



Kent Taylor Civic Hall  
200 NE Second Street  
McMinnville, OR 97128

**Urban Renewal Agency Work Session Agenda  
Tuesday, April 22, 2025  
5:30 p.m. – Work Session**

*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.*

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*You can live broadcast the URA Meeting on cable channels Xfinity 11 and 331,  
Ziply Fiber 29 or webstream here:*

[www.mcm11.org/live](http://www.mcm11.org/live)

*Download the "Cablecast" app on iOS, Android, Roku, Apple TV or  
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*You may join online via Zoom Webinar Meeting:*

<https://mcminnvilleoregon.zoom.us/j/87060828092?pwd=WGEhq7QTiqZPdwBjmTdV2zb4t6wnqk.1>

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

*Webinar ID: 870 6082 8092*

**5:30 PM – URA WORK SESSION MEETING – VIA ZOOM AND SEATING AT CIVIC HALL**

1. CALL TO ORDER
2. NW RUBBER SITE DEVELOPER SELECTION RECOMMENDATION
3. ADJOURNMENT

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice:** Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or [CityRecorderTeam@mcminnvilleoregon.gov](mailto:CityRecorderTeam@mcminnvilleoregon.gov).

# STAFF REPORT

**DATE:** April 22, 2025  
**TO:** McMinnville Urban Renewal Board  
**FROM:** Heather Richards, Community Development Director  
**SUBJECT:** Work Session: NW Rubber Site – Development Team Selection

**STRATEGIC PRIORITY & GOAL:**

 **ECONOMIC PROSPERITY**  
 Provide economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors.

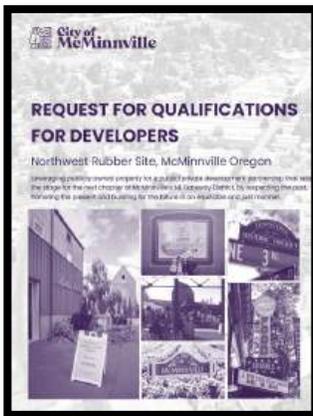
 **HOUSING OPPORTUNITIES** (ACROSS THE INCOME SPECTRUM)  
 Create diverse housing opportunities that support great neighborhoods.

**Report in Brief:**

This is a work session to discuss the selection of a development team to build out the 3.6 acre NW Rubber Site located at 904 NE 10<sup>th</sup> Street and 836 NE Alpine Avenue as a mixed-use residential/commercial development.

The City purchased the property on October 23, 2023. Then issued a two-phase Request for Qualifications (RFQ) on July 19, 2024. A selection subcommittee reviewed the 8 proposals received as part of Phase 1 of the solicitation process, narrowing the field to three proposals, and selecting a final development team for recommendation to the McMinnville Urban Renewal Advisory Committee on March 21, 2025.

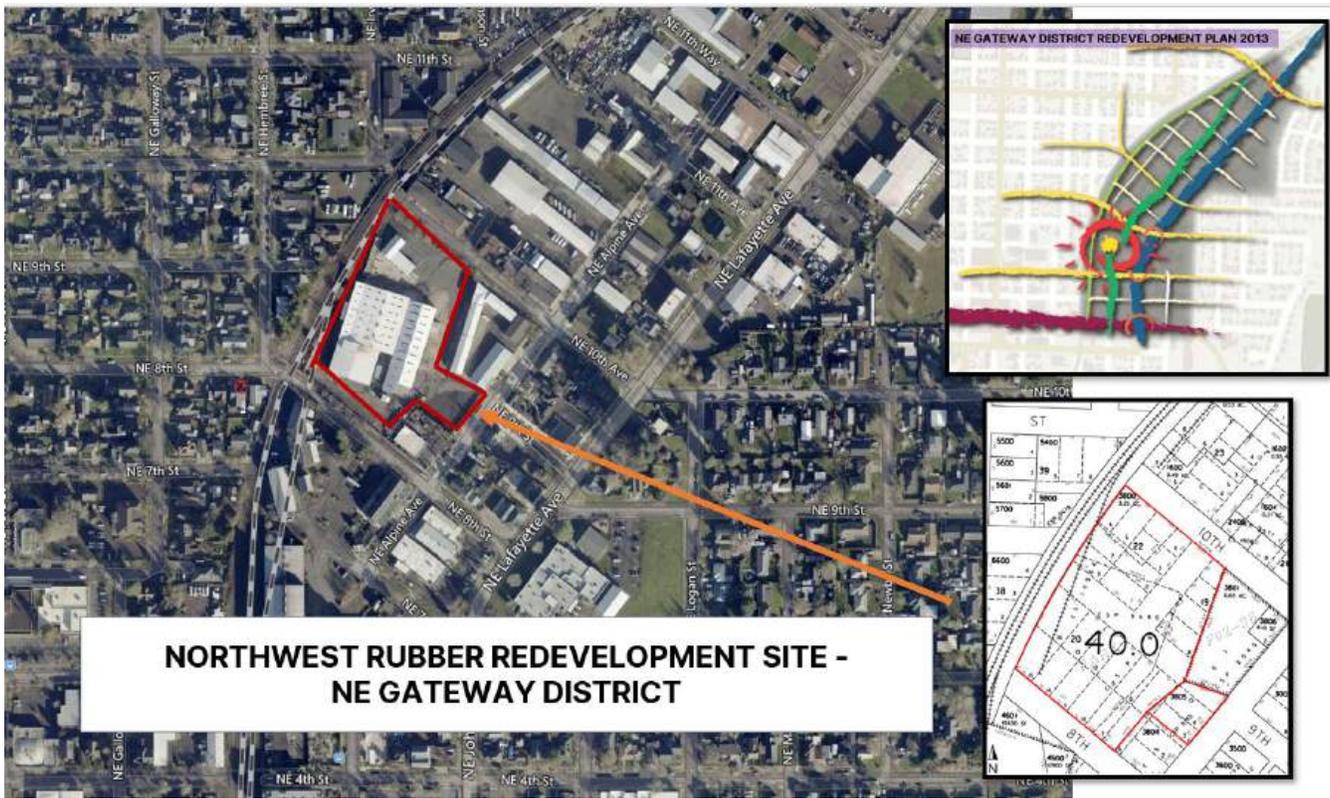
The McMinnville Urban Renewal Advisory Committee reviewed the subcommittee’s recommendation on April 2, 2025, and voted to make a recommendation to the McMinnville Urban Renewal Board to authorize the City Manager to sign a Memorandum of Understanding (MOU) indicating the Urban Renewal Agency’s intent to negotiate a development agreement with Palindrome Properties Group, LLC for the development of the NW Rubber Site, utilizing Palindrome’s proposal received on February 14, 2025, as a framework for the negotiations.



**Background:**

On October 23, 2023, the City of McMinnville purchased a 3.5-acre industrial site on Alpine Avenue in the NE Gateway District to position it for a mixed-use, high-density residential and commercial development as part of the revitalization plan for this city center commercial neighborhood just north of the downtown. The City purchased it with plans to sell the site to a developer after soliciting proposals and choosing a project that best meets the city’s goals and objectives for the area. The McMinnville Urban Renewal Agency entered into an agreement with the City of McMinnville to pay back the City for the purchase of the property with interest. (URA Resolution No. 2023-04, October 9, 2023).

In 2010, after a multi-year community engagement process, the City adopted a revitalization plan (NE Gateway Plan) for this area, which has historically been an industrial area, but based on its location in the city center, is better positioned for commercial and high-density residential uses in the future. That plan identified this site as a pivotal and catalytic site for redevelopment to revitalize this area based on its location and size. However, the site was owned by Ultimate RB, an important industrial employer in town, and the City did not want to displace the employer. In 2023, the site was sold to Northwest Rubber, who announced its intentions to close the industrial plant and surplus the site. The City immediately engaged with the company on a potential purchase to further the community’s plans for this area.



**NORTHWEST RUBBER REDEVELOPMENT SITE - NE GATEWAY DISTRICT**

**Discussion:**

After entering into a purchase and sale agreement on July 11, 2023, the City engaged an environmental consultant to conduct a Phase I and Phase II environmental review as well as a Hazardous Buildings Material Analysis. This work was paid for by a grant from Business Oregon’s Brownfield Redevelopment program.

At the same time a committee was formed comprised of the City’s Mayor, the City Manager, the Community Development Director, the Communications and Engagement Director, and representatives from the McMinnville Urban Renewal Advisory Committee. This committee worked on a solicitation process for a developer to redevelop the site. A RFQ was issued on July 19, 2024. The RFQ focused on a two-phase selection process. The first phase focused on the qualifications of the development team, and the second phase focused on the project’s concept, responsiveness to the goals and objectives of the RFQ, and the proposed public engagement plan.

The City received 8 responses for the first phase of the RFQ solicitation from:

LEAD	PARTNERS
<b>Community Development Partners</b>	YBA Architects Center for Public Interest Design
<b>Community Partners for Affordable Housing</b>	Gorman and Company Walsh Construction SERA Architects BKF Engineers
<b>Edlen &amp; Co.</b>	GBD Architects Apex Real Estate Partners Bienestar
<b>Ethos Development</b>	Home First Development Waechter Architecture PLACE Center for Public Interest Design BKF Engineers Essex General Construction
<b>Guardian Real Estate Services LLC</b>	Housing Authority of Yamhill County Structure Ideas + Projects LRS Architects Glastra Van Loon Design PBS Engineering and Environmental R&H Construction Noble Union: Rooms & Revelry
<b>Palindrome Properties Group LLC</b>	Scott Edwards Architecture Pacific Crest Real Estate Advisors Pacificap Management SOMOS Destination Pacificap Construction
<b>Redbridge Development Partners</b>	Lutheran Community Services CD Redding Construction Peakstone BKR Engineers
<b>Shortstack</b>	Works Progress Architecture DCI Engineers 7 Oaks Engineering

These proposals were scored, four were invited to interviews and three semi-finalists were selected to move into Phase 2.

- Ethos
- Guardian
- Palindrome

The three semi-finalists were invited back for a Community Design Workshop on December 12, 2024 to engage community stakeholders on what they would like to see developed on the site.

And then the semi-finalists were asked to develop final proposals, which were due on February 14, 2025, with the following submittal requirements. (Please see attached proposals).

## 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

The final proposals needed to respond to the following goals and objectives.

**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 accountability** in both the development team and the project.
- Demonstrating **design excellence**.
- Demonstrating consideration for the **effects** that this redevelopment may have on residents of the surrounding neighborhoods.
- Incorporating **representational community engagement** into the design and development process.

These proposals were scored based on the following criteria, and the selection committee unanimously scored Palindrome Properties Group LLC the highest.

## 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 Project Objectives and Core Values (20 points)**
  - See pp. 12-14
- **Public Involvement (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.

The selection subcommittee unanimously scored Palindrome as the top proposal for the following reasons and presented their recommendation to MURAC on April 2, 2025:

- The project concept best meets required and optional elements identified in the RFQ.
- The project concept is most responsive to the key objectives of the RFQ
- The project concept yields the highest financial return for the District, the City, the community and overlapping taxing districts in the long-term.
- The team's commitment to community engagement and reducing barriers for the community to participate in the design refinement of the project.

Palindrome's proposal consists of: 188 residential units (123 Affordable Housing, and 65 Market Rate Housing), 51 Key Boutique Hotel and Market Hall, and approximately 7,000 sf of commercial micro retail and office space.

This meets the goals and objectives of the City for housing serving a variety of household incomes, commercial space, parking, open space, hospitality and tourism and reuse of on site industrial components for defining character.

HOTEL (3 STORIES, 28,200 GSF)		MARKET HALL (11,100 GSF)	
300 sf Rooms	45	9x18 Vendors	11
400 sf Rooms	6	10x10 Vendors	2
<b>Total Keys</b>	<b>51</b>	<b>Total Vendors</b>	<b>13</b>

**A vision that checks all your boxes, & more!**

- Variety of Housing
- Commercial Spaces
- Hospitality
- Open Gathering Spaces
- A Sense of Belonging

AFFORDABLE HOUSING (6 STORIES, 108,300 GSF)		MARKET-RATE HOUSING (6 STORIES, 62,000 GSF)	
Studios	11	Studios	15
1 Bedroom	89	1 Bedroom	40
2 Bedroom	11	2 Bedroom	10
3 Bedroom	12	<b>Total Market-rate</b>	<b>65</b>
<b>Total Affordable</b>	<b>123</b>		

Palindrome’s suggested terms of the development agreement in their proposal include:

- Land available at no cost
- SDC Exemptions (Transportation and Wastewater for the affordable housing component of the project)
- 50% reduction in permit fees for the affordable housing component.
- Construction excise tax exemption for the affordable housing component.
- 15 year property tax exemption for the affordable housing component.

Note that the City already offers the following incentives for qualifying affordable housing components of the projects (80% AMI or less) as a default to entitlement:

- SDC Exemptions (Transportation and Wastewater)
- 50% Reduction on Permitting Fees (Planning, Building and Engineering)
- Affordable Housing Construction Excise Tax Exemption

Just the two requests of the land for free and the 15-year property tax exemption for the affordable housing component would need to be policy decisions of the Urban Renewal Agency. (Note that non-profit developers of affordable housing are exempt from paying property taxes for the lifetime of the project). With the limited tax exemption tenure, the value of the property encumbered in the tax exemption starts to pay taxes on that portion of the project after the exemption expires.

After reviewing the proposals, the goals and objectives of the RFQ, and a financial analysis provided by Leland Consulting Group, MURAC discussed the subcommittee’s recommendation and voted to support it with the following concerns that they wanted the McMinnville Urban Renewal Board to consider during negotiations on the development agreement.

- Parking – The proposal does not have enough parking to meet the city’s regulations of required off-street parking. How is this resolved

- Viability – Ensure that there are contractual mechanisms to protect the URA from non-performance with claw-back provisions
- Consider the financial impact to overlapping taxing districts in terms of the sunset of the district (debt beyond sunset, tax credit beyond sunset)
- Consider positive fiscal impact to the Urban Renewal District, City, County, Community, and overlapping taxing districts.
- Community Engagement – Feedback Loop throughout the project
- Purchase and Sale of the Property – There needs to be a fair return to the community (Assure that the agency/city can assume the debt or is made whole over the time of the project, either directly or indirectly, with anticipated catalytic redevelopment in the area)
- MULTE – Negotiate a payment in lieu of taxes

### **Attachments:**

- Palindrome Properties Group LLC Proposal
- Ethos Development Proposal
- Guardian Real Estate Services, LLC Proposal
- Staff Summary Sheet of Proposals
- Financial Analysis of Received Proposals by Leland Consulting Group
- Northwest Rubber Site Request for Qualifications

A copy of all of the proposals received, the Request for Qualifications and background documents can be found on the project website at: [Northwest Rubber RFQ for Developers | McMinnville Oregon](#)

### **Fiscal Impact:**

The fiscal impact is determined by several different components:

- Expenses incurred
- Revenue anticipated: short-term (terms of the transaction) and long-term (annual property tax revenue, spending escalator of the project (jobs, wages, residential disposable income, and tourism income)
- Catalytic influence on surrounding properties for redevelopment, which creates additional tax base, jobs, and a spending escalator.

Please see the attached Financial Analysis by Leland Consulting Group of all three proposals.

### **Recommendation:**

This is a work session to discuss the process undertaken and the MURAC recommendation to the Urban Renewal Board. URA Resolution 2025-03 directing the City Manager to enter into a MOU to negotiate a development agreement with Palindrome is scheduled as an action item on the Urban Renewal Agency meeting after the work session on April 22, 2025.



# GRĀNUM

RFP for Developers for the  
McMinnville Northwest Rubber Site

# 1 EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

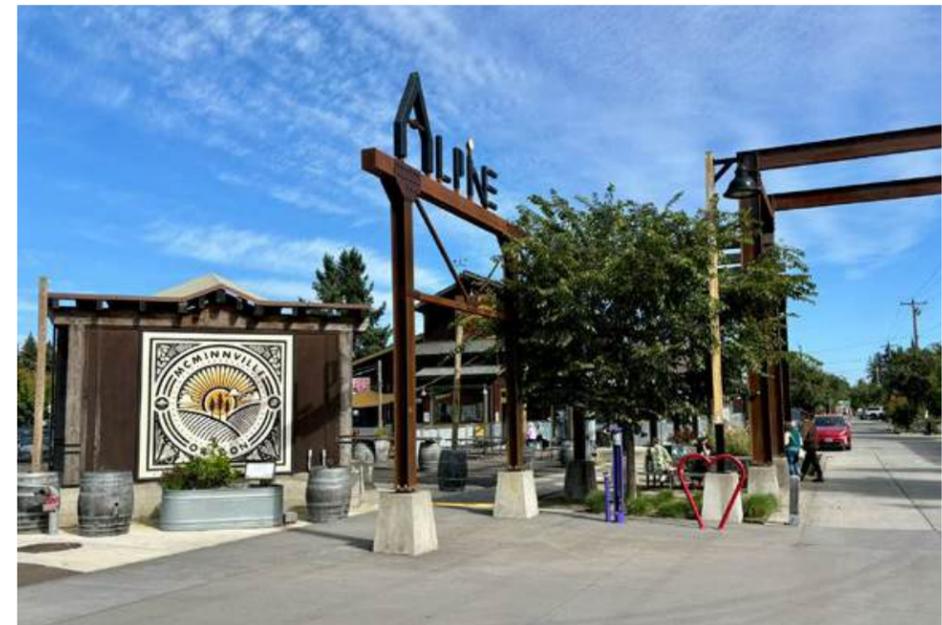
Guided by the beautiful symmetry of palindromes, our passion is creating places that intuitively blend tradition with innovation for the future. By embracing an industrial legacy and capturing an essence of renewal, GRĀNUM will continue the revitalization of the Granary District.

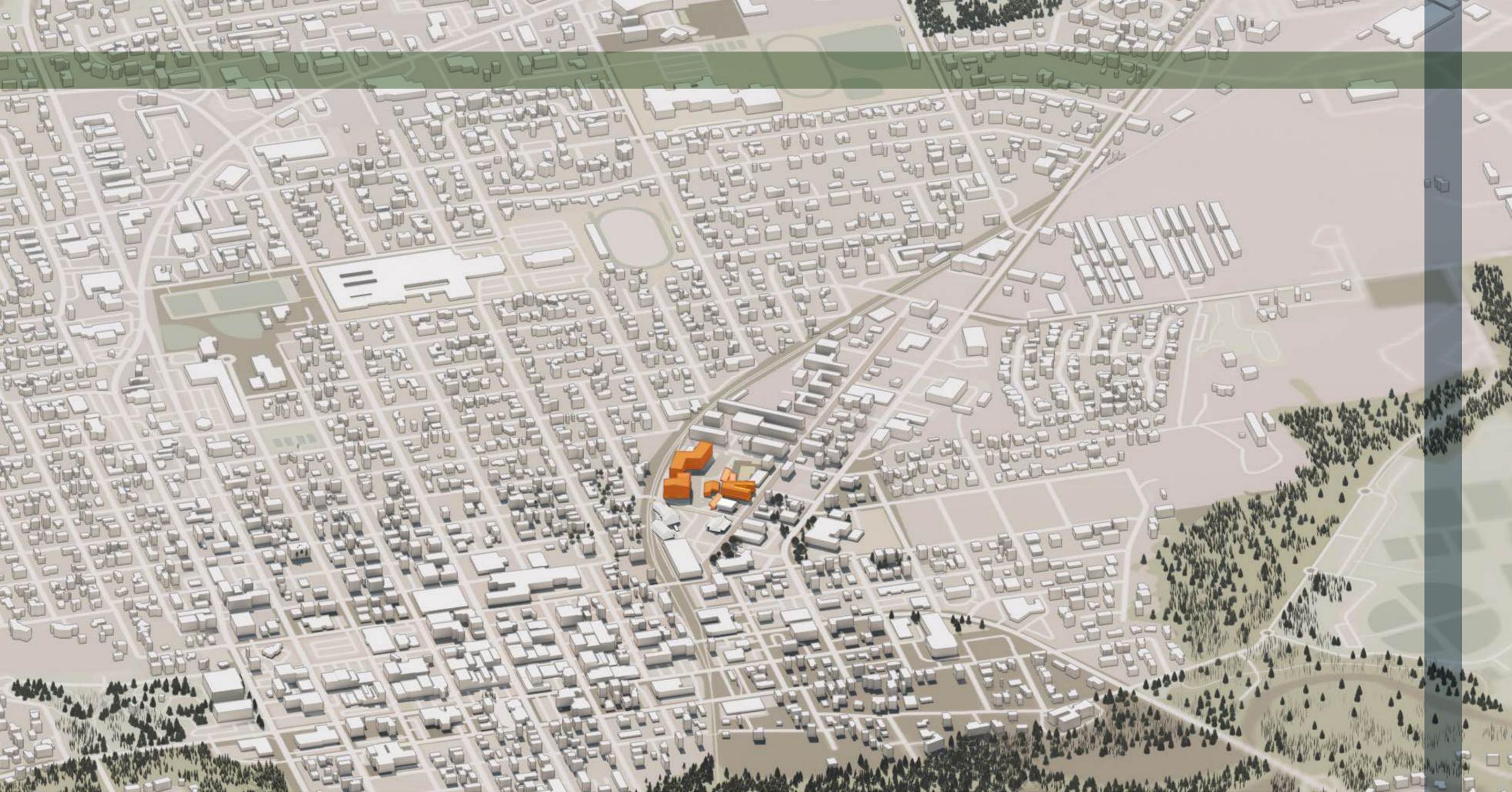
The site has been planned to both fit in and stand out. GRĀNUM's design reuses current site features and incorporates elements from the surrounding neighborhood; it will also add some new features and significant density. GRĀNUM will seamlessly connect to adjacent activity centers through placemaking on the site's edges and extensive pedestrian and vehicular pathways.

**Embracing a mix of uses, GRĀNUM will feature:**

- A 51-key boutique hotel with a ground-floor market hall;
- 13 micro-restaurant and 18 micro-retail and micro-office spaces;
- 188 apartments, including 123 affordable apartments and 65 market-rate apartments; and
- Extensive community gathering space, including a covered pavilion reused from the existing warehouse building and an adjacent 4,200 square foot central park.

With 25 years of experience transforming neighborhoods and providing high-quality housing opportunities, the Palindrome team has the expertise, financial strength, creativity, and dedication to neighborhood renewal to ensure this project becomes a reality.





## **2** DEVELOPMENT PROGRAM

# OUR VISION: EVOLVED

**GRĀNUM**, Latin for grain, represents a new beginning, the potential for growth and characterizing the essence of renewal. The concept embraces the legacy of the grain and feed stores that have defined this area of McMinnville. Grain is central here, and this project embodies the revival of a community asset, reinforcing and supporting the area as it continues to grow.

Palindrome’s vision for the Northwest Rubber Site is to connect people and places, honoring the area’s past, while celebrating its present and future by creating a destination that seamlessly integrates private spaces with community gathering areas.

The vision stated above was included verbatim in our first proposal, and while programmatic elements have evolved based on conversations and research, our vision remains the same. Our discussions with the community, the McMinnville Downtown Association, the Granary District, the neighboring businesses and residents, and with the City throughout this selection process have further clarified what this development needs to be successful. We are excited to continue learning, engaging, and refining to deliver a shared vision that is truly McMinnville.

Our development plans proudly address not only everything the City envisioned for this site, but also what the community has asked us for. Multiple building types and uses are designed for cohesion and placed to activate with intention. The site connects to the surrounding neighborhood, encouraging the community to explore, engage, and stay a while.



### A vision that checks all your boxes, & more!

- Variety of Housing
- Commercial Spaces
- Hospitality
- Open Gathering Spaces
- A Sense of Belonging



# ANCHOR USES & ESTIMATES



## Hotel & Market Hall

A four-story boutique hotel and active ground-floor market hall front Alpine Avenue, acting as a portal to the development.

Upon entering, the expansive atrium fills the space with natural light. Hotel rooms are perched along the upper floors and thirteen local food vendors flank both sides of the market hall, showcasing McMinnville’s culinary talent and emerging entrepreneurs. Near the main entrance is a taproom featuring craft beers brewed by Palindrome’s experienced brewmasters. Patrons can choose from a variety of seating options, including outdoors along Alpine Avenue, in the adjacent pavilion and

green space, or within the market hall. The market hall will draw McMinnville residents and visitors alike to this dynamic setting, continuing the trend of the Granary District as the place to be.

The hotel will welcome guests to an authentic McMinnville experience. Every aspect of the 51 thoughtfully designed rooms is crafted to immerse guests in the rich culture that makes McMinnville so unique. The hotel’s staff and programming will also encourage guests to experience nearby attractions, wineries, breweries, shops, and other local businesses that make up the soul of McMinnville.

