

**McMinnville Urban Renewal Advisory Committee
Wednesday, July 10, 2024 - 4:00 – 5:00 PM**

HYBRID Meeting

IN PERSON – 231 NE Fifth Street or ZOOM Online Meeting

Please note that this is a hybrid meeting that you can join in person at 231 NE Fifth Street or online via Zoom

Join Zoom Meeting

<https://mcminnvilleoregon.zoom.us/j/86095700318?pwd=dzRXOVVKbIVGWVllaFdyb2IRMzRFQT09>

Zoom Meeting ID 860 9570 0318

Zoom Meeting Passcode: 914816

Committee Members	Agenda Items
Kelly McDonald, Chair	1. Call to Order
Mike Morris, Vice Chair	2. Citizen Comments
Alan Fox	3. Private / Public Partnership – Land Disposition
Walt Gowell	○ NW Rubber Site – RFQ Review (<i>Exhibit 1</i>)
James Howe	○ Tax Lot R 4416DC07200 – Discussion (<i>Exhibit 2</i>)
Peter Kircher	4. Committee Member Comments
Abigail Neilan	5. Staff Comments
Lisa Pool	<i>Vacant MURAC position – business or property owner in the urban renewal district. Applications accepted until close of business on July 19, 2024.</i>
Vacant	
John Dietz, MW&L, Ex-Officio	6. Adjournment
Zack Geary, City Council Ex-Officio	
Doris Towery, MDA Ex-Officio	

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 24 hours in advance by contacting the City Manager (503) 434-7405 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

*Please note that these documents are also on the City’s website, www.mcminnvilleoregon.gov. You may also request a copy from the Planning Department.



EXHIBIT 1 – STAFF REPORT

DATE: July 10, 2024
TO: McMinnville Urban Renewal Advisory Committee Members
FROM: Heather Richards, Community Development Director
SUBJECT: Northwest Rubber RFQ Review

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

OBJECTIVE/S: Define the unique character through a community process that articulates our core principles

Report in Brief:

Attached is a final draft Request for Qualifications for MURAC’s review and comments.

REQUEST FOR QUALIFICATIONS FOR DEVELOPERS

Northwest Rubber Site, McMinnville Oregon

Leveraging publicly owned property for a public/private development partnership that sets the stage for the next chapter of McMinnville's NE Gateway District, by respecting the past, honoring the present and building for the future in an equitable and just manner.



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Executive Summary

The City of McMinnville is seeking a developer or developers to redevelop the NW Rubber Site, a city-owned former industrial parcel in the NE Gateway District, into a mixed-use development of housing and commercial spaces that serve the community. The development should include housing for all types of household incomes, commercial opportunities that serve the district and community, open spaces, and gathering places, creating a sense of belonging for the McMinnville community at large.



This project is a key opportunity in the NE Gateway District, the city's historic industrial area. This district was the subject of a master planning effort in 2013 which has resulted in new redevelopment in the area including the signature Granary District adjacent to the site, as well as pedestrian and festival-street improvements along Alpine Ave. On the NW Rubber Site, the City is seeking a project comprised of at least two distinct buildings that enhance the well being of the surrounding neighborhood.

Required elements:

- A **variety of housing types and price points**, including market-rate housing, potentially luxury housing and housing serving households with income restrictions.
- **Commercial spaces** that activate the site and complement the existing commercial activity in the district.
- **Parks, plazas, and open spaces** that encourage relaxation, play or outdoor living to address need for open space in the district, enhancing the wellbeing of the neighborhood.
- **Parking** adequate to serve the development without negatively impacting the rest of the district.

Optional elements:

- **Hospitality uses** that support the region's wine and tourism economy and nearby Northeast Gateway businesses.
- Utilization of **existing site components** that add diversity to the built environment, such as the existing loading dock.

Key objectives for the site include:

- Development serving as a **catalytic project** for the district and the City.
- Creating a place that is **welcoming to the entire community**.

- Incorporating the City's **core values of courage, equity, stewardship, and courage** in both the development team and the project.
- Demonstrating **design excellence**.
- Implementing **anti-displacement** measures.
- Incorporating **representational community engagement** into the design and development process.

The City will utilize a **two-stage RFQ (Request for Qualifications) process**, choosing a short list of developers from this RFQ and then inviting that short list of developers to create a conceptual project proposal for the site, incorporating feedback from the community via a design charrette process facilitated by the city. The final developer will be chosen by a selection committee from the evaluation of project proposals, using a scoring system based on a variety of criteria, including the developer's vision for the site, demonstrated experience in mixed-use development and public-private partnerships, skills in inclusive community engagement, and a demonstrated history of design excellence. The City will then engage in the negotiation of a development agreement with that development team, refining the project proposal accordingly.

Submissions should be in PDF format by email or on a physical flash drive and are due no later than **4:00 PM on August 30, 2024**. An optional pre-submittal orientation and tour will be held on August 6, 2024. Final selection of the short list of developers is anticipated in late September, 2024. Project proposals from the short list of developers will be due in late January, 2025, with a final developer selected in late February, 2025.

Full background on the site, the City of McMinnville, vision and objectives, community engagement, incentives, and submission requirements for both phases of the RFQ can be found below.

Why McMinnville?



**“McMinnville is old enough to be substantial,
Young enough to be ambitious,
Big enough to be industrious, and
Small enough to be friendly.”**

Nestled in the Oregon’s Willamette Valley wine country, on the native Kalapuya lands, you’ll find McMinnville, Oregon: a warm, inviting, and genuinely friendly town. McMinnville is just an hour’s drive from Portland and the beautiful Pacific coast, It’s 30 minutes to the state capitol and in an hour and a half you can be on top of Mt. Hood.

