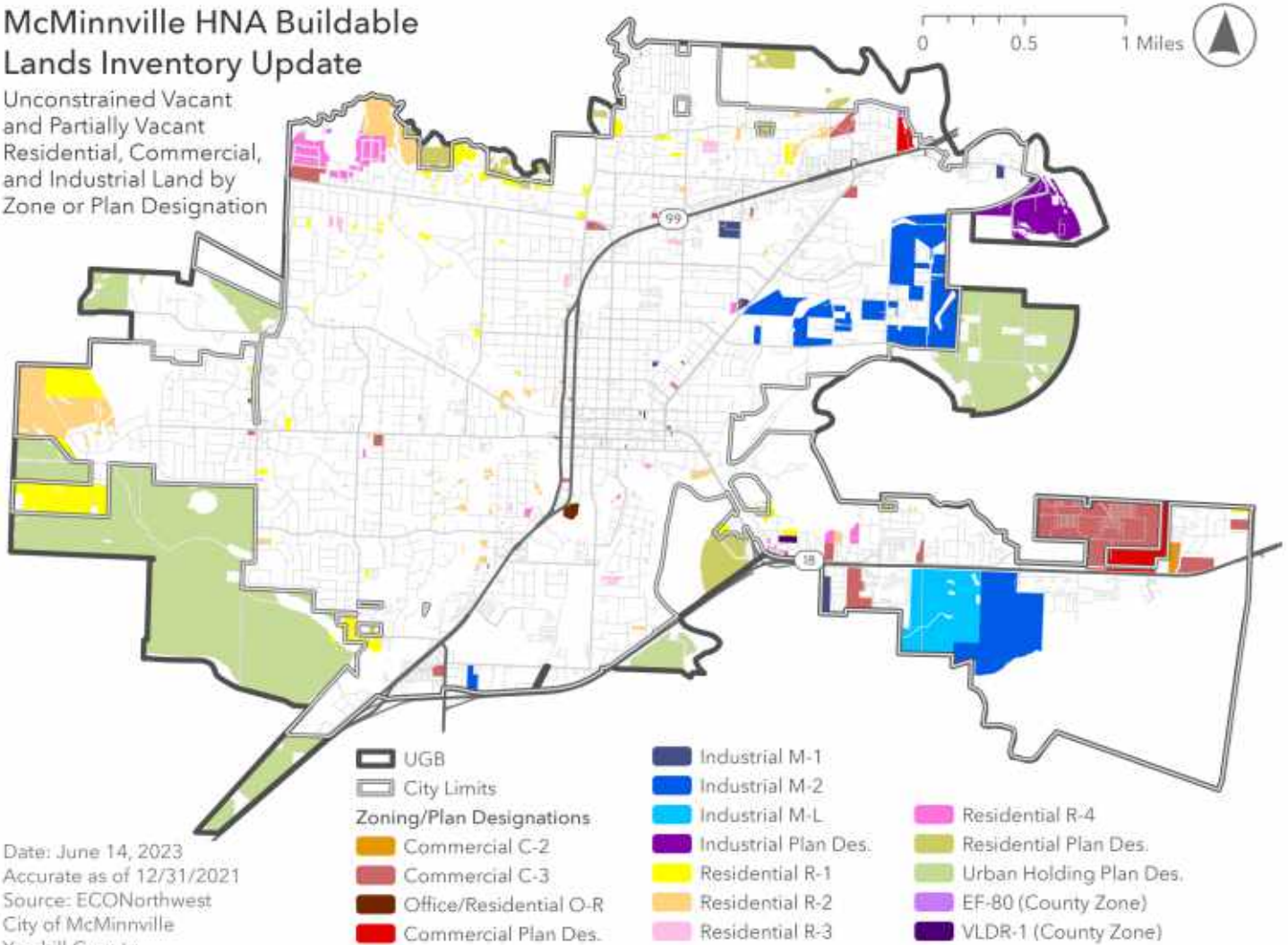
BUILDABLE LANDS INVENTORY

McMinnville Buildable Lands Inventory

Vacant and Partially Vacant Residential, Commercial, and Industrial Land by Zone (or Plan Designation)

McMinnville HNA Buildable Lands Inventory Update

Unconstrained Vacant and Partially Vacant Residential, Commercial, and Industrial Land by Zone or Plan Designation



Date: June 14, 2023
 Accurate as of 12/31/2021
 Source: ECONorthwest
 City of McMinnville
 Yamhill County

Housing Needs Analysis

McMinnville is in the process of updating its Housing Element of its Comprehensive Plan and zoning code. McMinnville has changed substantially over the last three decades. The community welcomed nearly 7,431 new residents from 2000 to 2019 and continues to be a growing city. In 2019, McMinnville had a population of 33,930 people. While the community makes up a about one-third of Yamhill County's total population, McMinnville has grown at a much faster rate than the County.

As the region (including McMinnville) continues to grow, housing affordability is becoming a growing concern to residents. Some people in the community are finding it difficult to access housing that is affordable and also meets their family's needs.

As McMinnville grows, the City needs to take stock of how much land is available to accommodate new homes and reevaluate the City's development policies. The City needs to look at what types of housing (single family homes, townhomes, apartments, etc.) to encourage in different areas of town. The City also needs to evaluate whether its existing development policies, like the zoning code, provide opportunity for development of a range of housing types that are affordable to people who live and want to live in McMinnville.

The Housing Needs Analysis provides information about the factors that may affect residential development in McMinnville over the next 5, 10, 20, and 46 years, including housing market changes, demographics, and other factors. The Housing Needs Analysis (HNA) provides a factual basis for an evaluation and revision to the Housing Element in McMinnville's Comprehensive Plan, to ensure that McMinnville meets the essential requirements of statewide planning Goal 10: to provide opportunities for development of housing that meets the needs of households of all income levels and to ensure the city has a 20-year supply of buildable residential land.

This summary report presents the results of two longer reports:

- **McMinnville Housing Needs Analysis 2021 to 2041** presents the full results of the housing needs analysis (HNA) for McMinnville and is intended to comply with statewide planning Goal 10 (housing) and Oregon Administrative Rule (OAR) 660-008. In addition to the 20-year forecast period, the analysis looked at housing and land needs over a 5-, 10-, and 46-year planning horizon.
- **McMinnville Housing Policy and Actions** presents recommendations for a revision to McMinnville's Comprehensive Plan Housing Element and implementation actions intended to result in policy changes that provide opportunities for development of housing to meet McMinnville's identified housing needs.

City and ECONorthwest staff worked with the Housing Needs Analysis Project Advisory Committee (HNAPAC) to review the results of the Housing Needs Analysis and develop the Housing Strategy. The PAC met seven times between July 2018 and June 2019. Other public outreach included an open house and a stakeholder focus group. In 2023, a PAC met twice to discuss the updates to the analysis.



McMinnville is growing

The community welcomed nearly 7,431 new residents between 2000 and 2019.

As McMinnville grows, the City needs to take stock of how much land is available to accommodate new homes.

MCMINNVILLE'S POPULATION AND HOUSEHOLDS



McMinnville's population has historically grown faster than both the county and state.

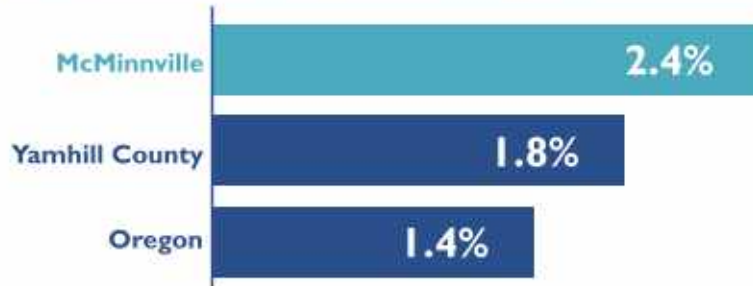
McMinnville's Population and Households

Population and housing characteristics are useful for better understanding McMinnville and McMinnville's residents. Population growth, age of residents, household size and composition, and tenure status (homeowners and renters) provide useful context about how the characteristics of McMinnville's households compare to Yamhill County and Oregon.

Unless otherwise noted, all data in this document are from the U.S. Census 2012-2016 or 2013-2017 American Community Survey.

AVERAGE POPULATION GROWTH PER YEAR, 1990-2017

Source: Portland State University, Population Research Center



POPULATION, 2017

Source: Portland State University, Population Research Center



McMinnville's median population age is 35.

McMinnville's population is similarly aged to Yamhill County and Oregon's median.

MEDIAN AGE, 2016

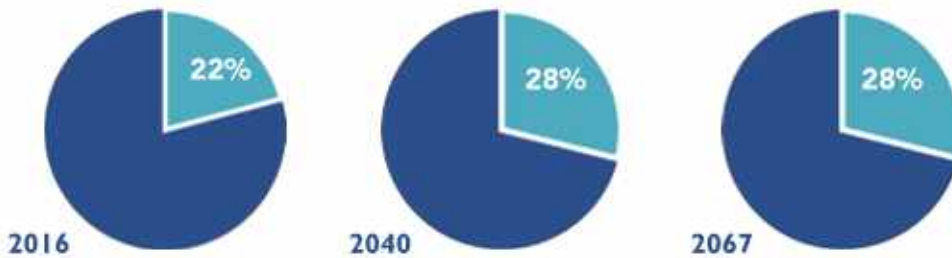
Source: Portland State University, Population Research Center



MCMINNVILLE'S POPULATION AND HOUSEHOLDS

POPULATION AGED 60 AND OLDER, MCMINNVILLE, 2016, 2040, & 2067

Source: Portland State University, Population Research Center



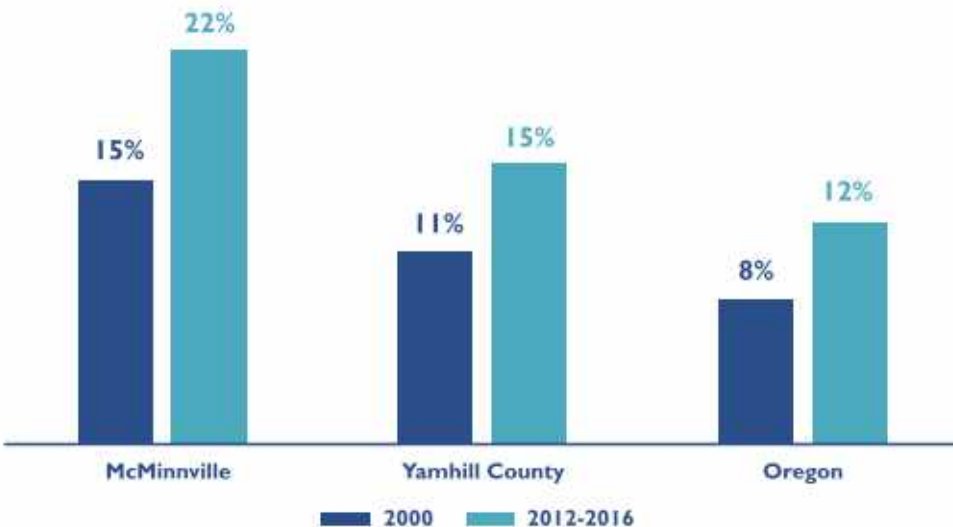
Population over 60 years of age is expected to increase.

McMinnville's share of the population over 60 years of age is expected to increase over the next 20 years.

AVERAGE NUMBER OF PEOPLE PER HOUSEHOLD, 2017



PERCENT OF POPULATION THAT IS HISPANIC OR LATINO, 2000 & 2016



McMinnville is ethnically diverse.

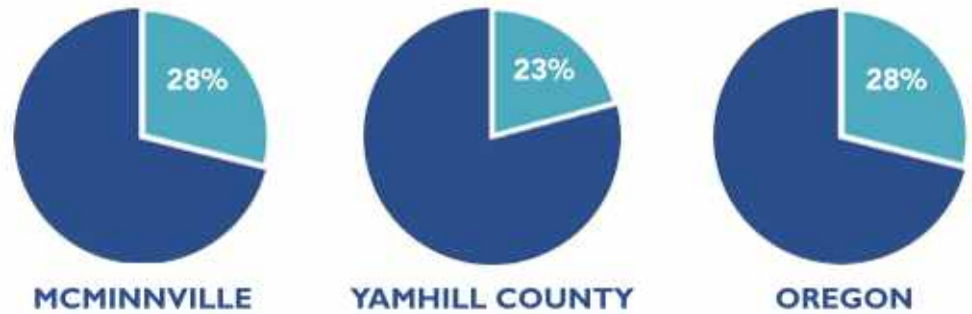
McMinnville's population is more ethnically diverse than Yamhill County and Oregon's population.

MCMINNVILLE'S POPULATION AND HOUSEHOLDS

McMinnville has an increasing number of one-person households.

From 2000 to 2017, McMinnville's share of one-person households grew from 24% of all households to 28%.

PERCENT OF 1-PERSON HOUSEHOLDS, 2017

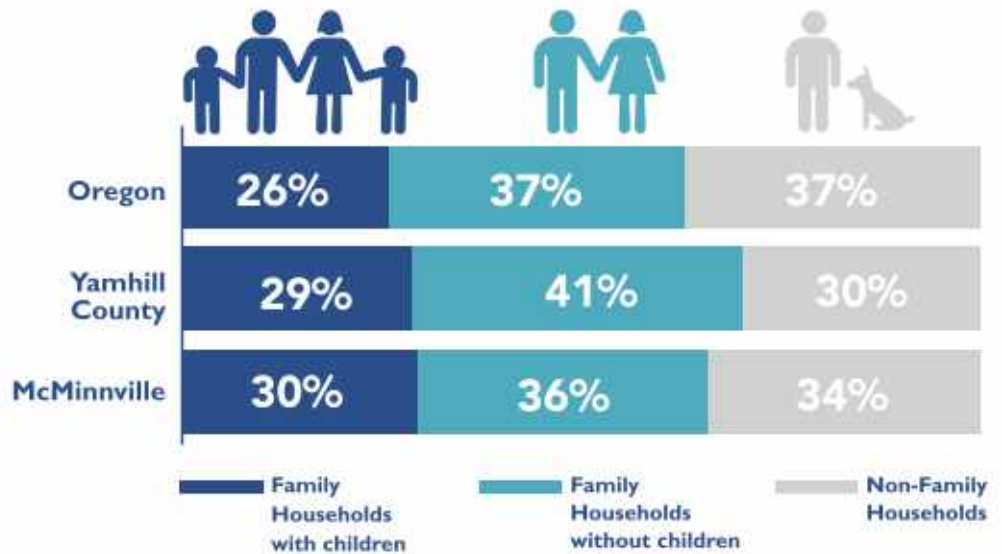


About a third of McMinnville's households were non-family.

McMinnville had a larger share of non-family households than Yamhill County and a smaller share of non-family households than Oregon.

HOUSEHOLD COMPOSITION, 2017

A family household is one in which the residents are related to at least one other person in the household by birth, marriage, or adoption. Non-family households include people living alone, unmarried couples, and unrelated housemates.



MCMINNVILLE'S HOUSING MARKET

McMinnville's Housing Market

Analysis of historical development trends in McMinnville provides insights into how the local housing market functions in the context of Yamhill County. This report groups housing into the three housing types shown below.



SINGLE-FAMILY DETACHED

(includes manufactured homes)



SINGLE-FAMILY ATTACHED

(townhouses)



MULTIFAMILY

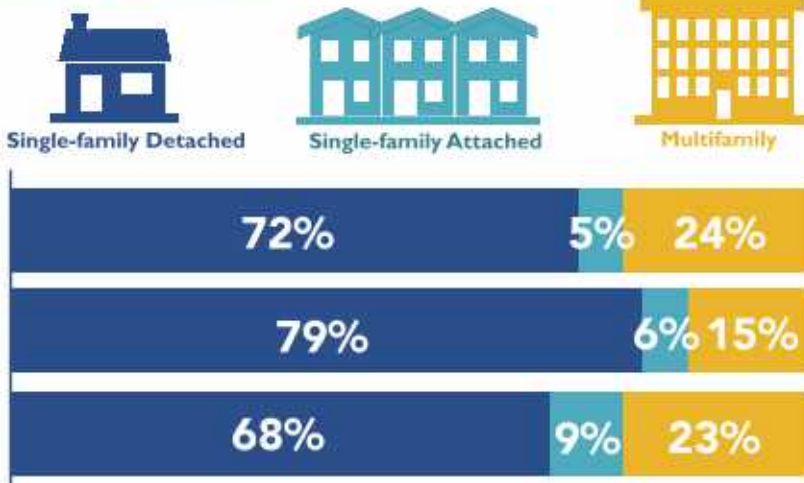
(duplexes, tri- and quad-plexes, buildings with 5+ units)

Most of McMinnville's housing stock, including housing built since 2000 was single-family detached housing.

Limited housing diversity limits opportunities for rental housing and limits the variety of housing available for ownership.

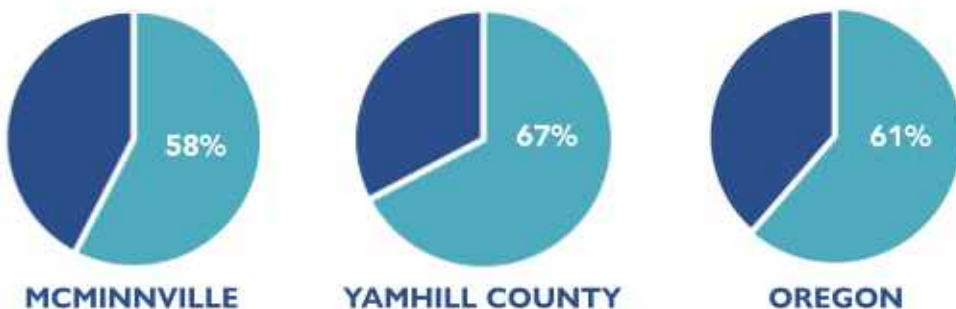
Since 2000, McMinnville mix of housing types has remained relatively unchanged, despite growth in total dwelling units. In McMinnville, government-assisted housing and housing for farmworkers can be any of the housing types listed above.

MIX OF HOUSING TYPES, 2017



Urban areas, like McMinnville, will typically have a larger share of multifamily housing than more rural areas, such as unincorporated areas of Yamhill County.

PERCENT OF HOUSING UNITS THAT ARE OWNER-OCCUPIED, 2016



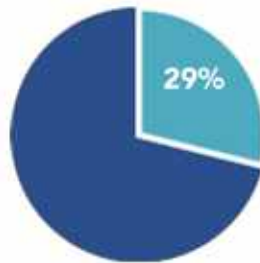
A majority of McMinnville's housing is owner-occupied. Most of McMinnville's homeowners (95%) live in single-family detached housing.

MCMINNVILLE'S HOUSING MARKET

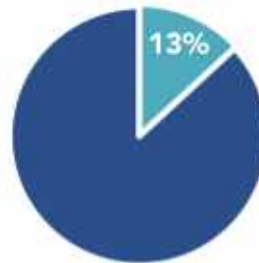
PERCENT OF MCMINNVILLE'S HOUSING UNITS THAT ARE RENTER-OCCUPIED BY TYPE OF HOUSING, 2016

A majority of renters in McMinnville live in multifamily housing.

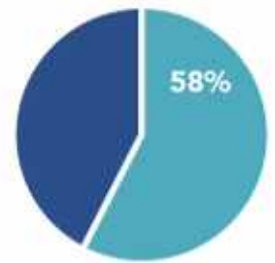
McMinnville has a larger share of renters than both the county and state.



SINGLE-FAMILY DETACHED



SINGLE-FAMILY ATTACHED



MULTIFAMILY

McMinnville issued about 3,000 permits for dwelling units between 2000 and 2017. Sixty-two percent of all permits issued were for single-family detached dwelling units, 8% were for single-family attached dwellings units, and 31% were for multifamily dwelling units.

The 2008 recession impacted McMinnville's housing market. McMinnville permitted about 1,300 fewer units between 2009-2017, compared to 2000-2008.