<b>HOTEL</b> (3 STORIES, 28,200 GSF)		<b>MARKET HALL</b> (11,100 GSF)	
300 sf Rooms	45	9x18 Vendors	11
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<b>Total Keys</b>	<b>51</b>	<b>Total Vendors</b>	<b>13</b>

## Housing

Our vision includes two, six-story buildings that offer a total of 188 units of market-rate and affordable housing, including 26 studios, 129 one-bedroom, 21 two-bedroom, and 12 three-bedroom units. This mix will offer high-quality housing options to McMinnville residents and address the city’s diverse housing needs. Housing is positioned at the west end of the site, serving as an anchor.

Residents will enjoy extensive onsite amenities, including professional property management by PacifiCap Management (a Palindrome affiliate), a fitness center, bike storage, plus the benefits of living in what will become one of McMinnville’s most desired destinations.

Palindrome believes all residents should have access to and maintain the basic human right of an affordable, high-quality home. To support this belief, our vision for the affordable housing building incorporates culturally aware services responsive to an ethnically, socially, and economically diverse group of residents. Palindrome aims to partner with a local non-profit group to provide these services, including offerings in the following areas: health and wellness, budgeting, credit and finance, art and culture, legal protection, eviction prevention, employment, youth career services and mentorship, and early childhood education.

<b>AFFORDABLE HOUSING</b> (6 STORIES, 108,300 GSF)		<b>MARKET-RATE HOUSING</b> (6 STORIES, 62,000 GSF)	
Studios	11	Studios	15
1 Bedroom	89	1 Bedroom	40
2 Bedroom	11	2 Bedroom	10
3 Bedroom	12	<b>Total Market-rate</b>	<b>65</b>
<b>Total Affordable</b>	<b>123</b>		

# ANCHOR USES & ESTIMATES CONTINUED



## Micro-retail &/or Micro-office

In addition to housing, micro-retail and micro-office space were the most requested aspects from the community engagement. In response to this, 18 micro retail/office spaces line the center of the site, intentionally mixed to provide a diverse experience as people meander along an elevated boardwalk and an alleyway. The spaces are flexible, creating opportunities for small business owners to launch and succeed in a community where people shop, work, live, and dine. We have experienced first-hand through our other developments how these affordable spaces empower small businesses and are typically leased by the local community.

### MICRO RETAIL & OFFICE (6,840 GSF)

380 sf Spaces	18
<b>Total Spaces</b>	<b>18</b>

## Existing Site Components

The McMinnville community was drawn to industrial character in the precedent imagery shared during the community event. They also shared our excitement in wanting to keep a portion of the existing warehouse as an indoor/outdoor pavilion for community use. Driven by this feedback and our initial palimpsest "theme" of layering in the site's past, our vision includes adaptively reusing roughly 5,600 sf of the warehouse shell as a year-round event space with the option to fully enclose the building. We have begun meeting with local organizations to discuss holding ongoing community events in the space. PacifiCap Management will manage and operate the facility.

### PAVILION (5,600 SF, COVERED/INDOOR)

## Parks & Open Spaces

Adjacent to and a complementary extension of the covered pavilion is a 4,200 sf central park. We envision multiple seating options, local art, and native landscaping that sparks a variety of uses such as live music, family reunions, weddings, and a place to people-watch. We view this as the centerpiece of our development, supporting and connecting all the buildings and uses. Additional open spaces and an alleyway are dispersed throughout the development to evoke discovery and delight.

### OPEN SPACE (4,200 SF, OUTDOOR)

## Parking

We understand the community's concern about parking and in response are proposing 153 parking stalls to support the varied uses on the site. Because we also heard their concerns about access, we have included an alley through the middle of the site connecting 8th and 10th streets. This traffic connection and purposeful placing of the different buildings will complement future development in the NE Gateway District.

### PARKING SPACES

Total Off Street	135
Total On Street	18
<b>Total Stalls</b>	<b>153</b>

# 3 DEVELOPMENT SCHEDULE

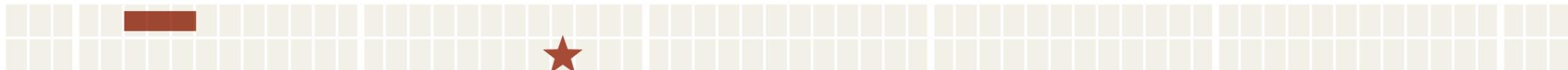


# DEVELOPMENT SCHEDULE



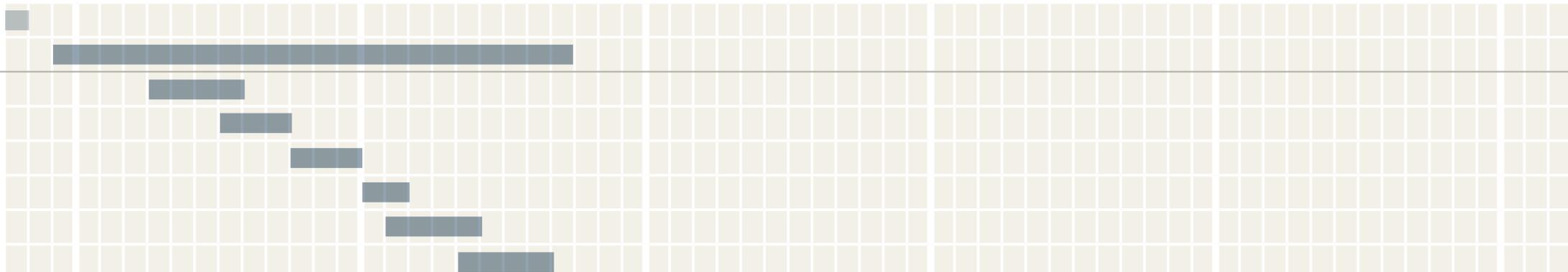
## SITE

- Agreement Negotiation & Execution
- Site Acquisition

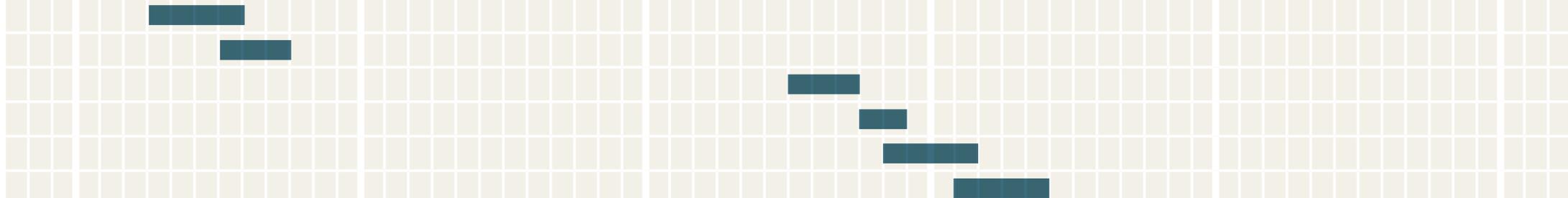


## PLANS & SPECIFICATIONS

- Phase 1: Housing**
- Architect Selected
  - Neighborhood Outreach
  - Schematic Design
  - Entitlements
  - Design Development
  - Design Review
  - Construction Documents & Specifications
  - Building Permit Approval

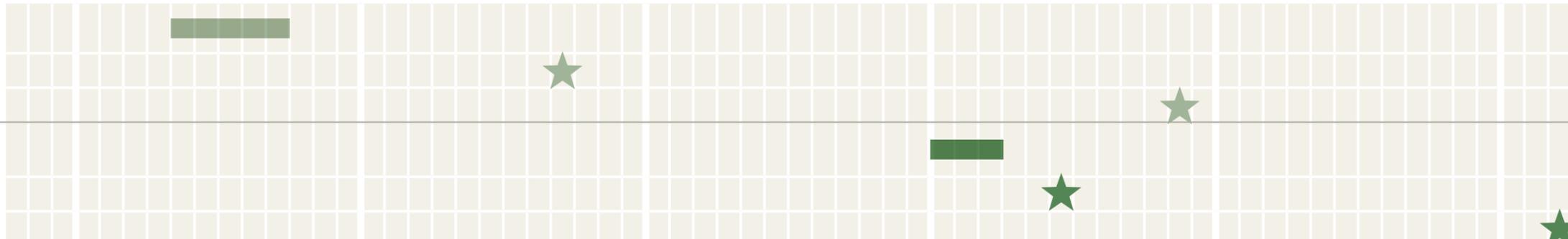


- Phase 2: Hosp/Retail**
- Schematic Design
  - Entitlements
  - Design Development
  - Design Review
  - Construction Documents & Specifications
  - Building Permit Approval



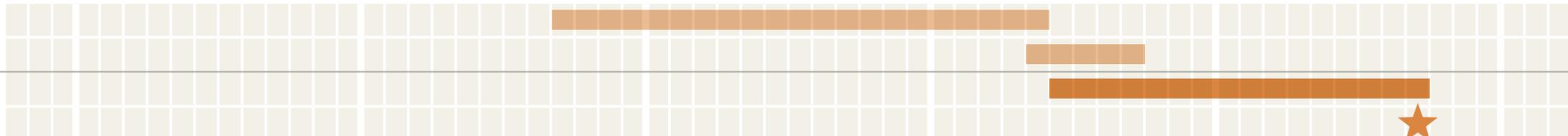
## FINANCING

- Phase 1**
- OHCS & Private Financing Submittals & Commitments Received
  - Financial Closing
  - Stabilization/Conversion
- Phase 2**
- Financing Submittals & Commitments Received
  - Financial Closing
  - Stabilization/Conversion



## CONSTRUCTION & LEASE-UP

- Phase 1**
- Construction
  - Lease-Up
- Phase 2**
- Construction
  - Grand Opening!





# 4 REVISED COMMUNITY ENGAGEMENT PLAN

# REVISED COMMUNITY ENGAGEMENT PLAN

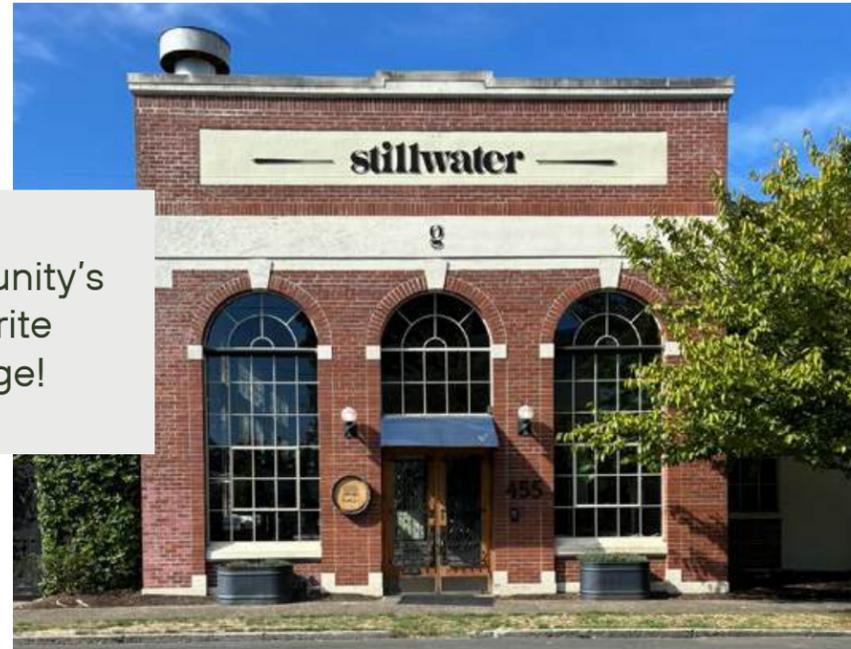
Palindrome and Scott Edwards Architecture believe that being a good neighbor means keeping lines of communication open with the public regarding the proposed development in their community. We also believe that for any project to truly succeed, it must have the support of the broader neighborhood. This was reinforced during the community engagement session, when we met some of the Granary District neighbors.

Our team is experienced in engaging the public, building consensus, and responding to feedback.

**Through our community engagement we will:**

- Harness collective thoughts, ideas, and opinions
- Prioritize inclusivity and inspire engagement
- Establish and prioritize challenges and solutions
- Gauge levels of support for specific ideas
- Create or contribute to an ongoing dialogue
- Create awareness, informing, educating, and enhancing credibility
- Build consensus

Previously, we presented our Community Engagement Plan for the McMinnville Northwest Rubber Site development, including working with you to identify and engage project stakeholders, determining outreach timing and methods that spark the most participation from community members, reducing barriers (language, preferred media, etc.) for engagement to ensure all voices are heard, and creating a feedback loop so that as the development moves forward, the community sees how their feedback is influencing the outcome. We look forward to continuing to build on this plan, now with a clearer picture of the neighbors' interests and concerns raised during the different activities from the community engagement session.



Community's favorite image!



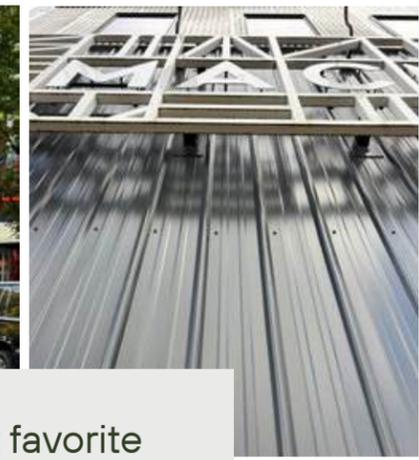
Open and inviting. Multi-level. Good use of space incorporating nature.



Indoor finishing bringing industrial past.



Community building happens when people gather and talk.



Residents' 2 most favorite places to visit in McMinnville!

# The Influence of Initial Community Feedback

The Community Engagement design charrette demonstrated to our team the level of excitement and ownership the community has for the McMinnville Northwest Rubber Site development, and for us, this is ideal. When communities are invested, we are likely to receive feedback that is thoughtful and direct, leading to more nuanced solutions. The level of engagement during the first design charrette has already influenced our team’s understanding of what this site should consider, including:

### The activation of Alpine Avenue.

Activating this thoroughfare furthers the previous investment from the City, so we are putting our most active use elements—the hotel and the market hall—along Alpine.



### The need for housing.

In response, we are including a mix of affordable and market-rate multi-family housing with plenty of green space and exterior spaces which the residents can enjoy. We will also provide supportive services for a diverse array of households.



### Saving the site's history.

Creatively reusing some of the site’s structures and responding to the industrial vernacular in the development. Applying the concept of palimpsest—or reuse for a different purpose—as a way to continue a place’s story.



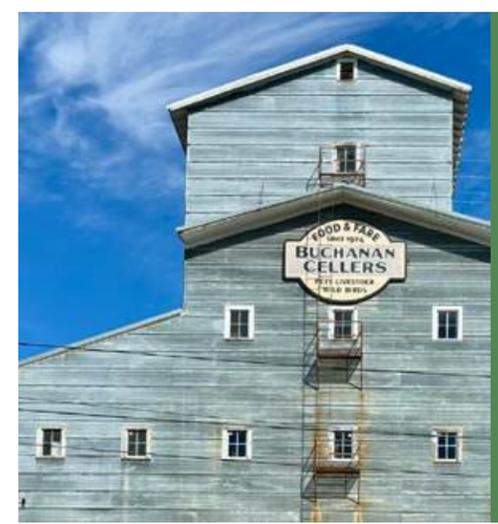
### Space for micro-retail & micro-offices.

Incorporate micro-retail/office space for local emerging small businesses. Bring in retailers that appeal to the local community to ensure the site is a destination for locals along with tourists. Businesses support, rather than compete with, local industry (bring in a taproom, rather than a new brewery).



### Traversable site.

Community members noted that the slow speeds, parking, and multi-modal transportation options of Alpine Avenue are desirable and could be applied to make it easily traversable. Thoughtful planning and activated thoroughways integrate the development, making moving within and through the site seamless.



### Contextualized design.

Respond to the architecture of the Granary District using siting, materials, building forms, and intentional design solutions that respect the existing vernacular. Materials like galvanized steel, brick, and wood rafters add an industrial design language informed by the site’s history.

### Inviting the community in.

The development prioritizes clear site lines and opens to the community, encouraging folks to engage with the site and not just experience it from the perimeter.



### Placemaking is valued.

During engagement, we found that community members responded most to our images that showed people interacting with public spaces. Special focus on the site design encourages the community to have a sense of discovery, creating moments for gathering, traversing, and exploring places to just be.



### We are aligned.

The design charrette drove home how engaged people are, and our team is invigorated by what the community wants. From what we learned, we are aligned in our collective vision and are excited because this is exactly the type of development that we love to deliver.



## Continuing to Engage the Community

As a long-term owner of our developments, Palindrome understands the importance of building partnerships with the communities in which we work. Our community involvement does not end at the groundbreaking, or even at the ribbon cutting. We engage with the community over the long term and participate in neighborhood and business associations, volunteer our time, and provide financial assistance.

For both Palindrome and Scott Edwards Architecture, these partnerships begin at pre-development. For McMinnville Northwest Rubber Site, our team has already held meetings with the Granary District, McMinnville Downtown Association, and the neighboring Care for Kids Child Care Center and Preschool and will continue these discussions as the development progresses. During the design charrette, we engaged with numerous neighboring business owners invested in the success of this development, and we foresee this collaboration as being incredibly beneficial during design and through lease-up. We anticipate engaging with a local non-profit service provider during the development of the affordable housing, soliciting their feedback and integrating their operations seamlessly in support of future residents.

As part of our engagement program during the design charrette, we solicited written feedback from attendees, asking them what their favorite thing is about McMinnville as a way for us to get to know the community from their perspective. As part of this solicitation, we gave them the opportunity to provide their contact information if they would like to receive updates on the project progress and continue to be part of engagement should our team be selected. This approach to engagement—establishing relationships early and fostering them as we move forward—creates an environment of collaboration and trust.

We also remain open to discovering and engaging with groups that we are not currently aware of, and we look forward to identifying them together. During community outreach, it is important to not only engage with the community at large, but to also provide smaller culturally specific engagement opportunities to ensure greater participation by individuals or groups who may not feel comfortable in large group settings. We will ensure we are reaching an ethnically, socially, and economically diverse group of potential residents and business owners.

Like mentioned previously, the process does not stop with simply engaging—from engagement there should be incorporation of the feedback into the development. This looks different for every project. We demonstrated in the previous “The Influence of Initial Community Feedback” section what incorporation looks like after the community engagement session for the McMinnville Rubber Site, but what will always hold true is the importance of a feedback loop. As we receive and implement feedback into the development, we will communicate to the community how their feedback is informing the path forward.

Our engagement will continue in the lead-up to and through lease-up as well. PacifiCap Management will conduct extensive outreach in the area to offer a diverse set of residents the opportunity to live at GRĀNUM as well as to obtain input into future resident programming. Skilled at reaching the hardest to reach, PacifiCap Management will ensure potential residents are not denied the opportunity to live in a high-quality home due to language barriers, mistrust, disengagement, or time constraints. The collaboration with our non-profit partner will also further our success in reaching potential residents.



“ We can’t say enough about how SEA has kept us informed and involved regarding the Mahonia Crossing development. That development is directly behind the home we have lived in for the past 26 years and near the school where both my wife and I taught. Over the last year, SEA has gone above and beyond to include us in the process. Well before ground was broken, we were invited to walk the property and hear about the plans. Along with others, we’ve been invited to participate in meetings to hear how the development is progressing. In addition, they have met us at our property line, numerous times, to discuss everything from tree preservation, property line fencing, landscaping, building paint options, etc. I’d like to stress that nearly all of these meetings were initiated by them, which is just the way you would like a developer to operate. As proven repeatedly by their actions, SEA clearly understand the importance of involving the community in their projects.

## SIMILAR COMMUNITY ENGAGEMENT EXPERIENCE

Here, we outline several examples of our team successfully implementing similar plans. We selected experience that highlights mixed-use, community-minded development, engaging multiple stakeholder groups including those from different cultures, responsive placemaking, and collaborative discovery.

### CASE STUDY

## EL VADO MOTEL ALBUQUERQUE, NM

The El Vado Motel, once a cherished historic landmark, had deteriorated over time, facing disrepair and condemnation. Its preservation required a thoughtful approach that reimagined its original purpose while inviting the community to share in its renewal. The challenge lay in transforming a vision that combined a boutique motel, a vibrant community food court, and nearby workforce housing into a reality that aligned with the neighborhood sector development plans, fulfilled the City of Albuquerque's expectations, adhered to the National Park Service's historic preservation standards, and gained the support of the single-family neighborhood just east of the property.

Realizing the vision for this property hinged on meaningful community outreach, collaboration, and securing local support, Palindrome aimed to revitalize this prominent, blighted site, transforming it into a dynamic, multi-use community hub that would reignite interest in this long-overlooked segment of Route 66. However, the site's unique location—situated along the bustling, high-traffic corridor of Central Avenue and directly adjacent to a quiet single-family neighborhood—presented both challenges and opportunities in balancing the needs of diverse stakeholders.

Palindrome approached this project with genuine passion and a deep commitment to community engagement. Beyond standard outreach efforts, the team actively participated in local neighborhood association meetings, fostering ongoing dialogue with residents and stakeholders. They prioritized transparency and inclusivity by regularly inviting public input, both through formal channels and informal, on-site interactions. This dedication to meaningful collaboration wasn't just a phase of the project, it remains an integral part of Palindrome's approach, continuing to shape the property's evolution to this day.

Our philosophy is rooted in showing up consistently, listening with intention, fostering open communication, and collaborating closely with all stakeholders. We believe that trust is built over time through genuine relationships, transparency, and mutual respect. Being a good neighbor doesn't stop when construction is complete and the buildings are occupied, it's an ongoing commitment. Just as it was during the early stages, it remains essential to listen, learn, and adapt as communities evolve. For us, this continuous engagement isn't just a strategy; it's the foundation of creating meaningful, people-centered places that truly thrive.

**Project by:** Palindrome



## CASE STUDY

## SAWMILL VILLAGE ALBUQUERQUE, NM

Sawmill Village, located in the Sawmill District in Albuquerque, was formerly an abandoned particle board factory with a host of environmental and physical challenges. The land is owned by Sawmill Community Land Trust (SCLT), a grassroots neighborhood organization advocating for a cleaner, healthier neighborhood, where residents can thrive and are not priced out of this growing neighborhood.

In 2007, Palindrome partnered with SCLT to develop 16 acres of SCLT's land into a placemaking community amenity including senior affordable housing, workforce housing that incorporated office space for SCLT, market rate housing live/work artist spaces, restaurants, retail spaces, and public spaces, including a permanent outdoor public art installation and a charter school.

As co-developers, Palindrome and SCLT combined their strengths to create a development that truly reflected the neighborhood's vision and needs. Palindrome brought its expertise and

innovative approach, seamlessly integrating with SCLT's deep-rooted commitment to the community. From the outset, our priority was transparency and collaboration, ensuring that residents remained informed and engaged—especially through the challenges of the 2008 mortgage crisis and the subsequent recession.

We maintained open lines of communication, presenting regularly at Board and community meetings, adapting to shifting circumstances, and exploring every possible funding avenue. Our commitment never wavered. What began as a single large-scale development evolved into a phased approach, but at every turn, we worked hand-in-hand with the community to bring much-needed housing and commerce to the Sawmill area. This project stands as a testament to the power of authentic neighborhood collaboration—an effort rooted in trust, resilience, and shared vision.

**Project by:** Palindrome



## CASE STUDY

## NUEVA ESPERANZA

HILLSBORO, OR

SEA designed Nueva Esperanza to be representative of two culturally different communities with a large presence in the area: Somali immigrant families and Latinx families. Together with our clients, we engaged these two communities throughout design.

Early in the process, the development team formed a Project Advisory Committee representative of Hillsboro's Latinx advocacy community. As the process moved forward, the Somali immigrant community was identified as a key stakeholder as well—Somali Empowerment Circle, a local non-profit, helped us connect with members of this community and learn more about their vision. The final design reflects the focus group feedback, including the incorporation of piñata poles in outdoor plazas, picnic areas, and a large meadow for soccer games and large outdoor gatherings.

The community building includes a laundry room overlooking a plaza and a large community room with a connected kitchen. The expansive community room has high ceilings that take advantage of the butterfly roofline and ample natural light from the floor-to-ceiling glass façade along the South elevation. The design team understood from the client and through the engagement process that designing for flexibility was crucial, as the space needed to support events and classes of many sizes. In response, the room can be split by a retractable partition, with interior and exterior doors providing access to each side.

Both the Latinx and the Somali communities expressed that gathering with others to share food and company was an important means of connection. The communal kitchen is designed to connect to the community space using an operable pass-through window. A solid surface bar top beneath the pass-through invites people to gather together and engage with those in the kitchen while remaining open to the main space's activities. The community room's multi-colored acoustic ceiling, warm woods, and accent wall are culturally responsive elements as well, acknowledging that for the diverse cultures living at Nueva Esperanza, vibrancy creates the feeling of home.

Residential building exteriors feature a saturated and vibrant color palette, a design choice that is trauma-informed. Vibrant colors respond to the diverse cultures living at Nueva Esperanza and create a sense of familiarity. Apartment interiors incorporate culturally relevant features, too—both communities specifically requested that in 3-4 bedroom units, the kitchen and living room be divided by either a partition or door, and that in two-bedroom apartments with one bathroom, include a separate vanity area. In these decisions and others, we've learned that through thorough and proactive outreach and considerate decisions we can create a place designed with diverse communities in mind.