McMinnville is the seat of Yamhill County, officially incorporated in 1882. Now it is Oregon’s 18th largest City with nearly 35,000 residents. Although McMinnville is considered one of the larger cities in Oregon, it operates from a position of small-town charm, with a focus on community, belonging, and authenticity. The City is a hub for those who appreciate the laid-back style of a small town with access to world-class food, wine, and events, while being surrounded by beautiful rolling hills that change color with the seasons.

McMinnville is at the heart of Oregon’s famous wine-growing region; over 220 area wineries and vineyards have their doors open for touring and tasting. Because of its ideal climate and volcanic soil left behind from ancient Cascade mountain lava flows, the valley produces flavorsome red, white, rose, and sparkling wines. Restaurants include multiple James Beard award-winning and nominated establishments, many supplied by surrounding farms. Small town eateries and neighborhood cafés are still popular and thriving and there are many delicious taco stands all around town.

The mild year-round climate allows for plenty of outdoor activities from road cycling, hiking, and picnics in one of the many City and County parks to outdoor marketplaces, public art tours, historic sightseeing, and many outdoor festivals.

The historic downtown area is fondly referred to as the living room of the community and is “Oregon’s favorite main street,” according to numerous publications. Downtown

McMinnville is a stroll-worthy stop with its tree-lined streets anchored by quaint boutiques, cool coffeehouses, and kitschy antiquaries punctuated with wine tasting rooms, craft breweries and bars, and a tasty mix of award-winning restaurants. Voted among the best main streets in America in 2014 and 2023, the downtown core hosts a variety of events and community celebrations including the annual UFO Festival, weekly farmer’s markets, and outdoor dining and shopping throughout the summer.

NORTHEAST GATEWAY DISTRICT



The NE Gateway District is an emerging neighborhood immediately adjacent to McMinnville’s downtown. With the adoption of a Downtown/NE Gateway Urban Renewal District and Plan in 2013, the City has been investing in the necessary public improvements to transform the NE Gateway District from a historic industrial area into a thriving mixed-use neighborhood with emerging commercial entrepreneurs, office development and market places. The City recently spent over \$5,000,000 on a streetscape improvement project to Alpine Avenue to create a pedestrian-focused festival street that supports the district vision. Recent improvements along 5th street have created an accessible and walkable quarter-mile corridor linking the NE Gateway District and McMinnville’s Main Street.

This transformation, as well as the redevelopment of the Granary District, which abuts one end of Alpine Avenue, have started to catalyze further district redevelopment projects. Some examples include Mac Market, multiple Breweries and wineries, Pebble Dentistry, and lodging options including the Boutique Retreat.

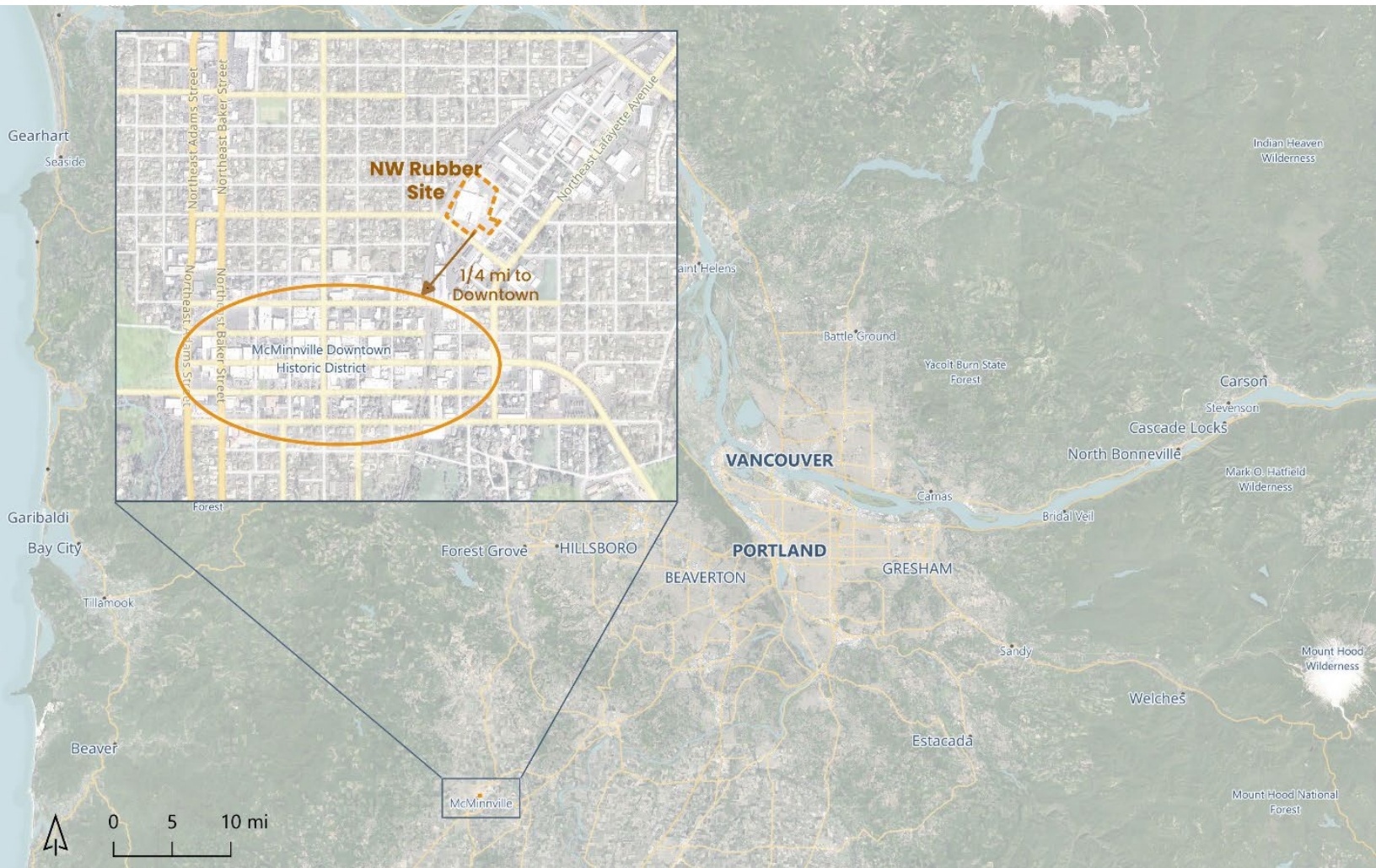
KEY MCMINNVILLE FACTS AND FIGURES:

- **2023 Population:** 34,612
- **Median Age:** 40.1
- **Median Household Income:** \$65,318
- **Labor Force:** 17,205 locally, 1M within a 45-minute drive
- **Top Employers:**
 - McMinnville School District
 - Linfield University
 - Cascade Steel
 - Willamette Valley Medical Center
 - Parker Meggitt WalMart
 - City of McMinnville
 - World Class Technology
 - Oregon Mutual Insurance
- **Transportation:**
 - *Driving times:* 35 min. to Interstate 5; 1 hr to Portland; 30 min. to Salem, the state capitol
 - *Air Travel:*
 - Portland International Airport; 57 miles (1 hr 15 min)
 - Salem Airport; 30 miles, regular flights to west coast locations
 - McMinnville Municipal Airport: 3rd busiest regional general aviation airport in Oregon serving corporate jet aircraft, a flight school, and municipal hangars
 - *Rail:* freight service five days per week; Genesee & Wyoming Rail Services; Portland & Western Railroad
- **Water & Electric:** Oregon's oldest utility, McMinnville Water and Light offers some of the lowest combined utility rates in the state. The municipally owned utility is a division of the City of McMinnville with available water, electric and some fiber options.



Northwest Rubber Site: The Opportunity

SITE LOCATION



SITE OVERVIEW

The NW Rubber Site is 3.6 acres, comprised of two parcels with frontage and access to Alpine Avenue to the east, (the primary, backbone street for the NE Gateway District), NE 8th Street to the south which serves as a connector to surrounding neighborhoods, and NE 10th Avenue to the north.

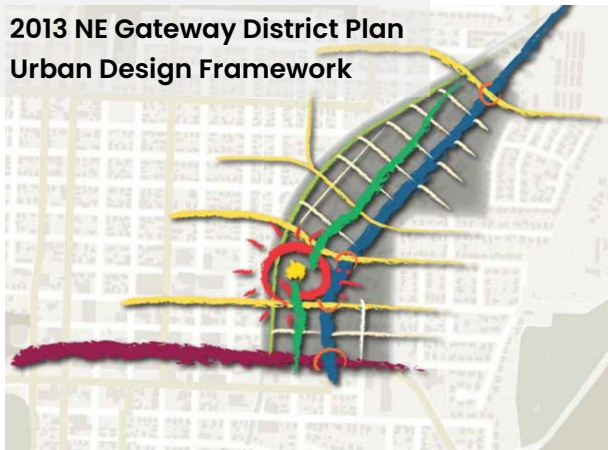
Served with both wet (wastewater, water, and gas) and dry (communication and power) utilities, the site is located adjacent to the successful Grain Station commercial district, just north of McMinnville’s award winning Main Street, and adjacent to one of McMinnville’s historic residential neighborhoods.

Grain Station Commercial Rehabilitation – Immediately to the south of the subject site



The NW Rubber site was one of the first industrial developments in the area, originally containing a milk dispensary when built in 1908. It operated as a condensed milk facility until the 1950s, when it was operated as a lumber yard. In 1985 it was acquired by RB Rubber, which used the facility to make recycled rubber mat products. In 2023, the plant closed and the site was purchased by the City of McMinnville for \$4.25 million.

**2013 NE Gateway District Plan
Urban Design Framework**



The NW Rubber site is a key site in the NE Gateway District, McMinnville’s historic industrial area which was formed during the late 1800s around the railroad, county courthouse, and the city’s historic downtown along Third Street a quarter mile away. This area was the subject of a major planning effort in 2013, which was spearheaded by the Grain Station commercial rehabilitation project shown above. The map on the left shows the NW Rubber Site envisioned as an activator for the district as a whole in the 2013 plan.

Since purchasing the site, the City engaged a Phase I and Phase II environmental analysis and is working on a contaminated media management plan for the small traces of contamination found below the surface level. The existing 50,000 sf warehouse was stripped of all of its equipment, and is currently vacant with just power, fire suppression and security systems for public safety. The 4,000 sf office building is currently occupied by a month-to-month tenant. The City also conducted a Hazard Buildings Materials Survey (HBMS) in 2023, and no hazardous materials were detected on either of the structures.

The site has a railroad spur and loading docks as well. The City adopted a zoning overlay for the NE Gateway District in 2013, and residential, commercial and light industrial uses are all allowed on the site.