BUILDING PERMITS ISSUED, 2000 TO 2017

Source: McMinnville Building Permit Database



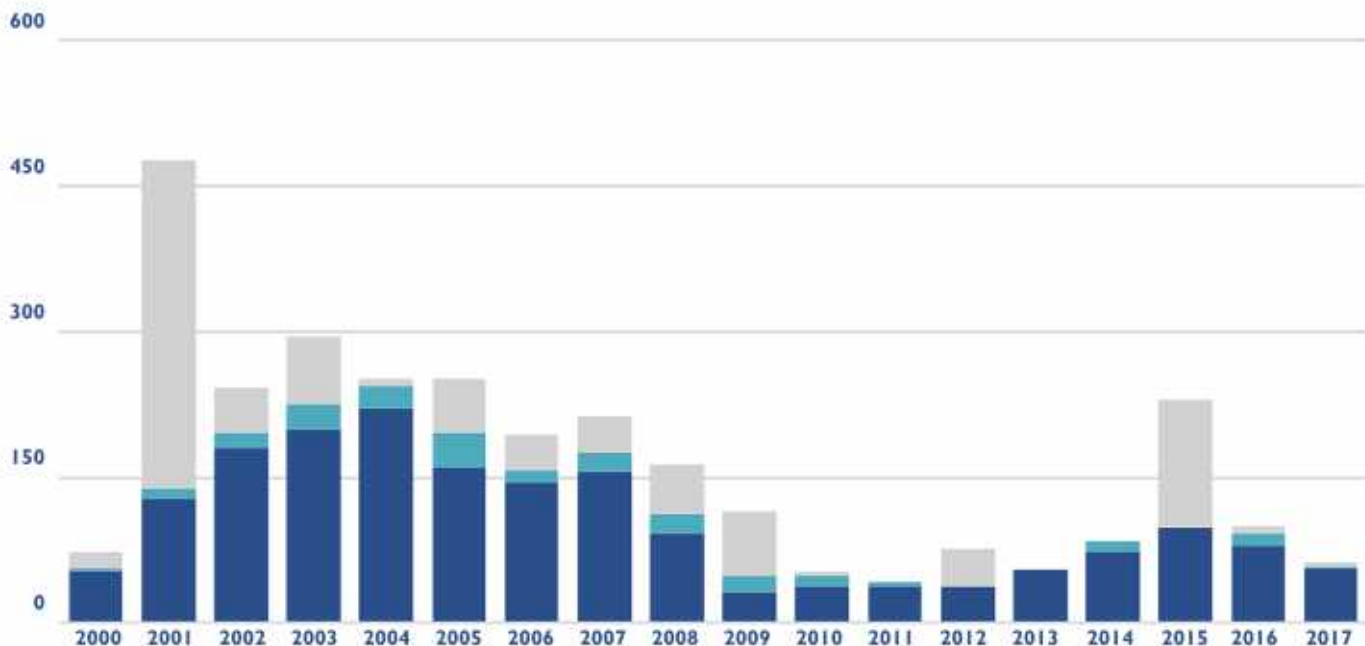
SINGLE-FAMILY DETACHED



SINGLE-FAMILY ATTACHED



MULTI-FAMILY



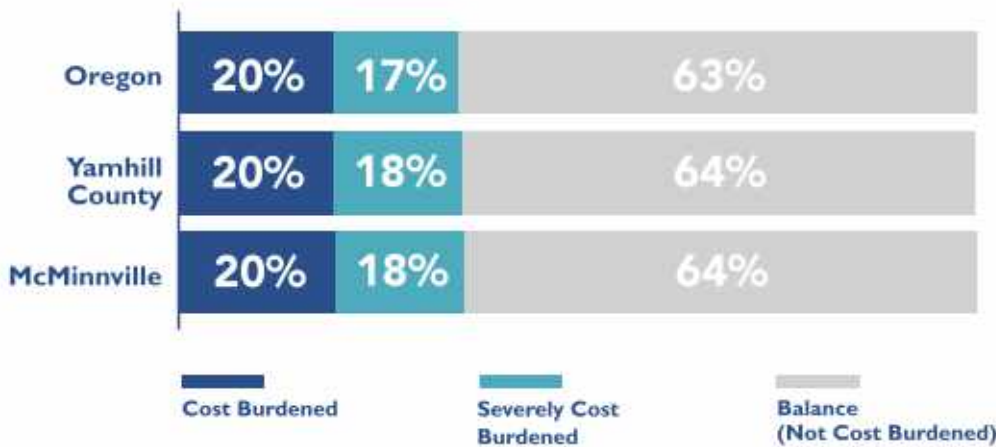
Housing Affordability

The term affordable housing refers to a household's ability to find housing within its financial means. Housing affordability affects both higher- and lower-income households and is an important issue for McMinnville and the region. Low-income households have fewer resources available to pay for housing and have the most difficulty finding affordable housing. Key points about affordability in McMinnville include:

- McMinnville will have an ongoing need for housing affordable to households across the income spectrum.
- The City is planning for housing types for households at all income levels.
- Future housing affordability will depend on the relationship between income and housing price. The key question, which is difficult to answer based on historical data, is whether housing prices will continue to outpace income growth. It seems likely that without public intervention, housing will become less affordable in McMinnville.



PERCENT OF HOUSEHOLDS THAT ARE COST BURDENED OR SEVERELY COST BURDENED, 2016



Cost-burdened households spend more than 30% of their gross income on housing.

HOUSING AFFORDABILITY

Consistent with the region, over a third of McMinnville's households are paying more than they can afford for housing.

Renters are much more likely to be cost burdened than homeowners in McMinnville.



PERCENT OF MCMINNVILLE'S HOUSEHOLDS THAT ARE COST BURDENED OR SEVERELY COST BURDENED, BY OWNERSHIP STATUS, 2016

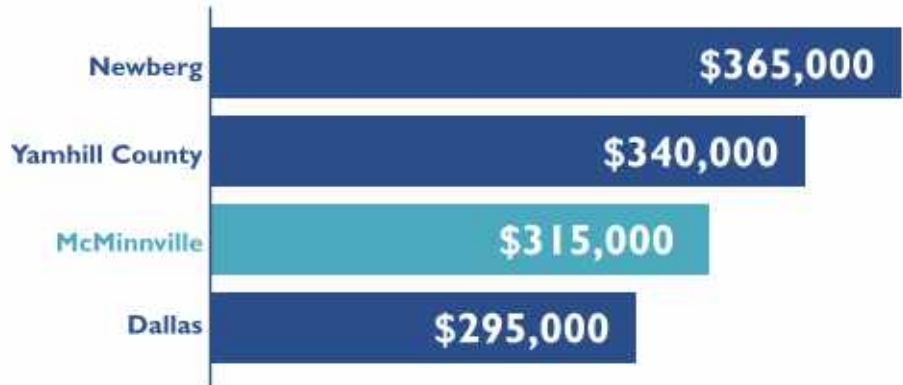


MEDIAN MONTHLY RENTS, 2016



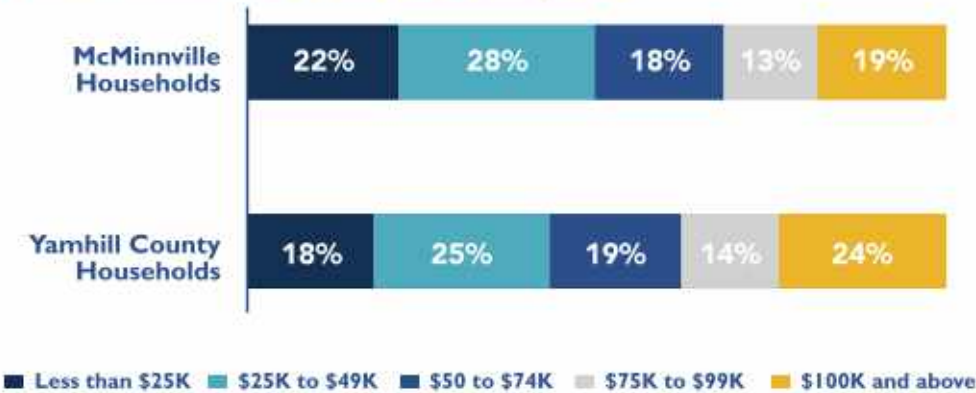
MEDIAN HOME SALES PRICES, FEBRUARY 2019

Source: Redfin



HOUSING AFFORDABILITY

HOUSEHOLD INCOME DISTRIBUTION, 2016



Households earning less than \$25,000 per year are considered Very or Extremely Low-Income. Compared to Yamhill County, more households in McMinnville fall into this category.

Another way to evaluate housing affordability is to consider housing types affordable at different levels of income. The 2017 median household income in McMinnville was \$50,300.

A household in McMinnville would need to earn about \$90,000 per year to afford a house at the median home sales price of \$315,000 in McMinnville. Fewer than 24% of McMinnville's existing households have the income to afford a house at this price.

FINANCIALLY ATTAINABLE HOUSING BY MEDIAN HOUSEHOLD INCOME, 2017

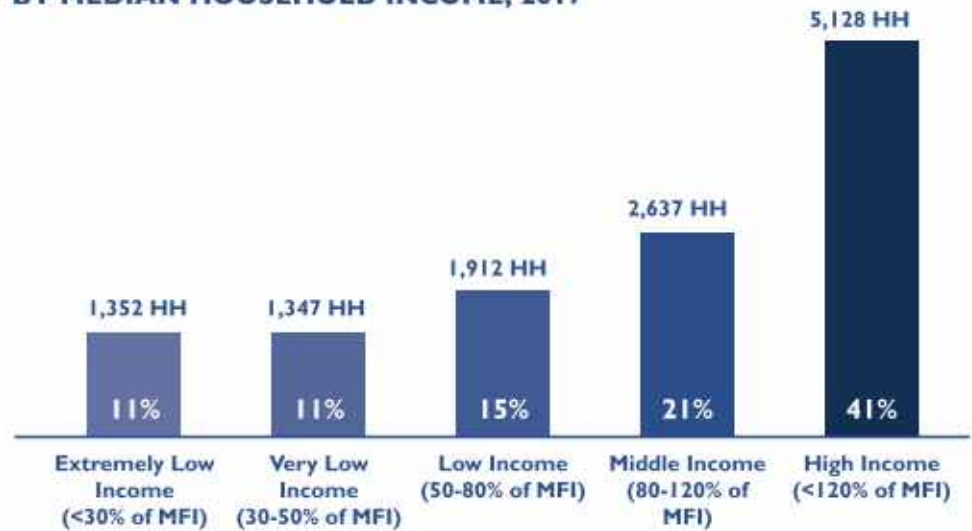
Source: Bureau of Labor Services



HOUSING AFFORDABILITY

SHARE OF MCMINNVILLE'S HOUSEHOLDS BY MEDIAN HOUSEHOLD INCOME, 2017

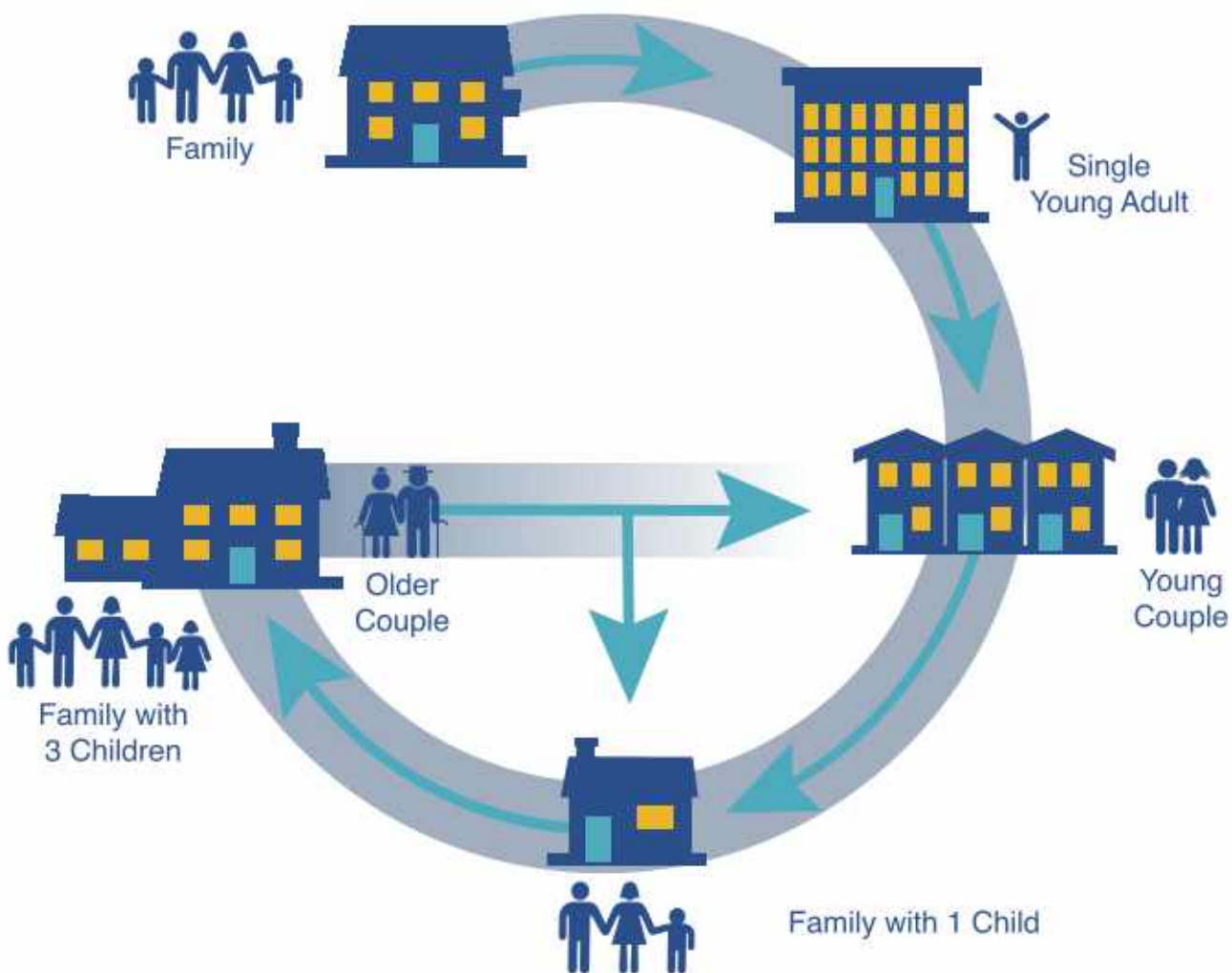
About 41% of McMinnville's households are high income, earning \$60,359 or more per year. About 37% of McMinnville's households earn 80% or less of MHI (about \$40,200 per year) and cannot afford a two-bedroom unit at Yamhill County's fair market rent of \$1,330.



Factors Affecting Housing Need

Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice, as shown in the figure below. Key relationships include:

- Housing needs change over a person's lifetime.
- Homeownership rates increase as income increases.
- Homeownership rates increase as age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are much more likely to choose multifamily housing than single-family housing.
- Income is a strong determinant of tenure and housing-type choice for all age categories.



FACTORS AFFECTING HOUSING NEED

The linkages between demographics and housing need can be used to predict future housing need in McMinnville. Three demographic trends are particularly important for McMinnville:

- **Aging of Baby Boomer Generation (born 1946 to 1964)**
- **Aging of the Millennial Generation (born early 1980s to early 2000s)**
- **Continued growth of the Latinx population**

Housing Implications for Boomers:

Need for smaller, lower-cost housing near transit and urban amenities such as shopping and health care services.

Aging of the Baby Boomers

Consistent with state and national trends, McMinnville's population is growing older. By 2040, 28% of the population of McMinnville is forecast to be 60 years of age and older, up from 22% in 2016.

LIKELY TRENDS AMONG BABY BOOMER HOUSEHOLDS:



Housing Implications for Millennials:

Need for affordable owner and renter housing, especially in walkable neighborhoods. Millennial incomes will increase as they age. They will need opportunities for affordable, owner-occupied single-family housing, such as cottages or townhouses.

Aging of the Millennials

The share of Millennials residing in McMinnville is forecast to stay consistent over the planning period. McMinnville's ability to attract and retain Millennials will depend on availability of affordable owner- and renter-occupied housing.

LIKELY TRENDS AMONG MILLENNIAL HOUSEHOLDS:



Housing Implications for Latinx Households:

Need for larger, lower-cost renting and ownership opportunities to accommodate larger households with more children and multiple generations.

Continued Growth of the Latinx Population

McMinnville's Latinx population grew by more than 3,400 people (7%) between 2000 and 2016. Nationwide, the Latinx population is predicted to be the fastest growing ethnic group over the next few decades.

CHARACTERISTICS OF LATINX HOUSEHOLDS COMPARED TO NON-LATINX HOUSEHOLDS:



Development Capacity

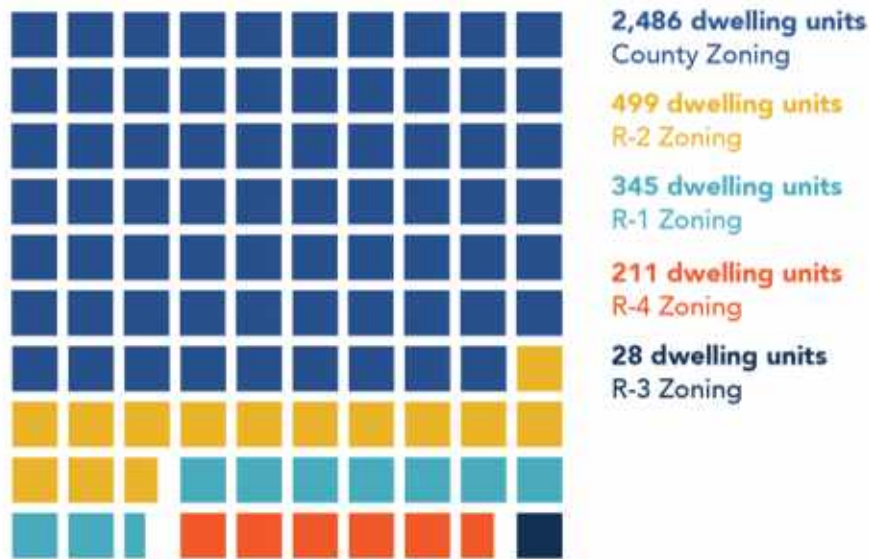
The capacity analysis estimates the number of new dwelling units that can be accommodated on McMinnville's buildable vacant and partially vacant residential land based on historical densities, with deductions for future rights-of-way. As part of the 2023 update, historical densities were increased by 3% to reflect changes to the City's zoning code to allow more diverse housing types, such as townhouses, cottage housing, duplexes, triplexes, and quadplexes.



Capacity on Buildable Residential Land

CAPACITY ON RESIDENTIAL LAND, BY ZONING DISTRICT

3,611 total dwelling units 1 square represents 36 dwelling units



Definitions

Capacity:

Number of dwelling units that can be accommodated on buildable land at planned densities.

Housing Density:

Number of dwelling units in an acre of land, with 43,560 square feet to 1 acre.

Future Density:

Density based on historical development densities with an increase of 3% to account for changes to McMinnville's zoning code to comply with State requirements to allow more diverse housing types in residential areas per House Bill 2001 (2019).

DENSITY ON MCMINNVILLE'S RESIDENTIAL LAND BASED ON HISTORICAL DENSITIES, DWELLING UNITS PER GROSS ACRE (AMENDED PER HB 2001 (2019 OREGON LEGISLATURE))



ACCOMMODATING NEEDED HOUSING

McMinnville's population is forecast to grow at 1.4% per year, adding over 11,200 new residents between 2021-2041. McMinnville will add another 15,300 new residents between 2041-2067.

McMinnville's population growth will result in the addition of 4,657 new dwelling units between 2021-2041.

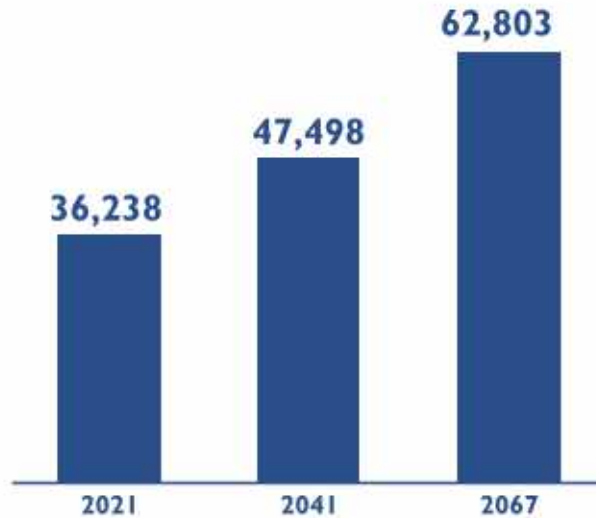
To accommodate growth between 2041-2067, McMinnville will add another 6,329 new dwelling units, for a total of 10,986 new units between 2021-2067. Some of these units will be accommodated through redevelopment or by accessory dwelling units and will not require buildable lands.

McMinnville needs to plan for a wider variety of housing types than has been produced in the past. These include different types of single-family detached units (e.g. tiny homes, cottages, small-lot single-family, traditional and high amenity), more townhouses, and more types of multifamily housing (e.g. duplexes, triplexes, quadplexes, apartments and condos with 5+ units).

Demand For Residential Land, By Housing Type

McMinnville's population growth will affect the number of new households created and the demand for residential land. McMinnville's forecast for new housing is based on the forecast for population growth within the McMinnville UGB.

FORECASTED TOTAL POPULATION, MCMINNVILLE UGB



Population Increase 11,260 (2021-2041) and 15,305 (2041-2067)

McMinnville will need to provide land for 4,284 new dwelling units over the 20-year period, or 10,107 over the 46-year period. The analysis of housing affordability, the factors affecting housing need, and demographic changes suggest that McMinnville needs more affordable housing types (e.g., lower cost) and a greater variety of housing types, including more small-scale single-family detached housing, townhouses, and multifamily housing.



SINGLE-FAMILY DETACHED



SINGLE-FAMILY ATTACHED



MULTIFAMILY

	2,524 new dwelling units	559 new dwelling units	1,202 new dwelling units
2021-2041			
2021-2067	5,954 new dwelling units	1,318 new dwelling units	2,835 new dwelling units

Comparison of Housing Capacity to Housing Demand

The last step in the Housing Needs Analysis is to compare the capacity of McMinnville’s vacant and partially vacant residential land with demand for housing. McMinnville does not have enough land in its residential plan designations to accommodate growth of single-family detached, single-family attached (townhouses), or multifamily housing.



Deficit of Capacity for New Housing

At historic housing densities (increased by 3% to account for the requirements of House Bill 2001 (2019) to allow more diverse housing types in residential areas), McMinnville has capacity for 3,611 dwelling units on existing vacant and partially vacant lands, including lands brought into the UGB in 2020.

DEFICIT OF LAND FOR NEW HOUSING, MCMINNVILLE UGB, 2021-2041

A deficit of 1,101 dwelling units results in a deficit of:



DEFICIT OF LAND FOR NEW HOUSING, MCMINNVILLE UGB, 2021-2067

A deficit of 6,924 dwelling units results in a deficit of:



KEY FINDINGS AND CONCLUSIONS

Key Findings and Conclusions

McMinnville's UGB is forecast to grow from 36,238 people in 2021 to 47,498 people in 2041, an increase of 11,260 people. After considering a number of factors, including household size and residential vacancy rates, McMinnville will have demand for about 4,657 new dwelling units over the 20-year planning period (2021 to 2041), and about 10,986 new dwelling units for the 46-year period between 2021 and 2067.

McMinnville will need to accommodate an average of 233 new dwelling units annually over the 20-year planning horizon. Over the 20-year planning period, McMinnville will accommodate 373 needed dwelling units through redevelopment and infill — these units will not require vacant or partially vacant lands. Accordingly, this will result in McMinnville needing to accommodate 4,284 needed new dwelling units on vacant or partially vacant buildable residential lands.

In the future, McMinnville will plan for an increased share of single-family attached dwelling units and multifamily units to meet the City's housing needs. Currently, about 68% of McMinnville's housing stock is single-family detached housing, 9% is single-family attached housing, and 23% is multifamily housing. Based on Project Advisory Committee recommendations, McMinnville will plan for a different mix in new housing, which will result in a slight change to McMinnville's aggregate overall mix of existing and new housing. McMinnville will plan for a decrease in share of single-family detached housing (55% of new housing stock) to provide opportunities for more single-family attached housing (12% of new housing) and multifamily housing (33% of new housing).