**Project by:** Scott Edwards Architecture



## CASE STUDY

# MAHONIA CROSSING

SALEM, OR

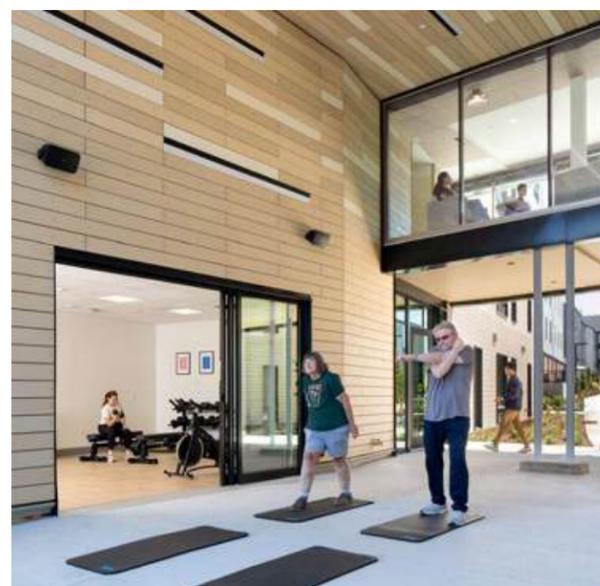
Mahonia Crossing is a mixed-income “Community for All Ages” housing development in Salem, Oregon, that uses design to promote connection. The development’s building typologies include family-centered residential walk-ups, a senior living building, and a community building—each responding to the differing needs of residents in 30, 60, and 80 percent AMI brackets. The integrated architecture and interior design approach supports indoor-outdoor living, incorporates art into daily life, and creates opportunities for a series of passive and active multi-generational interactions. Mahonia Crossing is National Green Building Standard Emerald-certified and features a Path-to-Net-Zero community building, integral to the development’s focus on sustainability.

Beyond simply providing housing, Mahonia Crossing integrates into an existing middle-upper-class, single-family home neighborhood by using architecture and landscape architecture to build community. Alongside our client, Community Development Partners (CDP), we engaged with Portland State University’s Center for Public Interest Design and the neighborhood association to understand the history of the site and culture to form our response. In addition to CDP, the “client” for this project also included the selling property owner who developed hundreds of single-family

homes surrounding this property. Entering the sunset years of his career, he sought out a developer and design team who shared his vision for a diverse community and would work empathetically and compassionately with the adjacent neighborhood of homeowners who would see the views outside their forever homes transformed. The design team worked closely with this large stakeholder group and went beyond typical community engagement strategies, meeting with neighbors directly impacted by the development one-on-one to share the design vision as it developed and listen to their feedback on our proposed direction.

An example of how engagement informed our design includes the development’s siting. Like for McMinnville Rubber, ensuring an openness beyond the site’s perimeter was important. Our approach to siting created a community that is connected by the park, which is open to all residents and the existing adjacent neighborhood. The outdoor area’s program features a community garden, an open field, play areas, and tree-lined paths, a welcoming outdoor amenity that invites all to enjoy. This approach to greenspace is atypical for traditional suburban multi-family developments, which typically distribute parking in a grid amongst the buildings, but is a more responsive solution to the feedback we gathered from stakeholders.

**Project by:** Scott Edwards Architecture





# **5 PROPOSED BUSINESS DEAL & TRANSACTION STRUCTURE**

# PROPOSED BUSINESS DEAL & TRANSACTION STRUCTURE

GRĀNUM will provide the City of McMinnville with a first rate hotel for visitors, market hall with micro-restaurants, high quality affordable and market-rate housing opportunities for McMinnville residents, micro-retail and micro-office spaces to support McMinnville's emerging entrepreneurs, and a large pavilion for community use and events. In addition to these community benefits, GRĀNUM is expected to bring in \$14.2 million of direct revenue to the public sector over the next ten years. This figure does not include the many induced effects of this economic development powerhouse, including, but not limited to, increased surrounding property values and assessments, income tax base from job creation, and business revenue.

Palindrome is proposing to develop GRĀNUM in two phases. The first phase, which includes 123 affordable apartments on the northern portion of the site and 65 market-rate apartments on the western edge, is expected to start construction in September 2026 with a completion date of May 2028. Immediately thereafter, construction will start on the second phase, which includes a 51-room hotel, taproom, 13 micro-restaurant spaces, 18 micro-retail spaces, and the public pavilion. Phase 2 construction will be completed in September 2029.

GRĀNUM will utilize a variety of financing mechanisms, including conventional mortgages, tax-exempt bond financing, Low Income Housing Tax Credit (LIHTC) equity, Oregon Housing and Community Services (OHCS) financing, and owner equity and deferred developer fee. The preliminary budget for the GRĀNUM development is as follows:

	PHASE 1	PHASE 2	TOTAL
<b>SOURCES OF FUNDS</b>			
Bank Financing	\$26,450,000	\$17,880,000	\$44,330,000
Palindrome Equity	\$10,438,879	\$3,471,326	\$13,910,204
Tax Credit Equity	\$16,071,724	-	\$16,071,724
Subordinate Gap Financing	\$4,220,764	-	\$4,220,764
Deferred Developer Fee	\$1,695,000	-	\$1,695,000
<b>Total Sources of Funds</b>	<b>\$58,876,367</b>	<b>\$21,351,326</b>	<b>\$80,227,693</b>
<b>USES OF FUNDS</b>			
Acquisition	-	-	-
Closing Costs	\$200,000	\$110,000	\$310,000
Construction Costs	\$42,479,354	\$14,679,674	\$57,159,028
Furniture & Equipment	\$200,000	\$600,000	\$800,000
Architectural & Engineering	\$4,532,500	\$1,182,500	\$5,715,000
Permits & Entitlements	\$1,395,741	\$665,839	\$2,061,580
Financing Costs	\$1,167,000	\$288,200	\$1,455,200
Construction Insurance & Interest	\$3,330,365	\$2,052,827	\$5,383,192
Due Diligence	\$99,000	\$79,000	\$178,000
Legal	\$360,000	\$155,000	\$515,000
Accounting	\$30,000	\$20,000	\$50,000
Reserves	\$1,692,406	\$1,518,285	\$3,210,692
Developer Fees	\$3,390,000	-	\$3,390,000
<b>Total Uses of Funds</b>	<b>\$58,876,367</b>	<b>\$21,351,326</b>	<b>\$80,227,693</b>

In order to make GRĀNUM financially feasible, Palindrome respectfully requests the following assistance:

- Acquisition of the land for \$0
- Transportation and Sanitary SDC waivers for the affordable housing component
- 50% reduction in planning permit fees for the affordable housing component per McMinnville Municipal Code (MMC) Section 3.10.060
- Construction excise tax exemption for the affordable housing component per MMC 3.30.040
- 15-year property tax exemption for the affordable housing component as enabled by ORS 307.515 – 307.535.
- Support in obtaining LIHTCs and OHCS financing for the affordable housing component



# 6 CONCEPTUAL DESIGN DOCUMENTS

# CONTEXT



**RESIDENTIAL**

**COMMERCIAL/  
INDUSTRIAL**

**RAILROAD**

**GRANARY DISTRICT**

**RESIDENTIAL**

# PROGRAM & CONNECTIONS



## SUSTAINABILITY

The shifting climate is leaving its mark on our world, and it is our responsibility to navigate nature's changing rhythms and do our part to lessen our footprint. Palindrome is dedicated to creating innovative, environmentally conscious structures that prioritize energy efficiency, reduce waste and enhance the well-being of occupants. Our approach integrates cutting-edge technologies, thoughtful design, and sustainable materials to construct buildings that stand as beacons of responsible development.

In addition to sustainable construction, Palindrome will ensure sustainable education and programming. Recycling and composting options will be offered throughout the property, and Palindrome will ensure this waste is put to good use to avoid it ending up in a landfill. Seminars on waste, recycling and re-use principles and its impact on the environment and household budgets will be offered. Further, Palindrome will also explore partnerships with local McMinnville environmental groups. Finally, Palindrome will work closely with our general contractor, PacifiCap Construction, to minimize construction waste.



Drawing on our significant experience with sustainable design, Palindrome aims to pursue an Earth Advantage certification or equivalent. Sustainability features will include:

- All Electric
- Solar Arrays
- EV Car Charging
- Energy Star Appliances
- Energy Star Lighting
- Onsite Drywells and Stormwater Management
- Energy Recovery Ventilation (ERV's)
- Low-VOC materials
- High performance windows with reduction in solar heat gain and/or sound transmission
- High performance building envelope
- Native plantings
- Low-flow fixtures
- Commissioning
- Energy Modeling
- Blower Door Testing
- Window Leakage Testing
- Locally sourced materials
- Resiliency features
- Generators
- Exterior Sunshades
- Heat Island Mitigation via light colored roof
- Universal Design Features
- Irrigation controls

# PROGRAM & CONCEPTS



## Hotel & Market Hall

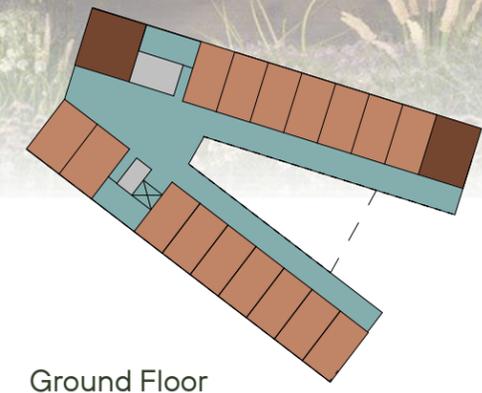
The boutique hotel and active ground-floor market hall position GRANUM as an energetic hospitality destination. The building's form invites Alpine Avenue and its travelers inside to discover the taproom and market hall. The architecture and materiality are inspired by the local granary vernacular, which resonates with an active environment and a culture that supports and develops local culinary innovators.

**HOTEL PROGRAM**  
(3 STORIES, 28,200 GSF)

300 sf Rooms	45
400 sf Rooms	6
<b>Total Keys</b>	<b>51</b>

**MARKET HALL PROGRAM**  
(11,100 GSF)

9x18 Vendors	11
10x10 Vendors	2
<b>Total Vendors</b>	<b>13</b>

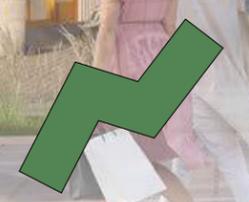
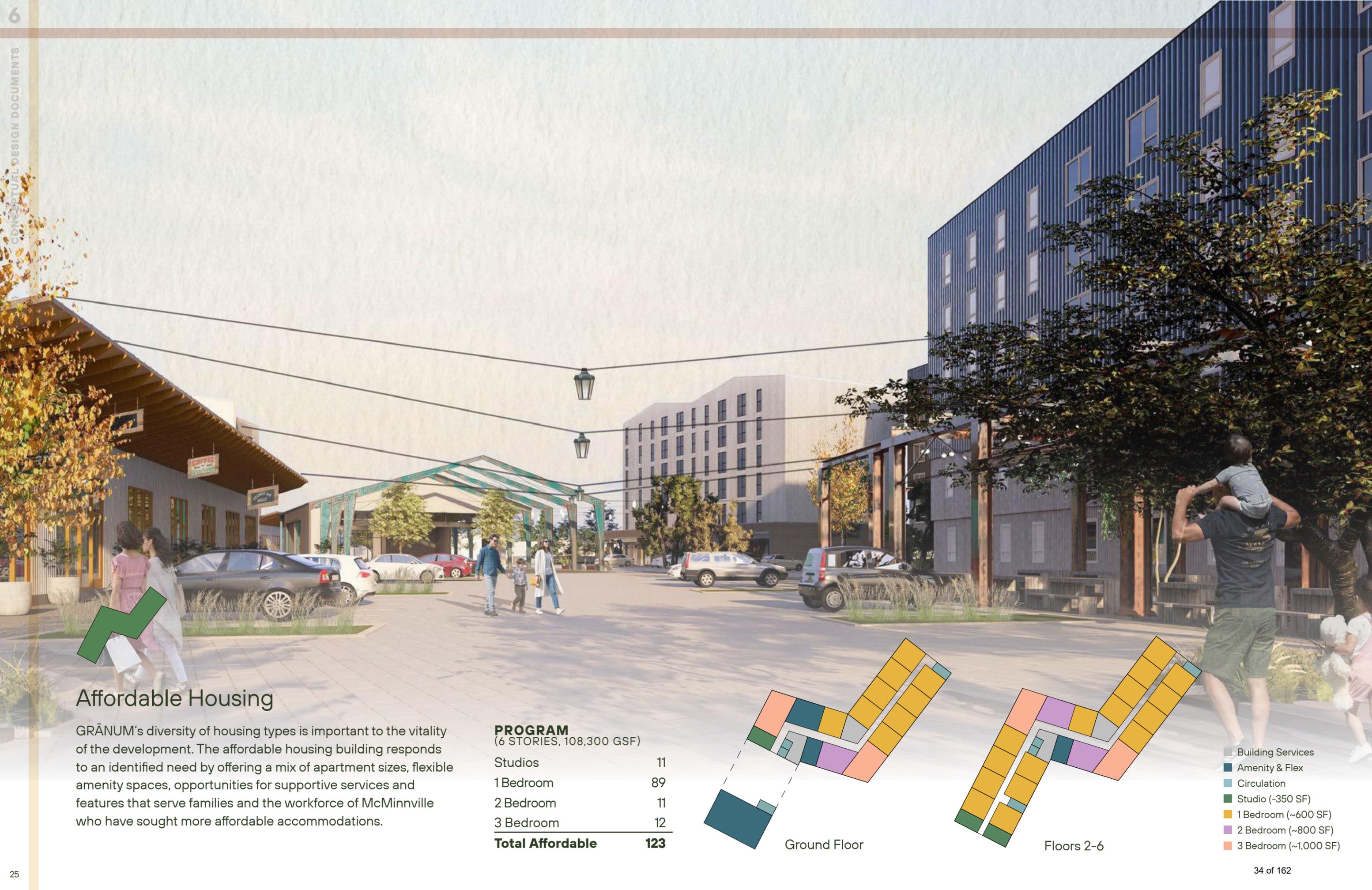


Ground Floor



Floors 2-4

- Building Services
- Seating Area
- Circulation
- Food Vendor
- Taproom
- 300 SF Room
- 400 SF Room

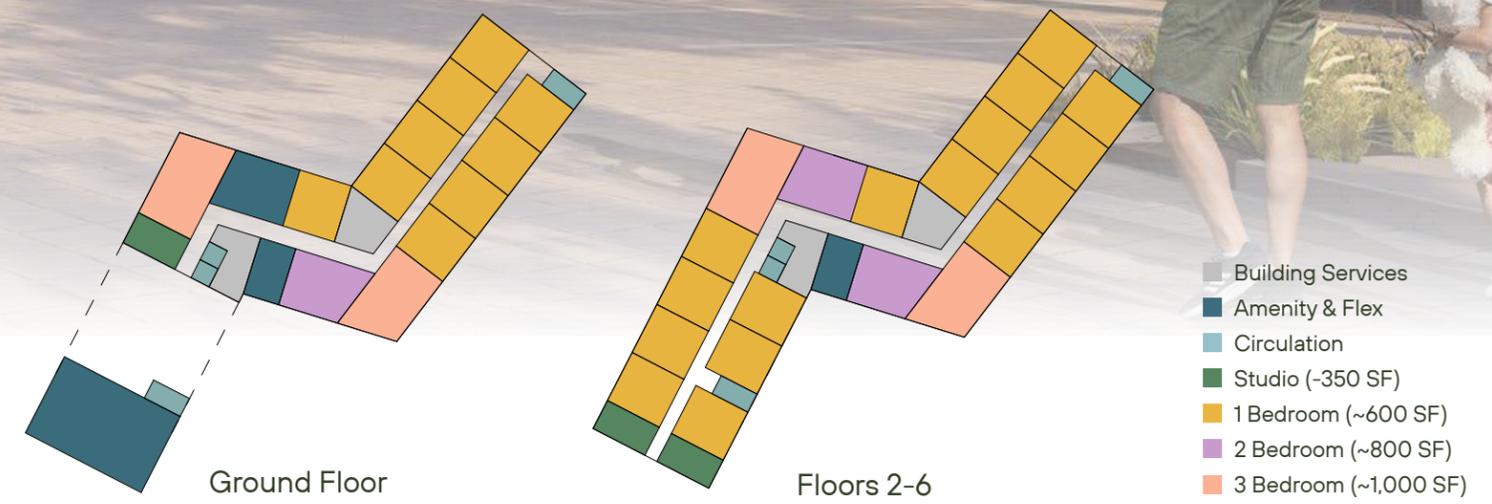


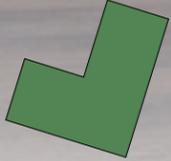
## Affordable Housing

GRĀNUM's diversity of housing types is important to the vitality of the development. The affordable housing building responds to an identified need by offering a mix of apartment sizes, flexible amenity spaces, opportunities for supportive services and features that serve families and the workforce of McMinnville who have sought more affordable accommodations.

**PROGRAM**  
(6 STORIES, 108,300 GSF)

Studios	11
1 Bedroom	89
2 Bedroom	11
3 Bedroom	12
<b>Total Affordable</b>	<b>123</b>



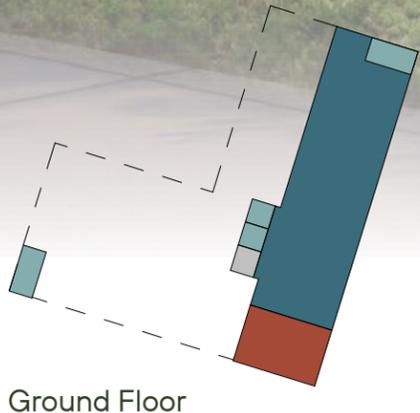


## Market-rate Housing

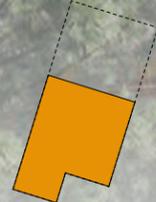
The market-rate housing building anchors GRĀNUM's west end and engages NE 8th Street. The ground floor elevation engages with all the site's amenities, providing sheltered areas for gathering. The facade articulation and materiality respond to neighboring buildings like Buchanan Cellers and the agricultural structures nearby.

**PROGRAM**  
(6 STORIES, 62,000 GSF)

Studios	15
1 Bedroom	40
2 Bedroom	10
<b>Total Market-rate</b>	<b>65</b>

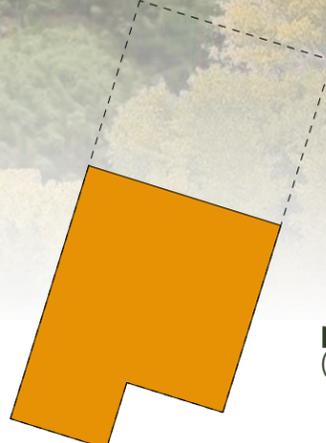


- Building Services
- Amenity & Flex
- Retail
- Circulation
- Studio (~350 SF)
- 1 Bedroom (~600 SF)
- 2 Bedroom (~800 SF)
- 3 Bedroom (~1,000 SF)



### Pavilion & Outdoor Space

A portion of the original warehouse building is preserved and adaptively reused to form the pavilion, honoring the site's history and layering of time. The pavilion is defined by large steel frames spanning 70 feet, with ceilings sloping up to 30 feet. At the north end, the pavilion opens to a green space where the steel frames are intentionally exposed, allowing the building to reveal its original industrial frame and form the boundaries of this central park element. Indoor and outdoor space is public-focused, family-friendly and creates room for flexible programming throughout the day and evening.



**OUTDOOR SPACE**  
(4,200 SF)

**PAVILION**  
(5,600 SF)



## Micro-Retail & Micro-Office

Micro-retail and micro-office spaces create affordable commercial opportunities for boutiques, local small businesses, and specialty retailers. An elevated boardwalk activates this area of the site, encouraging visitors to explore the local McMinnville offerings and brands in more intimate and compelling daylight spaces that offer glimpses of discovery through and across the site.

<b>PROGRAM</b> (6,840 GSF)	
380 sf Spaces	18
<b>Total Spaces</b>	<b>18</b>

■ Micro-Retail/Office Space

## MEETING YOUR OBJECTIVES

### Welcoming to the Entire Community

Members of the McMinnville community will see themselves represented in this redevelopment—historical and neighborhood context, scale and offerings reflective of local industry, housing and commercial space responsive to identified needs, and a flexible and accessible mix of indoor and outdoor areas create an energetic and welcoming environment.

The site is designed to open up to the community, an invitation into the development. The hotel and market hall entrance is placed along Alpine Avenue, further invigorating this corridor and creating a gateway, and a second gateway opens along 8th Street. Elements like a multi-modal thruway, a gateway on 10th, a pavilion, an elevated boardwalk along micro-retailers, and a centralized green space encourage visitors to explore the development and all its offerings.

### Core Values of Courage, Equity, Stewardship, & Accountability

We understand the Northwest Rubber Site to be a public asset. Good stewardship of this asset means developing to spur local economic growth, respond to housing gaps, and become a destination and place of pride for the community.

Applying courage in design and development means looking forward. We'll find creative ways to meet the moment while positioning for the future, aligning responses with McMinnville's values.

Community engagement, integrating accessibility, and a concerted goal to lower barriers to equity will be prioritized in both our process and project. And like the City, we are accountable and invested in outcomes—Palindrome is committed to success as the sole and long-term owner.

### Design Excellence

Design excellence is seen and also experienced—aesthetics is part of it, but so is process. We find that by putting people first in the process, good design follows. This looks like inclusive community engagement, investigating the site's history and neighborhood context, applying universal design principles that support well-being and comfort, and more.

Design choices can determine a place's longevity, environmental and community impact, and individual user experience. Buildings have ripple effects. We seek to consider both the present-day and future, and respond with intention.

Ultimately, design excellence for the Northwest Rubber Site is led by our team, but determined by the McMinnville community. We learn from you what your desires are for the development, pull from our experience and best practices, and translate what we gather into design solutions unlike any other.

### Consideration for Development's Effects on the Area

The effect of redevelopment on the surrounding area will be top-of-mind with every decision. We understand that this neighborhood will be forever changed, and we were heartened to see that the surrounding business owners and community members joined for the engagement session. We believe that with these lines of communication open, and mutual investment in the outcome, we can generate feedback that fine-tunes our approach throughout the project.

From what we have learned so far, we see this redevelopment as a catalyst for the community. Commercial and housing space responds to local need, and communal greenspace aims to enrich the neighborhood. We envision hospitality and micro-retail encouraging activation for new and existing businesses alike, with the site's tenants selected to complement current neighborhood offerings.

Our goal is to support the surrounding businesses. We are invested in the district and seek to collaborate rather than compete.

### Representational Community Engagement

Inherent in our work is extensive consideration of how it will impact people. The places that we design and develop are rooted in community, good neighbors to the surrounding fabric, and decidedly human-scaled. We let our people-person nature guide us as we create spaces that prioritize and celebrate the human experience.

This starts with representational community engagement that seeks out feedback from expected, and sometimes unexpected, sources to ensure all voices are heard. The development team is committed to attending stakeholder and community meetings, proactive neighborhood outreach, detail-oriented focus groups and listening sessions, offering opportunities to engage in person and digitally, and inviting the community into the process by creating transparency and communicating design progress.



**THANK YOU!**



# City of McMinnville, Oregon Northwest Rubber Site Development Proposal

February 14, 2025

ethos

 Home First

WAECHTER  
ARCHITECTURE

PLACE

 Center for  
Public Interest  
Design

 Essex  
GENERAL CONSTRUCTION, INC.

## **I. Executive Summary**

Concept Overview  
Approach to Project Delivery

## **II. Development Program**

Scopes and Program Components  
Preliminary Metrics

## **III. Development Schedule**

Overall Timeline  
Key Factors and Phasing Diagram

## **IV. Community Engagement Plan**

Community Workshop—Key Takeaways  
Continuing Engagement—Local Strategies  
Asset Based Community Development  
Revised Engagement Plan

## **V. Business Deal & Transaction Structure**

Overview & Strategy  
City Collaboration & Approvals  
Financing Assumptions  
Preliminary Development Budget

## **VI. Conceptual Design Documents**

Site Plan and Key Connections  
Physical Model—Alpine Avenue and Gateway  
Scheme Massing and Orientation  
Site Development Goals—Comparison  
Site Circulation / Desire Lines  
Sustainability and Resilience  
Landscape Design Concept  
Experience—Primary Spaces and Street Views  
Floor Plans

## **VII. Closing**

Alignment with City Development Objectives

## **VIII. Appendix**

Project Experience—Highlights



# I. Executive Summary

## I. Executive Summary

Director Richards and Esteemed Committee Members,

Thank you once again for the opportunity to meet with you and members of the McMinnville community as we were working to refine our proposal for the NW Rubber site. These conversations were valuable guides and led to a deeper understanding of the site and the importance of this project.