Site Details	
Address / Parcels	904 NE 10 th St., McMinnville, OR, 97128 (R4421BA 03800) 836 NE Alpine Ave., McMinnville, OR 97128 (R4421BA 03850)
Size	3.6 acres
Current Owner	City of McMinnville, fee simple
Current Use	Vacant Industrial
Existing Improvements	50,465 sf vacant manufacturing facility with machinery removed 4,500 sf office building
Zoning	<p><u>NE Gateway Planned Development Overlay Zone 2</u></p> <ul style="list-style-type: none"> • <i>Allowed uses:</i> multifamily residential, food and beverage manufacturing or service, lodging, office, retail, light industrial, live/work space with or without retail • <i>Development Standards:</i> 80 foot height, 0-10 foot setbacks, active street frontage requirements, design standards in NE Gateway Plan • <i>Maximum Density:</i> Governed by development standards and parking. • <i>Parking:</i> None required for non-residential uses of 3,000 square feet or less. Otherwise, one space per 100-500 square feet of non-residential use required depending on use. 1.5 spaces per multifamily unit of less than three bedrooms, two spaces per multifamily bedroom of three or more bedrooms. 0.5 spaces for multifamily serving household incomes of 80% AML or less. Shared parking is encouraged and waivers or reductions are available.
Access	Access to Alpine Ave at NE 9 th Ave via the smaller parcel and access to the NE and NW side of the larger parcel are available via NE 10 th Ave and 8 th Street.

Existing Utilities

Stormwater	Served by catch basins on the property which discharges to the City sewer system.
Sewer	Served by City sewer. Sewer structural rating on pipes adjacent to site is rated "Good"
Water	Served by McMinnville Water & Light water mains. Significant water improvements have been made since 2019 in the area.
Electricity	Served by McMinnville Water & Light supply.

Physical Attributes

Topography	Flat, not in a landslide or steep slope area
Flood Plain Status	Not in a mapped flood area
Environmental Assessments	<p>Phase I environmental assessment found</p> <ul style="list-style-type: none"> • The potential release of hazardous substances or petroleum products in connection with the long-term industrial use of the Subject Property; • The potential migration of hazardous substances or petroleum products to the Subject Property from adjacent industrial use facilities; and • The potential release of petroleum products from a historical UST located on the northeastern portion of the Subject Property. <p>Phase II environmental assessment comprised a survey to locate a buried storage tank, nine borings, collection of soil and groundwater, and an analyses of these samples, and found:</p> <ul style="list-style-type: none"> • Hazardous substances identified in soil and reconnaissance groundwater at concentrations exceeding applicable regulatory screening levels were limited in extent, i.e., large-scale source areas were not apparent, and results suggest small, localized releases associated with the long-term industrial use of the Subject Property. • Farallon’s limited geophysical survey did not identify the former Underground Storage Tank (UST) or evidence of a UST cavity. However, equipment and materials were staged on the ground surface covering a significant portion of the northeastern corner of the Subject Property. Therefore, the former UST may still be present and potentially encountered during future redevelopment activities.

Development Vision and Objectives

This section describes the City's vision, desired uses, objectives, and process for development of the NW Rubber Site. The selection of the City's development partner will be driven by the developer's alignment with the vision and uses discussed below.

VISION

The City of McMinnville is seeking to redevelop the NW Rubber site into a mixed-use development including a variety of housing types and commercial spaces that can advance the housing needs of the community, provide commercial opportunities, open spaces and gathering places, and create a sense of belonging for the McMinnville community at large. The development and development process should reflect the City's values of stewardship, equity, courage, and accountability.

The City is committed to inclusive ongoing public engagement as part of this development process. Best practices include, but are not limited to:

- Attending community, neighborhood, or committee meetings of groups which have vested interest or who will be impacted by the development.
- Neighborhood-specific outreach.
- Focus groups.
- Design charrettes.
- Inviting the community to participate in the evaluation of our methods.

DESIRED USES

The city is seeking a project on the NW Rubber site that integrates into the NE Gateway District and is comprised of at least two distinct buildings that create an urban framework that integrates with the surrounding neighborhood.

Required elements:

- A **variety of housing types and price points**, including market-rate housing, potentially luxury housing and housing serving households with income restrictions.

The City of McMinnville 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.

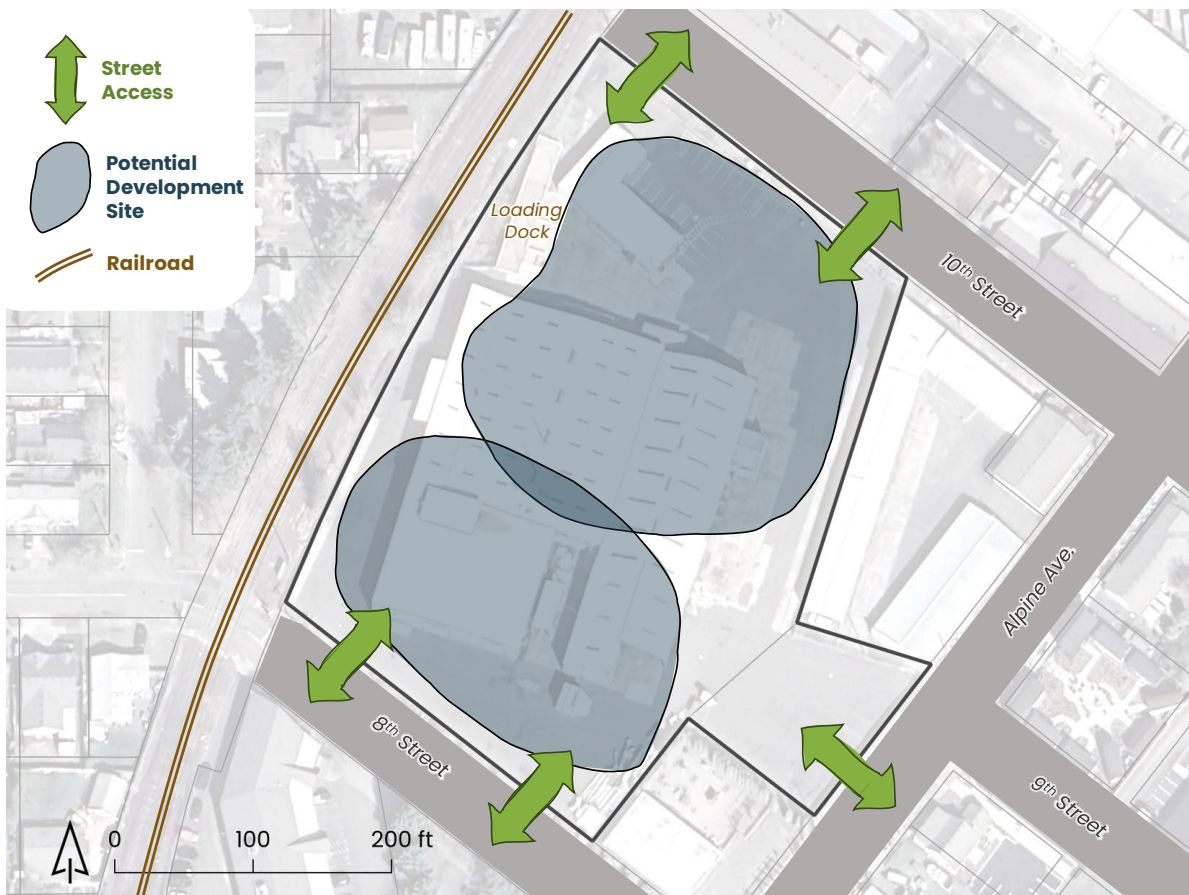
- **Commercial spaces** that activate the site and complement the existing commercial activity in the district.
- **Parks, plazas, and open spaces** that encourage relaxation, play or outdoor living to address need for open space in the district, enhancing the wellbeing of the neighborhood.
- **Parking** adequate to serve the development without negatively impacting the rest of the district.