McMinnville is planning for slightly higher overall average density than it has in the past. As McMinnville shifts toward more single-family attached housing and multifamily housing, McMinnville's average housing density (for new dwelling units) will increase from 5.05 dwelling units per gross acre (historic average density) to 5.46 dwelling units per gross acre (needed average density) — an 11% increase.

McMinnville's existing deficit of relatively affordable housing on both sides of the affordability spectrum indicates a need for a wider range of housing types for renters and homeowners. About 36% of McMinnville's households are cost burdened (paying more than 30% of their income on housing), including a cost-burden rate of 52% for renter households. Without diversification of housing types, lack of affordability will continue to be a problem — possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions between 2021 and 2041, about:

- **1,016 of the forecasted new households will have incomes of \$25,150 or less.** These households often cannot afford market-rate housing without government subsidy.
- **1,711 new households will have incomes between \$25,150 and \$60,359.** These households will need access to relatively affordable housing, such as single-family detached housing (e.g., tiny homes, cottages, small-lot, and traditional), single-family attached housing (e.g., town homes), and multifamily products (particularly middle housing types such as duplexes, triplexes, quadplexes, and apartments/multifamily condominiums).
- **1,930 new households will have incomes over \$60,359.** These households will need higher-amenity housing types such as single-family detached housing, single-family attached housing, and higher-end multifamily products (particularly condominiums).

McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross acres by 2041.

HOUSING POLICY RECOMMENDATIONS

The McMinnville Housing Strategy presents a full range of policy and action recommendations from the housing needs analysis. This section summarizes the recommendations from that memorandum.

The overall intention of these policy actions is to ensure that McMinnville is allowing for development of a wide range of housing types that will be affordable to households at all income levels, consistent with the intention of Oregon's Statewide Planning Goal 10. No single policy is sufficient to create an environment where more diverse housing and will be developed in McMinnville.

Land Use Strategy

Strategy 1. Growth Planning

- 1.1 Develop an Urban Reserve Area
- 1.2 Establish a Framework Plan for the URA
- 1.3 Identify an Expanded UGB per the URA
- 1.4 Develop Area Plans for UGB Lands Identifying Housing Opportunities
- 1.5 Conduct Infrastructure Planning for URA and UGB Areas (Update infrastructure plans for growth lands)
- 1.6 Update Goal 5 Natural Resource Planning & Policies, incl. Wetlands and Riparian Areas
- 1.7 Update Goal 7 Hazards Planning & Policies, incl. Landslide Susceptibility
- 1.8 Review and Update City/County Urban Growth Management Agreement (UGMA) if needed.
- 1.9 Implement Great Neighborhood Principles
- 1.10 Create a Diverse Housing Zone
- 1.11 Develop a High-Density Residential Zone
- 1.12 Develop Annexation Process to Mandate Housing Types Upon Annexation per Area Plans

Strategy 2. Housing Development in Existing UGB

- 2.1 Create a Diverse Housing Zone
- 2.2 Develop a High-Density Residential Zone
- 2.3 Provide Density Bonuses to Developers
- 2.4 Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards
- 2.5 Update Infrastructure Plans for Infill Development
- 2.6 Implement Great Neighborhood Principles
- 2.7 Re-designate or Rezone Land for Housing

Strategy 3. Infrastructure & Public Facilities Planning

- 3.1 Assess Infrastructure Capacity to Support Infill
- 3.2 Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits
- 3.3 Identify Issues and Plan for Water Zone 2 Infrastructure Improvements
- 3.4 Develop Infrastructure Allocation Policies
- 3.5 Identify Areas with Underutilized Infrastructure Capacity
- 3.6 Encourage "To and Through" Infrastructure Policies

Strategy 4. Special Area Planning

- 4.1 City Center Housing Strategy
- 4.2 Evaluate Three Mile Lane for Residential Development
- 4.3 Undertake a Highway 99W Corridor Study – Explore Opportunities for Higher Density Mixed-Use Development

Strategy 5. Land Use / Code Amendments

- 5.1 Allow Duplexes, Cottages, Townhomes, Row Houses, and Tri- and Quad-Plexes in Single-Family Zones with Appropriate Design & Development Standards
- 5.2 Implement Other Code Amendments Prioritized by the PAC.
- 5.3 Streamline Zoning Code and Other Ordinances
- 5.4 Implement the Great Neighborhood Principles
- 5.5 Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits
- 5.6 Evaluate Code for Fair Housing Act Best Practices
- 5.7 Advocate for Inclusionary Zoning Enablement – State Legislation and Annexation Processes

Other, Non-Land Use Strategies

Strategy 6. Programs for Affordable Housing (Non-Land Use)

- 6.1 Pursue Funds for Affordable Housing (City Influence).
- 6.2 Financial Incentives Supporting Inclusionary Zoning
- 6.3 Reduced or Waived Planning Fees, Permit Fees, SDCs for Affordable Housing
- 6.4 Vertical Housing Tax Abatement (Locally Enabled & Managed)
- 6.5 SDC Financing and Credits
- 6.6 Parcel assembly
- 6.7 Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)
- 6.8 Sole Source SDCs
- 6.9 Grants or Loans
- 6.10 Vacant Property Tax.
- 6.11 Fee for Demolition of Affordable Home for Expensive Home.

Strategy 7. Leveraging Partnerships for Housing (Non-Land Use)

- 7.1 Support Partners Pursuit of Affordable Housing Funds
- 7.2 Community Land Trust (CLT)
- 7.3 Affordable Housing Property Tax Abatement
- 7.4 Land Banking

ECONOMIC OPPORTUNITIES ANALYSIS



McMinnville's Economic Opportunities Analysis (EOA) provides information to support economic development planning and management of McMinnville's commercial and industrial land. The City last evaluated economic trends in an EOA in 2013. Substantial changes have occurred in the national and regional economy since 2013 that have implications for economic growth in McMinnville, including the recovery from the Great Recession and changes in retail and increased automation. In 2019, the City adopted the MAC-Town 2032 Economic Development Strategic Plan which identifies target industries and establishes a detailed action plan to enhance McMinnville's economy.

This report summarizes detailed technical analysis found in the 2020 McMinnville Economic Opportunities Analysis. The purpose of the 2020 EOA was to develop a factual base to provide the City with information about current economic conditions. This factual basis, presented in the EOA, provides information necessary for updating the City's economic development Comprehensive Plan policies and to evaluate whether McMinnville has an adequate inventory of industrial and other employment sites to accommodate economic and employment growth.



The EOA provides information that the City can use to identify and capitalize on its economic opportunities. It also provides information essential to addressing the City's challenges in managing economic development. These challenges include a lack of appropriate industrial sites to support growth of businesses that require specific characteristics, as well as a significant deficit of land for retail, office, and other commercial uses.

This summary report presents the results of the McMinnville Economic Opportunities Analysis 2021 to 2041, which presents the full results of the EOA for McMinnville and is intended to comply with statewide planning Goal 9 (economy) and Oregon Administrative Rule (OAR) 660-009. The EOA presents an evaluation of McMinnville Comprehensive Plan policies related to economic development. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020 and development in McMinnville through 2021.

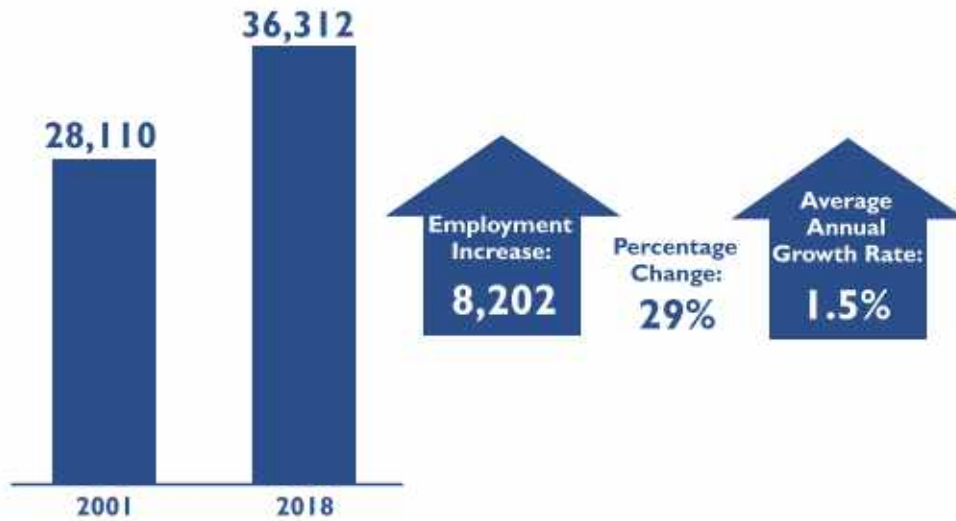
City staff and ECONorthwest staff worked with the Project Advisory Committee (PAC) to review the results of the EOA. In 2023, a PAC met twice to discuss the updates to the analysis.

FACTORS AFFECTING ECONOMIC GROWTH IN MCMINNVILLE

McMinnville's economy and employment will grow as a result of growth in the national and regional economy, as well as factors in Yamhill County and the Willamette Valley. The following are key trends that have implications for economic growth in McMinnville.

CHANGE IN COVERED EMPLOYMENT, YAMHILL COUNTY, 2001-2018

Source: U.S. Bureau of Labor Statistics.



Industrial employment, including sectors such as manufacturing, grew in Yamhill County between 2001 and 2018

Industrial sectors added more than 2,500 jobs, commercial services added almost 5,000 jobs, and retail employment increased by over 570 jobs.

AVERAGE ANNUAL PAY

Oregon Employment Department: Oregon Labor Market Information System, U.S. Bureau of Labor Statistics

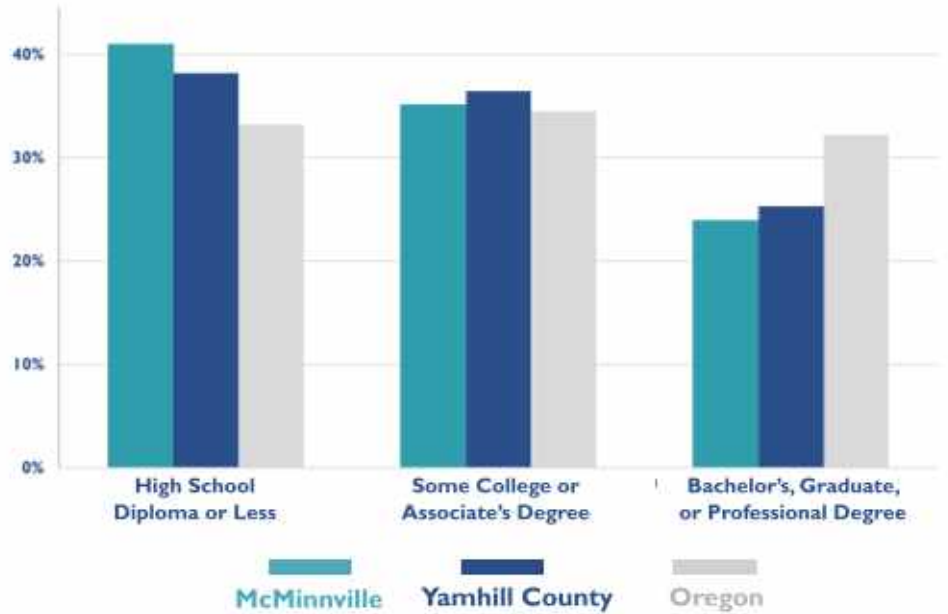


The average pay for jobs in McMinnville was \$40,105 per job, below the County and State averages.

FACTORS AFFECTING ECONOMIC GROWTH IN MCMINNVILLE

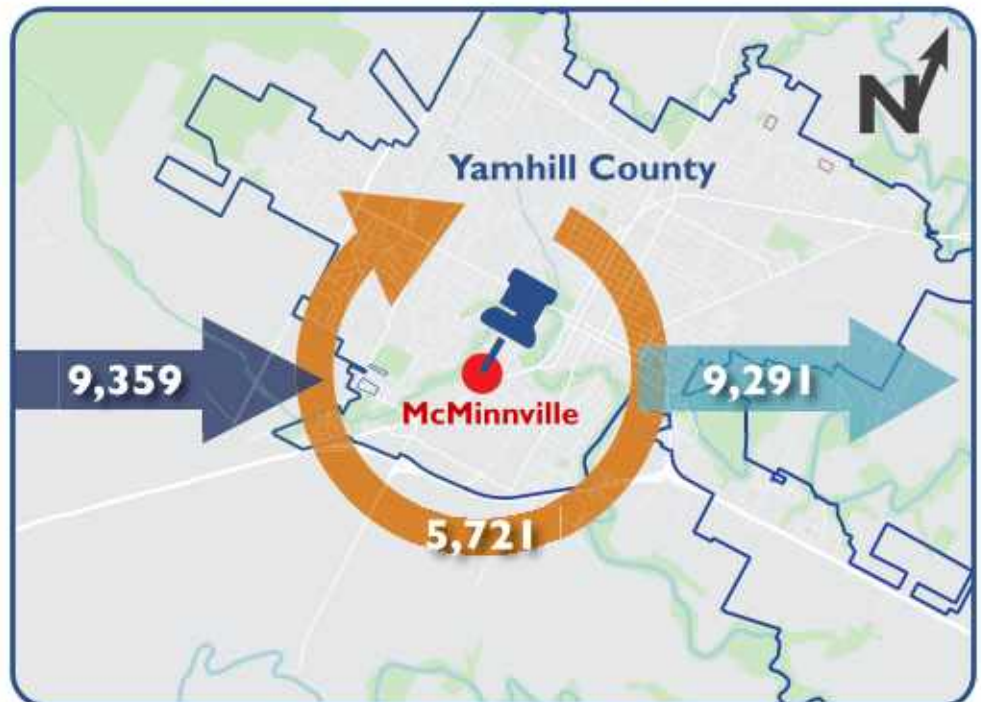
EDUCATIONAL ATTAINMENT, PERCENT OF THE POPULATION AGE 25 AND OVER, 2017

McMinnville has a lower than average percent of population with a Bachelor's Degree (or higher) relative to statewide trends.



COMMUTING PATTERNS IN MCMINNVILLE, 2017

McMinnville is part of the regional economy of the Mid-Willamette Valley. About 38% of people who work in McMinnville also reside in McMinnville, while other workers commute to McMinnville from other places including Salem, Portland, and Newberg.



5,721
People live and work in McMinnville

9,359
People commute into McMinnville to work

9,291
People live in McMinnville and work elsewhere

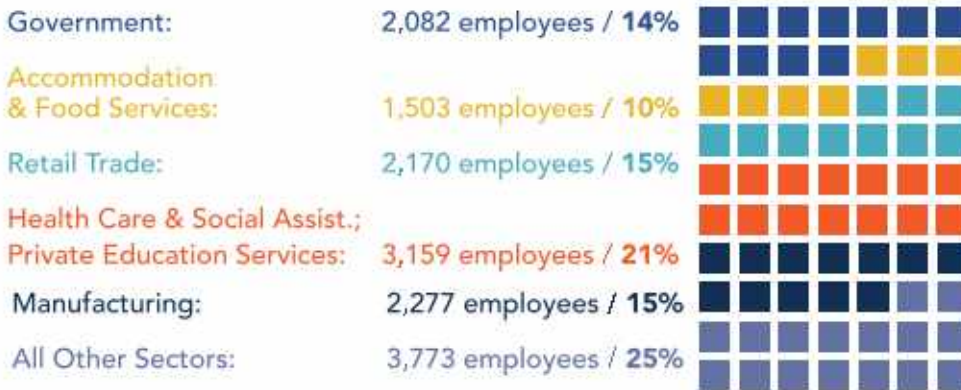
Employment in McMinnville

In 2017, McMinnville had about 14,964 covered employees¹ at 1,208 businesses and other employers. McMinnville's average employer size was 12.4 employees per employer. The sectors with the largest concentrations of employees in McMinnville were in the following sectors: Health Care and Social Assistance / Private Education (21%), Manufacturing (15%), Retail Trade (15%), Government (14%), and Accommodation and Food Service (10%).

JOBS BY SECTOR, MCMINNVILLE, 2017

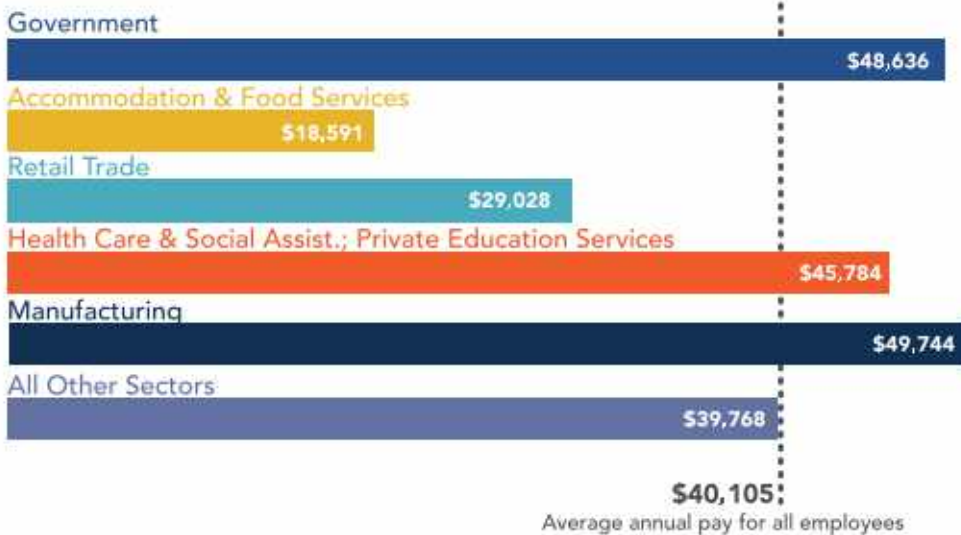
Source: Oregon Employment Department, Quarterly Census of Employment and Wages

1 square represents 500 jobs



Food and Beverage manufacturing accounts for about one quarter of McMinnville's employment in the manufacturing sector.

AVERAGE PAY BY SECTOR, MCMINNVILLE, 2017



McMinnville's employment in Healthcare, Social Assistance, and Private Education has the largest share of employment and higher-than-average wages.

¹ Covered employment is employment covered by unemployment insurance. Covered employment does not include all workers in an economy. Most notably, covered employment does not include sole proprietors.

MCMINNVILLE'S COMPETITIVE ADVANTAGES AND TARGET INDUSTRIES



Target Industries

The industries identified as having potential for growth in McMinnville (according to the MAC-Town 2032 Economic Development Strategic Plan) are:



Traditional Industry
& Advanced Manufacturing



Craft Beverages & Food Systems



Technology & Entrepreneurship



Education, Medicine
& Other Sciences

Economic development opportunities in McMinnville will be affected by local conditions as well as the national and state economic conditions addressed above. Economic conditions in McMinnville relative to these conditions in other portions of the Mid-Willamette Valley region form McMinnville's competitive advantage for economic development. McMinnville's competitive advantages have implications for the types of firms most likely to locate and expand in the area.

- **Location and size.** McMinnville is located with proximity to Portland, Salem, and the Oregon Coast. McMinnville's central location serves the local community, regional employment, and commercial service needs, as well as serving tourism industries as a regionally recognized destination for Yamhill and Willamette Valley wineries.
- **Transportation.** McMinnville is directly served by Highway 99W – as a historically significant central organizing spine to access commercial and industrial businesses throughout the community. Highway 18 and Highway 22 (via 99W) also provide connections to the region. The McMinnville Municipal Airport has the capacity to handle corporate jet aircraft – together with availability of aircraft rentals, flight instruction, aircraft maintenance, and fuel.
- **Low public utility rates.** McMinnville is recognized as offering low electricity and water rates compared with other public and private utilities region-wide and statewide.
- **Access to labor pool and workforce training resources.** McMinnville employers have access to a county-wide labor market of nearly 50,000, as well as the larger regional Mid-Valley labor pool. McMinnville's access to education through Linfield College and Chemeketa Community College also provide direct connections for businesses and potential employees. **Quality of life.** McMinnville's small-town character, including a walkable downtown attracts workers and businesses to McMinnville, and is especially attractive for entrepreneurial and other individually owned, non-corporate enterprises.

McMinnville's disadvantages for economic development include:

- **Transportation.** McMinnville's poor linkages to Interstate access and congestion on the 99W corridor present challenges to Transportation in McMinnville.
- **Land supply.** Since 2000, population has been increasing somewhat more rapidly than the state, at an average annual rate of 1.4%. In the past, City services have been able to match without experiencing major fiscal issues. However, continued population growth at a somewhat reduced coordinated population growth rate averaging about 1.2% per year is now forecast through 2067. Constrained land supply may be restricting growth and the cost of services is increasing faster than increases in assessed values. The EOA shows a deficit of commercial land in McMinnville.

FORECAST OF EMPLOYMENT GROWTH AND LAND SUFFICIENCY

The rate at which McMinnville's employment base grows over the next 20 years will affect development of new commercial and industrial buildings and demand for employment land. McMinnville's employment forecast assumes that employment will grow at the same rate as population growth, at 1.36% average annual per year. Employment growth will result in growth of more than 6,800 new jobs and demand for 697 acres of land between 2021 and 2041. For commercial land, demand will continue to grow through 2067, resulting in total commercial land demand of 570 acres between 2021 and 2067.

McMinnville's employment is forecast to grow at the same rate as its population, 1.36% per year.

FORECASTED DEMAND FOR LAND TO ACCOMMODATE EMPLOYMENT, 2021-2041

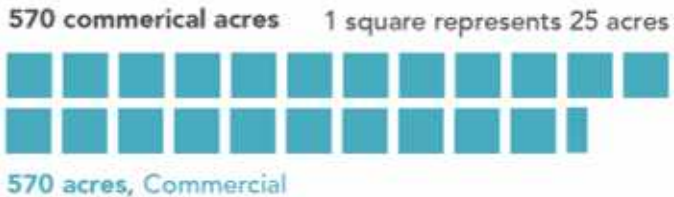


FORECASTED DEMAND FOR LAND TO ACCOMMODATE EMPLOYMENT, 2021-2041

McMinnville does not have enough land to accommodate commercial and industrial employment growth over the next 20 years. The City has a deficit of about 29 acres of industrial land and 159 acres of commercial land.