**We're optimistic about the future of McMinnville and the Gateway District. Our proposal is ambitious, and we have full faith in our team, and our ability to fulfill the goals for the project and the potential of the Northwest Rubber site.**

The work presented here is a beginning—a critical exploration of the site's capacity and development potential, and a glimpse at a responsive design vocabulary that builds upon the district's history and character while setting the stage for future growth and the establishment of a true mixed-income, live-work neighborhood.

In selecting a development team at this stage, it's important to note that it's not the visuals and metrics alone that matter, this is also a choice to build a relationship with partners that share your vision and your deep commitment to the community, and to long-term stewardship of its vital resources.

Above all else, this is what we bring—a team with the diversity of perspectives and expertise to address such a complex and unprecedented project: experts in affordable housing finance and operation, urban strategists, developers and curators of commercial and community space, architects who continually search for economical, engaging, and timeless expression.

We hope that the following pages illustrate the impact our proposal will make to address McMinnville's housing crisis, and equally, offer a sense of what an active, verdant, and diverse Northwest Rubber Site and Gateway District could become.

We're pragmatists and problem solvers that believe in uniting our efforts around a shared vision. We feel we've arrived at a strategy that will allow us to work in tandem and deploy rapidly to address immediate priorities—the need for infrastructure, housing, services, amenities and activation of the key Alpine Avenue frontage. From these anchor points, we can come together to add increased density and diversity of housing, commercial, and community offerings through a second stage mixed-use development. This approach also gives us the flexibility to adjust scales, unit mixes, and amenities to meet the market in an evolving economic landscape.

We would welcome the chance meet again to share our thoughts on this proposal, and the potential of our work together to set a new precedent for public-private partnerships within our region.

Sincerely,



Paul Del Vecchio  
President  
Ethos Development



Ben Pray  
CEO  
Home First Development

## Concept Overview

**Our goal is to create an integrated site development that addresses the urgent need for housing in McMinnville while bringing new opportunities, amenities, and experiences to NE Gateway.**



Retail Gateway—An Invitation to the City



Verdant Landscapes



Timeless Architecture



Framed Civic Space

While the final form and character of the site's development will be shaped through further exploration, dialogue, and community engagement, our team has arrived upon a primary framework:

- **Two-stage, Housing-focused Buildout:** Accessed from Alpine Avenue and 10th Street, the first phase will focus on working singles and seniors with income restrictions alongside community resource spaces. This phase will be led by Home First, with 80 units, focusing on the most in-demand (1BR) unit type in this category. The second phase, led by Ethos Development, will be a mixed-use platform supporting a range of housing types and community amenities, with a target of 100 units plus leasable commercial and creative maker spaces on the ground level.
- **Central Public Green:** This square will open onto Alpine Avenue and is designed and programmed for multiple uses. The design of this new park will work to incorporate native landscapes and species with spaces for residents and members of the wider community.
- **Retail Gateway / Marketplace:** A pairing of "Market Hall" structures will frame the entrance to the site from Alpine Avenue. These will be scaled to accommodate a number of small to mid-size retail, food and beverage tenants, adding amenities for residents, and serving as an attractor and extension of the axis of commercial activity between Mac Market, the Granary District, and Downtown.
- **Scalable, Seasonal Local Art and Amenities:** Resident and visitor services, such as pop-up retail pavilions and food carts, will activate common areas within the site boundaries. We will also look to build relationships with local and regional artists to develop rotating creative installations and programming across the site.
- **Perimeter and 'Tuck-under' Parking:** Parking will be concentrated along the rail right-of-way edge, which may also serve as a fire access lane between 8th and 10th Streets. A smaller number of short-term spaces will be adjacent to the Retail Gateway on Alpine Avenue, which will serve as an access and drop-off point to common areas, the central green, and site amenities.

## Approach to Project Delivery

**Our team will draw from our different areas of expertise to create a new model for integrated, mixed-income, all-ages community, and create a heart for the Gateway district that is uniquely tailored to this place.**

**Research**—We will ground the project in its history as a native landscape, an agricultural community, a jobs and manufacturing hub, and a center of learning and innovation. We'll build on the specific character of the Gateway district, and also look to catalyze its future potential.

**Dialogue**—We'll build on our relationships with city officials, local residents and business owners, and will work to address a wide range of needs and opportunities through continuing community engagement.

**Refinement**—Our design process involves thoughtful review and distillation of components and concepts. With an eye for the simplest and most economical solutions, we work to make each element fit the needs and the situation beautifully.

**Collaboration & Local Partnership**—We value and encourage opportunities to work with local subcontractors and service providers, artists, artisans, and business owners who can add character and connection to our projects, and keep more dollars within the community.

**Commitment**—Ethos and Home First have extensive experience as owner/operators of their multifamily and mixed use projects. Our leadership is committed to a long term stake in the NW Rubber Project, and has the expertise to serve community needs and maximize the value and impact of the city's investment.

**Adaptation and Resilience**—Our two stage approach, with parallel projects going forward in Phase 1 has the advantage of speed, proven finance methods, and clear definition of roles. It also gives us the opportunity to look at unknown site conditions, evolving policy and economic factors to test and refine assumptions for Phase 2.

Like the warehouses and industrial buildings of an earlier century, and the innovation and flexibility of use shown in today's Gateway District, we will work to ensure that our buildings can accept change and redefinition, and that they are timeless and built to last.



**Our hope is to restore the access and opportunity that have long been part of the 'DNA' of working communities, which is essential to support present-day industries and services for all.**



## II. Development Program

## Program Composition



The goals laid out by the City for this project stress the shortfall and need for attainable housing across all types and income levels, and equally, the desire to see the site as an economic engine and a truly civic space. In response, we've proposed four interconnected scopes of work: civic amenities and site improvements (including parking and green space), a retail and commercial marketplace, a residential community, and a mixed-use, market rate development.

Our concept seeks to unify these through a shared vocabulary of materials and massing, and through the creation of a new network of multi-use pathways and civic spaces, with the ultimate objective of creating a new model for an all-ages, all-incomes, all-hours community.

**Phase 1—Retail / Commercial Gateway** (Ethos): 6,500sf Interior, 7,500sf Exterior. Two open and flexible structures open onto a pedestrian street with enhanced lighting and landscaping

**Phase 1—Housing** (Home First): 82,000gsf, 80 units (1BR) ranging from 30%–60% AMI, community rooms, resource spaces

**Phase 2—Mixed Use** (Ethos): 105,000gsf, 104 units (38 Studio, 34 1BR, 32 2BR) ranging from 80%–120% AMI, with resident amenities, 7,500sf of commercial maker space units on the ground floor.

**Parking:** 138 spaces total: 92 surface spaces, 8 special needs / tuck-under spaces for Phase 1 Housing; 38 tuck-under spaces for Phase 2 Mixed Use

**Public Square:** Approximately 37,000sf, or .85 acre, with areas for flexible gathering and events, community gardening, recreation and reflection.



Retail and Maker Space



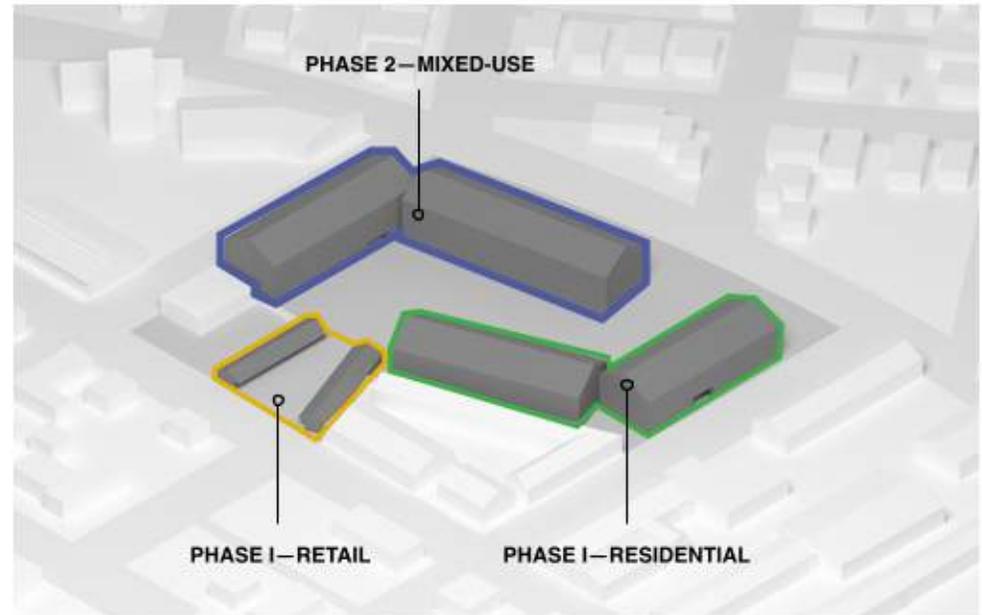
Elegant Urban Living



A new Civic Square



Resident Amenities



VI. Conceptual Design Documents // Program Breakdown

**Phase 1 Residential**

	1 Bedroom		
	Unit Count	Area	Avg Unit Area
Level 1 (Ground)	4	4,486	1,122
Level 2	33	20,606	624
Level 3	33	20,606	624
	<b>70</b>	<b>45,698</b>	

	Community	Amenity	Service	Parking	
	Area	Area	Area	Area	Count
Level 1 (Ground)	5,581	3,441	2,828	2,545	8
Level 2	0	1,205	0	0	0
Level 3	0	1,205	0	0	0
	<b>5,581</b>	<b>5,851</b>	<b>2,828</b>	<b>2,545</b>	<b>8</b>

**Phase 1 Retail**

	Commercial
	Area
Level 1 (Ground)	7,814
Level 2	0
Level 3	0
	<b>7,814</b>

**Phase 2 Mixed Use**

	Studio			1 Bedroom			2 Bedroom		
	Unit Count	Area	Avg Unit Area	Unit Count	Area	Avg Unit Area	Unit Count	Area	Avg Unit Area
Level 1 (Ground)	0	0	0	0	0	0	0	0	0
Level 2	16	7,200	450	12	7,483	624	9	8,458	940
Level 3	14	6,300	450	10	6,000	600	9	8,458	940
Level 4	16	7,200	450	12	7,483	624	9	8,458	940
	<b>46</b>	<b>20,700</b>		<b>34</b>	<b>20,966</b>		<b>27</b>	<b>25,374</b>	

	Commercial	Community	Amenity	Service	Parking	
	Area	Area	Area	Area	Area	Count
Level 1 (Ground)	11,479	0	5,102	0	13,937	38
Level 2	0	0	888	0	0	0
Level 3	0	0	3,275	0	0	0
Level 4	0	0	888	0	0	0
	<b>11,479</b>	<b>0</b>	<b>10,153</b>	<b>0</b>	<b>13,937</b>	<b>38</b>

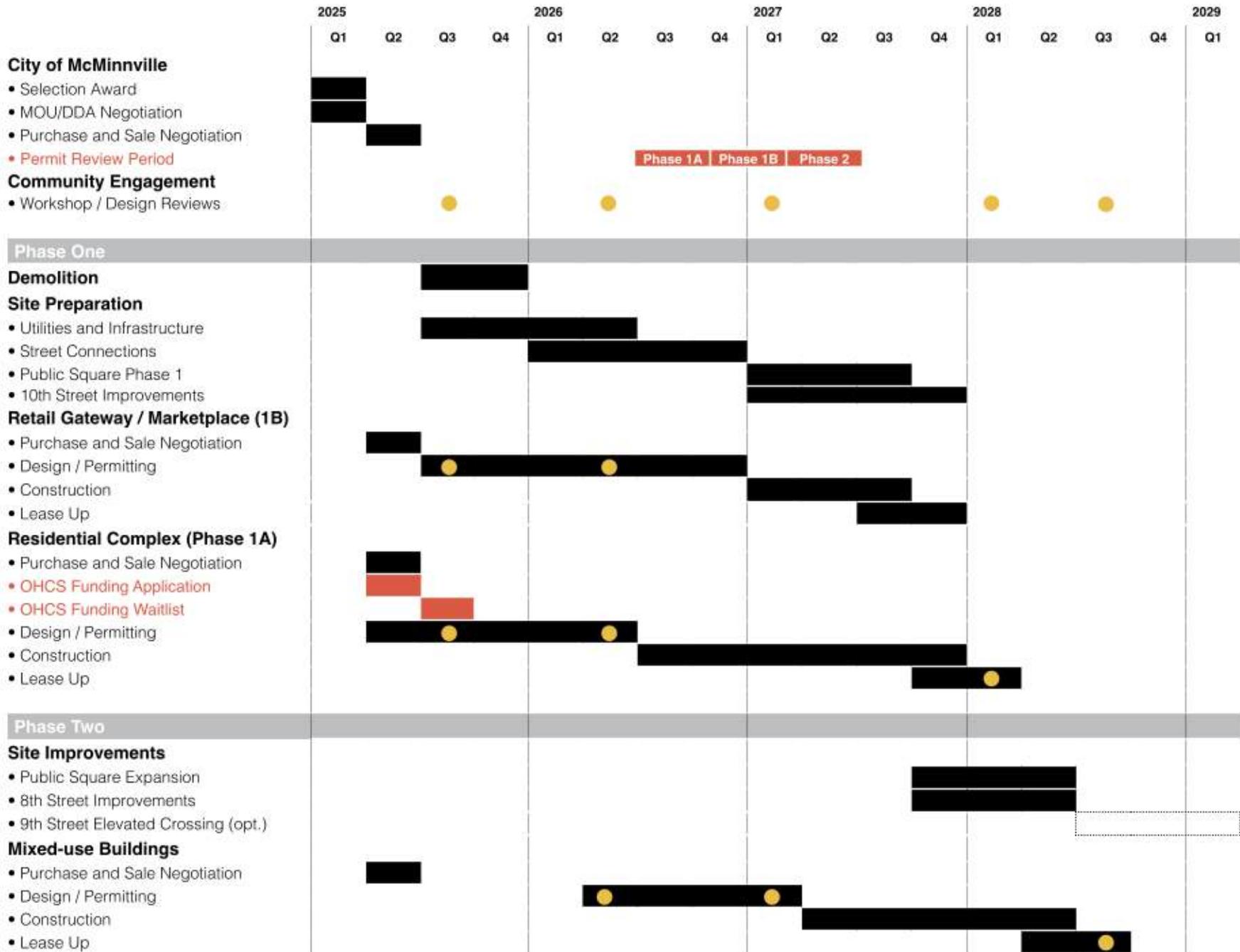
**Project Total**

Total Residential Units	177
Total Parking Count	138
Building Gross Area	184,824
Total Commercial Area	11,479
Total Community Area	5,581
Total Amenity Area	16,004



### **III. Development Schedule**

### III. Development Schedule



## Development Schedule

Our goal is to address each scope of work individually and holistically to deliver high-quality housing, services and amenities as swiftly as possible, and utilizing our knowledge of the process and the funding mechanisms to maximize the use of available resources. We also want to ensure that the community and key stakeholders have a meaningful voice in the development process.

Following MOU/DDA and Purchase and Sale Negotiations, the design of all phases of work will begin in parallel, as early as April 1, 2025. A critical task will be to prepare an application for funding of the affordable housing scope to OCHS in May of 2025. If the application is approved in August 2025, the project is assured funding and we can move that scope into Design Development. Initial sitework and demolition could also begin at that time / in Q3 of 2025. The following are key milestones for Phases 1 and 2:

### **Phase 1—Retail / Commercial Gateway** (Ethos):

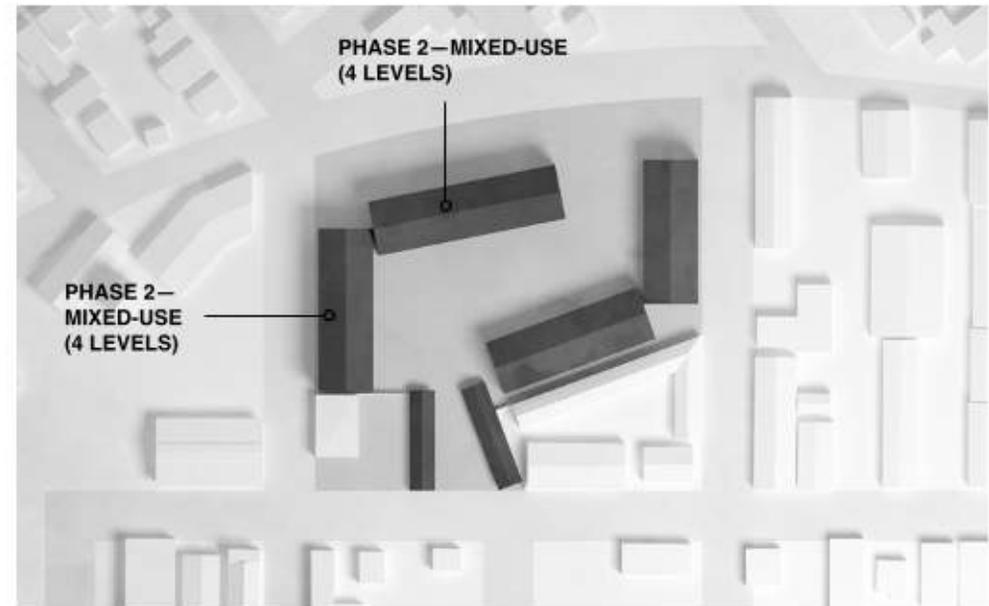
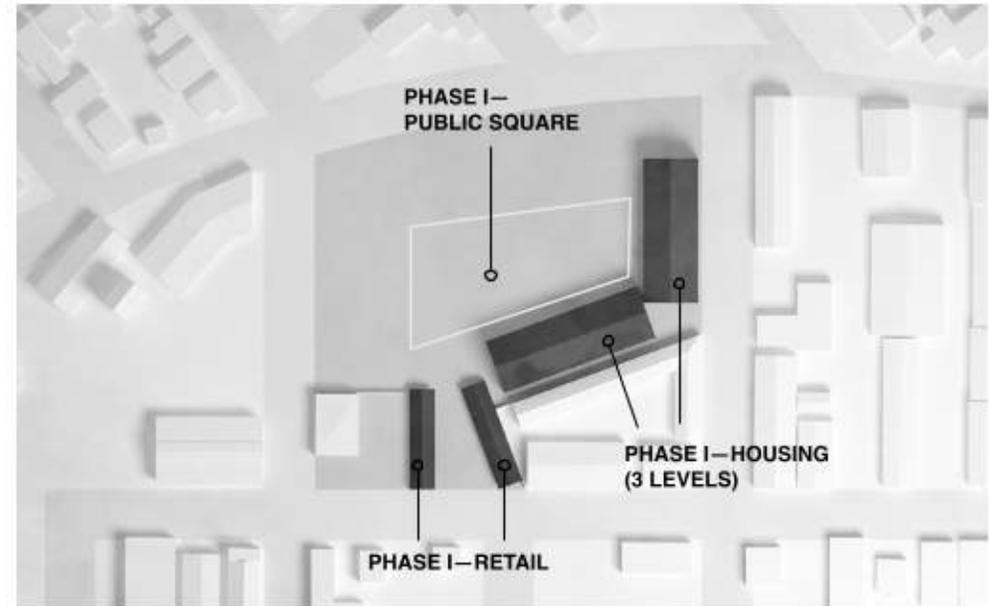
Permit Submission to City: September 2026  
Construction Start: March 2027  
Opening: October 2027

### **Phase 1—Housing & Public Square** (Home First):

Permit Submission to City: June 2026  
Construction Start: October 2026  
Opening: January 2028

### **Phase 2—Mixed-Use** (Ethos):

Permit Submission to City: February 2027  
Construction Start: July 2027  
Opening: September 2028





McMinnville High School

NE 15th St

NE 14th St

OR 99W

NE Riverside Dr

Woolly Hat House

NE 10th St

NE 9th St

NE 8th St

NE 5th St

NE 2nd St

# IV. Revised Community Engagement Plan

## What we learned in McMinnville:

We were impressed by the turnout and variety of perspectives and opinions during the Community Workshop, and these have influenced our thinking and approach. The following are key takeaways and objectives as we move forward:



**1. Identity** - NE Gateway and Alpine Ave have their own character, rooted in layers of history. We heard concerns over “cookie cutter” housing projects that were unresponsive to the community or context. We want the development to feel it belongs uniquely to this place—*taking cues from the simple massing and materials, the grain of gabled roofs running perpendicular to the street*—with spaces for work and social interaction intertwined. In other words, we’re looking to create an “Elevated Industrial Fabric”.



**2. Openness and Connection** - The NWR development should promote access and choice, and not be a walled compound available only to residents. Neighbors had issues with the dead ends that the rail line creates, local business owners were seeking more visibility and a resident community to engage. In response, we’ve mapped “desire lines” across the site, and developed new portals and pathways that open the central square to the city.



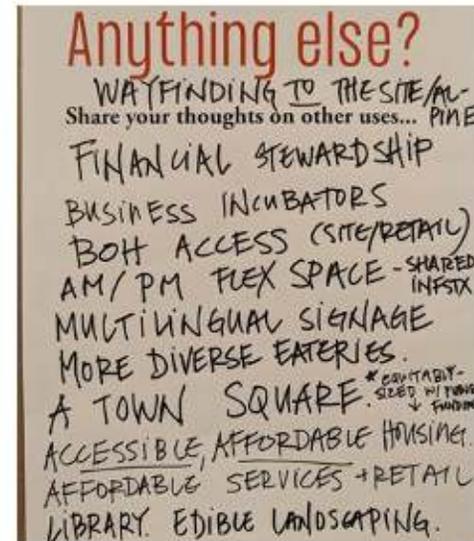
**3. New Programming, Expanded Opportunities** - In addition to housing, this development can provide space for what the Gateway District currently lacks, and what will serve residents, entrepreneurs, and visitors. Based on our conversations with neighbors and owners, we’re working to integrate mid-size maker spaces for business incubation, which provide an opportunity to scale up from smaller spaces (such as Alpine Storage units) and build on existing industries in the

area. We’re also working to provide diverse and local food offerings (from carts to markets) that can serve visitors and residents, and new amenity spaces to activate the public square, such as a gym, outdoor play area, and multi-purpose community room.



**4. Green Space and Parking.** The process of scaling up and adding density has its challenges, and the neighboring community cannot absorb the impact of new housing without adequate on-site parking. At the same time, we acknowledge that surface parking doesn’t reflect the highest and best use of this land, and we’ve worked to minimize its presence within the community.

**One of the most common responses from the workshop was the desire for more civic space, and more living landscapes for gardening, recreation, and connection to nature. In response, we’ve made this the heart of our concept, and like great civic spaces across the globe, we’ll work to create something truly of its place, and welcoming to all.**



Conversations and feedback from the December Community Workshop

## Local Engagement Strategies

We will tailor our approach specifically to McMinnville and its residents. The first Workshop was a great step, and we will look to connect with wider constituencies. Collectively, we can help define and refine the project through the following measures:

- **Engage local business groups:** small business owners, independent food purveyors, shopkeepers, childcare providers, personal services providers to refine and right-size our commercial, retail, and maker spaces.
- **Connect with institutions such as Linfield University, McMinnville Library and School District, Willamette Valley Medical Center,** and others who have had difficulty in recruiting due to housing scarcity.
- **Meet with regional housing advocacy groups, and senior advocacy groups** to understand the demands and specific needs to be addressed in our project.
- **Convene with transportation, planning, public safety officials, and the railroad operator** to better understand the requirements and specific concerns in Gateway and surrounding areas that should be addressed in our building and site design.

We can reach people through in-person workshops, phone calls or web conferences, online or mail-in questionnaires, or smaller face-to-face meetings. Throughout this process, we will work with the **PSU Center for Public Interest Design**, who is a pioneer of methods known as **Asset Based Community Development (ABCD)**. Their collaboration with Waechter and PLACE on Rockwood Village in Gresham can form a blueprint for meaningful community engagement and decision making.