Optional elements:

- **Hospitality uses** that support the region’s wine and tourism economy and nearby Northeast Gateway businesses.
- Utilization of **existing site components** that add diversity to the built environment, such as the existing loading dock.

The City is open to development proposals that partition the property to:

- Create accessible frontage along Alpine Ave, the newly improved festival street, for the development.
- Create two distinct parcels, as conceptually illustrated below.



OBJECTIVES

The city is seeking a development team that aligns with the city's values and desires to address community needs while constructing the anchor of the developing neighborhood. Key objectives include:

- Creating a place that is **welcoming to the entire community**.
- Incorporating the City's **core values of courage, equity, stewardship, and courage in both the development team and the project**.
- Demonstrating **design excellence**.
- Implementing **anti-displacement** measures.
- Incorporating **representational community engagement** into the design and development process.

Per the City's recently adopted Housing Needs Analysis, (November 2023), the City of McMinnville currently has a 1,000-unit housing deficit spanning across all income levels. About 41% of McMinnville's households are high income, 21% are middle income and 37% of households earn 80% Area Median Income or less. This analysis is included as an appendix to this RFQ.

A lack of luxury housing is limiting employers trying to attract financially successful professionals and experts in their industries. At the same time, the City recently learned that over 25% of renters are paying more than 50% of their income on housing demonstrating a need for lower and moderate-income housing.

The City recently adopted Great Neighborhood Principles that encourage housing developments with a mixture of housing products serving a variety of household incomes. It is the City's hope that this project can address some of the city's housing needs utilizing these principles.

The City's recently adopted Economic Opportunities Analysis also identified a deficit of commercial land need of over 100 acres. This analysis is also included as an appendix.

Community Engagement

The City seeks a design and development process that will engage the entire community in visioning how the development of the NW Rubber site can achieve the objectives noted above. The selected developer should **include a community engagement strategy** and be able to demonstrate a history of community engagement and participation that provided the opportunity for area residents to influence the design, artwork and ultimately the use of projects they developed.

The community engagement strategy included with the submittal should include the following elements:

- How you intentionally involved members of the community who were directly affected by development, business owners, and members of the community with disabilities.
- Strategies utilized for engaging community and cultural organizations.
- How you modified or enhanced your strategies based on primary community engagement to ensure a product which was designed in collaboration with the community.

In addition to this strategy, the City will be conducting a **design charrette during the second phase of the RFQ process**. After initial proposals are received and scored, a short list of two to three developers/developer teams will be invited to attend a workshop with community stakeholders facilitated by the city. The shortlisted teams will be expected to incorporate community feedback from this charrette into their proposed vision for the second phase of the RFQ. The two-stage process is detailed further below.

Development Incentives

The City recognizes that it may be challenging to accomplish all of its objectives for the NW Rubber site. As such, the City expects to explore various strategies through a public-private partnership that balance its goals with the market and financial realities of development. Possible strategies, tools, and tactics may include the following:

- Urban Renewal funding (TIF) for public improvements or development assistance.
- City support for reentitlement and zoning
- Affordable Housing Developer Incentives and Program derived from a newly implemented Affordable Housing Construction Excise Tax
- SDC waivers for qualified affordable housing units (defined locally as households earning 80% AMI or less)
- Reduced (50% reduction) permitting fees (planning, engineering and building) for qualified affordable housing projects (defined locally as households earning 80% AMI or less)
- Priority permitting for affordable housing projects
- Potential Federal or state funding for site remediation

Phase 1 Evaluation and Submission Process

EVALUATION CRITERIA

As discussed above in “Development Vision and Objectives,” the City’s vision for the site is for two or more buildings integrated with open space and circulation. The City is open to proposals from a single developer for the entire project or proposals for just a subset of the project as well as partnerships between multiple developers (e.g., to accommodate both market-rate and subsidized housing or to incorporate a specialty use such as a hotel).

The City will convene a selection committee with representatives of the neighborhood to review the submittals. Evaluation and selection will be made by scoring out of **100 points**, using the following criteria. The City of McMinnville welcomes creative approaches to demonstrating how the proposed team meets each criterion.