FORECASTED DEMAND FOR COMMERCIAL LAND TO ACCOMMODATE EMPLOYMENT, 2021-2067



FORECASTED DEMAND FOR COMMERCIAL LAND TO ACCOMMODATE EMPLOYMENT, 2021-2067

McMinnville does not have enough land to accommodate commercial employment growth over the next 46 years. The City has a deficit of about 416 acres of commercial land. This analysis does not estimate demand for industrial land for the 2041-2067 period.



PUBLIC AND INSTITUTIONAL LAND NEEDS

PUBLIC AND INSTITUTIONAL USES INCLUDE:

- Public Schools
- Private Schools
- Religious Uses
- Parks
- Government
- Semi-Public Services
- Infrastructure



Public and Institutional Land Needs

Certain land uses don't lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. Statewide Planning Goal 14 (Urbanization) explicitly discusses specific public lands under Land Need Factor 2 (emphasis added): "Demonstrated need for housing, employment opportunities, livability or uses such as **public facilities, streets and roads, schools, parks or open space**, or any combination of the need categories...". The HNA and EOA identify land supply and demand for housing and employment. Cities, however, provide land for other uses that support housing and employment as well as other aspects of community life.

Inventorying public and institutional land needs was the first step in the analysis. The inventory was then converted into the number of acres per 1,000 population. Public and institutional land needs were further informed through consultations with affected city departments, the McMinnville School District, Chemeketa Community College, and Linfield College, and government agencies. The results were discussed at several meetings of a subcommittee of the EOA PAC and reflect the PAC's recommendations.

The City expanded its UGB in 2020, including land for public and semi-public uses. McMinnville's UGB expansion added about 444 acres for public and semi-public uses, shown in the table below. The expansion included enough land to meet the estimated public land needs through 2041 except for an unmet park land need.

LAND ADDED TO THE UGB IN 2020 FOR PUBLIC USES COMPARED WITH ESTIMATED PUBLIC LAND NEEDS THROUGH 2041



CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	315	316	0
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	444	401	44

ACKNOWLEDGMENTS

ECONorthwest prepared this report for the City of McMinnville. ECONorthwest and the City of McMinnville thank the many people who helped to develop the McMinnville Housing Needs Analysis, Economic Opportunities Analysis, and Urbanization Report, as well as the update to these reports in 2023. This project was funded in part by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

HOUSING NEEDS ANALYSIS AND ECONOMIC OPPORTUNITIES ANALYSIS PROJECT ADVISORY COMMITTEE (PAC) (Members in **bold** participated in both the HNA and EOA PAC)

Marilyn Worrix	Sid Friedman	Matt Deppe	Kelly McDonald	Christopher Anderson
Kellie Menke	Mark Davis	Brad Bassitt	Mike Morris	Ellen Hogg
Zack Geary	Danielle Hoffman	Patty O’Leary	Jeff Knapp	Judith Pasch
Roger Lizut	Andrew Burton	Paul Davis	Gioia Goodrum	Katie Russ
Susan Dirks	Beth Caster	Andrew Burton	Ed Gormley	Katie Wennerstrom
Roger Hall	Michael Jester	Doug Hurl	Kyle Faulk	Rob Hallyburton
Sal Peralta	Robert J. Banagay	Scott Cooper	Jody Christensen	Scott Green
Alan Ruden	Amanda Perron	Alan Amerson	Abigail Neilan	Matthew Deppe
				Kellie Menke

PUBLIC/INSTITUTIONAL LANDS WORK GROUP

PAC Members:

Paul Davis, Chemeketa
Susan Muir, Parks
Mike Bisset, City Infrastructure

John Dietz, MWL
Other Interested PAC Members

Additional Representatives:

Mary Ann Rodriguez, Linfield
Matt Johnson, Churches
Laura Syring, SD, Parks
Peter Keenan, SD

Ryan McIrvine, SD/Athletics
Steve Ganzer, Parks
Justin Hogue, County

TECHNICAL ADVISORY COMMITTEE (TAC)

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Kevin Young, Housing Specialist – Oregon Department of Land Conservation and Development

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**CITY OF MCMINNVILLE
PLANNING DEPARTMENT**

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DECISION, CONDITIONS OF APPROVAL, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF LEGISLATIVE AMENDMENTS TO THE MCMINNVILLE COMPREHENSIVE PLAN, VOLUME I, BY ADOPTING THE NOVEMBER 2023 “McMINNVILLE HOUSING NEEDS ANALYSIS” AND THE NOVEMBER 23 “McMINNVILLE ECONOMIC OPPORTUNITIES ANALYSIS”.

DOCKETS: G 1-20 and G 3-20

REQUEST: The City of McMinnville is proposing amendments to the McMinnville Comprehensive Plan, Volume I, adopting the analysis and conclusion of a housing, economic development, public and institutional land needs analysis to serve a planning horizon of 2021-2041, and a future population of 47,498 people.

LOCATION: N/A

ZONING: N/A

APPLICANT: City of McMinnville

STAFF: Heather Richards, Community Development Director

HEARINGS BODY: McMinnville Planning Commission

DATE & TIME: May 20, 2021, 6:30 PM.
May 18, 2023, 6:30 PM
September 7, 2023 PM
September 21, 2023 PM

DECISION-MAKING BODY: McMinnville City Council

DATE & TIME: October 10, 2023, 7:00 PM
November 28, 2023, 7:00 PM
December 12, 2023, 7:00 PM
February 27, 2024

AMENDMENT: September 24, 2024

PROCEDURE: The application is subject to the legislative land use procedures specified in Sections 17.72.120 - 17.72.160 of the McMinnville Municipal Code.

CRITERIA: Amendments to the McMinnville Comprehensive Plan to fulfill statutory requirements for growth planning, such as ORS 197.626, OAR 660 Division 8, OAR 660, Division 9 must be consistent with the applicable portions of OAR 660-

046-0000 through 660-046-0235, Oregon State Land-Use Goals, the Goals and Policies in Volume II of the Comprehensive Plan and the Purpose of the Zoning Ordinance.

APPEAL:

The City Council’s decision on a legislative amendment will be submitted to the Director of the Department of Land Conservation and Development for consideration. Comments objecting to the acknowledgment of the November 2023 Housing Needs Analysis and Economic Opportunities Analysis can be submitted to the Director of the Department of Land Conservation and Development within 21 days of the date written notice of the City Council’s decision is mailed to parties who participated in the local proceedings and entitled to notice and as provided in ORS 197.620 and ORS 197.830, and Section 17.72.190 of the McMinnville Municipal Code. The Department of Land Conservation and Development Director’s decision can be appealed to the Land Conservation and Development Commission.

DECISION

Based on the findings and conclusions, the McMinnville City Council **APPROVES** the adoption of the November 2023 Housing Needs Analysis and the **September 2024** Economic Opportunities Analysis as amendments to the McMinnville Comprehensive Plan, Volume I, per Docket G 1-20 and Docket G 3-20.

////////////////////////////////////
DECISION: APPROVAL
////////////////////////////////////

City Council: _____
Remy Drabkin, Mayor of McMinnville

Date: _____

Planning Department: _____
Heather Richards, Community Development Director

Date: _____

I. Application Summary:

The City of McMinnville is proposing amendments to the McMinnville Comprehensive Plan, Volume I, by adopting the November 2023 Housing Needs Analysis and the **September 2024** Economic Opportunities Analysis.

Oregon Administrative Rule 660-008-0045 requires the City of McMinnville to submit a new Housing Capacity Analysis (Housing Needs Analysis) to the Department of Land Conservation and Development by December 31, 2023. The City is choosing to submit both a Housing Needs Analysis and an Economic Opportunities Analysis

The planning horizon for this analysis is 2021-2041, for a projected population of 47,498 people.

The analysis identifies a land deficit of ~~422~~ **346** gross buildable acres in the city's urban growth boundary to meet the residential (202 acres), and employment (188 acres) **deficit and reposition the 44 surplus acres of public and institutional** ~~and public (32 acres)~~ land supply needs of the City of McMinnville for a planning horizon of 2021-2041.

II. GENERAL FINDINGS

The City Council finds, that based on the findings of fact and the conclusory findings contained in this findings report, that the November 2023 Housing Needs Analysis and **September 2024** Economic Opportunities Analysis are consistent with all of the applicable state and local regulations.

Generally, these findings summarize the more detailed analysis found in the Housing Needs Analysis and the Economic Opportunities Analysis and their appendices in order to address the relevant legal standards.

This findings document provides conclusory findings regarding consistency with applicable provisions of state and local law. Supporting these is a factual basis upon which the conclusory findings rest.

III. FINDINGS OF FACT

The fact base includes the data referenced in the Housing Needs Analysis, the Economic Opportunity Analysis and their appendices, as well as the information provided in the record.

1. The City of McMinnville must comply with Oregon Administrative Rule 660-008-0045, submitting a Housing Capacity Analysis (Housing Needs Analysis) to the Department of Land Conservation and Development by December 31, 2023.
2. The City established a Housing Project Advisory Committee that met 7 times in 2018 and 2019 with city staff and consultants to draft the McMinnville Housing Needs Analysis for a planning horizon of 2021-2041, population of 47,498 people.
3. The City established an Economic Opportunities Analysis and a Public Lands Subcommittee that met 8 times in 2019 and 2020 with city staff and consultants to draft the McMinnville Economic Opportunities Analysis for a planning horizon of 2021-2041, population of 47,498 people.
4. On May 14, 2020, the City notified the Department of Land Conservation and Development of their intent to adopt the draft Housing Needs Analysis and Economic Opportunities Analysis as

amendments to the McMinnville Comprehensive Plan, Volume 1, with a first evidentiary public hearing scheduled for May 20, 2021. (File #: 001-20, and 003-20).

5. On May 20, 2021, the McMinnville Planning Commission opened the public hearing and continued it to May 18, 2023.
6. In 2023, the City appointed a Project Advisory Committee to update the Housing Needs Analysis and the Economic Opportunities Analysis incorporating the April 9, 2021 UGB expansion and the effects of HB 2001 (2019 Legislative Session). This committee met twice to consider the amendments.
7. On May 18, 2023, the City of McMinnville noticed that the public hearing was continued to September 7, 2023.
8. On July 11, 2023, the City Council held a work session on the proposed analysis.
9. On August 3, 2023, the Planning Commission held a work session on the proposed analysis.
10. On August 8, 2023, File # 001-20 and 003-20 at the Department of Land Conservation and Development were updated with the revised draft Housing Needs Analysis and Economic Opportunities Analysis.
11. On September 7, 2023, the McMinnville Planning Commission continued the public hearing and heard public testimony.
12. On September 21, 2023, the McMinnville Planning Commission continued the public hearing, heard public testimony, closed the public hearing and voted to recommend the Housing Needs Analysis and the Economic Opportunities Analysis to the McMinnville City Council.
13. On October 10, 2023, staff presented the Planning Commission's recommendation to the McMinnville City Council.
14. On November 28, 2023, the McMinnville City Council considered the public record and voted to approve the McMinnville Housing Needs Analysis and Economic Opportunities Analysis, dated November 2023, by approving Ordinance No. 5141 and conducting the first reading of the ordinance.
15. On February 27, 2024, the McMinnville City Council approved Ordinance No. 5141.
16. On March 5, 2024, the City of McMinnville provided a Notice of Decision to the DLCD Director.
17. On March 8, DLCD informed the City of McMinnville that their submittal was incomplete and that the City needed to provide all of the public record indexed according to OAR 660-025-0130 and OAR 660-025-018.
18. On May 3 and May 15, the City of McMinnville provide a Public Record Index and Addendum #1 to the Public Record Index.
19. On May 23, DLCD received objections from Friends of Yamhill County/1000 Friends of Oregon (10 Objections) and Mark Davis (2 Objections).
20. On July 15, 23 and 24, the City of McMinnville provided a response to all of the objections received.

21. On August 1, 2024, the DLCDD Director issued a Decision (Order 001943), remanding one objection to the City of McMinnville to correct the inventory of existing park land.

22. On September 24, 2024, the McMinnville City Council adopting Ordinance No. 5148 correcting the inventory of existing park land identified in the remand.

IV. COMMENTS RECEIVED

The following comments were received by the Planning Commission and provided at the Planning Commission public hearing and are on file with the City of McMinnville Planning Department.

- Letter from 1000 Friends of Oregon and Friends of Yamhill County dated August 30, 2023
- Letter from Mark Davis, dated September 5, 2023 with attachments
- Letter from Mark Davis, dated September 7, 2023
- Powerpoint presentation provided by Friends of Yamhill County at the September 7, 2023, Planning Commission public hearing
- Memorandum from City of McMinnville staff, Bateman Seidel, and ECONorthwest, dated September 18, 2023
- Letter from 1000 Friends of Oregon and Friends of Yamhill County dated September 20, 2023
- Powerpoint presentation provided by Friends of Yamhill County at the September 21, 2023 Planning Commission public hearing
-

V. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application.

These findings explain how the City finds that the adoption of the proposed Housing Needs Analysis and Economic Opportunities Analysis as amendments to the McMinnville Comprehensive Plan, Volume I satisfy applicable state and local land use regulations.

Alignment with Oregon's Statewide Planning Goals and Administrative Rules:

The applicable state land use laws are those identified in either the Oregon Revised Statutes (ORS) or the Oregon Administrative Rules (OARs),

Oregon Land Use Goal #1 (Citizen Involvement)

Goal 1 calls for the opportunity for citizens to be involved in all phases of the planning process. The public was provided the opportunity to be involved in the decision-making process for the Housing Needs Analysis report development in the following ways:

- ❖ Project Advisory Committee Meetings
 - July 17, 2018
 - November 14, 2018
 - December 18, 2018
 - January 16, 2019
 - March 7, 2019
 - May 21, 2019
 - June 13, 2019
 - May 8, 2023
 - June 22, 2023

- ❖ Focus Groups
 - January 22, 2019
- ❖ Public Open House:
 - February 5, 2019
- ❖ Work Sessions:
 - January 16, 2019, City Council Joint Work Session with Project Advisory Committee
 - August 21, 2019, Joint Work Session, City Council and Board of Yamhill County Commissioners
 - July 11, 2023, City Council Work Session
 - August 3, 2023, Planning Commission Work Session
- ❖ Public Hearings:
 - Planning Commission, May 20, 2021 (Noticed and continued to May 18, 2023)
 - Planning Commission, May 18, 2023 (Noticed and continued to September 7, 2023)
 - Planning Commission, September 7, 2023 (Heard public testimony and continued to September 21, 2023)
 - Planning Commission, September 21, 2023 (Heard public testimony)
- ❖ City Council Meetings
 - October 10, 2023
 - November 28, 2023
 - December 12, 2023
 - February 27, 2024
 - **September 24, 2024**

The public was provided the opportunity to be involved in the decision-making process for the Economic Opportunities Analysis report development in the following ways:

- ❖ Project Advisory Committee Meetings
 - July 16, 2019
 - September 5, 2019
 - October 10, 2019
 - November 13, 2019
 - January 21, 2020
 - February 27, 2020
 - March 19, 2020
 - May 11, 2020
 - May 8, 2023
 - June 22, 2023
- ❖ Work Sessions:
 - August 21, 2019, Joint Work Session, City Council and Board of Yamhill County Commissioners
 - July 11, 2023, City Council Work Session
 - August 3, 2023, Planning Commission Work Session
- ❖ Public Hearings:
 - Planning Commission, May 20, 2021 (Noticed and continued to May 18, 2023)
 - Planning Commission, May 18, 2023 (Noticed and continued to September 7, 2023)

- Planning Commission, September 7, 2023 (Heard public testimony and continued to September 21, 2023)
- Planning Commission, September 21, 2023 (Heard public testimony)
- ❖ City Council Meetings
 - October 10, 2023
 - November 28, 2023
 - December 12, 2023

FINDING - SATISFIED: The City finds the opportunities for involvement above satisfies Goal 1.

Oregon Land Use Goal #2 (Land Use Planning)

Goal 2 outlines the basic procedures of Oregon’s statewide planning program, stating that land use decisions must be made in accordance with comprehensive plans and that effective implementation ordinances must be adopted. The following describes the factual basis for the legislative decisions of the City.

Housing Need Analysis

In the process of developing the housing needs analysis, the City inventoried existing residential land uses, projected suitable land needs by land use classifications, and compared these needs with potentially suitable land within the McMinnville urban growth boundary. The resolution of land need and supply is found in the HNA report, which will serve as the factual basis for the City to rely on for future planning efforts. The data in the analysis is from reputable sources such as the Census, City of McMinnville, and Yamhill County. This HNA, when adopted into the comprehensive plan, will provide an important source of information to use when considering land use efficiency measures to address unmet residential land need.

The findings for Goal 10 provide more detailed information about the background analyses and inventories and rely on specific data to establish findings that provide a technical basis for developing policy recommendations. The analysis and inventories include:

- Buildable Lands Inventory, which analyzes existing development patterns and intensity, land and development values, existing land use designations and zoning, and building constraints to determine where there is vacant land or partially vacant land, and compares the existing supply of land to emerging trends and indicators for future estimates of demand; and
- Housing Needs Analysis, which provides information about the factors that could affect housing development, including demographics, affordability trends, workforce housing availability, market health, and regulatory structure (see findings for Goal 10).

Economic Opportunities Analysis

In the process of developing the economic opportunities analysis, the City inventoried existing commercial and industrial land uses, projected suitable land needs by land use classifications, and compared these needs with potentially suitable land within the McMinnville urban growth boundary. The resolution of land need and supply is found in the EOA report, which will serve as the factual basis for the City to rely on for future planning efforts. The data in the analysis is from reputable sources such as the Census, City of McMinnville, and Yamhill County. This EOA, when adopted into the comprehensive plan, will provide an important source of information to use when considering land use efficiency measures to address commercial and industrial land needs.

The findings for Goal 9 provide more detailed information about the background analyses and inventories and rely on specific data to establish findings that provide a technical basis for developing policy recommendations. The analysis and inventories include:

- Buildable Lands Inventory, which analyzes existing development patterns and intensity, land and development values, existing land use designations and zoning, site characteristics (such as site size, site location, or existing improvements), and building constraints to determine where there is vacant land or partially vacant land, and compares the existing supply of land to emerging trends and indicators for future estimates of demand; and
- Economic Opportunities Analysis, which provides information about the factors that could affect commercial and industrial development (see findings for Goal 9).

Public and Institutional Land Needs

The public and institutional land needs are documented in Appendix E of the EOA report. Public and institutional land needs document need for:

- Government, based on plans for land needed for additional facilities for the City of McMinnville and Yamhill County, based on discussions with municipal staff. Land needed for state and federal facilities is based on existing acres per 1000 people of land for state and federal facilities in McMinnville.
- Parks, based on the City of McMinnville’s Parks, Recreation, and Open Space Master Plan. See findings about Goal 8.
- Schools, based on discussions with the McMinnville School District, Chemeketa Community College, and Linfield College.
- Religious organizations, based on existing acres per 1000 people of land for religious organizations in McMinnville.
- Semi-public services, based on estimate of land need from McMinnville Water & Light.

FINDING - SATISFIED: All pertinent documentation has been made available to all interested parties. Goal 2 has been properly addressed. The HNA, EOA, and Public Land Needs, as referenced, are consistent with Statewide Planning Goal 2

Oregon Land Use Goal #3 (Agricultural Lands)

As stated in 660-024-0020(1)(b), Goal 3 is not applicable to the HNA, EOA, or Public Land Needs.

FINDING – NOT APPLICABLE: No further analysis is required.

Oregon Land Use Goal #4 (Forest Lands)

As stated in 660-024-0020(1)(b), Goal 4 is not applicable to the HNA, EOA, or Public Land Needs.

FINDING – NOT APPLICABLE: No further analysis is required.

Oregon Land Use Goal #5 (Natural Resources, Scenic and Historic Areas, and Open Spaces)

OAR 660-008-005 requires cities to exclude land subject to Goal 5 measures. No further analysis is required.

FINDING – SATISFIED: No further analysis is required.

Oregon Land Use Goal #6 (Air, Water and Land Resources Quality)

Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. By complying with applicable air, water and land resource quality policies in the McMinnville Comprehensive Plan, Goal 6 will be properly addressed. No further analysis is required.

FINDING – SATISFIED: No further analysis is required.

Oregon Land Use Goal #7 (Areas Subject to Natural Disasters and Hazards)

Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in McMinnville are flooding, steep slopes, wildfire, liquefaction and landslide soils. Per McMinnville's Comprehensive Plan and Zoning Ordinance, no building improvements are allowed in the FEMA acknowledged floodway. The HNA and EOA considered lands within the FEMA flood hazards to be unbuildable and attempted to avoid expanding into areas with identified flood hazards. The HNA also considers land within areas with steep slopes, high landslide, liquefaction and wildfire susceptibility as unbuildable as well. (Data provided by the Department of Geology and Minerals).

FINDING – SATISFIED: The City finds that this goal is met by the analysis provided in the HNA and EOA.

Oregon Land Use Goal #8 (Recreational Needs)

Goal 8 requires governmental organizations with responsibility for providing recreational facilities to plan for recreational facilities.

The City of McMinnville's Comprehensive Plan Policy #170.05 states that, "For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation and Open Space Master Plan shall be used." (Ordinance No. 4796, October 14, 2003) The current McMinnville Parks, Recreation and Open Space Plan identifies a level of service of 14 acres per 1000 people, per the following:

- Neighborhood Park = 2.00 Acres / 1000 People
- Community Park = 6.00 Acres / 1000 People
- Greenways and Open Spaces = 6.00 Acres / 1000 People

The Portland State University Population Research Center forecast for growth (June 30, 2017) shows the McMinnville UGB population growing from 36,238 people in 2021 to 47,498 people in 2041, a change of 11,260 people.

The analysis of Public Land Need (in Appendix E of the EOA) uses the 14 acres/1,000 people level of service to determine park land need for the forecast of 11,260 person growth in McMinnville over the 2021-2041 period.