## What is ABCD?

**Asset-based Community Development (ABCD) is a model of development that challenges the top-down approach of the traditional needs based model, where outside organizations step in on behalf of—rather than with—the community.**

ABCD offers a sustainable model of development; it prioritizes a grassroots, bottom-up approach of inclusive and transformative change to communities. This model invites individuals and organizations within the community to take authorship of the process to create and maintain a thriving community

### ABCD Goals

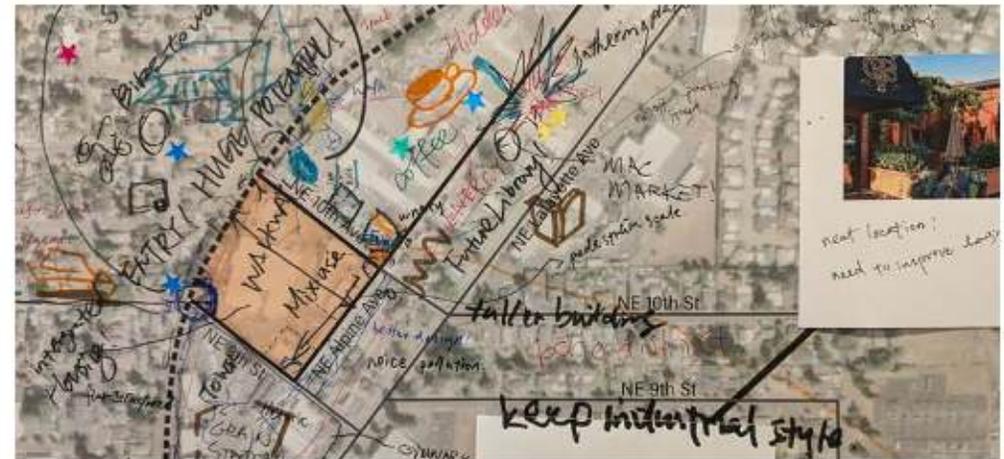
- Identify, activate, and leverage local community assets to benefit housing residents and the community at large.
- Create programmatic opportunities that not only address resident needs but the larger community's needs, such as mental health support, financial wellness classes, addiction services, and childcare.
- Inform the design process based on a public engagement process to ensure resident and community needs are met.
- Connect the developers and site management team to local organizations for partnership opportunities, for example, partnering with the local library for on-site library services.

### ABCD Process

- Asset Mapping - spatially identify assets and gaps in the community, concerning the housing site and in terms of transportation accessibility:
- Community Engagement - identify and connect with local community organizations to better understand gaps in services and needs of the community, and opportunities for partnerships around fundamental needs and assets, through semi-structured interviews.

### ABCD Outcomes

- Establish connections with local stakeholders and key contributors to the prosperity of the community.
- Complete asset maps based on categories such as 'food,' 'health,' 'education,' 'culture and arts,' and 'equity.'
- A detailed report documenting the process, design, and programming recommendations, contact information for each connection made, and step by step instructions for implementation



## Engagement Plan

Ethos and HFD are working with Waechter, PLACE, and Center for Public Interest Design to ensure that the engagement process is a source of key insights and a valuable guide throughout the full process of project development.

### **Due Diligence / Predesign (Q2 2025)**

We will continue research and relationship building through regular visits to McMinnville. Independently and with the city, our team will connect with community groups and work to establish and maintain partnerships from concept through opening and operations.

### **Concept & Design Development (Phase 1 Q3 2025–Q2 2026; Phase 2 Q2 2026–Q1 2027)**

We will host workshops with stakeholders & community organizations to identify needs based on each agency's experience. Stakeholders will have opportunities to provide design feedback and programming recommendations.

Each phase of work will include two in-person sessions to ensure community partners have the opportunity to review floor plans and site plans at the Schematic Design stage, and again before submitting for building permits. We invite these partners to contribute to:

- Site amenity selection and design
- Community room design
- Accessibility considerations
- Floor plan priorities
- Exterior design preferences
- Project naming / branding
- Public art and interiors concepts

Feedback and findings will be compiled into a final report and recommendations prior to final approval for each scope of work.

### **Construction: (Phase 1 Q3 2026–Q4 2027; Phase 2 Q2 2027–Q2 2028)**

We will send progress updates to interested parties, establishing expectations for project completion, and for income-restricted scopes, how to access the wait-list for housing. We will create multi-lingual marketing materials and performing outreach in non-traditional settings to ensure equal access.

We will also hold neighborhood Q&A sessions to address concerns about construction impacts, opening dates, and future offerings. The completion of the Retail Gateway (Sept-Oct 2027) can be an opportunity to establish an on-site office for information and lease-up.

**During Lease-Up:** For all income-restricted projects, we partner with a local nonprofit established to connect community partners with our team. This ensures that while we meet construction and financing goals, our community partners receive the support they need to access units and explore on-site community resources.

### **Operations / Resident Engagement (Phase 1 January 2028; Phase 2 September 2028)**

During operations and residency, our goal is to always have someone on-site that represents a local community and/or cultural organization. We work to establish trust and clear lines of communication, ensuring partners know how to reach property management, asset management, or developer leadership to resolve any issues.

With the diversity of resident types and income levels throughout the NW Rubber project, we will work to develop forums and methods for ongoing outreach & engagement to residents to provide feedback on community concerns, facilities and amenities, programs and services offered on-site.

## Prior Engagement Experience

A shared success story is the design of **Rockwood Village**, an income-restricted multifamily housing community on Gresham, Oregon. Waechter and PLACE worked with the Center for Public Interest Design, neighbors, tenant groups, community representatives, city leaders, and non-profit Hacienda CDC to shape the design, programming, and on-site services.

This collaborative effort ensured that Rockwood Village would meet residents' needs while also being *well-integrated with the wider community, regional educational facilities, and transit infrastructure*. Using their feedback, we designed Rockwood to embrace a new civic space, now known as Neighbor's Park, which connects to a neighborhood greenway, regional light rail, community meeting spaces, and adjacent natural areas.

At the **Grand Fir Apartments** in Salem, the Home First team incorporated a large sport court/basketball court and a universal-design playground for toddlers, *responding to feedback from parents who highlighted the lack of safe play areas for little ones in the neighborhood*. Additionally, a daycare was built next to an existing development in response to focus group feedback indicating that daycare options were too expensive and too distant.

At the **Opal Apartments** (Washington County) *the Home First team included 3,000 sf of community space designed based on multiple focus groups, and a focus on seniors*. Units are also informed by feedback; for example, the kitchen island features a lowered bar to allow seniors to sit comfortably with a chair rather than a stool, enhancing safety, stability, and comfort.

PLACE works with public agencies and neighborhood groups on the design of projects with civic and historical value. For the redevelopment of **Jefferson High School** in Portland, the community desired to include more legacy elements throughout

to showcase the pride of the high school, which traditionally served BIPOC and lower income families. In response, the design team incorporated more school colors and re-purposed artifacts or materials that represent the school's history. During the public open house, parents expressed concerns about the increasing safety issues in the neighborhood. To address these concerns, the design team and stakeholder group reviewed pathways, access control and site features, and carefully updated the design to improve security and visibility.

**For more information, we've included a few additional project highlights in Section VIII – Appendix.**



Community design workshop at PLACE; Community Open-House at Rockwood Village

## Past Partners & Community Non-Profits

A key factor in the success of any affordable, supportive, or workforce housing project is understanding the needs and perspectives of the community that's being served, and finding established organizations that can offer meaningful connection and support.

Identifying and meeting with locally-based advisory groups and non-profits is a key part of our design, development, and community engagement process. Their established networks and insights are essential during project planning to set priorities, call out essential needs and features, and address any blind spots in the project's initial assumptions. In many instances, these organizations are also active partners in the final project, with on-site resources and staff to assist residents and develop programming that deepens a sense of opportunity and belonging.

For McMinnville, we will work with the City to identify potential partners and also develop resident profiles that can help establish a good fit with the unique character and conditions of the NW Rubber site. As a team, we will work to provide support spaces that can serve as a bridge between residents and the wider community.





**V. Business Deal & Transaction Structure**

## Business and Transaction Structure

Consisting of Home First Development (HFD) and Ethos Development (Ethos), our team intends to develop a property that integrates retail, maker space, recreation, and housing for a diverse range of income levels.

**We aim to create a sustainable and inclusive community by utilizing a phased approach informed by economic conditions and our extensive experience in affordable and market-rate housing and commercial development.**

### Development Strategy

The current economic climate presents challenges for market-rate development due to elevated interest rates, suppressed rent levels, and volatility in material and labor costs. However, projections suggest improvement in these metrics in the near term. Oregon leads the nation in funding availability for affordable housing. We will initiate development with the affordable housing component, reducing barriers and costs for the subsequent market-rate phase, and activating the site with residents and retail spaces as quickly as possible.

### Development Leadership & Coordination

HFD will lead the first residential phase, overseeing design, entitlements, and construction. Ethos and HFD will jointly develop the retail component, with Ethos taking the lead on design and entitlements alongside Waechter Architecture, the architect for all phases of the project. Phase One will pave the way for Phase Two by absorbing land use, site work, and demolition costs.

### Phase One Notes: Residential / Income-Restricted

Phase One relies on funding from Oregon Housing and Community Services (OHCS) which operates ORCA, a rolling, first-come, first-served funding process. HFD and its partners have successfully secured over \$188 million in funding for 550+ units across nine developments since the ORCA process was implemented less than nine months ago.

If selected, we will promptly begin the ORCA application process, targeting submission within 60-90 days. Funding sources will include 4% Low-Income Housing Tax Credits (LIHTC) and LIFT funding, with potential additional grants. HFD has secured over \$90 million in LIFT funding and \$110 million in 4% LIHTC financing in the past three years, leveraging strong industry relationships to expedite processing and secure competitive tax credit pricing. No other developer has comparable experience navigating the ORCA process, positioning us strategically for success.

### Application & Approval Timeline

OHCS typically deems applications “complete” within 45-60 days. If funds are available in the “Western Region”, we will be recommended for a preliminary funding reservation by the State’s Housing Stability Council (HSC). We may be placed on a waiting list. Either way, following approval/wait list we will immediately invest in design and construction documentation to minimize delays. Legislative funding replenishment for OHCS’s Western Region is anticipated by August 2025. If adequate funding is secured, financing could close, and construction could begin as early as Q2 2026. Otherwise, funding may require an additional legislative cycle. Regardless, we will ensure the project is permit-ready when funds become available.

**City Collaboration & Required Approvals**

Our expedited funding application will necessitate cooperation from the City to provide:

1. A zoning letter/LUCS form confirming support for our use.
2. A demonstration of site control.

Upon selection, we will engage with the City to finalize site control and cost assumptions. If executing a Purchase and Sale Agreement (PSA) could delay our ORCA application, we propose executing an option agreement within 45 days to satisfy site control requirements while allowing time to negotiate a final sale agreement.

Phase One assumes waived System Development Charges (SDCs), reduced or waived permit fees, and waived or reduced property taxes. We have successfully implemented a Payment In Lieu of Taxes (PILOT) model in other jurisdictions, setting an affordable annual property tax payment (typically \$10K-\$20K). We recognize the importance of local taxes in supporting growth and will collaborate with the City to balance cost-sharing with project feasibility.

**Phase Two: Market-Rate Component**

The design of Phase Two will follow closely behind that of Phase One, informed by its site work. Construction will commence once Phase One reaches approximately 50% completion. This phase will be financed through traditional market-rate investment, contingent upon lower interest rates and improved cap rates within 24 months. Although Phase Two is a market-rate development, McMinnville's rent and construction cost dynamics necessitate some subsidies for economic feasibility, including:

- SDC fee abatements
- Permit fee abatement or significant reduction
- Zero land basis
- Ten-year MULTE tax exemption

**Conclusion**

Our approach ensures an efficient, financially viable development that meets the needs of McMinnville's residents while leveraging Oregon's robust affordable housing funding. Through strategic phasing, proactive design and permitting, and collaboration with the City, we aim to deliver a high-quality, mixed-use community that benefits all stakeholders on the earliest possible timeline.

**PHASE 1 FINANCING ASSUMPTIONS**

- Land available at no cost
- LIFT resources available in the Western Region (LIFT)
- 4% LIHTC/Private Activity Bond resources available
- Phase One Residential / Income-Restricted
  - Waived SDC Fees
  - Reduced Permit Fees
  - Waived/Reduced Property Taxes (PILOT)
- Phase Two Residential / Market-Rate
  - Phase One Bears Costs for Off-Site Improvements, Demolition, Land Use
  - Waived SDC Fees
  - Reduced Permit Fees
  - Waived/Reduced Property Taxes (PILOT)

**TARGET RENT\*\***

	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>
<b>Market-Rate</b>	\$1,800	\$2,000	\$2,200
<b>80% AMI</b>	*\$1,600	*\$1,710	*\$2,044
<b>60% AMI</b>		*\$1,250	
<b>30% AMI</b>		*\$625	

\*Net of utility allowance

\*\*Based on Currently Published HUD Rent Limits for Yamhill County

## V. Business Deal & Transaction Structure

### PHASE ONE RESIDENTIAL / INCOME-RESTRICTED— PRELIMINARY DEVELOPMENT BUDGET

TOTAL: \$34M

#### SOURCES

- \$13.7M 4% LIHTC
  - 0.84 LIHTC Pricing
- \$14.8M LIFT
  - Assumes LIFT + LIHTC funding limits, with 8 units at 30% subsidy level and 72 units at 60% subsidy level
- \$5M Permanent Financing
- \$500K Sponsor Loan

#### USES

- \$0 Land
- \$24.5M Construction (\$280K/Unit NIC Contingencies)
- \$9.5M Soft Costs / Reserves

#### INCOME

- 10% Units at 30% AMI Rent Restriction
- 90% Units at 60% AMI Rent Restriction
- 7% Vacancy
- 2% Income Growth

#### EXPENSES

- \$7,750 PUPY OPEX
- NTE \$250 PUPY PILOT
- 3% Expense Growth
- \$5M Permanent Financing (anticipated to be Freddie Mac Tax-Exempt Loan)
  - 6.5% rate / 35-year amortization

### PHASE ONE RETAIL—PRELIMINARY DEVELOPMENT BUDGET

TOTAL: \$1.74M

#### SOURCES

- \$860k Equity
- \$870k Debt

#### USES

- \$0 Land
- \$1.49M Construction
- \$281k Soft Costs

#### INCOME

- \$164k Effective Gross Income

#### EXPENSES

- \$28k Operating Expenses

### PHASE TWO MIXED-USE—PRELIMINARY DEVELOPMENT BUDGET

TOTAL: \$27.9M

#### SOURCES

- \$10.7M Equity
- \$17.2M Debt

#### USES

- \$0 Land
- \$22.8M Construction
- \$3.4M Soft Costs
- \$1.6M Finance / Interest Reserve

#### INCOME

- \$2.3M Effective Gross Income

#### EXPENSES

- \$701k Operating Expenses

An architectural rendering of a modern building complex. On the left is a tall, white, silo-like structure with a gabled roof and a small square window near the top. The words "J.F. DANIEL FERTILIZER COMPANY" are printed on its side. To the right is a large, multi-story building with a grid of windows. In the foreground, a group of people is gathered in a courtyard area, and a white truck is parked on the left. The scene is set against a dark, overcast sky.

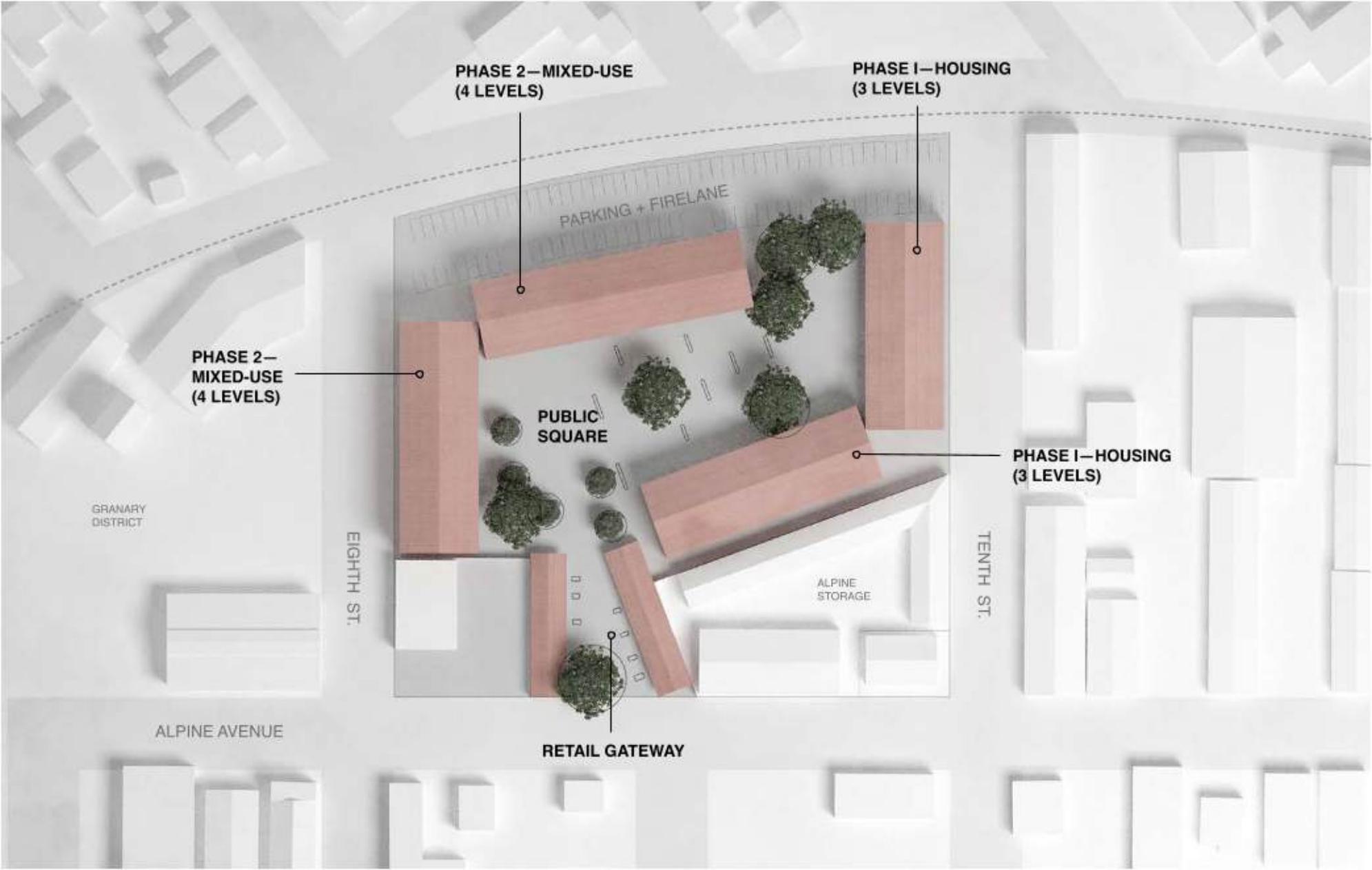
## VI. Conceptual Design Documents

VI. Conceptual Design Documents // Inspiration



**McMinnville is rooted in agriculture, industry, cuisine, and community, and Gateway is the meeting place for makers and innovators at the heart of it all.**





**Our goal is to create a new heart and center of identity for the Gateway District, and a vibrant residential community for all ages and incomes.**



**Site Model**—This 22" x 60" model was built as a framework for discussion during the December Community Workshop, and has served our team as a test bed for ideas and options during the proposal process. It captures the heart of the Gateway District and Granary District from Buchanan Cellars and the McDaniel Grain Elevator (orange towers at left) to Mac Market (orange block on the lower right). We hope it will continue to be of value as we refine concepts and engage residents and stakeholders in McMinnville.

## Scheme Massing & Orientation

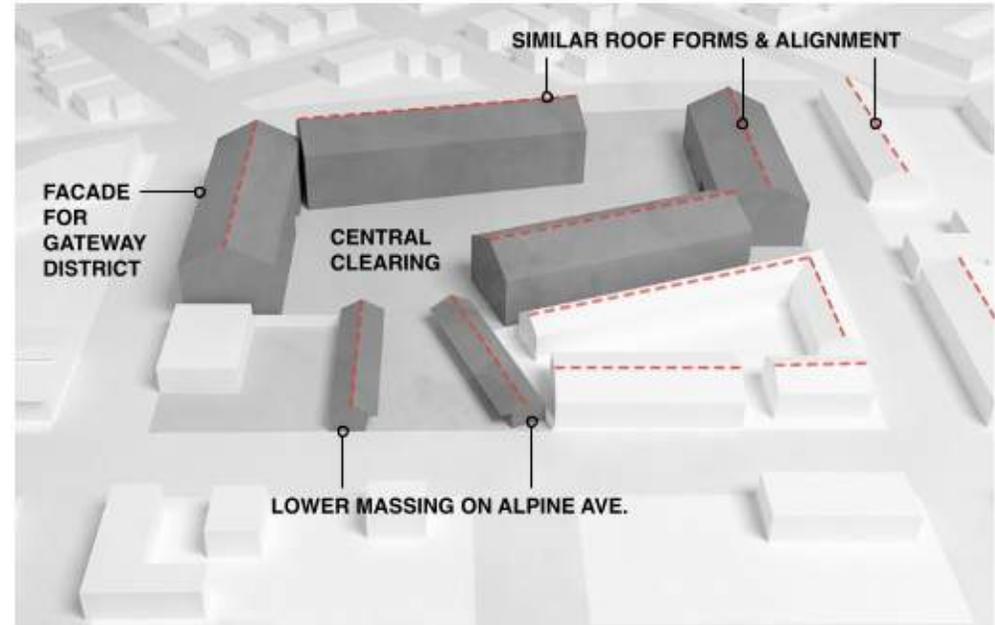


**Identity**—Our concept is inspired by the current form and character of Gateway, and by the widespread legacy of converting historic industrial structures into vibrant residential and mixed-use developments. This can be seen in cities like Brooklyn, Minneapolis, and Los Angeles, as well as regional efforts in Portland, Astoria, and Bellingham.

Our design vocabulary maintains a unique identity for Gateway, and explores a new “Elevated Industrial” building type that can set a precedent for future infill development. These are some of the key characteristics:

- **Simple building forms**, which are longer and narrower to enhance daylight and ventilation
- **Simple gabled rooflines**, matching the pitch, grain and alignment of buildings perpendicular to Alpine Avenue
- **Keeping the massing low along Alpine Ave.** to create a more inviting entrance to the site, and to not overshadow the streetscape and neighboring properties
- **Creating a new facade for NW Rubber / NE Gateway** facing the Granary District and Downtown
- **A refined yet robust material palette**, echoing the site’s industrial character with durability and detail

A key design driver is to *make the income-restricted residential structures and the mixed-use buildings feel seamless and interconnected, with the same exterior materials, massing, key features and details.* Enhanced interior finishes and features for the market rate / mixed use components can add value and market appeal while keeping with the overall character of the Gateway District.

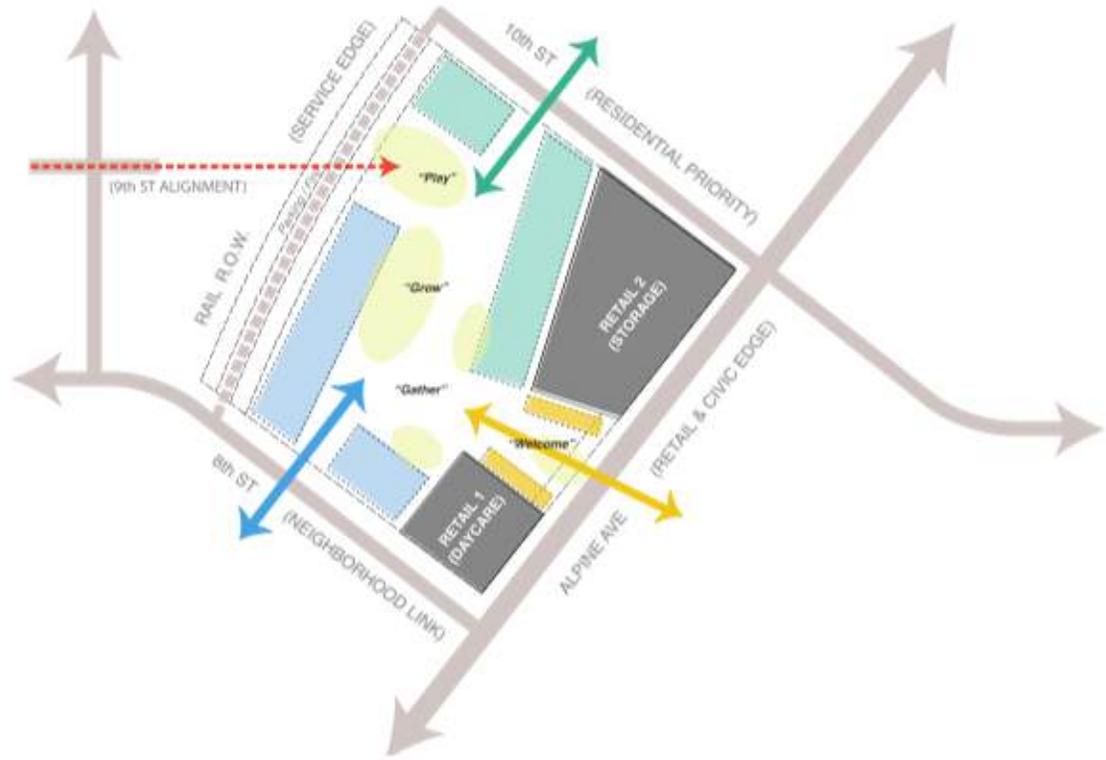


## Site Plan Development Goals



The City's concept diagram included in the RFQ shows the desire for engagement of all street faces, and the potential to create two distinct parcels for development.