- **Vision (25 points)**
 - Vision for the site and consistency with the City’s and community’s vision.
 - A plan to incorporate design features that acknowledge and honor the history of the site and the neighborhood, including the Chinese immigrant, Indigenous, and industrial histories as well as current cultural and business makeup of the area.
- **Experience (40 points)**
 - Demonstrated experience in mixed-use development.
 - Experience with public-private partnerships.
 - Experience in conducting inclusive community engagement and a history of targeting a broad range of groups in prior projects.
 - A demonstrated history of design excellence.
 - Experience at the same scale of project as the proposed development.
- **Team (30 points)**
 - Firm and team background.
 - Quality of references.
 - Demonstration of inclusion.
- **Completeness of submittal document (5 points)**

SUBMISSION REQUIREMENTS

The following information is required for response to the RFQ:

1. A **letter of introduction** signed by the principals of respondent firms indicating:
 - (1) location of principal offices
 - (2) form of organization (corporation, partnership, LLC, etc.)
 - (3) years the firm(s) have been in business under their current name(s)

- (4) other names under which the firm(s) have operated
 - (5) primary contact information including name, mailing and e-mail addresses, and phone numbers for each team member
 - (6) and statement of willingness to negotiate a strategic relationship with the City of McMinnville.
2. **Resumes** of firm(s) principals and officers and consultant principals to be involved.
 3. **Firm profiles** for the developer and design team.
 4. **A statement of the respondent's vision for the NW Rubber site**, including whether they propose to develop the entire site or only a portion, the proposed housing and commercial uses and open spaces, including considerations for affordable housing.
 5. A statement of the developer's **approach to community engagement** through the development process and description of the proposed **community engagement strategy** which includes its role in design development.
 6. Listing and description of **relevant successfully completed mixed-use developments** that demonstrate quality of design, capacity for mixed-use projects, attention to detail, community engagement, or public-private partnering. Projects must have been completed or underway within the last 10 years.
 7. A minimum of **five (5) references** from public agencies or clients with whom the respondent has had relevant experience including contact names, email addresses, and telephone numbers.
 8. **Banking references and listing of equity partners**, if known, including contact name, email address, and telephone numbers. The City does not expect proposers to have financing committed at this point. It is merely seeking information that validates the proposer's past history of securing financing for similar projects and relationships with likely financing partners.

Submit a PDF document by e-mail or on a physical flash drive no later than **4:00 p.m. on August 30, 2024**. Late submittals will not be accepted. Please ensure ample time for email delivery and confirm receipt by phone.

The format of the submittals is flexible so long as all of the above requirements are addressed.

SUBMIT ALL MATERIALS TO:

Heather Richards

Community Development Director

McMinnville Community Development Center

231 NE 5th St

McMinnville, OR 97128

Heather.Richards@mcminnvilleoregon.gov

503-474-5107

PRE-SUBMITTAL MEETING

An optional pre-submittal orientation and tour will be held at the NW Rubber Site on **August 6, 2024**. The pre-submittal meeting will be an opportunity to learn about the project’s background and ask questions about the project and the RFQ process. A tour of the site will also be conducted. Pre-registration is encouraged but not required.

TEAM COMPOSITION

The developer may submit as an individual, a corporation, or a partnership. Team members may include:

- Development entity (lead team member);
- Architect;
- Civil engineer;
- General contractor;
- Marketing/sales support;
- Financial partner;
- Any other partner deemed appropriate.

PHASE 1 SCHEDULE

Upon receipt of qualification responses, the City will convene an evaluation committee to review the submittals. At a minimum, the selection committee will include the City’s mayor, city administrator, community development director, and other key staff, as well as representatives from the McMinnville Urban Renewal Agency. The committee may be expanded to include other key representatives from the City, elected body, businesses and residents. If time and distance allow, the City may also make site visits to projects referenced by the submitting teams. Selected teams may also be asked to attend an interview before the City and steering committee.

Milestone	Date
PHASE 1	
RFQ released	July 17, 2024
Optional pre-submittal conference and tour	August 6, 2024
RFQ response deadline	August 30, 2024
Selection of finalists	Week of September 9, 2024
Developer Interviews	Week of September 23, 2024
Selection of developers for Short List	Week of September 30, 2024

Phase 2 Evaluation and Submission Process

OVERVIEW

From the Phase 1 RFQ process detailed above, the City will invite a short list of developers (no more than three) to participate in a community engagement process and develop conceptual project proposals for evaluation. The engagement process will involve a design charrette with community stakeholders, who will help articulate key community needs and visions for the site. The shortlisted teams will be expected to incorporate the feedback from this charrette into their conceptual vision for the second phase of the RFQ.

SUBMITTAL REQUIREMENTS

The Phase 2 conceptual proposals shall include:

1. **Executive Summary** providing a narrative description of all key aspects of the proposal.
2. **Development Program** including a description of the conceptual vision and proposed anchor uses, preliminary estimates regarding the type and size of the final development, including approximate gross floor area, unit counts, or other metrics by parcel and by phase of development.
3. **Development Schedule** outlining key milestones of development. Potential milestones may include: site preparation, construction commencement, construction completion, marketing period, occupancy, and stabilization.
4. **Revised Community Engagement Plan** that builds upon the community engagement plan presented in Phase 1 and integrates community input from the design charrette outlining how the Developer Team will manage interactions with the public and stakeholder organizations in advancing the development process.
5. **Proposed Business Deal and Transaction Structure** that describes the developer's preliminary approach to key deal elements such as land acquisition, timing, phasing, public assistance, preliminary development budget, debt/equity financing structure, etc.
6. **Conceptual Design Documents** illustrating the developer's vision for the site and incorporating community input gathered during the design charrette. Specific requirements include:
 - Site plans and context maps.
 - Quantitative and narrative description of the proposed building program.
 - Massing concepts illustrating building heights, orientation, relationship to surroundings, major architectural features, and sustainable design.
 - Conceptual diagrams addressing access and circulation, open space, and programmatic elements.
 - Conceptual plans illustrating ground floor use, typical residential levels and any unique or intermediate levels including residential amenity space