FINDING – SATISFIED: The City finds that this goal is met by the analysis provided in the HNA and EOA.

Oregon Land Use Goal #9 (Economy of the State)

The purpose of Goal 9 is to provide adequate opportunities for economic growth and development opportunities for commercial and industrial development. Commercial and industrial development takes a variety of shapes and leads to economic activities that are vital to the health, welfare and prosperity of Oregon's citizens. To be ready for these opportunities, local governments perform Economic Opportunity Analyses (EOA) based on a 20-year forecast of population and job growth in accordance with the directives in statute and administrative rule.

Economic Opportunities Analysis

The Economic Opportunities Analysis (EOA) accounts for commercial and industrial needs for the 2021-2041 planning period. The EOA provides an update to the previous 2013 EOA, and thus retains portions of the content and narrative throughout. Where necessary, this update uses updated data on employment trends and commercial and industrial land needs, as well as refined approaches to methods for forecasting employment growth. In 2019, the City adopted the *MAC-Town 2032 Economic Development Strategic Plan*. This 2023 EOA updates the information included in the 2013 EOA to include the new information on competitive advantages and the target industries identified in the *Strategic Plan*, as well as updating information about the inventory of commercial and industrial lands and providing an updated employment forecast.

The EOA forecasts that McMinnville will add 6,885 jobs over the 2021-2041 period, requiring 697 gross acres of land, of which 384 gross acres will be for industrial uses and 313 gross acres for commercial uses. The EOA shows that McMinnville has 508 buildable acres of employment land. This includes 154 buildable acres of commercial land and 354 buildable acres of industrial land. The EOA concludes that McMinnville has a 29 acre deficit of industrial land and a 159 acre deficit of commercial land.

McMinnville has proposed to adopt its HNA and EOA prior to identifying land use efficiency measures or a UGB expansion to meet its land needs, based on ORS 197.626(3) and per Resolution NO. 2023-63, is submitting a Notice of Execution and Work Plan to the Department of Land Conservation and Development.

Buildable Lands Inventory

OAR 660-024-0050 outlines the steps cities must follow when evaluating or amending a UGB. The following provisions apply to a UGB amendment that addresses needs for employment lands.

OAR 660-024-0050

(1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. For residential land, the buildable land inventory must include vacant and redevelopable land, and be conducted in accordance with OAR 660-007-0045 or 660-008-0010, whichever is applicable, and ORS 197.296 for local governments subject to that statute. For employment land, the inventory must include suitable vacant and

developed land designated for industrial or other employment use, and must be conducted in accordance with OAR 660-009-0015.

OAR 660-009-0015(3) outlines the requirements for the BLI for employment lands:

(3) Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.

(a) For sites inventoried under this section, plans must provide the following information:

(A) The description, including site characteristics, of vacant or developed sites within each plan or zoning district;

(B) A description of any development constraints or infrastructure needs that affect the buildable area of sites in the inventory; and

OAR 660-009-0005 includes the following definitions relevant to the buildable lands inventory:

(1) “Developed Land” means non-vacant land that is likely to be redeveloped during the planning period.

(2) “Development Constraints” means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

(14) “Vacant Land” means a lot or parcel:

(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or

(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

The EOA includes a buildable lands inventory that meets these requirements. It starts with all land in McMinnville where commercial and industrial development is allowed, including land in the following zones: Commercial zones C-1, C-2, C-3, O-R; Industrial zones M-1, M-2, and M-L; and land within the UGB in County zoning Commercial Plan Designation and Industrial Plan Designation.

The EOA classifies each tax lot in these zones into a set of mutually exclusive categories based on development status. All employment land in tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Vacant land is defined as tax lots either (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements. This is consistent with OAR 660-009-005(14).
- *Vacant small lot.* The OAR 660-009-005(14) definition of vacant land does not include lots smaller than one half-acre. McMinnville has a meaningful number of developed sites with existing employment uses that are less than one half-acre. Remaining vacant lots (i.e., with no improvements) less than one half-acre are defined as vacant small lots.¹

¹ This development status classifications was added to the buildable lands inventory based on PAC recommendation at the February 27, 2020 meeting.

- *Partially vacant land.* Partially vacant land is defined as tax lots between one and five acres occupied by a use that could still be further developed based on the zoning. The final determination of partially vacant land was based on a visual assessment of aerial imagery and City staff verification.
- *Developed land.* OAR 660-009-0005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.” Lands not classified as vacant, partially-vacant, or public or exempt are considered developed.
- *Public or exempt land.* Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches, institutions, and other semi-public organizations, and properties with conservation easements. Public lands were identified using the Yamhill County Assessment property tax exemption codes and City staff verification.

The EOA deducted portions of residential tax lots that fall within certain constraints from the vacant and partially vacant lands (e.g., wetlands and steep slopes), consistent with OAR 660-009-0005(2): regulated wetlands, floodways, 100 Year Floodplain, steep slopes (over 15%), and in conservation easements.

After deducting constraints, vacant and partially vacant lands that have remaining development capacity are classified as buildable lands. Exhibit 1 shows buildable acres (i.e., acres in tax lots that have capacity after constraints are deducted) for vacant and partially vacant land by zone and plan designation.

Exhibit 1. Employment land with unconstrained development capacity (vacant and partially vacant) by plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
Commercial	115	50	65
Commercial C-1	-	-	-
Commercial C-2	4	4	-
Commercial C-3	79	43	36
Office/Residential O-R	3	3	-
Commercial Plan Des.	28	0	28
Industrial	354	301	53
Industrial M-1	15	13	2
Industrial M-2	215	200	15
Industrial M-L	88	88	-
Industrial Plan Des.	36	1	35
Total	469	352	117

When the City amended its UGB in 2020 with the adoption of Ordinance No. 5089, 39.30 acres of future neighborhood serving commercial land was designated Urban Holding that will be specifically located as the Urban Holding designated land is area planned per the provisions of the *McMinnville Growth Management and Urbanization Plan, Appendix G – Framework Plan*.

Exhibit 2 summarizes the land buildable employment land within current zoning from Exhibit 1 and the additional 39 acres of land in Urban Holding for neighborhood serving commercial. It shows that McMinnville has 154 acres of land for commercial uses and 354 acres of land for industrial uses.

In McMinnville, it is common that development applications include approvals for “Planned Developments” which may modify the underlying zoning regulations, and may include an associated master plan for a property. Permitted uses in zoning districts may be amended to include other uses on a portion of the property, or certain uses otherwise permitted in the underlying zoning may be precluded by the Planned Development overlay regulations. For example, while the Evergreen property is zoned C-3 General Commercial, it is subject to a Planned Development overlay that restricts uses to certain tourism-related uses.

Exhibit 2. Summary of employment land with unconstrained development capacity (vacant and partially vacant) by plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

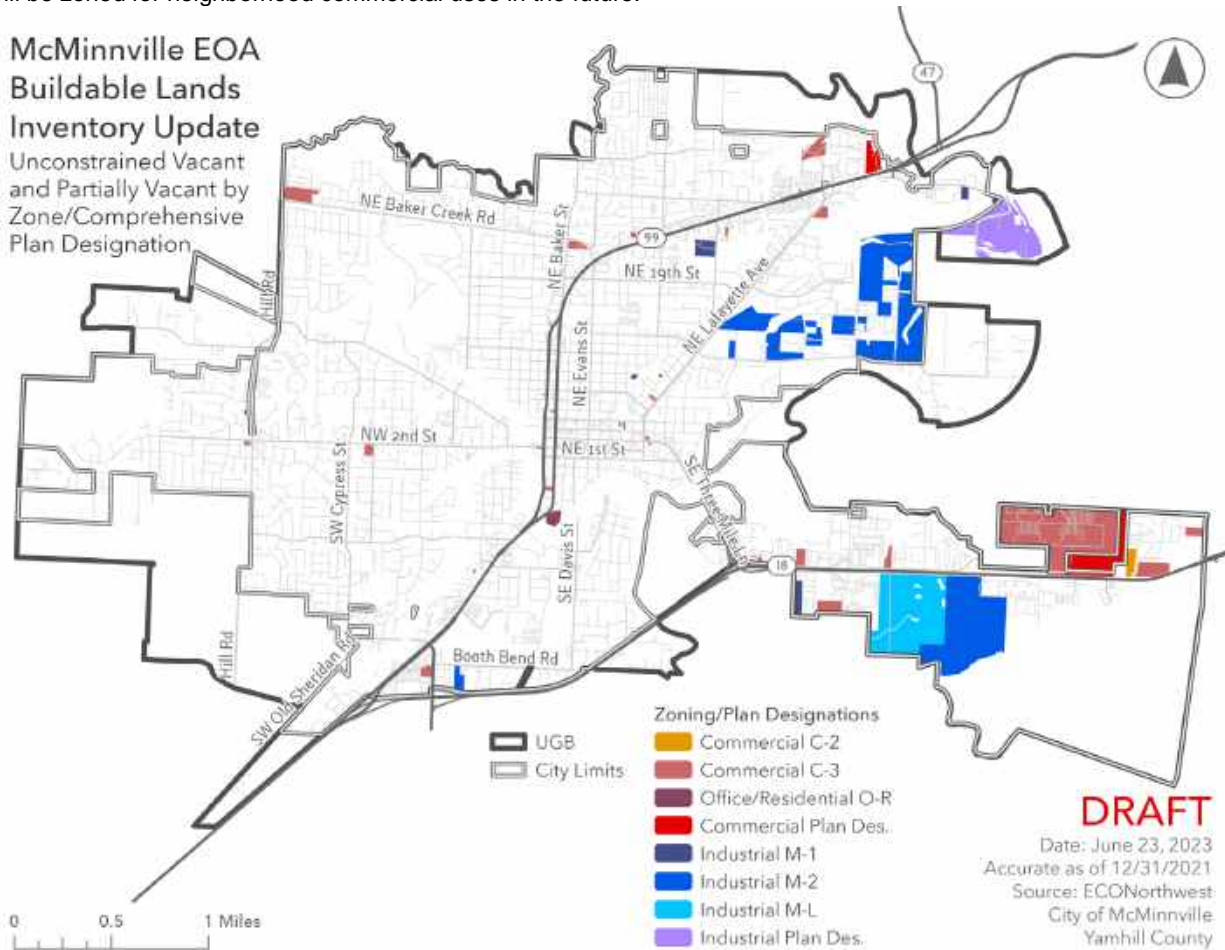
Plan Designation	Buildable Acres
Commercial	154
Commercial zones	115
Urban Holding Plan Des.	39
Industrial	354
Total	508

The newly added 39 acres of land for neighborhood commercial services in the Urban Holding Plan Designation is not shown in Exhibit 1 or Exhibit 2 because it has not yet been zoned for commercial uses and is still designated as part of the Urban Holding Plan Designation (which is mapped in the buildable lands inventory of the *McMinnville Housing Needs Analysis* report). The City will zone specific land within the Urban Holding Plan Designation for neighborhood serving commercial land as part of future planning processes.

Exhibit 3 shows buildable employment land by zone with development constraints in the McMinnville UGB.

Exhibit 3. Buildable employment land by zone with development constraints, McMinnville UGB, 2023

Note: This exhibit does not show the 39 acres of land in Urban Holding for future neighborhood serving commercial uses. The McMinnville Housing Needs Analysis buildable lands inventory shows all land in Urban Holding, including the land that will be zoned for neighborhood commercial uses in the future.



FINDING – SATISFIED: The buildable lands inventory in the EOA meets the requirements of OAR 660-009 and OAR 660-024. The inclusion of vacant small lots in the McMinnville EOA BLI exceeds the definitions of vacant land in OAR 660-009 by including vacant land on tax lots smaller than one-half an acre.

Population Forecast

OAR 660-024-0040 requires that the 20-year population forecast is the basis of the UGB land determination. be based on the appropriate 20-year forecast in OAR 660-032.

660-024-0040 Land Need

(1) *The UGB must be based on the appropriate 20-year population forecast for the urban area as determined under rules in OAR chapter 660, division 32, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule. The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision. Local governments in Crook, Deschutes or Jefferson Counties may determine the need for Regional Large-Lot Industrial Land by following the provisions of OAR 660-024-0045 for areas subject to that rule.*

OAR 660-032-0020 requires that, when a city uses population as a basis for forecasting employment, the city must use the most recent final forecast issued by the Portland State University Population Research Center (PRC):

660-032-0020 Population Forecasts for Land Use Planning

(1) A local government with land use jurisdiction over land that is outside the Metro boundary shall apply the most recent final forecast issued by the PRC under OAR 577-050-0030 through 577-050-0060, when changing a comprehensive plan or land use regulation that concerns such land, when the change is based on or requires the use of a population forecast, except that a local government may apply an interim forecast as provided in 660-032-0040.

McMinnville started the process for developing the HNA and EOA in 2018, completing a draft of the HNA in 2019 and the EOA in 2020. McMinnville used the 20-year planning period of 2021-2041, with the anticipation of adopting the HNA and EOA in 2021. McMinnville noticed the intention to adopt the HNA and EOA to the Department of Land Conservation and Development on May 14, 2020 and held its first evidentiary hearing on May 20, 2021. These actions are consistent with ORS 197.296(2).

Exhibit 4 shows that McMinnville used the PRC forecast for June 30, 2017, which was the most recently completed forecast at the time of development of the HNA. The next forecast was finalized on June 30, 2020, after the HNA and EOA had been drafted and McMinnville's notice to the Department of Land Conservation and Development was provided.

Exhibit 4 shows that McMinnville was forecast to grow by 11,260 people over the 2021-2041 period.

Exhibit 4. McMinnville's 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

36,238	38,985	41,813	47,498	62,803
2021	2026 (5-year)	2031 (10-year)	2041 (20-year)	2067 (46-year)

FINDING - SATISFIED. The City used the most recent population forecast from the PRC, with the 20-year period commencing in the year the City scheduled for review and adoption of the EOA. The City noticed the Department of Land Conservation and Development of its intent to amend the comprehensive plan and adopt the EOA on May 14, 2020 with a first evidentiary hearing on May 20, 2021.

Employment Trends

OAR 660-009-015(1) requires that the EOA review national, state, regional, county and local trends that may affect economic development. And OAR 660-009-015(4) assess the community's economic development potential.

OAR 660-009-0015

(1) Review of National, State, Regional, County and Local Trends. The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning

area if the area possesses the appropriate locational factors for the use or category of use. Cities and counties are strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area based on the assessment of community economic development potential pursuant to section (4) of this rule.

(4) Assessment of Community Economic Development Potential. The economic opportunities analysis must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. The estimate must be based on information generated in response to sections (1) to (3) of this rule and must consider the planning area's economic advantages and disadvantages. Relevant economic advantages and disadvantages to be considered may include but are not limited to:

- (a) Location, size and buying power of markets;*
- (b) Availability of transportation facilities for access and freight mobility;*
- (c) Public facilities and public services;*
- (d) Labor market factors;*
- (e) Access to suppliers and utilities;*
- (f) Necessary support services;*
- (g) Limits on development due to federal and state environmental protection laws; and*
- (h) Educational and technical training programs.*

Chapter 3 of the EOA provides an extensive review of national, state, regional, and local trends that may affect economic development in McMinnville. Key among these trends are national and state economic growth, long-term and large-scale changes in the broader economy, such as increases in labor productivity, growth of entrepreneurship and small businesses, increases in automation, rising energy prices). The EOA documents changes more directly impacting economic growth in McMinnville, such as growing population, aging of the baby boomers, entry of Millennials and younger generations into the job market, changes in income, educational attainment, labor forecast participation, commuting patterns, and tourism.

Chapter 4 of the EOA provides information about McMinnville's community economic development potential. Chief among McMinnville's advantages for economic growth are its location in the Willamette Valley, access to Highway 99W, relatively young and diverse workforce, workforce availability across the region, existing diverse mix of businesses and industries, existing local business entrepreneurship, buying power of markets, comparatively low public utility rates and property tax rates, access to clean water, access to internet services, educational opportunities at Linfield College and Chemeketa Community College, and high quality of life.

McMinnville's disadvantage for economic development including: poor connections to I-5, on-going retail leakage (people traveling out of McMinnville to make retail purchases), comparatively smaller share of college graduates, tentative integration of Latino population into community & business leadership, inadequacy of commercial and industrial buildable lands, environmental constraints on land (such as steep slopes, floodplains, and wetlands), need for additional value-added opportunities for visitors, and relatively slow population growth resulting from a constrained land supply.

FINDING - SATISFIED. The City's EOA meets the requirements of OAR 660-009-015(1) and OAR 660-009-015(4).

Employment Forecast

OAR 660-024-0040(5) provides:

660-024-0040 Land Need

(5) Except for a metropolitan service district described in ORS 197.015(13), the determination of 20-year employment land need for an urban area must comply with applicable requirements of Goal 9 and OAR chapter 660, division 9, and must include a determination of the need for a short-term supply of land for employment uses consistent with OAR 660-009-0025. Employment land need may be based on an estimate of job growth over the planning period; local government must provide a reasonable justification for the job growth estimate but Goal 14 does not require that job growth estimates necessarily be proportional to population growth.

OAR 660-0024-0040(9) provides safe harbors for forecasting employment growth, as follows:

OAR 660-0024-0040(9)

(9) The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

- (A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or*
- (B) The population growth rate for the urban area in the appropriate 20-year coordinated population forecast determined under rules in OAR chapter 660, division 32.*

The EOA describes the steps used to develop the employment in Exhibit 48 of the EOA. Those steps include:

- **Set Forecast Time Period and Employment Base.** The time period for the forecast was the 2021-2041 period.

The base estimated employment was estimated using estimated covered employment in the McMinnville UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, McMinnville had about 14,964 covered employees in 2017.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Yamhill County is only about 76% of *total* employment reported by the U.S. Department of Commerce.² The EOA estimates that McMinnville had an estimated 20,990 *total* employees within its UGB in 2017 based on Yamhill County's ratios of covered to total employment. (See Exhibit 49 in the EOA).

- **Evaluate UGB Employment Trends.** The prior section of this document describes the employment trends and the site needs.
- **Develop a forecast of employment growth.** The forecast of employment starts with the base of 20,990 total employees in the McMinnville UGB in 2017. The EOA considered a range of employment growth assumptions and settled on the "medium-growth option," using the safe

² **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other non-covered workers.

harbor assumption from 660-024-0040(9)(a)(B) that employment in McMinnville will grow at the same rate as population (1.36% an average annual growth rate of 1.36% between 2021 to 2041). This projects that McMinnville will add 6,885 new employees between 2021 and 2041. (See Exhibit 50 in the EOA)

- **Allocate Job Growth by Land Use Type Scenarios.** This step allocated the forecast of 6,885 new employees to five broad proposed categories of land use based on North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, tourism services, and government. These land-use categories helped align the forecast of employment with the City’s economic development direction in the *MAC-Town 2032 Economic Development Strategic Plan*. The allocation of job growth by land use types started with the existing percentage of each land use type in McMinnville in 2017 and adjusted the percentages slightly to better align with the Oregon Employment Department’s forecast of employment growth for the Mid-Willamette Valley region, as well as economic development goals and policies as stated in the *MAC-Town 2032 Economic Development Strategic Plan* and Three Mile Lane Area Plan. (See Exhibit 51 in the EOA)
- **Allocate Job Growth by Land Development Status.** This step made deductions for employment that will not require vacant land. The City excluded employment growth for government employment, as land needs for government are addressed in the Public and Institutional Land Needs analysis.

The EOA assumes that 5% of new employment would be accommodated on sites that don’t require new vacant land, through infill, redevelopment, and locations that do not require new employment land. This assumption is based on analysis of redevelopment information presented to the Project Advisory Committee at their October 10, 2019 meeting, which concluded that little redevelopment occurred in McMinnville between 2000 and 2019.³ Based on discussion among the Project Advisory Committee about this information, the EOA assumes that 5% of new employment growth (332 new jobs) will be accommodated through infill and redevelopment. This leaves growth of 6,333 jobs over the 20-year period requiring vacant employment land. (See Exhibit 53 in the EOA)

- **Apply Job Density Factors.** The assumptions about employment density, expressed as employees per acre (EPA), were based on empirical analysis of employment density in McMinnville in 2017 and assumptions in the *2013 McMinnville EOA*, as discussed in detail in Appendix B of the EOA. Based on discussion among the Project Advisory Committee about this information, the EOA assumed that future industrial employment growth would occur at an average density of 11 EPA and commercial employment growth would occur at an average of 23 EPA.

These densities are consistent with the guidelines in DLCD’s *Industrial and Other Employment Lands Analysis—Basic Guidebook*, which states: “Typical employment densities per net acre range from 8 - 12 jobs for industrial; 14 - 20 jobs for commercial; and 6 - 10 jobs for institutional/other jobs.”

- **Estimate 20-Year Employment Land Demand.** This step combines the assumptions about employment growth to estimate land demand over the 2021-2041 period. The EOA shows that the 6,333 new jobs will require 351 net acres of land at the density assumptions describe in the prior step, shown in Exhibit 5 (Exhibit 55 in the EOA).

3

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/us_eoa_pac_3_10-10-2019_agenda_and_packet.pdf

The EOA uses assumptions about land needs for rights-of-way. Empirical analysis of development in McMinnville show that 6% of industrial land is used for rights-of-way and 18% of commercial land is used for rights of way. This results in a land demand for 405 gross acres of land for commercial and industrial land, shown in Exhibit 5 (Exhibit 55 in the EOA).

Exhibit 5. Demand for vacant land to accommodate employment growth, McMinnville UGB, 2021–2041

Land Use Type	New Emp. on Vacant Land	Employees per		Land Demand (Net Acres)	Land Demand (Gross Acres)
		Acre	(Net Acres)		
Industrial	1,584	11		144	153
Commercial	4,749	23		206	252
Total	6,333			351	405

Source: ECONorthwest

FINDING - SATISFIED. The City met the requirements of 660-024-0040(5) in estimating land need. The City used the safe harbor in 660-024-0040(9)(a)(B) to forecast employment growth, using the most recent population forecast from the PRC, with the 20-year period commencing in the year the City scheduled for review and adoption of the EOA. The City noticed the Department of Land Conservation and Development is intent to amend the comprehensive plan and adopt the EOA on May 14, 2020 with a first evidentiary hearing on May 20, 2021 (DLCD File #: 001-20)

Special Land Needs

OAR 660-009-0020 requires that the City articulate the community’s economic development objectives and identify employment uses desired by the community.