Required uses include: *"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."*



**Connection**—Our interpretation of this concept, and our innovation upon it, is to create a shared space at the heart of the NW Rubber site, with links to 8th St (green), 10th St (blue) and Alpine Avenue (gold).



**Programming**—These can each be considered three vertical development scopes of work: residential, retail, and mixed-use, which can be executed independently and united to form a cohesive whole.



**Open Space**—With diverse landscapes and paths, the public square also opens to the NW along the 9th St alignment, which may serve as a location for a grade-separated pedestrian crossing over the rail tracks.

## Site Circulation / “Desire Lines”

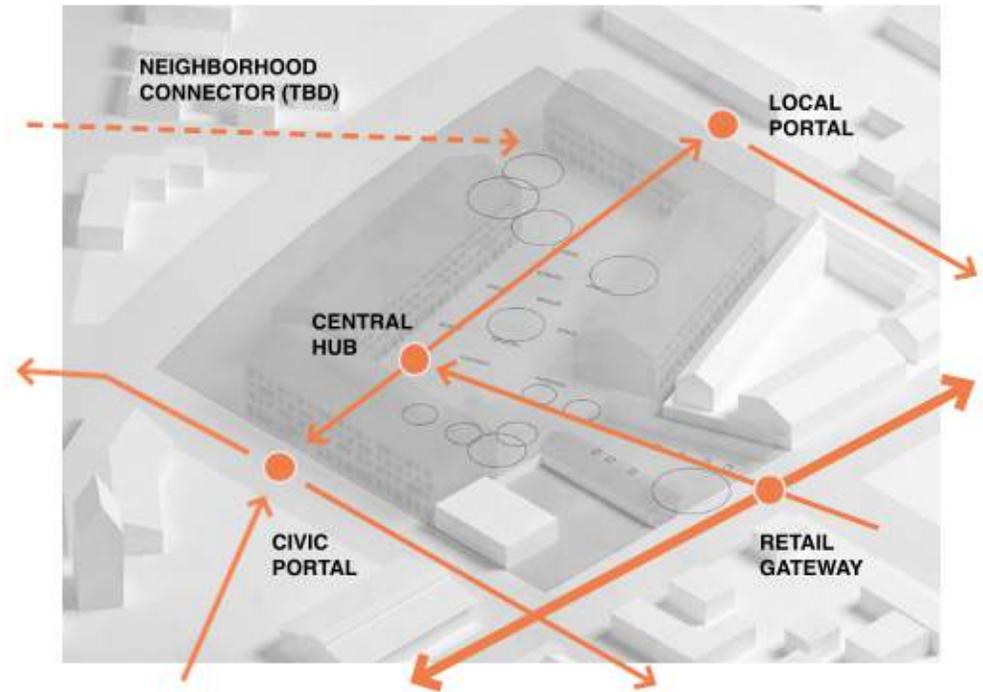


**Connection**—During the Community Workshop, participants were given a range of tools to mark pathways, site uses, and locations for buildings supporting community, commercial, and residential programs. Residents of neighborhoods to the north and west noted the lack of safe rail crossings, and the negative impact of dead end streets along the tracks. Business owners hoped to see more foot traffic, and noted the frequent conflict between cars and people using Alpine Avenue. Some noted the visual draw of Buchanan Cellars and the McCormick grain elevator as links to downtown, but that led nowhere.

In response, we recorded “desire lines” and potential points of access that would make NW Rubber feel more porous, inviting, and accessible to all.

- **Retail Gateway**—The Marketplace on Alpine Avenue is lined with active shopfronts, serving as an expansion of the multi-use street and a space of welcome to the new community.
- **A local community portal to 10th St**, providing line of sight access to neighboring businesses, and enhancing pedestrian circulation along the dead-end street.
- **A civic portal facing 8th St and Granary District**, providing a focal point and access to visitors from the south and west.

Adding to the sense of connection, the courtyard opens to the north and west along the exact alignment of 9th St—while this access is also blocked, the massing provides a visual link to the surrounding streetscape, and could serve as the location for **a grade-separated pedestrian crossing of the tracks**, pending future study and approvals. This could also integrate the former rail loading dock as a reminder of the site’s history.



## Sustainability & Resilience



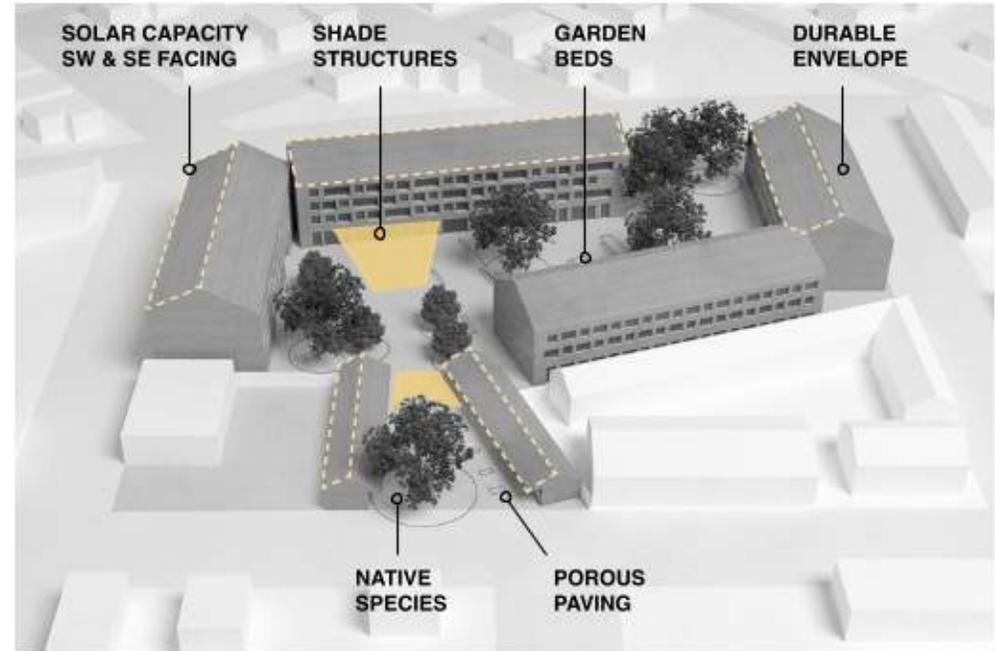
The most beneficial measures that can be taken for the NW Rubber site are to build with density, to provide sufficient unit counts and amenities to reduce long-distance commuting, and to create buildings and spaces that will endure over the long term. Our goal is for all phases and scopes to meet or exceed Earth Advantage Gold certification. At this stage, these are strategies we're working to integrate into our design:

**Fire** — We're currently exploring surface materials such as metal cladding and roofing systems that echo the existing industrial character, offer high fire resistance, and have a long service life

**Water** — The NW Rubber site can be redeveloped to harvest rainwater and limit runoff through the use of below-grade cisterns and porous paving details in the hard surface areas. Opportunities exist for each building to store graywater for reuse, and all will be equipped with high efficiency fixtures to reduce waste.

**Soil** — We will incorporate on-site community gardens for residents, including raised beds / "keyhole gardens" for seniors and others with disabilities. Our landscape plan also aims to reclaim much of the hardscape of the current site for native landscapes, play spaces and softer features.

**Sun** — We are integrating recessed balconies and openings into our residential buildings, and providing overhangs and projecting awnings to protect ground level spaces. Shade trees and lighter colored materials will reduce the heat island effect, and above, we will structure roof surfaces and structure to allow for photovoltaics and energy storage. Seasonal extremes can also be supported through the development of custom rain canopies and shade structures for the retail gateway and central plaza.



# Landscape Concept

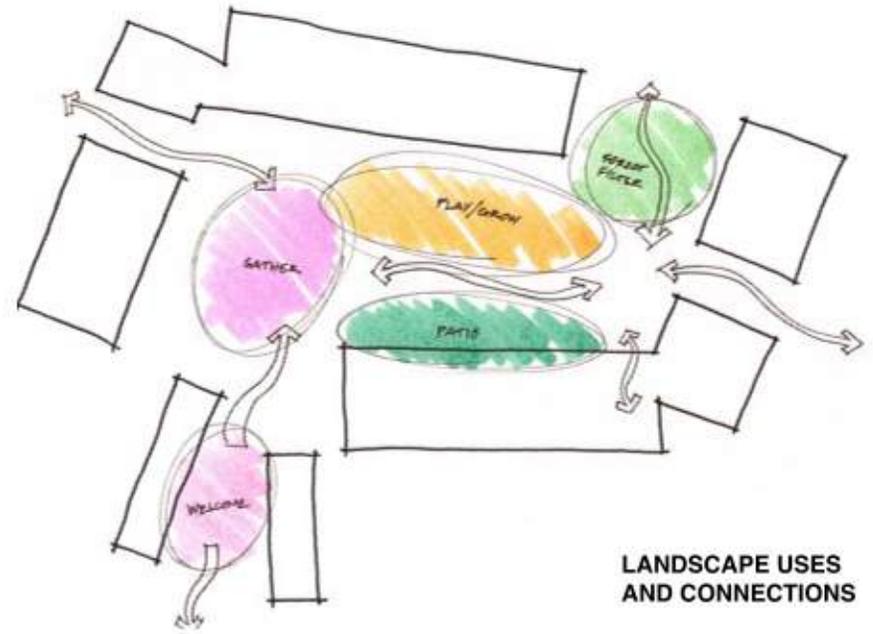


Drawing from the natural species and landforms of Yamhill valley as inspiration, and from the region's agricultural heritage, we're proposing a mix of spaces and plantings to serve as a vital civic resource, and a place of refuge and reconnection for residents, neighbors and visitors.

## LANDSCAPE & HERITAGE



## ACTIVITIES



LANDSCAPE USES AND CONNECTIONS



LANDSCAPE DESIGN STUDY

## Experience: Approach from South



The scale of the Granary District hardscape, the Grain Elevator, and R. Stuart is an opportunity to create a "fourth wall" and new facade for the NW Rubber Site and Gateway.



Approaching from Downtown, a portal connects to the new Public Green.



Maker spaces along 8th St can bring new activity to the Granary District edge.

## Experience: Passage and Arrival



**Identity**—We see these as “fabric” buildings, or a modern version of the converted industrial loft, with simple forms and durable materials.



**Connection**—Generous Portals to 8th and 10th Streets create a sense of arrival, linking the Piazza, the residential lobbies and amenity spaces with the surrounding streetscape.

## Experience: Marketplace



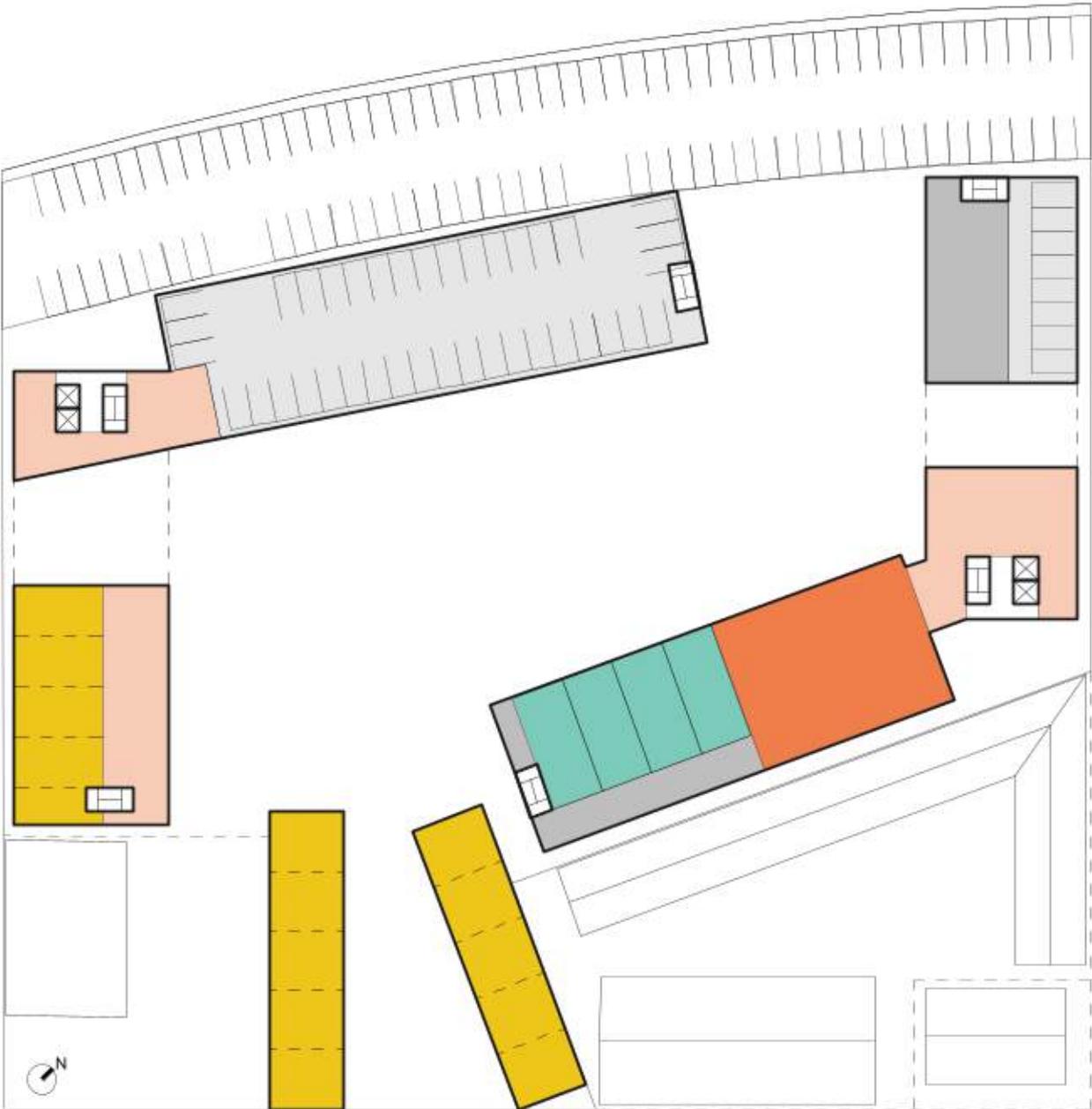
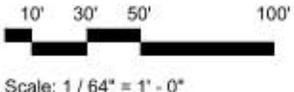
**Opportunity**—The Marketplace provides diverse offerings and amenities for visitors and residents alike, and flexible, mid-size spaces for creativity and entrepreneurship



**Green Space**—Fountains, trees and native grasses greet visitors at the entrance from Alpine Avenue, and denser plantings beyond create an oasis within a former sea of asphalt.

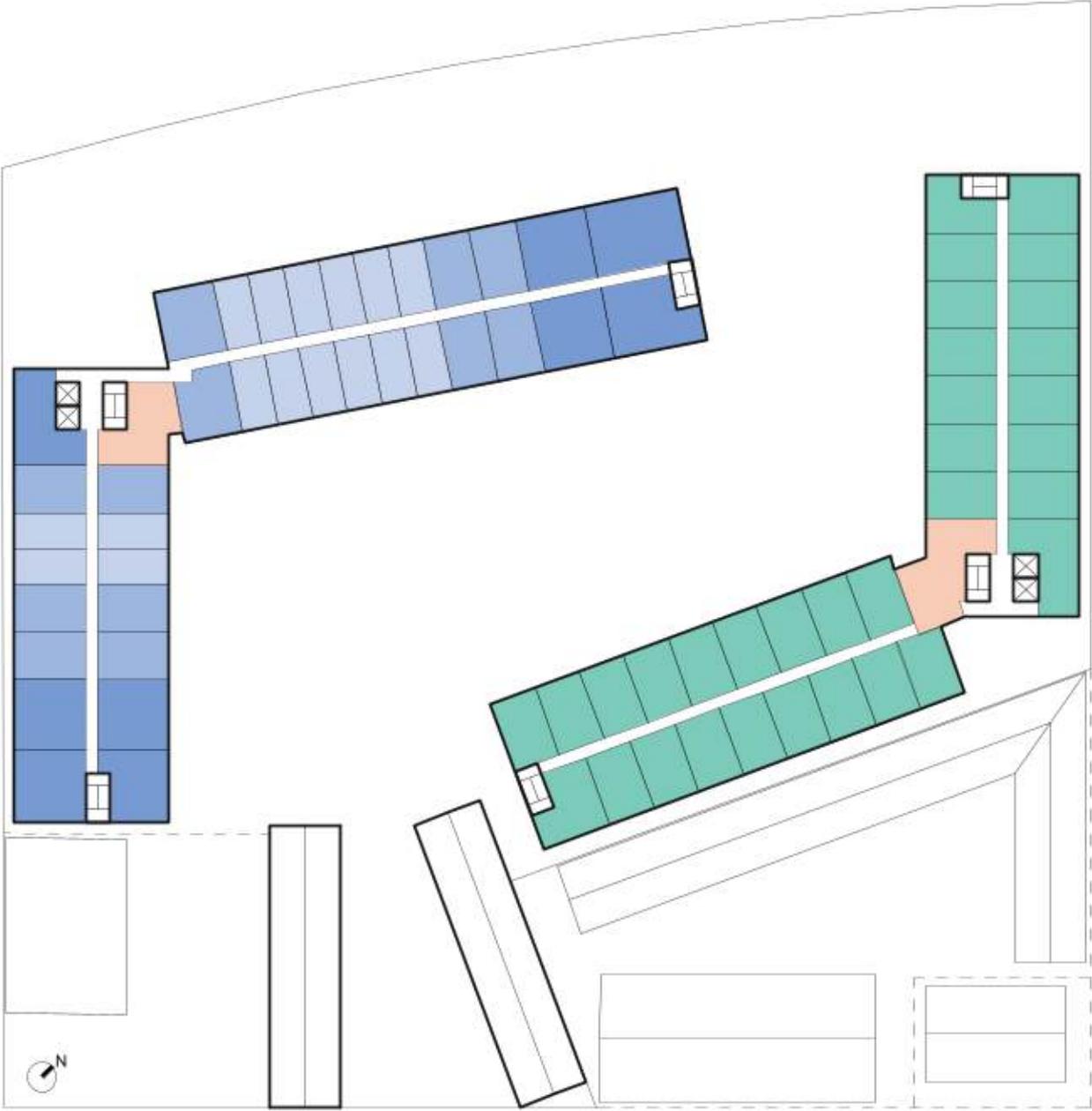
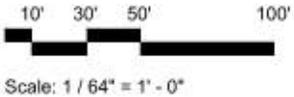
VI. Conceptual Design Documents // Floor Plans

- Phase 1 Residential
  - 1 BR
- Phase 2 Mixed Use
  - Studio
  - 1 BR
  - 2 BR
- Civic / Community
- Service
- Lobby / Amenities
- Retail / Commercial



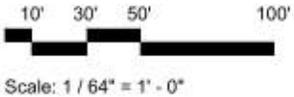
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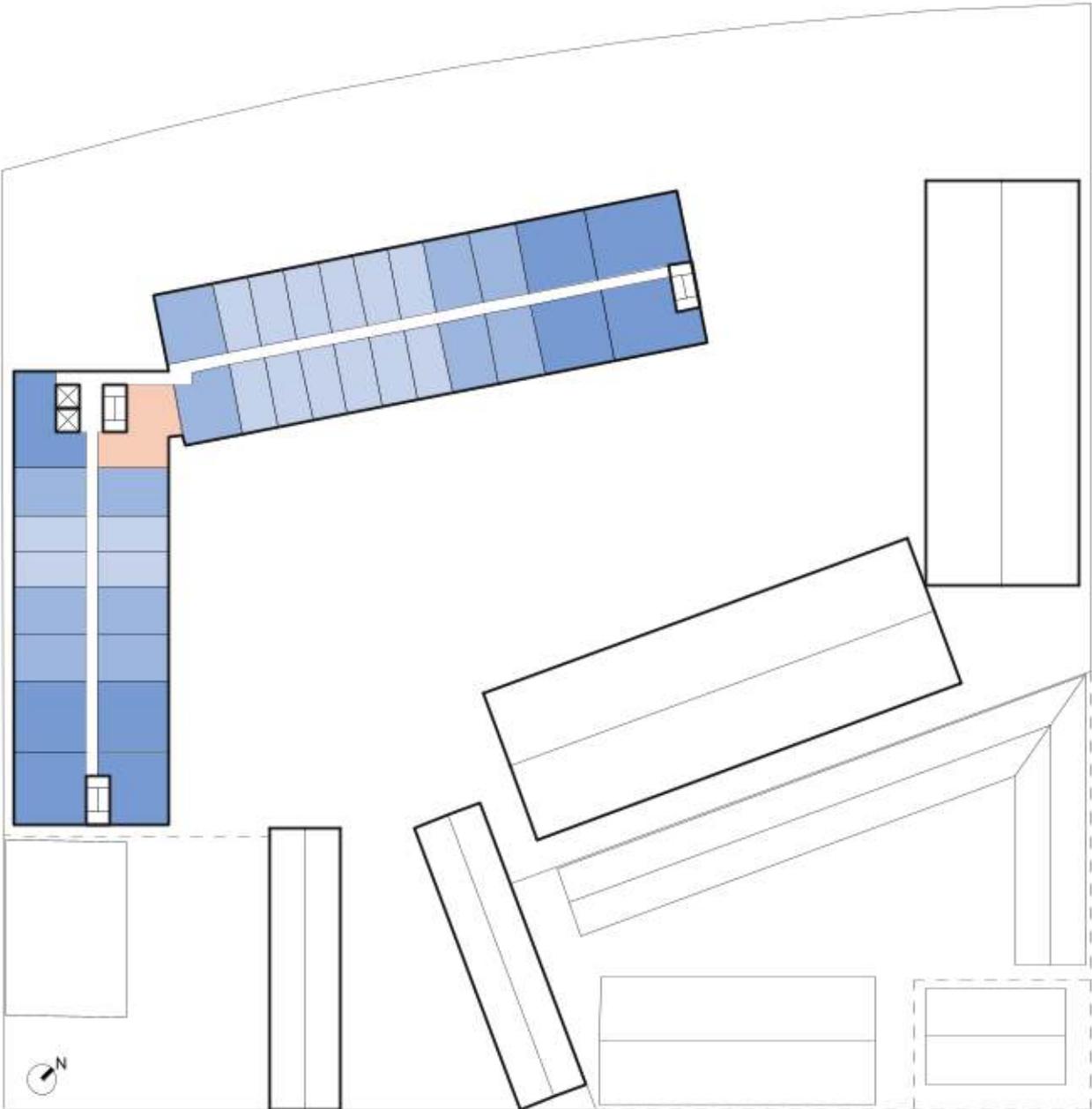
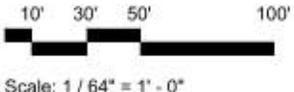
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- Lobby / Amenities
- Retail / Commercial





## VII. Closing



“Once there were parking lots, now it’s a peaceful oasis...”  
–Talking Heads, *(Nothing But) Flowers*, 1988

## Reflecting McMinnville's Spirit & Values

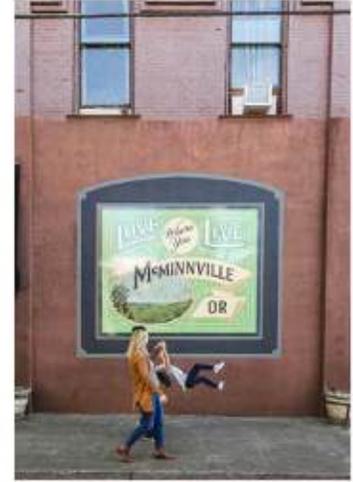
Through our process and the spaces we create, we are committed to reflecting the City's values of stewardship, equity, courage, and accountability. We intend to be good stewards of this land, we will strive to create opportunities for underrepresented communities to collaborate with us, and we will have the courage to advocate for solutions that ensure the highest and best use of city resources. As a locally-based team of small businesses, we've built a reputation for accountability, and stand by our work to address the region's housing crisis while creating places of enduring value.

**Courage**—We made a decision to think big about this project, and address up to 20% of the city's housing shortage. We looked at height restrictions, setbacks and circulation to find ways of sensitively building density, and using the District zoning and design guidelines to build for what Gateway can become, not just what it is today.

**Equity**—We've worked to realize an all-ages, all-incomes community, and one that acknowledges the current realities of affordable housing finance. While our building strategy creates separate phases and structures serving differing needs and resident profiles, we've given each equal design expression and presence on the public square, and access to shared resources across the site.

**Stewardship**—Realizing the full vision for the NW Rubber site is a commitment of time and effort over many years. Our motivation for pursuing this opportunity stems from our shared belief in McMinnville's future, and our desire to help the city and valley thrive through future collaborations. The strategies we can pilot here can provide valuable insights for new public private partnerships.

**Accountability**—It is the shared intention of Ethos and Home First to own and operate their portions of the project over the long term, and together, we have a proven record of success at supporting the needs of residents and building community. Our core mission is to provide great places to live, and that extends from each resident's experience to a collective sense of belonging and value.