- Narrative describing compliance with City development objectives

SCORING

The Phase 2 project proposals will be evaluated by the selection committee on the following components:

- **Project Concept (60 points)**
 - *Residential Unit Mix* – Submittals that provide a mixture of housing products serving a variety of income levels are preferred.
 - *Affordability* – Submittals that provide units affordable to lower and moderate income households are preferred. Lower and moderate income households are defined as households not exceeding 120% of Area Median Income, and 30% or less of monthly gross income is spent on housing (mortgage/rent plus taxes and utilities.)
 - *Commercial Unit Mix* – Submittals should provide a mixture of commercial and light industrial opportunities on site that provide employment and amenities to the district and community.
- **Responsiveness to Statement of Values (20 points)**
- **Diversity, Equity and Inclusion (20 points)**
 - Describe how initial community feedback influenced the project programming and design
 - Describe how the development will continue to engage the community and incorporate the feedback into their project up to and through the leasing phase. Describe the team’s experience implementing similar plans.

SCHEDULE

Milestone	Date
PHASE 2	
Community Engagement	October – December 2024
Proposals Due	Late January 2025
Proposal Selection	Late February 2025
Negotiation of MOU	March-April 2025
Negotiation of DDA	April 2025-early 2026
Groundbreaking	Spring 2026

DEVELOPER RESPONSIBILITIES

The following represents the City’s conceptual approach to public-private partnerships. Details will be negotiated through the development and disposition agreement process.

The selected developer will negotiate with the City to reach mutually agreeable terms for the sale and development of the subject property. It is envisioned that these terms will first be outlined in a memorandum of understanding (MOU) and then finalized in a development

and disposition agreement (DDA). An optional process could include the negotiation of an exclusive negotiation agreement (ENA) and ultimately a DDA with the McMinnville Urban Renewal Agency.

Responsibilities of the Development Team include, but are not limited to, the following:

- Producing detailed schedules for planning, design, financing, construction, and maintenance activities.
- Developing a plan that adheres to City development guidelines as outlined above.
- Managing community engagement throughout the redevelopment process and working with key stakeholders.
- Procuring all entitlements, regulatory approvals, building permits, environmental documentation, and any other required approvals and permits.
- Managing tenant or anchor attraction efforts.
- Devising a financing structure and securing required debt and equity for land development.
- Overseeing and financing all environmental remediation efforts.
- Constructing and financing all on-site and off-site infrastructure.
- Managing ongoing operations and maintenance of infrastructure and land within the Site.
- Complying with all City requirements for the use of financial assistance tools, if required.
- Initiating the first phase of the vertical development.

In exchange, the City will offer the following:

- Exclusive right to purchase land for private uses.
- Exclusive right to serve as a vertical developer, or to subdivide and transfer land to other qualified developers/developer partners.

The City's role in the Development process will include the following:

- Assisting with the necessary development review process and approvals.
- Providing appropriate negotiated concession for environmental remediation, infrastructure; and other public improvements.

PROPERTY TRANSFER

Disposition of property to the Developer will occur when there is evidence of an imminent development proposal and upon proven commitments that both horizontal infrastructure and vertical construction are financed, designed, and approved and will be completed to support the development. Property transfer will be structured as an outright sale.

Conveyance of land will be done on an “as-is” basis, without warranty by the City as to its physical condition. The Developer will be allowed access to the Site to conduct due diligence prior to the Redevelopment Agreement being executed.

The Developer is required to initiate construction of vertical development within 180 days from the execution of a Redevelopment Agreement. If the Developer is unable to initiate construction, it is the absolute and sole discretion of the City to terminate the Development Agreement and select a different Respondent who responded to the RFQ, reissue the RFQ, or take other measures as it deems appropriate.

Appendix – Background Documents

- NE Gateway District Plan plus Appendices
 - Memorandum #1, Existing Conditions Analysis, 2011
 - Memorandum #2, Market Study, 2011
- NE Gateway District Overlay Zone (Ordinance No. 4971) Environmental Phase I and Phase II Assessments
- Hazardous Building Materials Survey
- McMinnville Urbanization Study, November 2023
- McMinnville Housing Needs Analysis, November 2023
- McMinnville Economic Opportunities Analysis, November 2023
- McMinnville Conference Facility and Destination Analysis, 2018
- MICD Just City Fellowship Priority Project: Ultimate Rubber Redevelopment Slide Deck
- McMinnville Affordable Housing Commission Toolkit
- Contextualized Glossary
 - Affordable (state statute) include info on prevailing wage limitations related to affordable housing supply



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EXHIBIT 2 – STAFF REPORT

DATE: July 10, 2024
TO: McMinnville Urban Renewal Advisory Committee Members
FROM: Heather Richards, Community Development Director
SUBJECT: Tax Lot R4416DC07200

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

OBJECTIVE/S: Define the unique character through a community process that articulates our core principles

Report in Brief:

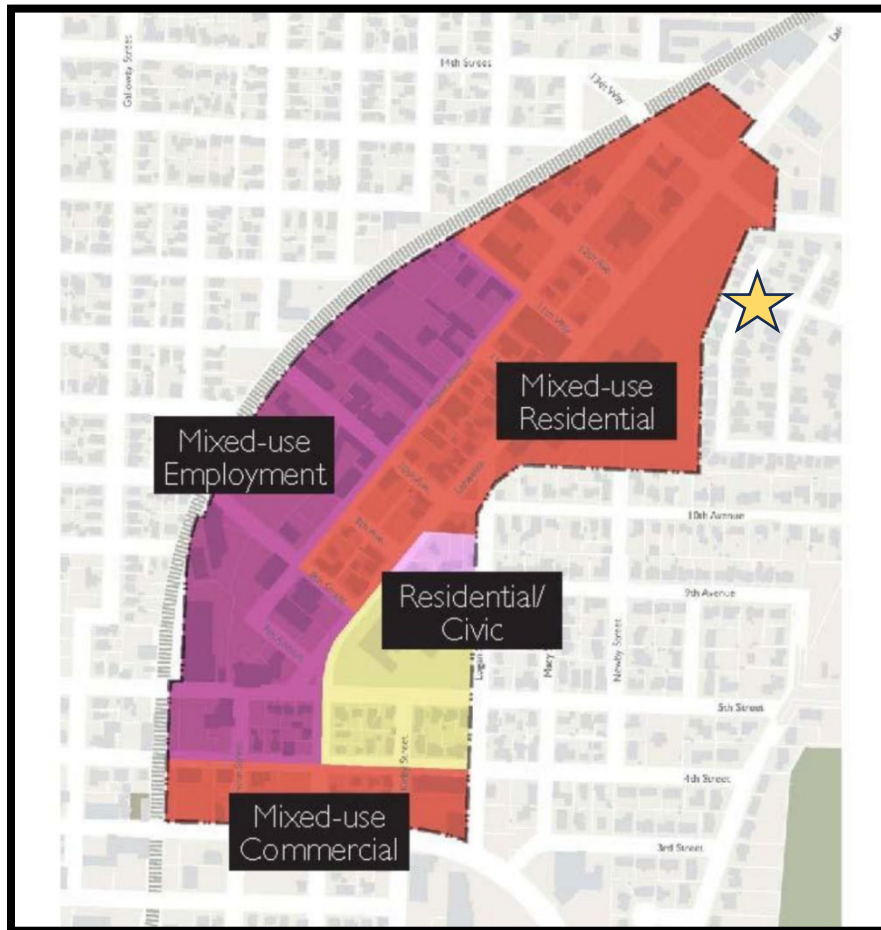
This is a discussion about a potential public/private partnership for Tax Lot R4416DC07200, a .55 acre parcel owned by the City of McMinnville in the NE corner of the intersection at Riverside Drive and Lafayette Avenue.



Background:

Tax Lot R4416DC07200 is owned by the City of McMinnville and was first identified as an opportunity site for future development in 2010 as part of the NE Gateway District planning process.

It is zoned General Commercial (C3), and is located in the NE Gateway District, Zone 3.



Zone 3 of the NE Gateway District is described as:

Zone 3 includes the remainder of the study area and is bordered by 14th Street to the north, the railroad track to the west, Logan Street and the properties fronting the eastern side of Lafayette Avenue to the east, and the portion of 4th Street (between Johnson and Logan Streets) to the south. Given the extent of existing development in this area, **Zone 3** is considered a transition area between Alpine Avenue and Zone 2 to the west, established industrial uses to the north, and residential neighborhoods to the east. The purpose of **Zone 3** is to allow for the development of a mixed-use, residential zone with a variety of housing types, neighborhood scale commercial uses, and an education component.

The following uses are allowed in Zone 3 of the NE Gateway District.

Use	Zone		Zone
	1	2	3
P - Permitted C -Conditionally Permitted			
Residential			
Single-Family	P ³	P ⁴	P -Only in R-2/R-4 zones
Social Relief Facility (up to 5 Individuals)	P	P	P
Two-Family	P	P	P ⁵
Multi-Family	P	P	P- Not permitted in R-2 zone
Group Living			
Assisted Living Facility/Nursing Home	C	C	C - Not permitted in R-2 Zone
Social Relief Facility (six or more)	C	C	C
Commercial			
Animal Grooming	P	P	P -Not permitted in Res zones
Call Center/Centralized Office	P	P	P -Not permitted in Res zones
Club/Lodge	C	C	C - Not permitted in Res zones
Commercial Recreation Center	C	C	C -Not permitted in Res zones
Conference Center	C	C	C - Not permitted in Res zones
Daycare (up to 12 individuals)	P	P	P
Daycare (more than 12 individuals)	C	C	C
Financial Services	P	P	P - Not permitted in Res zones
Food and Beverage Establishment (non-drive-through)	P	P	P- Not permitted in Res zones
Laundry Services	P	P	P- Not permitted in Res zones
Lodging: Bed and Breakfast/Vacation Home Rental	P	P	P - C in res zones
Lodging: Hotel/Motel	P	P	P -Not permitted in Res zones
Office Medical/Professional	P	P	P - Not permitted in Res zones
Parking Lot (non-accessory to existing use)	P	P	P - Not permitted in Res zones
Parking Lot (Public)	P	P	P - Not permitted in Res zones
Personal Services (including gym, spa, barber shop)	P	P	P- Not permitted in Res zones
Retail Sales(General) up to 25,000 square-foot on ground floor - non-auto	P	P	P -Not permitted in Res zones
Retail Sales(General) greater than 25,000 square-foot on ground floor - non-auto	P	C	C- Not permitted in Res zones
Repair /Service (non-auto)	P	P	P - Not permitted in Res zones
Theater	P	P	P - Not permitted in Res zones
Industrial			
Food/Beverage Manufacturing	-	P	-
Industry, Light ⁶	-	P	-

³ Permitted as mixed-use above first floor commercial

⁴ Permitted as mixed-use above first floor commercial

⁵ R-2 Standards in Chapter 17.15 apply to two-family in Zone 3

⁶ Manufacturing of goods carried out without detriment to the amenity of the area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust, or grit.