OAR 660-009-0020

(1) Comprehensive plans subject to this division must include policies stating the economic development objectives for the planning area. These policies must be based on the community economic opportunities analysis prepared pursuant to OAR 660-009-0015 and must provide the following:

(a) Community Economic Development Objectives. The plan must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Policy objectives may identify the level of short-term supply of land the planning area needs. Cities and counties are strongly encouraged to select a competitive short-term supply of land as a policy objective.

The EOA includes a forecast for additional land needed to address retail leakage and other site needs not accounted for in the forecast of employment growth and land needs. The land needs in this section are beyond those identified in the employment forecast described in the prior section of this report. They are consistent with the *MAC-Town 2032 Economic Development Strategic Plan* (adopted by Resolution No. 2019-16, March 12, 2019). This plan, developed with the aide of data, evaluation, public engagement and adopted city policies, identifies the city’s economic development vision, goals, strategies and implementable actions to achieve that vision, 2018 – 2032.

Retail Leakage

In 2018, the city of McMinnville initiated development of a plan for the Three Mile Lane Area Plan (3MLAP) (adopted by Ordinance No. 5126, November 8, 2022), which included a retail leakage analysis for the McMinnville area (see Exhibit 7 in the EOA). The purpose of the retail leakage

analysis was to quantify the amount of retail sales for households within the McMinnville area that occur outside of McMinnville, in areas such as Salem, Portland, and I-5 corridor markets.

The 2018 analysis characterizes retail leakage as follows:

“Retail sectors in which household spending is not fully captured are called “leakage” categories, while retail categories in which sales are higher than estimated household demand generated by existing residents are called “surplus” categories. A retail sales surplus indicates that a community pulls consumers and retail dollars in from outside the trade area, thereby serving as a regional market. Conversely, when local demand for a specific product is not being met within a trade area, consumers are going elsewhere to shop, creating retail leakage.”⁴

The 3MLAP report shows overall demand for 529,000 square feet of retail space in the study area for a 10-year period (Table ES-3, pg 4). The study also shows a breakdown of the 10-year demand broken out by demand from household growth, leakage recapture, and replacement space (Figure 38, pg 51). Data provided by this analysis shows that the leakage recapture component of the 10-year demand is 131,808 square feet. This is an element of retail land need that is not reflected in the employment forecast.

The EOA builds from the 3MLAP report and estimates that McMinnville needs an additional 12.2 acres of land to accommodate recapture of retail leakage. This estimate of land need is not accounted for in the EOA report. (See Exhibit 57 of the EOA)

Other Site Needs

The City’s *MAC Town 2032 Economic Development Strategic Plan* provides the City’s economic development opportunities, vision, and strategy. The City need not be bound by history and past trends, but can rather seek to achieve the community’s economic vision, supported by data, and realistically achievable given competitive advantage, as supported by data and emerging trends. Statewide Planning Goal 9 states that comprehensive plans for urban areas shall: “Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.” This indicates that cities have some degree of flexibility in determining land needs as long as (1) they are consistent with plan policies, and (2) are justifiable.

The land needs described in this section of the EOA are all identified in existing city plans, but are not considered in the employment forecast. For example, when McMinnville’s UGB was established in the early 1980s, it was not anticipated that there would be a need for a large site for the Evergreen Museum or water park. These facilities occupy approximately 70 acres of their sites. These have substantial economic benefits to the McMinnville economy. In 2018, they had over 88,000 visitors. They also require large sites, differ from traditional employment uses, don’t fit neatly within an employment density assumptions, and they consume a significant amount of the land supply in the UGB.

The EOA includes an estimate for land need of 49 acres for the following special site needs that are not accounted for in the employment forecast. (See Exhibit 58 in the EOA)

1. Community Center/Recreation Facility
2. Outdoor Stage/ Amphitheater
3. Arts and culture focused event center
4. Evergreen Aviation and Space Museum

⁴ McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

5. Wings and Waves
6. Conference Center:
7. Food hub and public market
8. Makerspace/innovation hub/ fabrication center

Site Needs, Required Site Types, and Site Characteristics for Required Sites

OAR 660-009-0005 includes the following definition of site characteristics:

OAR 660-009-0005

(11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

OAR 660-009-0015 requires that cities identify required site types:

OAR 660-009-0015

(2) Identification of Required Site Types. The economic opportunities analysis must identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses. Cities and counties are encouraged to examine existing firms in the planning area to identify the types of sites that may be needed for expansion. Industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.

OAR 660-009-0015 requires that cities identify the number, acreage, and characteristics of sites needed to accommodate employment uses:

OAR 660-009-0025

(1) Identification of Needed Sites. The plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies. Plans do not need to provide a different type of site for each industrial or other employment use. Compatible uses with similar site characteristics may be combined into broad site categories. Several broad site categories will provide for industrial and other employment uses likely to occur in most planning areas. Cities and counties may also designate mixed-use zones to meet multiple needs in a given location.

Understanding needs for specific types and characteristics of sites requires an understanding of the types of businesses expected to locate in McMinnville over the planning period. The EOA and *MAC-Town 2032 Economic Development Strategic Plan*. The types of industries expected to growth in McMinnville are: advanced manufacturing (such as metals manufacturing, aerospace manufacturing, or agricultural product manufacturing), healthcare services, traded-sector services (such as higher education or insurance), high-tech companies, entrepreneurs, food and beverage processors (such as wineries, agri-tourism, or food processors), and tourism industries (such as hotels, restaurants, locally produced goods).

The employment forecast and employment density factors identified a need for 153 industrial acres. This forecast does not adequately account for the site needs for industrial growth in McMinnville. The EOA identifies needed sites based for the industries above and other employment growth in McMinnville based on existing distribution of employment in McMinnville (Exhibit 60 in the EOA) and site characteristics identified as necessary and typical by Business Oregon (Exhibit 62 in the EOA).

The results of this analysis are identification of needed sites, shown in Exhibit 6. If these sites are appropriately located, would provide for at least an adequate supply of sites of suitable sizes for a variety of industrial uses consistent with plan policies, as required by Goal 9. To be competitive, this would assure there would be a supply of available of sites with a variety of sizes and characteristics to meet a variety of needs at any given time during the planning period.

Exhibit 6. Needed sites, competitive supply and choice consistent with IFA criteria

Site Size Class	Needed Sites By Class	Ac Range for Needed Sites	Needed Sites By Target Size	Ac for Needed Sites
<0.5	23	0-12	23@0.48 ac	11.0
0.5-0.99 ac	10	5-10	5@0.5 ac 5@ 1ac	2.5 5.0
1.00-1.99	12	12-24	6@1 ac 6@2 ac	6.0 12.0
2.00-4.99	4	8-20	2@2 ac 2@4 ac	4.0 8.0
5.00-9.99	3	15-30	3@5 ac	15.0
10.00-19.99	10	100-200	5@10 ac 5@15 ac	50.0 75.0
20.00-25.00	7	140-175	4@20 ac 3@25 ac	80.0 75.0
25.01-49.99	1	25-50	1@40ac	40.0
50.00+	0	0	0	0
Total	70 sites	305-521 ac	70 sites	384 ac

FINDING - SATISFIED. The City met the requirements of 660-0009 in identifying site needs as described above.

Land Sufficiency

Exhibit 7 shows commercial and industrial land sufficiency within the McMinnville UGB. It shows:

- **Vacant or partially vacant unconstrained land** from within the UGB. Exhibit 7 shows that McMinnville has 354 gross acres of industrial land, and 154 gross acres of commercial land (see Exhibit 2).
- **Demand for commercial and industrial land** from Exhibit 5, which shows McMinnville will need a total of 153 gross acres for industrial uses and 252 gross acres for commercial uses over the 2021-2041 period based on portion of demand determined through the forecast.
- **Retail Leakage** Additional needs, addressed previously in this Chapter, include retail leakage that is current demand that predates the employment forecast associated with new population growth (12-acre demand over the 20-year period)
- **Demand for commercial land needs with other needed sites** not adequately accounted for in the average employment density calculations. Forecast commercial land includes land use types of retail commercial, office and commercial services, and tourism services. These uses for other needed sites for target sectors are identified in the Economic Development Strategic Plan (56-acre demand over the 20-year period), a net difference of 49 additional acres after adjusting for associated employment.

- **Needed site sizes** from Exhibit 6 shows that McMinnville has an overall need for 384 acres of industrial land in site sizes between less than 0.5 acres and up to 50 acres in size.

Based on all of the above, the EOA, Exhibit 7 shows that McMinnville has:

- A 29-acre deficit of industrial land in 2041
- A 159-acre deficit of commercial land in 2041

Exhibit 7. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021-2041

Land Use Type	Land Supply (Suitable Gross Acres)	Demand (Gross Acres)	Land Sufficiency (Deficit)
Industrial	354	384	(29)
Commercial	154	313	(159)
Forecast		252	
Retail leakage		12	
Other needed sites		49	
Total	508	697	(189)

Source: ECONorthwest

Oregon Land Use Goal #10 (Housing)

Goal 10 requires local jurisdictions to provide for the housing needs of its citizens and provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas developed or undergoing development or redevelopment.

This Housing Needs Analysis (HNA) was initially drafted in 2019/2020, at which time the City of McMinnville notified the Department of Land Conservation and Development of its intent to amend the comprehensive plan to adopt the HNA on May 14, 2020, with a first evidentiary hearing planned for May 20, 2021. The city elected to wait until May 20, 2021, for its first evidentiary public hearing as the state was in the midst of adopting a missing middle housing law and rulemaking to support that initiative which could potentially impact the HNA. At the same time, the McMinnville City Council directed city staff to respond to the court of appeals remand from the 2003 HNA, EOA and UGB expansion effort, which was adopted by the City on December 8, 2020 and approved by the Department of Land Conservation and Development on April 9, 2021. The 2003 analysis was for a planning horizon of 2003 – 2023.

At the same time, the Land Conservation and Development Commission adopted OAR 660-008-0045 on November 12, 2020 (Updated November 23, 2020), directing cities to adopt updated Housing Capacity Analysis (HNA) by December 31st of designated years. McMinnville was directed to adopt an updated HNA by December 31, 2023. Due to the fact that the City already had a draft HNA that had been noticed to the Department of Land Conservation and Development for adoption, the City chose to update that document with the recent UGB amendment and the missing middle housing laws that the state had passed, resulting in this November 2023 McMinnville Housing Needs Analysis.

This proposed Housing Needs Analysis (HNA) accounts for housing needs for the 2021-2041 planning period. The HNA forecasts that McMinnville is planning for 4,657 dwelling units to accommodate an increase of 11,260 people over the 20-year period. McMinnville's housing needs are

for more diverse housing types, with more attached and multifamily dwellings than in the City's current housing stock. In addition, McMinnville needs more housing that is affordable to households with income below 120% of median family income, accounting for 59% of future housing needs.

McMinnville assumes that 8% of the 4,657 dwelling units will be accommodated through infill and redevelopment (8% of new housing). That leaves need for 4,284 new units that require buildable land. McMinnville's vacant and partially vacant buildable residential land has capacity for 3,183 dwelling units. The result is a deficit of land for 1,101 dwelling units.

McMinnville has proposed to adopt its HNA and EOA prior to identifying land use efficiency measures or a UGB expansion to meet its land needs, based on ORS 197.626(3) and per Resolution NO. 2023-63, is submitting a Notice of Execution and Work Plan to the Department of Land Conservation and Development.

FINDING – SATISFIED: The City finds that Goal 10 has been addressed, based on the discussion above as well as the findings below.

Buildable Lands Inventory

ORS 197.296(2) requires the City to “demonstrate that its comprehensive plan . . . provides sufficient buildable lands within the urban growth boundary . . . to accommodate estimated housing needs for 20 years.” The statutory requirement for a buildable lands inventory, along with direction concerning what lands are to be inventoried as “buildable,” is contained in ORS 197.296(3), ORS 197.296(4) and in OAR Division 660-008:

ORS 197.296

(3) *In performing the duties under subsection (2) of this section, a local government shall:*

(a) *Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands;*

(4)(a) *For the purpose of the inventory described in subsection (3)(a) of this section, “buildable lands” includes:*

(A) *Vacant lands planned or zoned for residential use;*

(B) *Partially vacant lands planned or zoned for residential use;*

(C) *Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and*

(D) *Lands that may be used for residential infill or redevelopment.*

OAR 660-008-0005

(2) *“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:*

(a) *Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*

(b) *Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*

(c) *Has slopes of 25 percent or greater;*

(d) *Is within the 100-year flood plain; or*

(e) *Cannot be provided with public facilities.*

(12) *“Redevelopable Land” means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the*

strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

OAR 660-024-0050

(1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. For residential land, the buildable land inventory must include vacant and redevelopable land, and be conducted in accordance with OAR 660-007-0045 or 660-008-0010, whichever is applicable, and ORS 197.296 for local governments subject to that statute.

The HNA includes a buildable lands inventory that meets these requirements. It starts with all land in McMinnville where housing is allowed outright, including land in the following zones: Residential zones R-1, R-2, R-3, and R-4; Commercial zones O-R and C-3; and land within the UGB in County zoning EF-80, VLDR-1, Residential Plan Designation, and Urban Holding Plan Designation. The HNA classifies each tax lot in these zones into a set of mutually exclusive categories based on development status. All residential tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes), unless aerial imagery or City staff determined that the tax lot is no longer vacant in the verification step.
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more than a half-acre of buildable land after removing constraints and developed land from the total acreage. This was refined through visual inspection of recent aerial photos.
- *Developed land.* Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed.
- *Public or exempt land.* Except as noted below, lands in public or semipublic ownership are considered unavailable for development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Yamhill County Assessment property tax exemption codes and ownership field. Exempt lands owned by a nonprofit housing developer which are vacant or partially vacant are considered available for development and are inventoried accordingly.

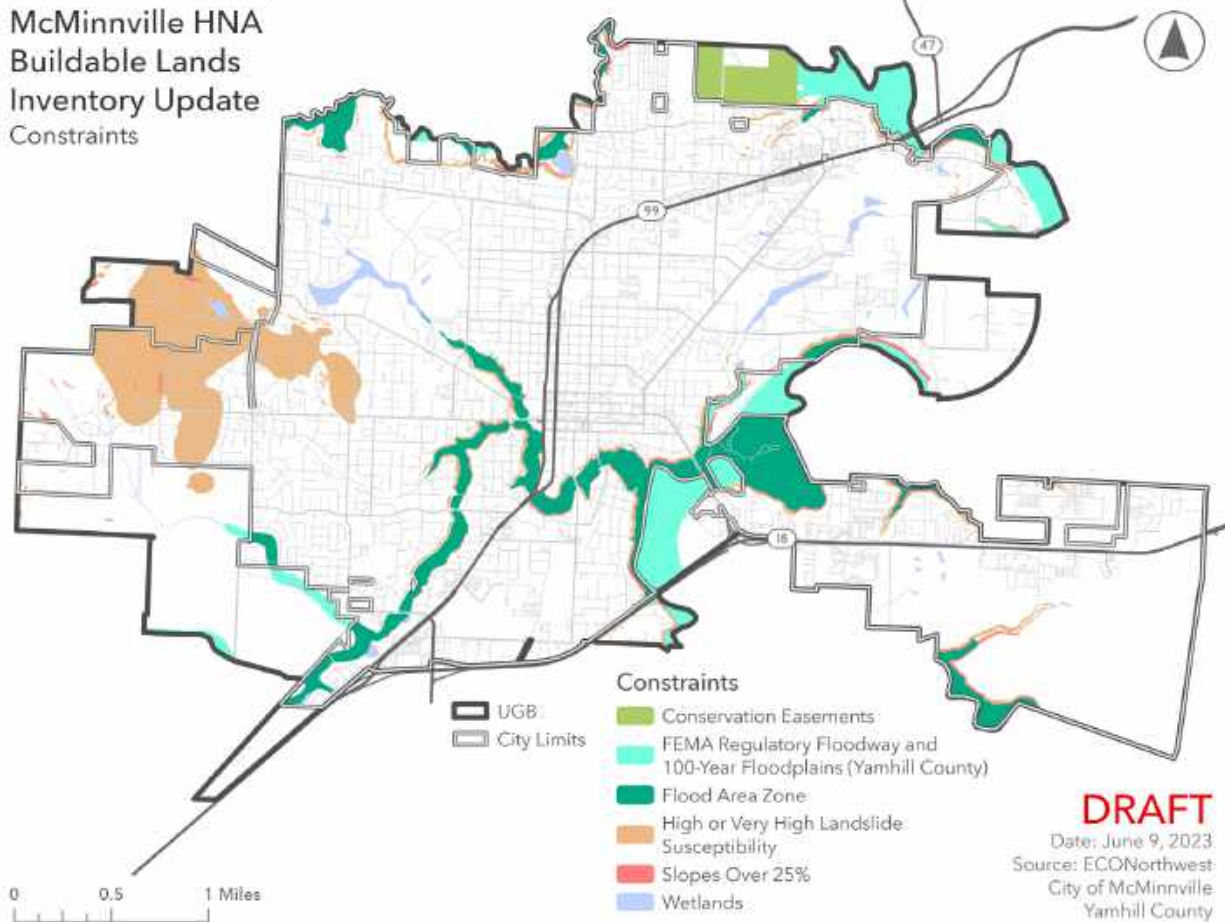
The HNA deducted portions of residential tax lots that fall within certain constraints from the vacant and partially vacant lands (e.g., wetlands and steep slopes), consistent with OAR 660-008-0005(2), shown in Exhibit 8:

- *Lands within floodplains and floodways.* Flood insurance rate maps from the Federal Emergency Management Agency (FEMA), as well as land in McMinnville's floodplain zone and plan designation, were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas.* The National Wetlands Inventory was used to identify areas within wetlands.
- *Land within landslide hazards.* The DOGAMI SLIDO database and landslide susceptibility datasets were used to identify lands with landslide hazards. ECONorthwest included lands

with high or very high susceptibility to landslides in the constrained area. The City is proposing a policy interpreting the mapped DOGAMI hazards for purposes of the BLI, which can be reviewed upon further study if necessary.

- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.
- *Land with conservation easements.* Lands within conservation easements, as identified by City staff, were included in the constrained area.

Exhibit 8. Residential Development Constraints, McMinnville UGB, 2023



After deducting constraints, vacant and partially vacant lands that have remaining development capacity are classified as buildable lands.

Exhibit 9 shows buildable acres (i.e., acres in tax lots that have capacity after constraints are deducted) for vacant and partially vacant land by zone and plan designation.

Exhibit 9. Buildable (Gross) Acres in Vacant and Partially Vacant Tax Lots by Zone, McMinnville UGB, 2023

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

Zone/Plan Designation	Total Buildable acres			Buildable acres on vacant lots			Buildable acres on partially vacant lots		
	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total
City Limits, by Zone									
Residential R-1	75	33	108	49	32	80	26	2	28
Residential R-2	68	45	113	57	45	102	11	-	11
Residential R-3	11	-	11	10	-	10	1	-	1
Residential R-4	34	-	34	33	-	33	1	-	1
Office/Residential O-R	3	-	3	3	-	3	-	-	-
Commercial C-3	47	-	47	44	-	44	2	-	2
UGB, by County Zone or Plan Des.	-	-	-						
EF-S0 (County Zone)	2	-	2	2	-	2	-	-	-
VLDR-1 (County Zone)	2	-	2	-	-	-	2	-	2
Residential Plan Des.	75	-	75	8	-	8	67	-	67
Urban Holding Plan Des.	739	53	792	506	5	511	232	49	281
Total	1,053	131	1,185	712	81	792	342	51	392

Note: Per Ordinance No. 5098, the McMinnville Growth Management and Urbanization Plan, Appendix G, 383 gross buildable acres in the Urban Holding Plan Designation are to serve public and institutional land needs, and 39 gross buildable acres of the Urban Holding Plan Designation is a set aside of neighborhood serving commercial land need.

Exhibit 10 includes 383 acres of land in the Urban Holding plan designation that was brought into the UGB in 2020 for public and semi-public uses, such as parks and schools, and 39 acres for neighborhood serving commercial land uses. This accounts for about 422 acres of land in the Urban Holding plan designation.

Exhibit 10 excludes the land in the Urban Holding plan designation for public and semi-public uses, and 39 acres of land for neighborhood-serving commercial land uses. It shows that McMinnville has 763 gross acres within its UGB for residential uses.

Exhibit 10. Buildable (Gross) Acres in Vacant and Partially Vacant Tax Lots by Zone for Residential Uses, McMinnville UGB, 2023

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

Zone/Plan Designation	Buildable Acres for Residential Uses
City Limits, by Zone	
Residential R-1	108
Residential R-2	113
Residential R-3	11
Residential R-4	34
Office/Residential O-R	3
Commercial C-3	47
UGB, by County Zone or Plan Des.	
EF-80 (County Zone)	2
VLDR-1 (County Zone)	2
Residential Plan Des.	75
Urban Holding Plan Des.	792
Land for housing	370
Land for public and semi-public uses	383
Land for neighborhood commercial uses	39
Total Land for Housing	763

The exhibits on the following pages map McMinnville’s buildable vacant and partially vacant residential land and resulting buildable lands after deducting constraints. Exhibit 11 shows vacant and partially vacant lots with constraints overlaid Exhibit 12 shows the unconstrained buildable acres on those buildable parcels.