## Catalyzing McMinnville's Future Growth



### A Sense of Welcome and Invitation

We feel it's critical from the opening of the first completed structures at NW Rubber to create an offering for all of McMinnville's residents—to announce and embody that this project is for everyone.

This begins with the Marketplace, that will immediately serve as an activator along Alpine Avenue and a key gateway to the site. Both spatially and sequentially, we're scaling up from smallest to largest scopes of work to essentially bring the community along with each step.

When complete, the entire NW Rubber site will feel like a shared space and an integral part of the district and a meeting place for residents and the wider community.



### Design Excellence

There are a wide range of strategies to build housing at scale for any income level, but the NW Rubber site is a unique condition. A core principle of Design Excellence is appropriateness and resonance with place—not settling for an off-the-shelf, formulaic solution, but beginning with the community's needs and the essential design DNA of the district.

We're inspired by the clear forms, simple materials, patterns and variations, as well as the history of builders and makers that are part of Gateway's identity. Our goal is to find the right response, a design vocabulary that draws from these points of origin, and adds a sense of new warmth, variety, and vitality that also make it feel like a beautiful place to live.



### Impact / Effects on Community

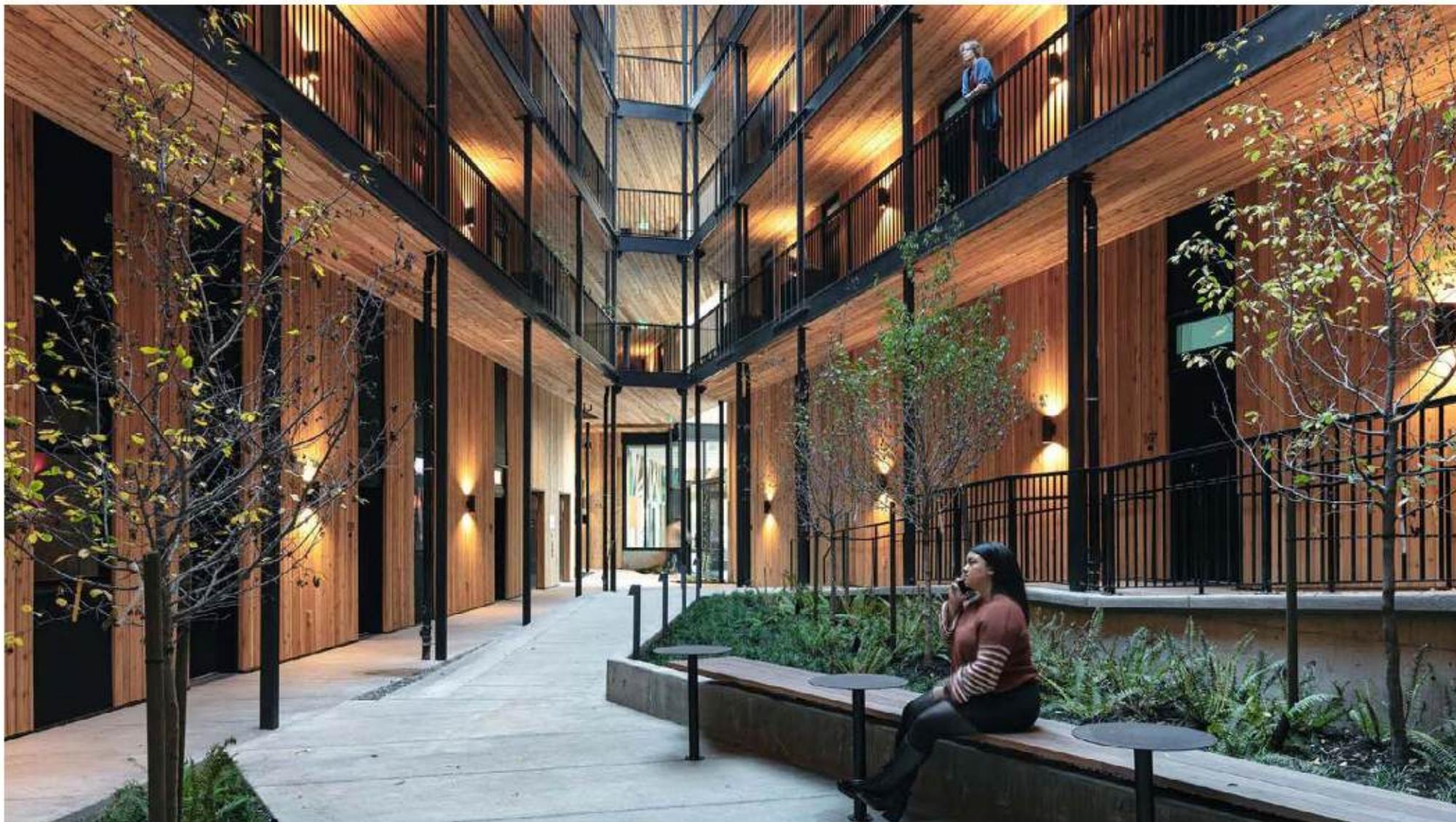
A core principle of our concept is that it multiplies the value of spaces around it. It creates a bold new facade facing south to 8th St, the Granary District, and Downtown beyond. For 10th St, it offers new activity, eyes on the street, pedestrian and vehicular circulation instead of a lightly-occupied dead-end. For Alpine Avenue, we are expanding the green street concept and providing a new node of activity between Downtown, the Granary District and Mac Market.

Within the site boundaries, we're creating community amenities, building in parking capacity, and a spaces to support new businesses in food and beverage, hospitality, arts & crafts, and resident services.



## VIII. Appendix

## BrookLAND



**Portland, Oregon—2023**  
**Size / Site Area: 166 units; 126,000 sf**  
**Key Partner(s): Ethos Development**

**Focusing on warmth and wellness, BrookLAND harnesses open-air common areas and small formats to offer market-based affordability, as well as larger units for families making no more than 60% of the AMI.**

## The Opal Apartments



**Cedar Mill, Portland, OR—2024**  
**Size / Site Area: 54 units / 2 acres**  
**Key Partner(s): Home First Development**

Developed with a combination of public and private funding sources, **The Opal is an inclusive community for people aged 55 and older, and a design informed by and focused on supporting disadvantaged seniors, helping alleviate anxiety and create dignity and security for people in their later years.**

# The Moraine



**Tacoma, WA—2024**  
**Size / Site Area: 160 units; 118,000 sf**  
**Key Partner(s): Ethos Development**

**The Moraine is an Opportunity Zone project in Tacoma, Washington consisting of 160 apartments and a full suite of amenities, all within steps of regional transit and with a range of sustainable and ecological design features.**

## The Lawrence Apartments



**Portland, OR—2024**  
**Size / Site Area: 96 units / 2.3 ac**  
**Key Partner(s): Home First Development**

**The family-oriented development is in partnership with the City of Portland and Portland Housing Bureau, serving the city's Zomi Community.** The Lawrence has 1-3 BR quality apartments for households below 60% of the AMI levels, with a range of on-site resident services and shared amenity spaces.

## Rockwood Village / Neighbor's Park



**City of Gresham, Oregon—2022**

**Size / Site Area: 320,000sf / 7.4 acres / 224 units**

**Key Partners: Waechter, PLACE, Center for Public Interest Design**

**Rockwood Village is a model for integrated community design**, providing affordable apartments from 1 to 4 bedrooms, and creating a vibrant civic space from previously underutilized publicly-owned land.

# Thank You.

## Primary Contacts:

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City of McMinnville

# NW Rubber Site Redevelopment





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# Executive Summary

The City of McMinnville has defined an appealing set of core values for the redevelopment of the NW Rubber site: courage, equity, stewardship, and accountability. Guardian Real Estate Services LLC (Guardian) and the Housing Authority of Yamhill County (HAYC) are proud to deliver on these values with this proposal for a transformative mixed-use development. Through human-centric design and thoughtful development we will create an inclusive and vibrant community that addresses critical housing needs while benefiting the northeast gateway district and the city as a whole.

## DEVELOPMENT PROGRAM

- 171 affordable housing units serving households from 30% to 80% Area Median Income
- Nine live-work units to foster small business development
- 3,000 square feet of stand-alone commercial space
- 117 parking spaces (0.68 per unit)
- An extensive fabric of public spaces including plazas, open spaces, and pedestrian pathways

## KEY FEATURES

- **Context-Driven Design:** The development seamlessly integrates with the Northeast Gateway District through careful consideration of existing street grids, view corridors, and landmark buildings.
- **Community Integration:** A new “Alpine Alley” creates a pedestrian-friendly connection between 8th and 10th streets, featuring gateway arches built from reclaimed structural steel elements.
- **Sustainability Focus:** The project incorporates Earth Advantage certification, bio-swale stormwater treatment, solar readiness, and robust native landscaping.
- **Public Amenities:** A public plaza connected to multiple outdoor gathering spaces, landscaped areas, and pedestrian pathways create an inviting environment for residents and the broader community.

## FINANCIAL STRUCTURE

- Acquisition of the City-owned land for a price of \$4,700,000 (\$450,000 above the City's purchase price)
- Two-phase development to optimize costs and streamline construction
- Leverage of public subsidies, tax credits, and HAYC's operating subsidy
- Inclusion of 42 project-based vouchers funded by HAYC

## TIMELINE

- Phase 1 (Housing & Live/Work): Construction start Q2 2026, completion Q2 2028
- Phase 2 (Commercial): Construction start Q1 2028, completion Q4 2028

Our team combines Guardian's proven McMinnville track record with HAYC's extensive community experience. As Yamhill County's largest affordable housing provider, HAYC serves over 2,100 low-income families daily through its housing portfolio and rental assistance programs. HAYC owns and manages 586 affordable units, has developed four LIHTC projects as general partner, and is McMinnville's sole administrator of long-term operating subsidies—crucial for ensuring affordable rents while maximizing project financial feasibility.

Our proposal represents a financially viable solution that will serve as a catalytic project for the district while addressing McMinnville's pressing housing needs. Through thoughtful design, strategic partnerships, and community engagement, we will create a development that enhances the neighborhood while respecting its historic character and ensuring long-term value for the entire community. We look forward to working together with the City, stakeholders, and residents to bring this vision to life.

### *The Guardian and HAYC team*



# Community Engagement Plan

Over the last several months, through a pursuit process like none we've experienced, we have learned a lot. We would like to thank you for allowing us to get to know the project and the community so deeply.

From the jam-packed community design charette to the insightful post-event debrief, our intensive market research to inspiring team collaboration, there's one thing that's clear: your community is the heartbeat of this transformative project.

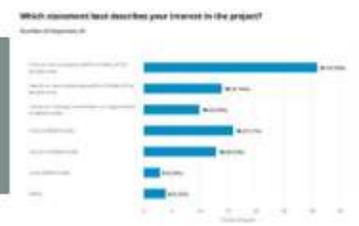
## Phase 1 – Charette

We are extremely proud of the experience we created for attendees of the design charette and are excited to deliver more of the same hands-on, casual, conversational opportunities in the next phase of outreach.



# How We Gathered Information

During the event, we gathered more than 300 data points about community members' priorities, preferences, questions, and concerns through five main strategies:



# 31

## SIGN-IN SHEETS

We followed up with those who provided an email to thank them and encourage them to take the online survey. This strategy indeed resulted in more connections and survey completions.

# 50+

## ONE-ON-ONE DISCUSSIONS

Ten project team members engaged attendees in informal shifts to not overwhelm the floor while making ourselves readily available. Each team member took notes, and Martin sketched nonstop at a center table.

# 5

## CONCEPT SKETCHES

Martin's visioning process resulted in several pastel sketches (see image), whose whimsical titles (such as "A Townie's Dream") reflect the contributors' main idea. Notably, there were consistently 2-3 people per table at a time, and each stayed for 30 minutes or more, guiding the sketch and coming up with possibilities.

# 230+

## REACTIONS

Five image boards were populated with feedback in the form of star stickers and sticky notes indicating likes, dislikes, and suggestions of real places we should explore for inspiration. We love that attendees got creative by commenting on and star-sticker-ing others' suggestions on the boards, which were titled, (1) Housing, (2) Community & Open Spaces, (3) Local History & Culture, (4) Neighborhood Stores & Services, and (5) Access for Vehicles, Pedestrians & Bikes.

# 13

## SURVEY RESPONSES

Our online survey (available in English and Spanish) mimicked the in-person event with all the questions from the sign-in sheets plus content, images, and commenting options from the five image boards. In addition, the sign-in sheet results were manually entered into the online survey tool to make comprehensive analysis possible.

# What We Learned and How We'll Use It

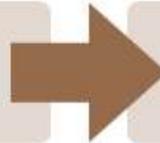
The following section outlines how our team will manage interactions with the public and stakeholder organizations to advance the development process. It also calls out the specific community feedback guiding our strategies, which are rooted in our Phase 1 outreach approach: Ensure equity & inclusion, Inform, Consult/Involve, Collaborate.

## WHAT WE LEARNED

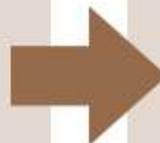
**Who wasn't represented** – With all the data that we did gather, there was a lack of response from several notable audiences. These included those below the poverty line, nonprofits, visitors to the area, non-English speakers, cultural and historical groups, and partner entities such as the railroad, transit authorities, bike/pedestrian advocates, and disability advocates.



**Who else we should include in future outreach** – Twenty-six suggestions to this question included McMinnville School District, Encompass Yamhill, Edible Landscapes, nearby businesses, Visit McMinnville, and Latinx community.



**Language preference** – The majority of respondents were English speaking. With the [most recent census data](#) showing that more than 20% of the McMinnville population is Hispanic or Latino, we can strive to ensure a wider audience receives and understands the project materials.



## HOW WE'LL USE IT

- At kick-off, in development of a Community Engagement Plan document, we'll work with City staff and local agencies like HAYC to **identify** individuals, organizations, and public agencies that are affected by or interested in the project—especially those *not* represented at the charette.
- The expanded stakeholder list will receive project communications and invitations. *See more below on communications methods and accessible formats.*
- Create participation **opportunities** for feedback at two major milestones in the design process: Concept and Schematic.
- **Meet and exceed McMinnville requirements** for publicizing and holding a public Neighborhood Meeting, inviting stakeholders not only within the required distance, but also throughout the community.

In partnership with the City and local agencies like HAYC, our development of the Community Engage Plan, mentioned above, will pinpoint additional stakeholders.

- Events and materials will be presented in multilingual and accessible formats, meeting or exceeding the Americans with Disabilities Act policy and accommodations request process.
- We will consult local organizations like Unidos Mission Gospel to inform our formats, outreach, and venues.

## WHAT WE LEARNED

**Why they were interested in the project** – Respondents represented a mix of project-area residents, project-area business owners, board/commission/committee members, and McMinnville residents from the larger community.



## HOW WE'LL USE IT

To publicize the project, the participation opportunities, and the outcomes, we will reach the multitude of stakeholder types using a range of **new and existing communications methods** such as:

- Webpage. (64% of respondents indicated this was their preferred communication method.)
- Email.
- Events.
- Mailers.
- Social media.
- News media / McMinnville Community Media.
- Newsletters.
- Door hangers.
- Signage.
- Council mentions/updates.
- Flyers/posters/blurbs, etc. distributed through local businesses and organizations.

**Home ownership, rental, or living status / Annual household income** – Most respondents own their home, and there was a pretty even division of those in the low-, moderate-, and high-income ranges. Again, we can strive to ensure a wider audience receives the project materials.

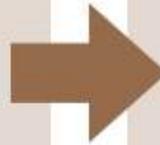


- We will work with HAYC to ensure our communications, formats, and mailings/publicity capture those living in a variety of housing arrangements and statuses.
- We will use the results of the City's [2024 Housing Survey](#) to supplement what we know and what we need to find out and dig deeper into.

## WHAT WE LEARNED

Of the City's project priorities—(1) Housing, (2) Community & Open Spaces, (3) Local History & Culture, (4) Neighborhood Stores & Services, and (5) Access for Vehicles, Pedestrians & Bikes—which ones attendees and respondents were most interested in and how they would (and wouldn't) like to see them brought to life. Of note:

- A **beloved, local historical property**, Buchanan Cellars, garnered significant star responses (aka "likes") on the Local History and Culture board.
- The **Stores and Services board** had more sticky note comments than any other.
- There were a range of comments for and against **parking**.
- Many want to focus on **housing and amenities**, including pedestrian-centered features and design details that retain local charm, for McMinnville residents.
- Several want covered areas to encourage **year-round uses**.
- **Mixed-use concepts** garnered great support.
- **Brick and warmth** were more popular than overly modern and concrete-heavy details



## HOW WE'LL USE IT

- These preferences are reflected in the **Concept Designs** included in this proposal.
- We will use additional community input gathered in future activities to inform the **Schematic Design** and the **Final Design**.
- We will also use what we learned from the way we hosted the design charette (layout, interactions, materials, staffing, etc.) to improve upon future events.
- Our grasp of the City's project goals, comprehensive plans, and core values will allow us to create a final design that both reflects the community's priorities and achieves the City's goals.



## Phase 2 - Community Engagement Plan

Our team has all the data to hit the ground running into Phase 2 of community engagement. We look forward to working with you on a successful and balanced approach to the transformation of the NW Rubber Site.



Throughout the process, we will provide updates for City staff, the Planning Commission, any additional boards and commissions, and the City Council.



### COMMUNITY ENGAGEMENT PLAN

With input from the City, HAYC, and local organizations and businesses.



### INITIAL PROJECT COMMUNICATIONS

Publicize Neighborhood Meeting 1 and Online Survey 1



### NEIGHBORHOOD MEETING 1 & ONLINE SURVEY 1



### ONGOING PROJECT COMMUNICATIONS

Share results from first meeting and survey and publicize Neighborhood Meeting 2 and Online Survey 2



### NEIGHBORHOOD MEETING 2 & ONLINE SURVEY 2

Schematic Design



### ONGOING PROJECT COMMUNICATIONS

Share outreach results. Land use process proceeds and design is finalized.

# Conceptual Design

## Context-Driven Design

The NW Rubber site presents a unique opportunity to seamlessly connect the Northeast Gateway District to its neighboring communities and downtown area. Through a thoughtful, context-sensitive approach, our proposal aims to weave the fabric of the area into one cohesive and vibrant district that encourages interaction and fosters a sense of belonging.

### ANALYSIS – WHAT MAKES THIS AREA UNIQUE?

#### INTERSECTING STREET GRIDS

The Northeast Gateway District is defined by its distinctive street grid, which is rotated at an angle compared to the rest of the city. While the surrounding streets follow a typical north-south, east-west layout, the district's streets are aligned at an angle, likely shaped by the historic path of NE Lafayette Avenue, a regional route that found its way through the landscape.

This difference in orientation creates a unique spatial experience for those navigating the area. Unlike a single grid that offers wide-open views and endless straight lines, the two rotated street systems create moments of enclosure where the two grids meet. These intersections, where streets clash at angles, lead to interrupted sightlines with buildings that become key landmarks.

#### LANDMARK BUILDINGS AND VIEWS

Certain existing buildings play an important role in framing views and guiding movement through the district. Some notable examples include:

- Buchanan's Feed, marking the end of NE Irvine Street
- The School District Office, where NE 7th and 8th Streets come to a close
- The R. Stuart Co warehouse, which defines the view down Alpine Avenue
- The NW Rubber building, which shifts the view along NE 8th Street to the east

These buildings serve not just as navigational points, but as defining features of the entire district's character. Their presence creates an intimate feeling within the space, offering a sense of place that is both meaningful and memorable.

The towering silos of the district serve as important vertical markers, helping people orient themselves no matter where they are.



## SPATIAL ENCLOSURE

The termination of views create a sense of spatial enclosure that gives the existing district its distinctive quirky flavor. The sense of cohesive enclosure is currently best experienced around the Granary Station and Alpine Avenue, in a series of connected “places”. These can be considered as the primary “urban fabric” of the district, specifically for people on foot.

## PROPOSED DESIGN – HOW CAN WE MAXIMIZE THE IMPACT OF THE NW RUBBER REDEVELOPMENT?

Our design builds on the existing key views and landmarks to propose a thoughtful redevelopment of the NW Rubber site that aims to enhance the district and broader context as a whole.

## EXPANDING THE URBAN FABRIC

From the start, we heard a strong desire to reconnect this site to the larger community, without losing its unique and quirky character. Our design strives to achieve that balance by recognizing the role the angled street grids play in defining the quirky character, and by stitching together the public spaces and built environment. The resulting enriched public realm experience, with its seamless and inviting character, is the heart of our proposal.

The way streets and pathways are framed by buildings plays a critical role in shaping the district’s character. With an approach inspired by European cities, our proposed design integrates new and existing spatial enclosures to create intimate, inviting spaces. These newly defined areas not only benefit the development itself but enhance the entire district, elevating it beyond a collection of individual buildings to a more cohesive whole. This approach complements the investments already made in and around Alpine Avenue, improving connections and adding depth to the neighborhood.



## DEFINING PURPOSEFUL SPACES

The spaces between buildings will be thoughtfully designed places, each with their own identity. Each space will complement the overall design of the district, offering a clear sense of connection while contributing to the broader urban landscape. This approach will bring clarity, coherence, and intrigue to the district as a whole.

## NEW BUILDINGS AND THEIR CONTEXT

Three new buildings have been carefully positioned to enhance the district's overall spatial composition. Together they will:

- Frame a new plaza along Alpine Avenue
- Define the Granary District with a building frontage along NE 8th Street
- Create a welcoming, enclosed street along NE 10th Street
- Establish a new linear space parallel to Alpine Avenue between NE 8th and 10th Streets, adding a fresh and intimate open space experience

## A CONNECTED URBAN FABRIC OF SPACES, BUILDINGS, AND VIEWS

Expanding the collection of enclosed spaces and terminated view corridors will create a unique spatial experience in the district. Centered on the NW Rubber site, a circle with a three-block radius (750') describes a perfectly sized human centric and walkable district.

The inviting urban design encourages movement that will organically blend the RB Rubber site with the surrounding neighborhoods. Each corner holds new surprises, and the journey through the district will feel like an unfolding adventure along a choice of new pathways.

## A SPATIAL FRAMEWORK FOR FUTURE TRANSFORMATION

Our proposal seeks to benefit the entire community. We have carefully designed our proposed urban fabric as a spatial framework that sets up surrounding parcels for future redevelopment success. The storage facility on the corner of 10th and Alpine for instance will now be framed by a clear set of urban spaces that future redevelopment design can take advantage of. Similarly, the position of existing daycare on the corner of 8th and Alpine Avenue will be improved as a result of this spatial framework, while leaving the door open to creative future redevelopment options (more on this topic at Phase 2 – Commercial on page 32).



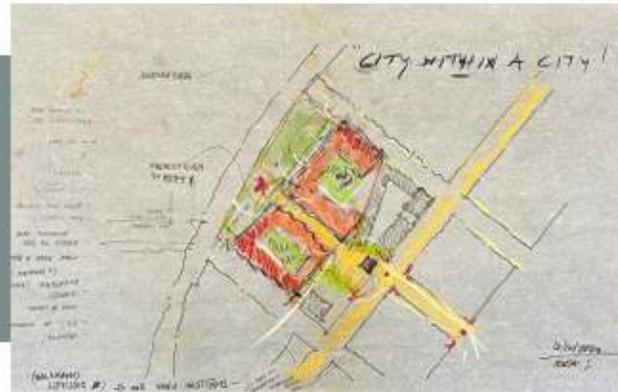
## NW Rubber - Summary of Urban Design Essence

Our design approach for the NW Rubber site centers on creating a seamless connection between the Northeast Gateway District, its surrounding neighborhoods, and downtown. By embracing the unique intersection of rotated street grids, the design transforms these spatial challenges into opportunities, fostering intimate, enclosed spaces that encourage exploration and engagement. The placement of new buildings is carefully orchestrated to enhance key view corridors and strengthen the district's identity, while preserving and amplifying the role of existing landmarks. The design creates a cohesive, walkable environment where each space—whether public or private—has a clear purpose and contributes to a rich, interconnected urban experience. Through thoughtful integration of old and new structures, the approach promotes a sense of community, inviting people to experience a vibrant and welcoming district. Ultimately, the proposal enriches the public realm, fostering a district that is both connected and distinctive, offering diverse, meaningful experiences for all.



# Charette Workshop – Designing With The Community

During the 12/12/2024 Community Charette workshop, we helped the public visualize their ideas, which resulted in six concepts, outlined below. These concepts played an important role in informing our design, and several ideas were folded into the proposed development concept.



## EXTEND 8TH EAST-WEST

- Extend 8th street as a pedestrian route to the east into the NW Rubber site, and intersect it with an extension of 9th street.
- New gateway at the railroad crossing
- Use the railroad side for “back of house functions”
- Provide a new edge to the Granary District, our great neighbor.
- Include a small grocery store
- Maximize the number of residential units that you can fit
- New plaza on Alpine
- Three buildings
- Structure parking below

## CITY WITHIN A CITY

- Public bathroom
- Plaza space on Alpine
- Extend 9th street as access from Lafayette and Alpine Avenues.
- Two buildings with court yards
- Structured parking below
- Linear parking along the railroad
- Activate 8th street with ground floor retail.
- Bring variety of new business types: less winery/ beer focused. Keep it local.
- Interpretive telling the history of place
- Distinct from downtown 3rd street but connected.