Exhibit 11. Vacant and Partially Vacant Residential Lots with Constraints Overlaid, McMinnville UGB, 2023

McMinnville HNA Buildable Lands Inventory Update

Unconstrained Vacant and Partially Vacant by Development Status with Constraints Overlaid

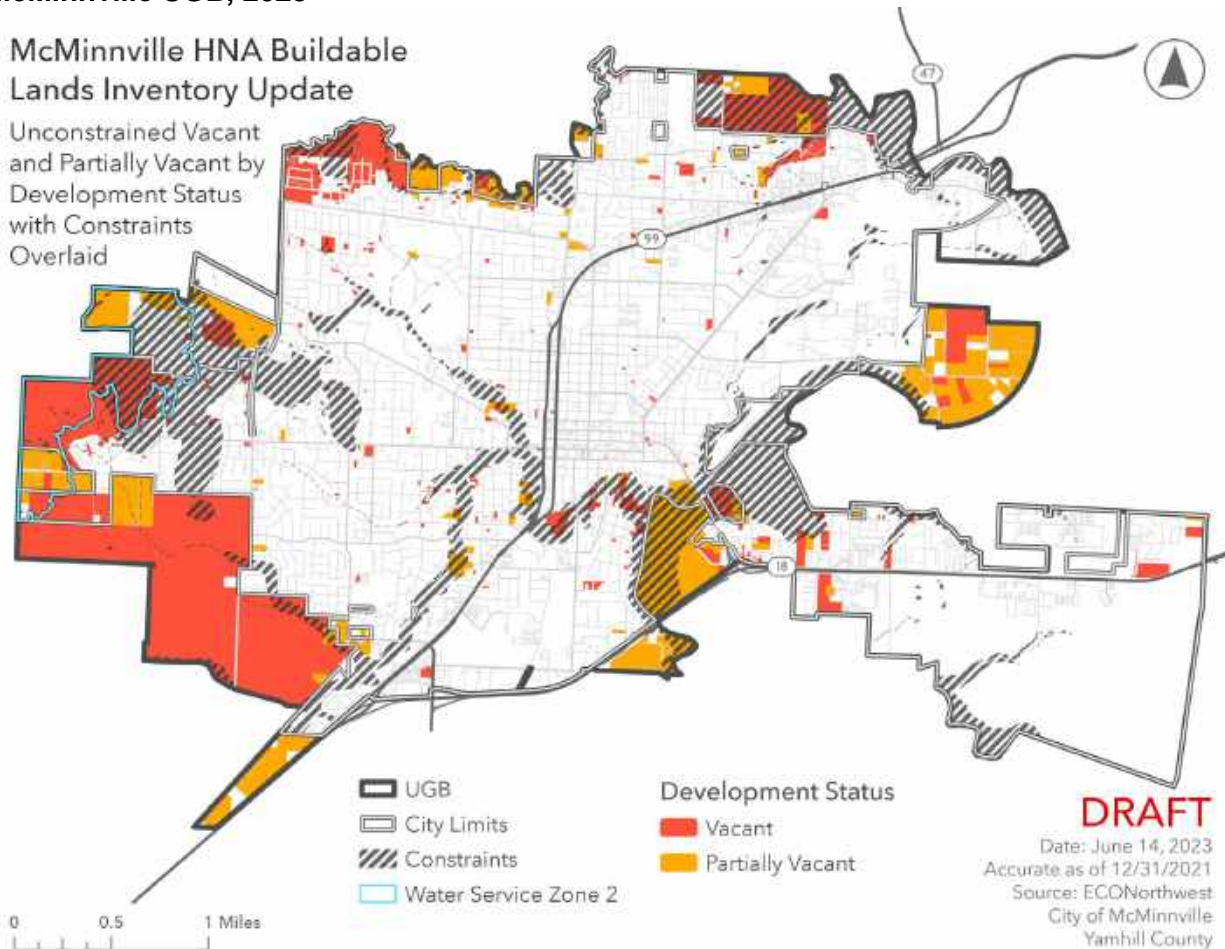
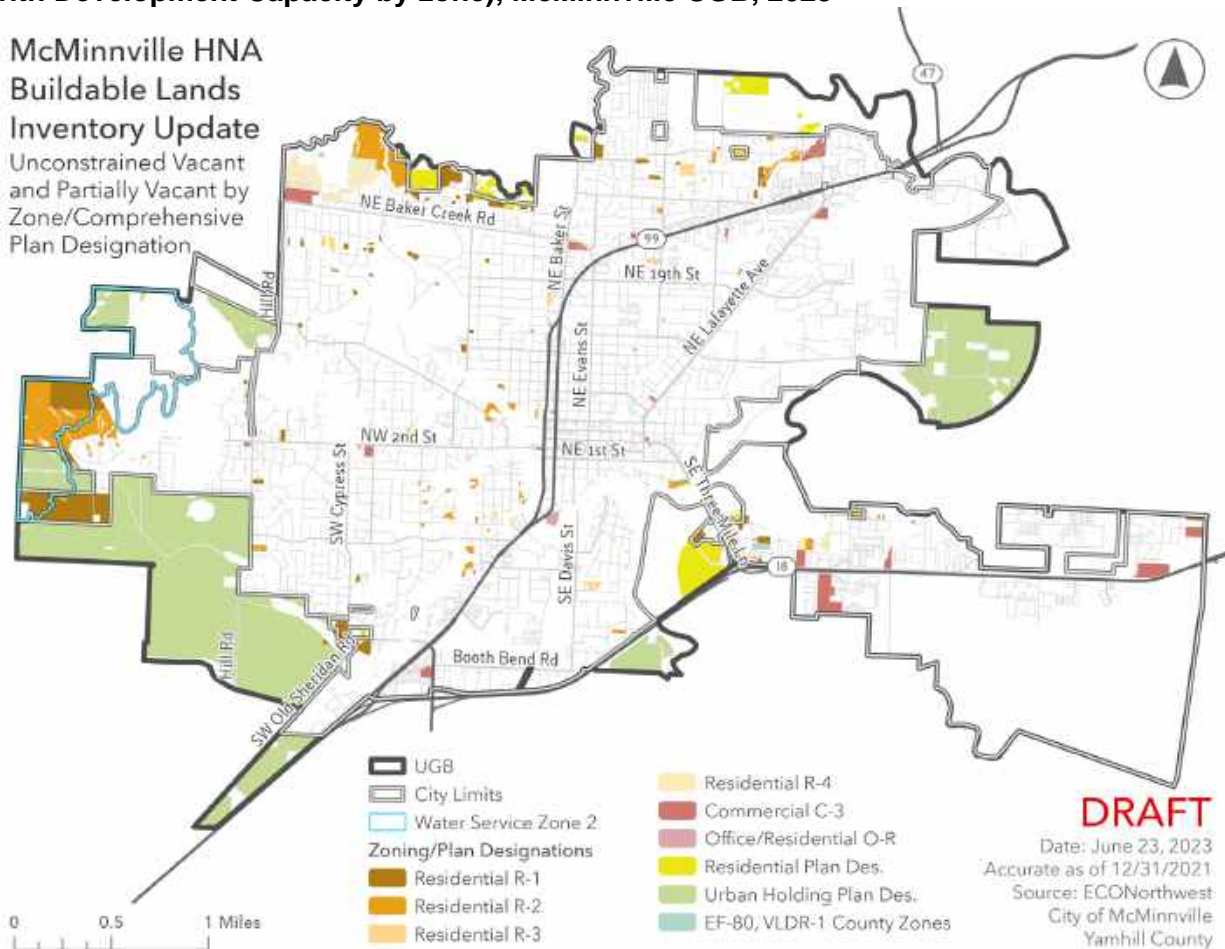


Exhibit 12. Buildable Acres (Unconstrained Portions of Vacant and Partially Vacant Parcels with Development Capacity by zone), McMinnville UGB, 2023



To account for redevelopment, the HNA assumes that 8% of new dwelling units during the planning period will be accommodated on lands classified as “developed” through infill, redevelopment, or both. This assumption is discussed in more depth later in this analysis.

FINDING – SATISFIED: The buildable lands inventory in the HNA meets the requirements of ORS 197.296, OAR 660-008, and OAR 660-024.

Planning Horizon and Population Forecast

ORS 197.296 establishes the context for planning to provide sufficient buildable lands within the UGB to accommodate estimated housing needs for 20 years. ORS 197.296(2) provides:

(2)(a) A local government shall demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years:

(A) At periodic review under ORS 197.628 to 197.651;

(B) As scheduled by the commission:

(i) At least once each eight years for local governments that are not within a metropolitan service district; or

(ii) At least once each six years for a metropolitan service district; or

- (C) *At any other legislative review of the comprehensive plan or regional framework plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use.*
- (b) *The 20-year period shall commence on the date initially scheduled for completion of the review under paragraph (a) of this subsection.*

In addition, OAR 660-024-0040 requires that the 20-year population forecast be based on the appropriate 20-year forecast in OAR 660-032.

660-024-0040 Land Need

(4) The determination of 20-year residential land needs for an urban area must be consistent with the appropriate 20-year coordinated population forecast for the urban area determined under rules in OAR chapter 660, division 32, and with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 7 or 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490.

OAR 660-032-0020 requires that a city use the most recent final forecast issued by the Portland State University Population Research Center (PRC):

660-032-0020 Population Forecasts for Land Use Planning

(1) A local government with land use jurisdiction over land that is outside the Metro boundary shall apply the most recent final forecast issued by the PRC under OAR 577-050-0030 through 577-050-0060, when changing a comprehensive plan or land use regulation that concerns such land, when the change is based on or requires the use of a population forecast, except that a local government may apply an interim forecast as provided in 660-032-0040.

McMinnville started the process for developing the HNA in 2018, completing a draft of the HNA in early 2020. McMinnville used the 20-year planning period of 2021-2041, with the anticipation of adopting the HNA in 2021. McMinnville notified the Department of Land Conservation and Development the intention to amend the comprehensive plan by adopting the HNA on May 14, 2020 with the first evidentiary hearing on May 20, 2021 (DLCD File #: 001-20). These actions are consistent with ORS 197.296(2).

Exhibit 13 shows that McMinnville used the PRC forecast for June 30, 2017, which was the most recently completed forecast at the time of development of the HNA. The next forecast was finalized on June 30, 2020, after McMinnville had completed its draft HNA and after it had noticed the Department of Land Conservation and Development. Exhibit 13 shows that McMinnville was forecast to grow by 11,260 people over the 2021-2041 period.

Exhibit 13. McMinnville’s 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

36,238	38,985	41,813	47,498	62,803
2021	2026	2031	2041	2067
	(5-year)	(10-year)	(20-year)	(46-year)

FINDING - SATISFIED. The City used the most recent population forecast from the PRC, with the 20-year period commencing in the year the City scheduled for review and adoption of the HNA.

Residential Land Need

The McMinnville Housing Needs Analysis (HNA), updated in June 2023, presents McMinnville’s land need for housing. The HNA is the factual basis for the information presented in this section.

The City of McMinnville has one Residential Land Comprehensive Plan Map Designation and four residential zone classifications (R1, R2, R3 and R4). This is deliberate as the City of McMinnville has a Comprehensive Plan policy and long tradition of encouraging the integration of different housing types throughout its neighborhoods through a planned development land-use process. McMinnville added a fifth residential zone classification (R-5) as an exclusive high-density residential zone to help achieve the city’s affordable housing need. McMinnville has no land zoned R-5, as shown in the June 2023 HNA.

Housing Unit Projection

OAR 660-024-0040 provides the following guidance on housing unit projection:

660-024-0040 Land Need

(4) The determination of 20-year residential land needs for an urban area must be consistent with the appropriate 20-year coordinated population forecast for the urban area determined under rules in OAR chapter 660, division 32, and with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 7 or 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490.

(8) The following safe harbors may be applied by a local government to determine housing need under this division:

(a) A local government may estimate persons per household for the 20-year planning period using the persons per household for the urban area indicated in the most current data for the urban area published by the U.S. Census Bureau.

(e) A local government outside of the Metro boundary may estimate its housing vacancy rate for the 20-year planning period using the vacancy rate in the most current data published by the U.S. Census Bureau for that urban area that includes the local government.

Exhibit 14 presents for the forecast for new housing for McMinnville for the 2021-2041 period, based on:

- **Population growth.** The first step in the HNA process is to forecast the number of housing units that will be needed to house the projected population growth over the planning period. McMinnville’s urban area is forecast to grow from 36,238 persons in 2021 to 47,498 persons in 2041, an increase of 11,260 people.
- **Household size.** OAR 660-024-0040(8)(a) established a safe harbor assumption for average household size—which is the figure from the current Decennial Census at the time of the analysis. According to the 2013–2017 American Community Survey, the average household size in McMinnville was 2.55 people.⁵
- **Vacancy rate.** OAR 660-0240040(8)(e) established a safe harbor assumption for vacancy rate—which is the figure from the current Census. According to the 2013–2017 American Community Survey, McMinnville’s vacancy rate was 5.4%.⁶

⁵ The 2014-2018 American Community Survey data was released on December 19, 2019, which was six months after the HNA was completed in June 2019.

⁶ The 2014-2018 American Community Survey data was released on December 19, 2019, which was six months after the HNA was completed in June 2019.

Exhibit 14. Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest

Variable	New Dwelling Units (2021-2041)
Change in persons	11,260
Average household size	2.55
New occupied DU	4,416
times Aggregate vacancy rate	5.4%
equals Vacant dwelling units	241
Total new dwelling units (2021-2041)	4,657
Annual average of new dwelling units	233

FINDING - SATISFIED. The City used the most recent population forecast from the PRC as the basis for the forecast of housing demand and the most recently available data from the American Community Survey for the household size and vacancy rate.

Needed Housing Types

ORS 197.303 defines “needed housing” as follows:

197.303 “Needed housing” defined. (1) As used in ORS 197.286 to 197.314, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

- (a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;*
- (b) Government assisted housing;*
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;*
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and*
- (e) Housing for farmworkers.*

OAR 660-024-0040(8) provides the following safe harbors for determination of some needed housing types:

- (b) If a local government does not regulate government-assisted housing differently than other housing types, it is not required to estimate the need for government-assisted housing as a separate housing type.*
- (c) If a local government allows manufactured homes on individual lots as a permitted use in all residential zones that allow 10 or fewer dwelling units per net buildable acre, it is not necessary to provide an estimate of the need for manufactured dwellings on individual lots.*
- (d) If a local government allows manufactured dwelling parks required by ORS 197.475 to 197.490 in all areas planned and zoned for a residential density of six to 12 units per acre, a separate estimate of the need for manufactured dwelling parks is not required.*

The City uses the following housing types in its forecast of future housing need:

- **Single-family detached** includes single-family detached units (including multiple single-family detached units on a single parcel), manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or town houses.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In McMinnville, government-assisted housing and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above. McMinnville allows manufactured homes on lots in the R-1 and R-2 zones, which are the zones where single-family detached housing is allowed. Manufactured home park development is an allowed use in the R-3 and R-4 zone, which are the zones that allow six to 12 dwelling units per acre.

The HNA forecasts housing types for single-family detached, single-family attached, and multifamily housing, as defined above (see Exhibits 85 and 91).

FINDING - SATISFIED. The City's forecast addresses the requirements of ORS 197.303 and OAR 660-024-0040(8).

Needed Housing Mix

ORS 197.303 requires the City to consider the following factors when projecting future housing needs:

(2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), a local government shall use the population projections prescribed by ORS 195.033 or 195.036 and shall consider and adopt findings related to changes in each of the following factors since the last review under ORS 197.296 (2)(a)(B) and the projected future changes in these factors over a 20-year planning period:

- (a) Household sizes;*
- (b) Household demographics;*
- (c) Household incomes;*
- (d) Vacancy rates; and*
- (e) Housing costs.*

The HNA presents information on these factors, based on the best available sources of data at the time of development of the HNA, making comparisons to data from 2000 when possible.

- McMinnville's average household size was 2.55 in 2013-2017. average household size is shrinking and the share of 1-person households in McMinnville has increased since 2000. (See Exhibits 48 to 53 in the HNA)
- McMinnville's city limits had 33,665 people in 2017, up from 26,499 people in 2000. (See Exhibits 34 to 47 in the HNA)
 - Population in McMinnville is growing faster than the State and national average since 1990.
 - Population in McMinnville is aging, and the cohort aged 60+ in Yamhill County will increase by about 56% by 2041.

- The share of the population that is Hispanic and Latino is growing faster than County and State averages since 2000. Per the most recent Decennial Census, Latino and Hispanic households were on average 1.5 persons larger.
- McMinnville’s median household income was \$50,299 in 2013-2017. (See Exhibits 54 to 56 in the HNA)
 - Median household income and median family income is below County and State median incomes.
 - While 41% of McMinnville households earn more than 120% of McMinnville’s median household income, about 50% of McMinnville households earn less than \$50,000 per year, compared to 43% of Yamhill County households.
- McMinnville’s median household income was \$50,299 in 2013-2017. (See Exhibits 54 to 56 in the HNA)
- About 5.4% of housing units were vacant in McMinnville in 2013-2017, compared with 4.7% vacancy in 2000. (See Exhibit 27 in the HNA)
- The median housing sales price in McMinnville in February 2019 was \$315,000, an increase of \$196,000 since February 2012. The median gross rent in McMinnville was \$941 in 2012-2016. (See Exhibits 63 to 67 in the HNA)

In addition, ORS 197.296(3)(b) requires the City to:

(b) Conduct an analysis of existing and projected housing need by type and density range, in accordance with all factors under ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

The HNA presents information about historical housing development mix:

- McMinnville’s total housing stock grew by about 33% between 2000 and the 2013–2017 period. McMinnville added 3,257 new dwelling units during this 17-year period.
- McMinnville’s housing stock is majority single-family detached housing units. According to 2013–2017 ACS data, 68% of McMinnville’s housing stock was single-family detached, 23% was multifamily, and 9% was single-family attached (e.g., town houses). McMinnville’s housing mix has not changed substantially since 2000, when 67% of housing was single-family detached, 24% was multifamily, and 8% was single-family attached. (See Exhibits 16 and 17 in the HNA)
- According to McMinnville’s permit database, single-family detached housing accounted for the majority of new housing growth between 2000 and 2017. Sixty-two percent of new housing permitted between 2000 and 2017 was single-family detached housing, 8% single-family housing, and 31% multifamily housing. (See Exhibit 20 in the HNA)

Taken together, these trends suggest that McMinnville’s needed housing mix is for a broader range of housing types than are currently available in McMinnville’s housing stock, both for ownership and rent, as well as across the affordability spectrum. McMinnville will need to provide development opportunities over the next twenty years for traditional single-family detached housing, smaller single-family detached housing (e.g., cottages or small-lot single-family detached units), manufactured housing, accessory dwelling units, town houses, duplexes, triplexes, quadplexes, and apartment

buildings. McMinnville needs housing across the affordability spectrum from affordable housing (including government-assisted housing) to high-amenity housing.

Exhibit 15. Forecast of Demand for New Dwelling Units by Type, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Needed Mix
Needed new dwelling units (2021-2041)	4,657
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
<i>equals</i> Total new single-family detached DU	2,561
Single-family attached	
Percent single-family attached DU	12%
<i>equals</i> Total new single-family attached DU	559
Multifamily	
Percent multifamily	33%
<i>equals</i> total new multifamily	1,537
Total new dwelling units (2021-2041)	4,657

FINDING – SATISFIED: The City’s forecast addresses the requirements of ORS 197.303(2) and ORS 197.296(3)(b).

Housing Accommodated through Infill and Redevelopment

The HNA estimates housing that will be accommodated through infill and redevelopment, then subtracts that housing from the forecast of new housing. Multifamily is a reasonable assumption for redevelopment, as it matches historical redevelopment trends in McMinnville. Redevelopment has historically not occurred as single-family attached housing in McMinnville. Infill (which includes accessory dwelling units [ADUs]) may be attached or detached, but they have characteristics of multifamily housing. ADUs do not have separate fee simple ownership—ownership is not separate from the primary dwelling unit—similar to a duplex or other multifamily housing product. Single-family detached infill is likely to entail small partitions of small lots classified as developed with limited remaining capacity based on zoning.

The HNA forecasts that 373 units of new housing (mostly multifamily housing) will be accommodated through infill and redevelopment. Of these units, 37 are forecast to be single-family detached and 335 multifamily. The result is a forecast for need for 4,284 dwelling units on vacant or partially vacant unconstrained land, of which 2,524 will be single-family detached, 559 single-family attached, and 1,202 multifamily. (See Exhibit 91 in the HNA)

Needed Housing Density

ORS 197.296(3)(b) requires the City to:

(b) Conduct an analysis of existing and projected housing need by type and density range, in accordance with all factors under ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

ORS 197.296(7) also requires cities to “determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years.”

(7) Using the housing need analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

The preceding section presents the results of the analysis that satisfies the requirements of ORS 197.296(3)(b). In response to ORS 197.296(7), the HNA presents information about historical housing development density:

- Exhibit 16 shows the average housing mix of units by type for each zone and net density by type for each zone, and overall by zone and type. Single-family detached housing developed at an average of 4.8 units per net acre. Single-family attached housing developed at an average of 12.3 units per net acre. Multifamily housing developed at an average of 18.2 units per net acre (of which duplexes developed at an average of 7.0 units per net acre and all other multifamily units developed at 19.7 units per net acre).
- The HNA shows that density of housing development varied annually since 2000, with years that had larger numbers of multifamily permitted having higher densities (such as 2001 and 2015). (See Exhibit 84 in the HNA)

Exhibit 16. Historical Average Density and Mix, McMinnville, 2000 through July 2018

Source. City of McMinnville Permit Database.

Plan Designation and Zone	Single-Family Detached		Single-Family Attached		Multifamily		TOTAL	
	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density
Commercial	0%	-	0%	-	33%	31.2	10%	31.2
C-3	0%	-	0%	-	33%	31.2	10%	31.2
Residential	100%	4.8	100%	12.3	67%	16.5	90%	6.0
O-R	0%	-	0%	-	6%	7.6	2%	7.6
R-1	21%	4.0	12%	9.5	0%	-	14%	4.1
R-2	47%	4.8	45%	12.3	23%	18.6	39%	5.8
R-3	5%	5.9	19%	10.6	1%	-	5%	6.8
R-4	27%	5.4	24%	17.6	37%	19.1	30%	7.9
Total	62%	4.8	8%	12.3	31%	18.2	100%	6.6

The HNA converts the historical net densities into gross densities, to account for need for land for future rights-of-ways. The assumptions about land in rights-of-ways is based on empirical analysis development in McMinnville, where an average of 25% of land is used for rights-of-way. The overall average density for McMinnville’s future development is 6.6 dwelling units per net acre or 4.9 dwelling units per gross acre.

The HNA adjusted the forecast of needed densities to add 3% to the Historical Densities in Exhibit 16, consistent with the density changes allowed for complying with HB 2001 (2019).⁷ This change in needed densities is shown in Exhibit 17.

⁷ The City of McMinnville complied with the requirements of HB 2001 (2019) by adopting middle housing regulations in April 2022.

Exhibit 17. Needed Densities for Housing Built in the McMinnville UGB

Source: Calculations by ECONorthwest. Note 1: DU is dwelling unit.

Zoning Districts	Average Gross Density (DU/Gross Acre)
R-1 Single Family Residential	3.19
R-2 Single Family Residential	4.43
R-3 Two Family Residential	4.94
R-4 Multiple-Family Residential	6.28
O-R Office/Residential	6.49
C-3 General Commercial	22.56
County Zoning	5.05
Average	5.05

The starting point for the discussion of needed future densities is the historical development densities (Exhibit 16), with the additional 3% increase in density as a result of complying with HB 2001 (2019) (Exhibit 17). The HNA concludes that increases in housing density will be achieved predominantly through the change in needed housing mix, with 55% of new housing to be single-family detached (compared to the average of 68% of McMinnville's housing stock), 12% single-family attached (9% of existing housing stock), and 33% multifamily (23% of existing stock). Taken together, this shift of future housing need will result in overall higher average development densities. This assessment is based on the analysis of factors in ORS 197.303(2), ORS 197.296(3)(b), and ORS 197.296(7). If housing develops at densities consistent with those in Exhibit 17 (5.05 dwelling units per gross acre), McMinnville's overall residential density will increase to 5.46 dwelling units per gross acre over the twenty-year planning period—an 11% increase in gross residential density.

After adoption of the HNA, the City expects to evaluate land use efficiency measures to further increase residential densities, consistent with ORS 197.296(6). After applying land use efficiency measures, if the City still has an identified deficit of land and must expand its UGB, it is highly probable that the density assumed for the UGB expansion will be higher than 5.46 dwelling units per gross acre.

FINDING – SATISFIED: The City's forecast of needed densities addresses the requirements of S 197.303(2), ORS 197.296(3)(b), and ORS 197.296(7).

Capacity Analysis

Prior sections of the findings document the City's compliance with ORS 197.296 and OAR 660-008 in developing the buildable lands inventory and future needed density. This section applies those densities to vacant and partially vacant unconstrained buildable land to forecast capacity of that land, per the requirements of ORS 197.296(5):

ORS 197.296(5)

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;*
- (B) Trends in density and average mix of housing types of urban residential development;*
- (C) Market factors that may substantially impact future urban residential development; and*

(D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

The capacity analysis in the HNA estimates the development potential of vacant and partially vacant residential land to accommodate new housing based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in the residential plan designations and residential zones. Buildable residential land includes land within the UGB intended for residential development, Exhibit 10. It excludes land brought into the UGB in 2020 for commercial, industrial, or public/semi-public uses that is currently in County zoning.
- **Water Zone 1 and Water Zone 2 land.** Land in Water Zone 1 is available to be serviced with water now. Based on discussions with McMinnville Water & Light, land in Water Zone 2 will likely not be serviced with water for approximately ten years.
- **Capacity in C-3.** Previous findings in McMinnville’s 2013 Economic Opportunities Analysis suggests a deficit of land in C-3 areas needed for commercial uses. For this reason, this analysis assumed no residential capacity on current C-3 areas after 2021. The average historic density calculations of 5.05 dwelling units per gross acre include the densities achieved in the C-3 zone, which could be achieved by rezoning county land to achieve average needed densities.
- **Residential demand in unincorporated areas with city residential plan designation and county rural zoning.** These lands are not available to develop at urban densities until they annex. For this reason, some of the analysis provides subtotals for city and county zoned lands separately in the calculations. This method allows ECONorthwest to calculate overall land needs (surpluses and deficits) under the assumption that these lands will be available once annexed over during the planning period.
- **Small lots in county rural residential zoning.** OAR 660-024-0067(6) allows McMinnville to assume reduced development capacity on lots smaller than two acres for land that was brought into the UGB 14 years after the land was added to the UGB. The analysis in Exhibit 19 provides more detail about these small lots.

Excluding the 54 acres of land in the tax lots smaller than two acres, McMinnville has 816 gross buildable acres in County zoning.

- **Needed densities.** The rationale and factual basis for the density assumptions is ORS 197.262(5), described in the previous section. In essence, the population is growing, and households are increasingly housing insecure due to rising housing costs and increased competition from wealthier households migrating into the jurisdiction. Since 2000, a majority of new housing developed in McMinnville has been single-family detached housing at prices that are unaffordable to many households in the region. In addition to these factors, as residents in McMinnville age, there will be more demand for smaller units. McMinnville will need a larger share of single-family attached and multifamily housing than the community had in the past, which will result in higher densities. The needed densities are those shown in Exhibit 17 and include a 3% increase over historic densities to account for complying with HB 2001 (2019).

Exhibit 18. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1 and 2) with Baseline Capacity, McMinnville UGB, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (5.05 du/gross acre). Note 3: As stated above, no capacity was allocated to the C-3 zone.

*The 54 acres of land for the small lots in rural zoning with reduced capacity was removed from the acres of land for “All other land in County zoning”

Zoning Districts	Total Unconstrained Buildable Acres (Water Zone 1 & 2)	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
R-1 Single Family Residential	108	3.19	345
R-2 Single Family Residential	113	4.43	499
R-3 Two Family Residential	11	4.94	53
R-4 Multiple-Family Residential	34	6.28	212
O-R Office/Residential	3	6.49	16
C-3 General Commercial	47	22.56	-
County Zoning			
Small lots in rural residential zoning with reduced capacity*			72
All other land in County zoning	394	5.05	1,986
TOTAL	708	4.49	3,183

Exhibit 18 shows that McMinnville has 708 acres of unconstrained buildable lands (excluding the 54 acres in small lots in rural zoning in Exhibit 19), (approx. 662 acres in residential zones are assigned residential capacity), with capacity for 3,183 dwelling units using densities in Exhibit 17 by zoning district.

Exhibit 19 shows capacity of small tax lots in selected unincorporated areas. OAR 660-024-0067(6) allows McMinnville to assume reduced development capacity on lots smaller than two acres for land that was brought into the UGB 14 years after the land was added to the UGB. The three areas shown in Exhibit 19 are Fox Ridge Road, Redmond Hill Road, and Riverside South and where brought into the UGB in 2003, about 18 years before 2021.

These three areas include 47 tax lots with 54 acres. Consistent with OAR 660-024-0067(6), Exhibit 19 estimates 1 dwelling unit of capacity for tax lots 1 acre and smaller and 2 dwelling units of capacity for tax lots between 1 and 2 acres in size. acre

Exhibit 19. Capacity of Small Tax Lots in Selected Unincorporated Areas, McMinnville UGB, 2021

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit.

Area	Tax lots less than 1 acre			Tax lots between 1 and 2 acres			Total Capacity (DU)
	Total Tax Lots	Capacity per tax lot (DU)	Capacity of Tax lots	Total Tax Lots	Capacity per tax lot (DU)	Capacity of Tax lots	
Fox Ridge Road	5	1.0	5	6	2.0	12	17
Redmond Hill Road	1	1.0	1	-	2.0	-	1
Riverside South	16	1.0	16	19	2.0	38	54
Total	22		22	25		50	72

FINDING – SATISFIED: The City’s capacity analysis addresses the requirements of ORS 197.296(3) and ORS 197.296(5).

Residential Land Need

The HNA concludes that McMinnville has a deficit of capacity for 1,101 dwelling units for the 2021-2041 period, resulting in a land deficit of 218 gross acres (at a density of 5.05 du/gross acre) or 202 gross acres (at a density of 5.46 du/gross acre).

Exhibit 20. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, McMinnville UGB, for the periods through 2026, 2031, 2041, and 2067

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note 2: The 3,183 DU capacity total includes 1,125 DUs in City Limits and 2,058 DUs in the county.

	Planning Period			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
2021 Capacity (DUs)				
Water Zone 1	2,608	2,608	2,608	2,608
Water Zone 2	NA	NA	575	575
Total	2,608	2,608	3,183	3,183
Post-2021 Demand (DUs on buildable land)	1,045	2,121	4,284	10,107
Surplus/Deficit at Horizon Year (Dus)	1,563	487	(1,101)	(6,924)
Capacity Based on Land in Water Zone:	1	1	1&2	1&2
Surplus/Deficit @ 5.05 du/ac (hist +3%), gross acres	310	97	(218)	(1,372)
Surplus/Deficit @ 5.46 du/ac (need + 3%), gross acres	286	89	(202)	(1,268)
Difference, gross acres	23	7	(16)	(104)

Oregon Land Use Goal #11 (Public Facilities and Services)

Goal 11 requires cities to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Housing and employment growth are reliant on utilities and infrastructure to adequately serve residents within the community.

- **Wastewater.** The City’s current Wastewater Facilities Master Plan was completed in 2009. The City started updating its Wastewater Facilities Master Plan in September 2022 and expects to complete the update by the end of 2024. The update of the Wastewater Facilities Master Plan will account for service needs to accommodate land brought into the UGB in 2020.
- **Stormwater.** The City’s Stormwater Drainage Master Plan was completed in 2009 as a draft plan but never adopted. The City started updating the draft Stormwater Drainage Master Plan May 2023 and expects to adopt the plan by the end of 2025. The adopted Stormwater Drainage Master Plan will account for service needs to accommodate land brought into the UGB in 2020.
- **Water.** McMinnville Water and Light provides municipal water service (including water treatment) to the community of McMinnville. McMinnville Water and Light has water rights in the Yamhill and Nestucca River basins, with sufficient water rights to accommodate expected

growth through 2075. The Scott Water Treatment Plan was upgraded and expanded in 2010 and provides enough treatment capacity to accommodate growth through 2045. McMinnville Water and Light is updating the Water Master Plan to account for service needs to accommodate land brought into the UGB in 2020.

The HNA and EOA do not propose new Goal 11 programs. The development of additional housing and employment uses within McMinnville relies on adequate infrastructure. The City is working on updating and studying its existing and needed infrastructure to accommodate growth.

FINDING – SATISFIED. The City finds that Goal #11 is satisfied.

Oregon Land Use Goal #12 (Transportation)

Goal 12 encourages the provision of a safe, convenient and economic transportation system. This goal also implements provisions of other statewide planning goals related to transportation planning in order to plan and develop transportation facilities and services in coordination with urban and rural development (OAR 660-012-0000(1)).

McMinnville updated its Transportation System Plan in 2010. The plan assumes need to serve 46,220 people and 19,600 employees. As part of its ongoing public facility master planning updates, the City of McMinnville will initiate an update to the Transportation System Plan in 2024, with a goal to adopt an updated plan by the end of 2026 to account for service needs to accommodate land brought into the UGB in 2020.

FINDING – SATISFIED. The City finds that since the adoption of the HNA and EOA are not comprehensive plan map or zoning map updates, Goal #12 is satisfied.

Oregon Land Use Goal #13 (Energy Conservation)

Goal 13 requires land and uses developed on the land to be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. Energy consequences will be further evaluated after the City has adopted land use efficiency measures to accommodate unmet residential, commercial, and industrial land needs, if the City requires a UGB expansion. For the HNA and EOA, Goal 13 does not apply.

FINDING – NOT APPLICABLE.

Oregon Land Use Goal #14 (Urbanization)

Goal 14 requires the orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Housing and employment growth are directly related to land need in the McMinnville UGB and coincides with the transition of rural lands to urban lands. The City's 2020 expansion of its UGB, which added lands for residential, commercial, industrial, and public land to the UGB, is accounted for in the HNA and EOA. The buildable lands inventories of both studies include land newly added to the UGB.

The HNA identified a deficit of 202 acres to accommodate housing growth over the 2021-2041 period.

The EOA identified a deficit of 29 acres of industrial land and 159 acres of commercial land to accommodate housing growth over the 2021-2041 period. The Public and Institutional Land analysis identified a surplus of 44 acres deficit of 94 acres of land for public or institutional land over the 2021-2041 period.

McMinnville has proposed to adopt its HNA and EOA prior to identifying land use efficiency measures or a UGB expansion to meet its land needs, based on ORS 197.626(3) and per Resolution NO. 2023-63, is submitting a Notice of Execution and Work Plan to the Department of Land Conservation and Development.

FINDING – SATISFIED: The City finds the requirements of Goal 14 satisfied.

McMinnville Comprehensive Plan

As described in the Comprehensive Plan, the Goals and Policies of the Comprehensive Plan serve as criteria for land use decisions. The following Goals and Policies from Volume II of the McMinnville Comprehensive Plan are applicable to this request:

CHAPTER II. NATURAL RESOURCES

GOAL II 1 TO PRESERVE THE QUALITY OF THE AIR, WATER, AND LAND RESOURCES WITHIN THE PLANNING AREA.

2.00. The City of McMinnville shall continue to enforce appropriate development controls on lands with identified building constraints, including, but not limited to, excessive slope, limiting soil characteristics, and natural hazards.

9.00 The City of McMinnville shall continue to designate appropriate lands within its corporate limits as "floodplain" to prevent flood induced property damages and to retain and protect natural drainage ways from encroachment by inappropriate uses.

FINDING: SATISFIED. Goal II 1 and policies 2.00 and 9.00 are satisfied by this proposal because the buildable lands inventory removed those lands in the floodplain and with excessive slopes, limiting soil characteristics and natural hazards.

CHAPTER III. CULTURAL, HISTORICAL AND EDUCATIONAL RESOURCES

GOAL III 7 TO PROVIDE FOR THE EDUCATIONAL NEEDS OF MCMINNVILLE THROUGH THE PROPER PLANNING, LOCATION, AND ACQUISITION OF SCHOOL SITES AND FACILITIES.

18.00 The City of McMinnville shall cooperate with the McMinnville School District in the planning for future schools.

FINDING: SATISFIED. Goal III 7 and policy 18.00 is satisfied by this proposal since the future land needs of the school district was incorporated into the EOA as part of Appendix E, Public and Institutional Land.

CHAPTER IV. ECONOMY OF MCMINNVILLE

GOAL IV 1: TO ENCOURAGE THE CONTINUED GROWTH AND DIVERSIFICATION OF MCMINNVILLE'S ECONOMY IN ORDER TO ENHANCE THE GENERAL WELL-BEING OF THE COMMUNITY AND PROVIDE EMPLOYMENT OPPORTUNITIES FOR ITS CITIZENS.

GOAL IV 2: TO ENCOURAGE THE CONTINUED GROWTH OF MCMINNVILLE AS THE COMMERCIAL CENTER OF YAMHILL COUNTY IN ORDER TO PROVIDE EMPLOYMENT OPPORTUNITIES, GOODS, AND SERVICES FOR THE CITY AND COUNTY RESIDENTS.:

21.00 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the City. Such uses shall locate according to the goals and policies in the comprehensive plan.

21.01 The City shall periodically update its economic opportunities analysis to ensure that it has within its urban growth boundary (UGB) a 20-year supply of lands designated for commercial and industrial uses. The City shall provide an adequate number of suitable, serviceable sites in appropriate locations within its UGB. If it should find that it does not have an adequate supply of lands designated for commercial or industrial use it shall take corrective actions which may include, but are not limited to, redesignation of lands for such purposes, or amending the UGB to include lands appropriate for industrial or commercial use. (Ord.4796, October 14, 2003)

21.02 The City shall encourage and support the start up, expansion or relocation of high-wage businesses to McMinnville.

- 1. The City shall coordinate economic efforts with the Greater McMinnville Area Chamber of Commerce, McMinnville Industrial Promotions, McMinnville Downtown Association, Yamhill County, Oregon Economic and Community Development Department, and other appropriate groups.*
- 2. Economic development efforts shall identify specific high-wage target industries and ensure that adequately sized, serviced, and located sites exist within the McMinnville urban area for such industries. (Ord.4796, October 14, 2003)*

21.05 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the city. Such uses shall locate according to the goals and policies in the comprehensive plan. (Ord.4796, October 14, 2003)

FINDING: SATISFIED. Goal IV, 1 and 2, and policies 21.00, 21.01, 21.02, and 21.05 are satisfied by the adoption of the EOA to ensure adequate land supply and sites to support the community's economic development efforts. Policy 21.05 is satisfied through the retail leakage analysis and incorporation of the acreage needed to reduce the retail leakage in the commercial land need analysis.

GOAL IV 3: TO ENSURE COMMERCIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USE THROUGH UTILIZATION OF EXISTING COMMERCIALLY DESIGNATED LANDS, THROUGH APPROPRIATELY LOCATING FUTURE NEIGHBORHOOD-SERVING AND OTHER COMMERCIAL LANDS, AND DISCOURAGING STRIP DEVELOPMENT.

23.00 Areas which could in the future serve as commercial sites shall be protected from encroachment by incompatible uses.

24.50 The location, type, and amount of commercial activity within the urban growth boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord.4796, October 14, 2003)

FINDING: SATISFIED. Goal IV 3, and policies 23.00 and 24.50 are satisfied by the policy decision to not assign housing to the commercially zoned sites in the buildable lands inventory in order to protect commercial sites from encroachment by incompatible uses, and that the location, type, and amount of commercial activity within the UGB shall be based on the Economic Opportunity Analysis.

GOAL IV 5: *TO CONTINUE THE GROWTH AND DIVERSIFICATION OF McMINNVILLE'S INDUSTRIAL BASE THROUGH THE PROVISION OF AN ADEQUATE AMOUNT OF PROPERLY DESIGNATED LANDS.*

GOAL IV 6: *TO INSURE INDUSTRIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USES, THAT IS APPROPRIATELY LOCATED IN RELATION TO SURROUNDING LAND USES, AND THAT MEETS NECESSARY ENVIRONMENTAL STANDARDS.*

49.01 The City shall designate an adequate supply of suitable sites to meet identified needs for a variety of different parcel sizes at locations which have direct access to an arterial or collector street without having to pass through residential neighborhoods. (Ord. 4961, January 8, 2013)

49.02 The location, type, and amount of industrial activity within the Urban Growth Boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord. 4961, January 8, 2013)

FINDING: SATISFIED. Goal IV 4 and 5, and policies 49.01 and 49.02 are satisfied by the adoption of the EOA.

CHAPTER V. HOUSING AND RESIDENTIAL DEVELOPMENT

GOAL V 1 TO PROMOTE DEVELOPMENT OF AFFORDABLE, QUALITY HOUSING FOR ALL CITY RESIDENTS.

General Housing Policies:

58.00 City land development ordinances shall provide opportunities for development of a variety of housing types and densities.

59.00 Opportunities for multiple-family and mobile home developments shall be provided in McMinnville to encourage lower-cost renter and owner-occupied housing. Such housing shall be located and developed according to the residential policies in this plan and the land development regulations of the City.

60.00 Attached single-family dwellings and common property ownership arrangements (condominiums) shall be allowed in McMinnville to encourage land-intensive, cost-effective, owner-occupied dwellings.

FINDING: SATISFIED. Goal V 1 and the policies 58.00, 59.00 and 60.00 are satisfied with the intention identified in the Housing Needs Analysis to increase the proportional amount of single-family attached housing in the HNA, as well as the proportional increase of multi-family housing in the HNA.

CHAPTER VII. COMMUNITY FACILITIES AND SERVICES

GOAL VII 3: TO PROVIDE PARKS AND RECREATION FACILITIES, OPEN SPACES, AND SCENIC AREAS FOR THE USE AND ENJOYMENT OF ALL CITIZENS OF THE COMMUNITY.

170.05 For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used. (Ord. 4796, October 14, 2003)

FINDING: SATISFIED. Goal VII 3 and policy 170.05 is satisfied since the City of McMinnville's Parks, Recreation and Open Space Master Plan was utilized to project future park and open space needs.

CHAPTER X. CITIZEN INVOLVEMENT AND PLAN AMENDMENT

GOAL X 1 TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.

FINDING: SATISFIED. The following activities were provided for citizen involvement. The public was provided the opportunity to be involved in the decision-making process for the Housing Needs Analysis report development in the following ways:

- ❖ Project Advisory Committee Meetings
 - July 17, 2018
 - November 14, 2018
 - December 18, 2018
 - January 16, 2019
 - March 7, 2019
 - May 21, 2019
 - June 13, 2019
 - May 8, 2023
 - June 22, 2023
- ❖ Focus Groups
 - January 22, 2019
- ❖ Public Open House:
 - February 5, 2019
- ❖ Work Sessions:
 - January 16, 2019, City Council Joint Work Session with Project Advisory Committee
 - August 21, 2019, Joint Work Session, City Council and Board of Yamhill County Commissioners
 - July 11, 2023, City Council Work Session
 - August 3, 2023, Planning Commission Work Session

- ❖ Public Hearings:
 - Planning Commission, May 20, 2021 (Noticed and continued to May 18, 2023)
 - Planning Commission, May 18, 2023 (Noticed and continued to September 7, 2023)
 - Planning Commission, September 7, 2023 (Heard public testimony and continued to September 21, 2023)
 - Planning Commission, September 21, 2023 (Heard public testimony)
- ❖ City Council Meetings
 - October 10, 2023
 - November 28, 2023
 - December 12, 2023

The public was provided the opportunity to be involved in the decision-making process for the Economic Opportunities Analysis report development in the following ways:

- ❖ Project Advisory Committee Meetings
 - July 16, 2019
 - September 5, 2019
 - October 10, 2019
 - November 13, 2019
 - January 21, 2020
 - February 27, 2020
 - March 19, 2020
 - May 11, 2020
 - May 8, 2023
 - June 22, 2023
- ❖ Work Sessions:
 - August 21, 2019, Joint Work Session, City Council and Board of Yamhill County Commissioners
 - July 11, 2023, City Council Work Session
 - August 3, 2023, Planning Commission Work Session
- ❖ Public Hearings:
 - Planning Commission, May 20, 2021 (Noticed and continued to May 18, 2023)
 - Planning Commission, May 18, 2023 (Noticed and continued to September 7, 2023)
 - Planning Commission, September 7, 2023 (Heard public testimony and continued to September 21, 2023)
 - Planning Commission, September 21, 2023 (Heard public testimony)
- ❖ City Council Meetings
 - October 10, 2023
 - November 28, 2023
 - December 12, 2023
 - February 27, 2024
 - **September 24, 2024**