## COMMUNITY THE MCMINNVILLE WAY

- Human centric design
- Inviting fabric of pedestrian routes that lead to a central enclosed green urban oasis for quiet contemplation
- Open spaces like rooms: journey of discovery
- Inclusive central neighborhood that is distinct from downtown, but connected
- New entrance off of 10th Street
- Space for small local businesses
- Plaza off of Alpine Avenue with food carts and a retail building; this sports the intended vision for Alpine. Enter via a pocket park.
- Mark the view corridor on 8th Street looking east, with a new landmark building feature
- Structured parking centralized, below or in buildings

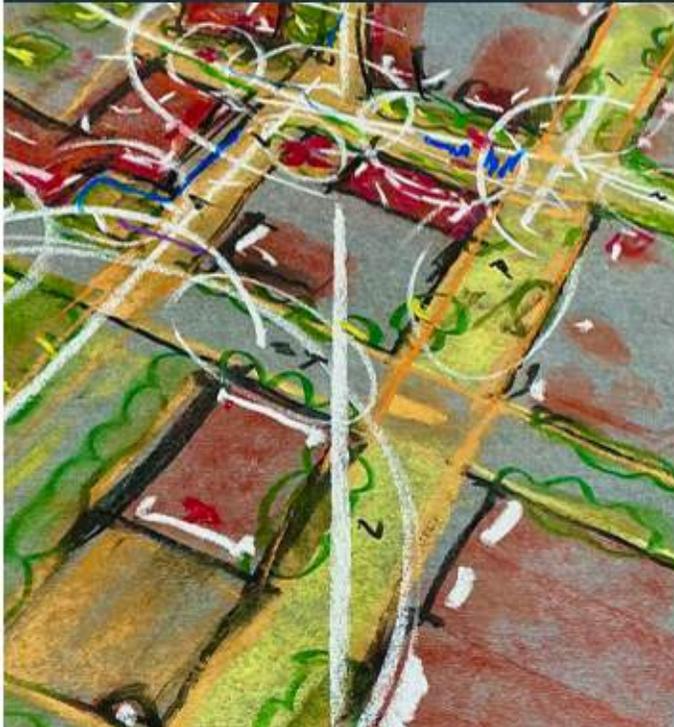


Summarizing all the input we gathered through our sketch concepts, this is what we heard from the public:

#### **OVERALL VISION:**

The project aims to create a walkable, vibrant community that balances residential, retail, and public spaces, all while being mindful of its historical context. It promotes a sense of inclusivity and connectivity with a mix of modern and historical elements, ensuring the area remains distinct but connected to the broader town.

This plan emphasizes community, history, and thoughtful urban design to create a space that serves a range of needs and fosters local businesses and engagement.



## Key Urban Planning Elements:

### **1. PUBLIC SPACES & PLAZA AREAS:**

- Centralized plaza spaces, particularly along Alpine Avenue, with room for food carts, retail, and a pocket park. These areas are meant to serve as social hubs and activate the surrounding streets.
- A central public open space with features like a gazebo, playground, and potential movie screenings, providing a communal environment.
- A “piazza” with arcades and water features, blending urban and cultural elements.

### **2. STREETScape & CONNECTIVITY:**

- A new gateway at the railroad crossing, with access points on 9th and 10th streets to improve circulation.
- Pedestrian-friendly streets designed with flexibility for various uses, creating an inviting environment for walking, biking, and socializing.

### **3. MIXED-USE DEVELOPMENT:**

- Emphasis on a mix of residential units and local businesses, such as small grocery stores and shops that serve the community rather than focus on wineries or beer.
- Varied building types, with courtyards and breezeways, and residential parking situated near the railroad for visitor access.
- Retail integrated along areas like the back of mini-storage units, creating a more dynamic, usable space.

### **4. HUMAN-CENTRIC DESIGN:**

- A focus on creating an inclusive, community-oriented neighborhood that feels distinct from downtown while maintaining connectivity.
- Pedestrian routes designed to lead to a green space that serves as a quiet urban oasis, with open spaces that encourage exploration and discovery.

### **5. ENVIRONMENTAL & HISTORICAL INTEGRATION:**

- Preservation of the area’s historic feel, especially utilizing iconic structures like Buchanan Cellars, and maximizing rooftop spaces for outdoor dining or recreational activities.
- Landscaping buffers between the development and the railroad, ensuring the community remains connected yet separated from industrial aspects.

### **6. ARCHITECTURAL FEATURES:**

- New landmark buildings, including those on 8th Street, designed to highlight views, with arcades and structured parking below grade.
- Integration of unique features like a water feature or ice skating rink in the piazza and creative use of rooftop spaces.

# Conceptual Architectural & Urban Design Development

The Guardian and HAYC team is proposing a development consistent with the City's vision and development objectives. We have explored multiple options for the site and taken into consideration the feedback we received from the public engagement session as well as market conditions to arrive at a project that can be successfully executed and consistent with the City's values of Stewardship, Equity, Courage, and Accountability.

This new development will transform the neighborhood and further continue the good work that the City has started along Alpine. New housing opportunities for current and future residents of McMinnville offer singles and families a chance to live economically in the heart of the city. Outdoor gathering, activity and landscaped spaces provide both residents and the public, places to play, relax, and enjoy nature. The addition of the commercial space along Alpine and 8th, will add to the activity and further expand the vibrancy of the development.

Our goal to the design of this development will be to seamlessly merge with the eclectic and transitional nature of the neighborhood and strive to respect, complement, and enhance the rich character that already exists. All proposed buildings are composed to address good urban design and patterns of the exiting neighborhood.

With the scale of the proposed development, there is an exciting opportunity to reference local iconic industrial architectural styles found in the surrounding buildings like the McDaniel Fertilizer Company and the Buchanan Cellars Mill to name a few. The simple forms and basic materiality of these reference buildings lend a wonderful tapestry to add to. This development's proposed new buildings frame or architecturally address view corridors such as the "Heirloom" building tower element on the 8th street approach from the northwest. The "Heirloom" and "Perennial" buildings separate and frame the northern terminus of 9th Street & Alpine Ave allowing for the public space.

Based on some great feedback in the public workshop a key part of our design will be a new "Alpine Alley" which allows some vehicle access and parking, but more importantly includes a cozy shared path for pedestrians and bikers to traverse the site between 8th and 10th streets. Punctuating the mid-block alley entrances will be gateway arches built of reclaimed structural steel elements from the site. Most importantly the alley opens into a series of central outdoor public spaces linked to Alpine Ave. Additionally, if in the future the daycare and/or storage facilities sites where to become a part of the development this internal connection could provide flexibility for many adaptations, such as the storage facility could become "makers space" with shops accessed from both Alpine and "Alpine Alley."



Existing metal frames and industrial elements provide gateways into the site effectively tying the development into the neighborhood.

## TWO DISTINCT BUILDINGS WITH THEIR OWN CHARACTER

Each building will have its own name and identity. We have two distinct but connected names: "Perennial" and "Heirloom." These names are inspired by the fertility of the Valley's soil and rich agricultural legacy of McMinnville.

### Perennial *adjective*

"lasting or existing for a long or apparently infinite time; enduring or continually recurring." -Oxford Languages.

**Perennial Concept Images:** How flowers can grow in the tightest circumstances, this site may mix its industrial past with a softer more hospitable future. Hard and soft. Industrial and organic. Bright and timeless.

### Heirloom *noun*

"a valuable object that has belonged to a family for several generations." -Oxford Languages.

**Heirloom Concept Images:** We are stewards of the land for this phase in its story, knowing that it has had a past and will have a long future. Working in artifacts from the Rubber plant as well as heirloom plant inspiration to tell its story.

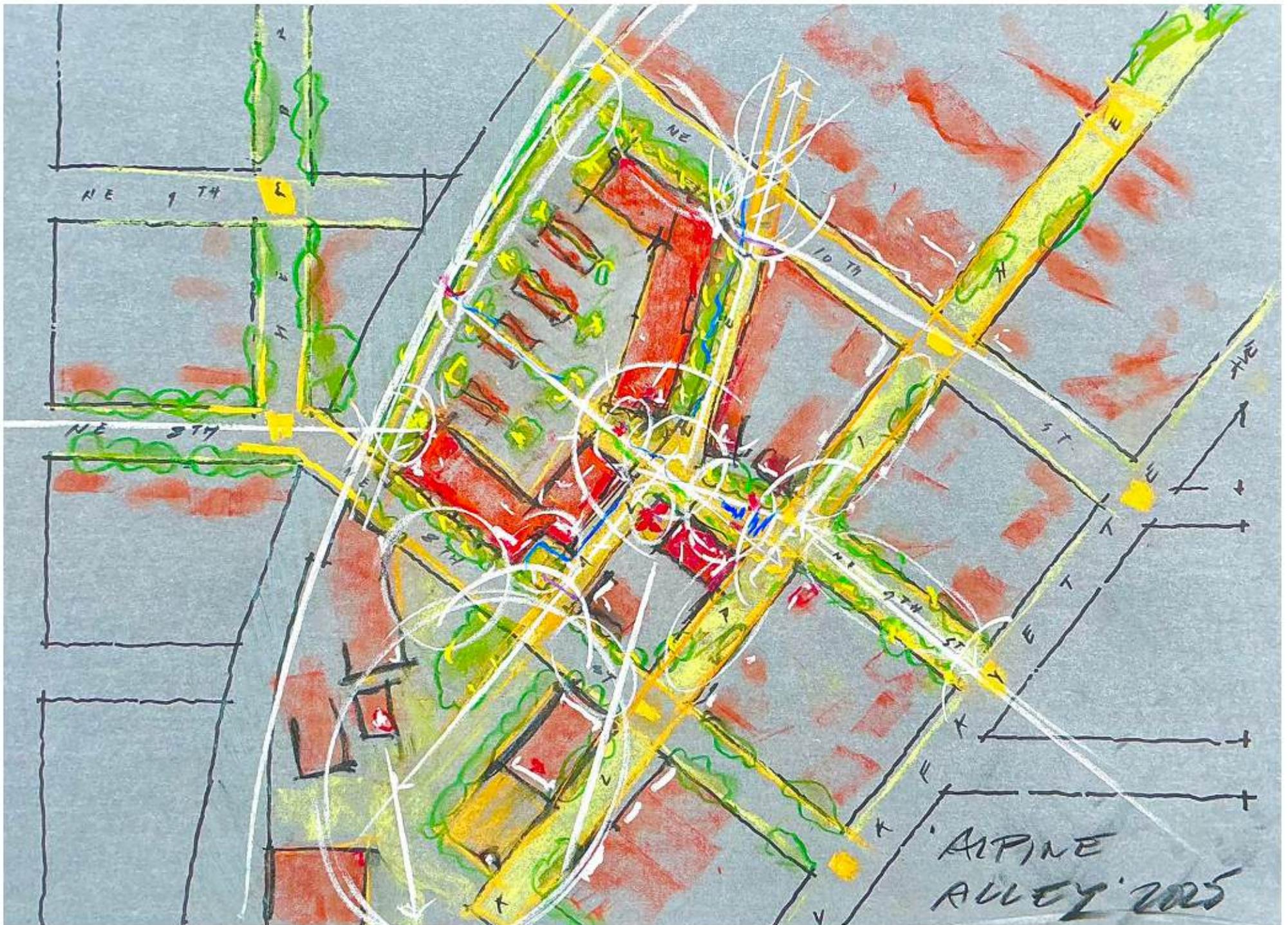
Both names are to inspire a design that will bring new life the project site while also honoring the history that came before.

## HEIRLOOM



## PERENNIAL





Proposed Conceptual Site Plan



Landscape Rendering

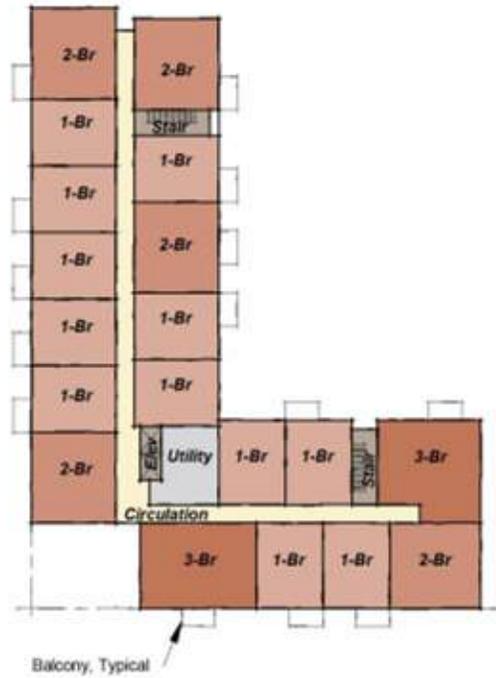
# HEIRLOOM

## PRELIMINARY AREA PLANS



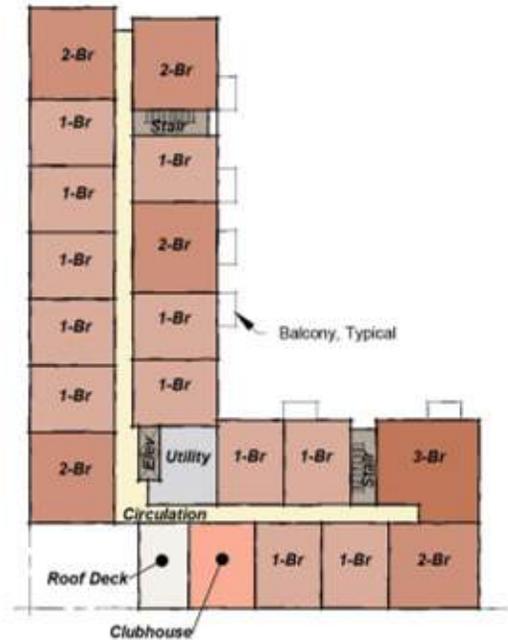
### GROUND FLOOR

0 30' 60' 120' GROSS ENCLOSED FLOOR AREA: 16,437SF



### TYP. UPPER FLOOR

2nd thru 4th floor similar GROSS ENCLOSED FLOOR AREA: 16,437SF



### 5TH FLOOR

GROSS ENCLOSED FLOOR AREA: 15,975SF

Heirloom Building - Areas	
Rentable Area Type	Area
Circulation	7820 SF
Common / Amenity Space	3705 SF
Residential LW Units	6230 SF
Residential Units	58034 SF
Roof Deck Amenity	462 SF
Utility / Storage	3185 SF
Vertical Circulation	2749 SF
	82185 SF

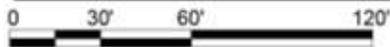
Heirloom - Assumed Unit Mix				
Net Residential SF				64,264
Unit Type	# of Dwelling Units	%	sf/Unit	Area Totals
1-Bed	59	66%	616	36,344
2-Bed	24	27%	850	20,398
3-Bed	7	8%	1075	7,522
<b>Totals</b>	<b>90</b>	<b>100%</b>		<b>64,264</b>
Average Unit Size			714	

NOTE: UNIT SQUARE FOOTAGES ARE APPROXIMATE AVERAGES.

# PERENNIAL PRELIMINARY AREA PLANS



## GROUND FLOOR



GROSS ENCLOSED FLOOR AREA: 19,886SF



## TYP. UPPER FLOOR 2nd & 3rd floor similar

GROSS ENCLOSED FLOOR AREA: 18,764SF

### Perennial Building - Areas

Rentable Area Type	Area
Circulation	7757 SF
Common / Amenity Space	2968 SF
Residential Units	60627 SF
Roof Deck Amenity	990 SF
Utility / Storage	1725 SF
Vertical Circulation	2199 SF
<b>Totals</b>	<b>76267 SF</b>



## 4TH FLOOR

GROSS ENCLOSED FLOOR AREA: 17,863SF

### Perennial - Assumed Unit Mix

Perennial - Assumed Unit Mix				Net Residential SF
Unit Type	# of Dwelling Units	%	sf/Unit	Area Totals
1-Bed	47	58%	622	29,242
2-Bed	28	35%	859	24,062
3-Bed	6	7%	1221	7,323
<b>Totals</b>	<b>81</b>	<b>100%</b>		<b>60,627</b>
Average Unit Size			748	

NOTE: UNIT SQUARE FOOTAGES ARE APPROXIMATE AVERAGES.

# Vision and Uses – How We Meet Them

## REQUIRED ELEMENTS

**Housing types and price points:** After exploring a broad range of housing price points, Guardian and HAYC determined that the most successful option is to provide affordable housing that ranges in affordability from 30% MFI to 80% MFI. This is situated in two well-crafted buildings designed with sustainability in mind.

**Commercial spaces:** The Guardian team explored several commercial space options both with the housing buildings as well as free standing. To provide as much housing as possible, the team decided the best option was to combine commercial and living spaces for 9 live-work units within the Heirloom. These units will serve as small incubators and provide flex commercial space.

### WHAT IS A LIVE-WORK UNIT?

A live-work unit is a hybrid space that combines elements of residential living with commercial or office space. These units allow residents to work and live in the same location. The ideal solution for kitchen-table startups and freelancers.



The “Hub” provides a welcoming “front door” to the new housing community.

Additionally, we are proposing a 3,000-square-foot commercial space, we’re calling “the Hub”. Located at the pivotal location on 9th & Alpine “the Hub” is proposed to be built out of recycled steel building elements as well as reuse of a “Hopper Tower” of the former industrial site. The space will contribute to the area’s vibrancy, providing opportunities for businesses to serve both residents and the surrounding community.

**Parks, plazas, and open spaces:** The development integrates mixed-use housing with a network of dynamic open spaces, creating a pedestrian-friendly environment. These spaces include plazas, courtyards, terraced decks, and pathways that enhance the experience for residents and visitors. Each element connects seamlessly with the Alpine Avenue pedestrian way, integrating the development into the surrounding urban landscape.

The design centers on outdoor public rooms that extend both the built and natural environment. These interconnected spaces feature stormwater gardens that promote sustainability while adding natural beauty. Native vegetation and varied seating areas create comfortable spaces for relaxation and community interaction.

The pedestrian-focused design ensures safety and accessibility through Universal Design principles and comprehensive lighting. A continuous pathway network flows from Alpine Avenue past the railroad, with convenient connections to the Heirloom and Perennial buildings via Alpine Alley and to the wider community through 8th and 10th street sidewalks.

Flexible gathering spaces support both intimate meetings and community events, while dedicated areas accommodate outdoor dining, resident amenities, and children’s play spaces. This integration of outdoor elements creates a vibrant social environment that enhances the quality of life for all users.

**Historical Context:** The site’s open spaces present opportunities to share the area’s rich history through interpretive features and art installations. These elements will honor the Confederated Tribes of the Grande Ronde Community of Oregon’s ancestral presence, the railroad’s arrival in the late 1800s, the early 1900s milk condensery, and the site’s industrial heritage as a plywood mill and rubber products facility. We will recognize the deep indigenous history of the trail, paying tribute to the Kalapuya people, their enduring cultural legacy, and their connection to this land. Additionally, the installations will highlight the resilience and contributions of the Chinese community, whose businesses and labor played a vital role in McMinnville’s early development. Through these efforts, we aim to create a space for education, reflection, and appreciation—ensuring that the stories of these communities are acknowledged, valued, and passed down for generations to come.

**Parking:** The project will provide 117 (0.68/unit) onsite surface parking spaces to serve the apartment buildings and commercial space. The parking is located primarily between the new housing buildings and the railroad. Landscape islands that include large canopy trees break up the parking lot and maximize shade and cut down on the heat island affect. Along the rear of the parking lot a row of trees sites to provide a visual buffer of the railroad for the new development's residents and screening and softening of the view of the parking lot from the single-family homes across the railroad tracks. Also provided are parallel parking spots along the newly formed internal one-way street we're calling "Alpine Alley".



*The Heirloom and Perennial address and complete the 8th and 10th street frontages while effectively screening the projects parking field.*

## OPTIONAL ELEMENTS

**Hospitality:** To maximize the number of housing units, the project team determined that there was not sufficient space for dedicated hospitality uses on the site. However, the development's commercial space and residential density may still support nearby businesses that cater to the region's wine and tourism economy and the Northwest Gateway businesses.

**Existing site components:** The history of the site and the community are important to celebrate so it was important to us to embrace the "spirit of the place" with this new development. The team's initial design ideas included reuse of a portion of

the existing Rubber building. Due to its central location on the site and the desire to maximize the number of housing units provided, we decided instead to save and reuse certain elements from the building throughout the site, as gateway elements at entries along 8th and 10th, and for the structure of "the Hub".

**Sustainability:** The design and development team are committed to sustainable measures in the development of this project. The following are some of the of those considerations toward sustainability:

- Earth Advantage and/or Green Globes Certification.
- Exploration into bio-swale stormwater treatment.
- Possible use of previous surfaces to reduce stormwater impacts.
- Use of "Dark Sky" site and building exterior lighting protocols.
- Reuse and/or repurposing of existing industrial building structural and cladding elements.
- All buildings to be "solar ready."
- Future proof the parking fields by additional EV charging station infrastructure above code minimums.
- Future proof parking area for carport infrastructure with P.V. arrays – also adds more sun shading of paved surfaces reducing heat island effects.
- More robust native landscape planting materials.
- Explore options on more resilient building materials.



*The tower at the "Heirloom" provides a link to the surrounding industrial buildings.*

# Key Objectives

**Catalytic Project:** This development is poised to serve as a catalytic project for both the district and the City of McMinnville. By introducing a mix of housing types, a commercial space, and inviting public areas, it will attract new residents, businesses, and visitors, spurring further investment and growth in the surrounding area.

**Welcoming to the entire community:** This development is designed to be welcoming to the entire community. While internal amenities will be reserved for residents, the external amenities – including the plaza, park, outdoor spaces, sidewalks, and commercial space – are open and accessible to all. These public areas are designed to encourage community interaction and provide spaces for relaxation, recreation, and social engagement, ensuring the development benefits both residents and the broader community.

**Incorporating McMinnville's core values:** This project is committed to aligning with the City of McMinnville's core values of courage, equity, stewardship, and accountability:

- **Courage:** This project embraces bold decisions to address housing and community needs, taking innovative approaches to create a development that enhances the neighborhood while respecting its history.
- **Equity:** By offering affordable housing options at multiple price points and incorporating inclusive community engagement efforts, the project ensures that the voices of diverse residents are heard and prioritized, fostering an equitable environment for all
- **Stewardship:** The project team is dedicated to responsible stewardship of the site and surrounding area, preserving the site's historical character while also enhancing sustainability through design choices that promote long-term value and environmental care.
- **Accountability:** The team is committed to transparency and accountability throughout the development process, engaging with the community regularly and ensuring that the project stays true its promises of improving the neighborhood in ways that benefit everyone.

These values are central to the project's vision, ensuring a development that is both responsive and responsible to the community and the environment.

**Design Excellence:** The design team has carefully explored various design options to find one that maximizes the potential of the site while ensuring visual appeal.

The final design incorporates industrial features that pay homage to the site's original use, adding character and a sense of history. This thoughtful approach demonstrates design excellence by blending functionality with aesthetic consideration, creating a space that enhances the surrounding environment.

**Effects of the redevelopment:** The project team is mindful that the redevelopment may cause some short-term disruption to the surrounding neighborhood. However, in the long term, we believe the development will integrate well into the area. Its uses will complement, rather than compete with, surrounding businesses, potentially bringing more customers. Additionally, the inclusion of inviting outdoor spaces will enhance the neighborhood and create more walking opportunities, benefiting both residents and local businesses.

**Representational community engagement:** The project team has already incorporated community feedback into the design and development process by gathering input from community members at the charette. The team plans to gather additional feedback by tabling at local events, hosting neighborhood meetings and conducting an online survey. These efforts ensure broad and inclusive participation, allowing diverse community voices to shape the project. For more information, please see our Community Engagement section.



# Development Program

## Project Overview

Guardian and HAYC have studied the development potential for the site to reach the best available financial plan to accomplish the city's goals, return the city's land acquisition capital, begin construction of a catalytic project, and respond to market conditions that determine financial feasibility. We believe the most feasible approach is to create a range of rental options from affordable housing to workforce housing on the site. The approach responds to a demonstrated housing need, and it meets financial feasibility.



*The existing fabric of the community's buildings continue with this new development.*

# Market Considerations & Financial Feasibility

During the initial stages of project modeling, Guardian and HAYC explored multiple approaches. The current economic landscape poses significant challenges for new housing development. High cost of construction materials and shortage of labor has driven up the cost to build. Interest rates remain high making it difficult to leverage capital. Market residential rental rates in McMinnville fit within the definition of affordable housing. As shown in the table to the right, average rents of market-rate properties in McMinnville and Newberg fall below the 80% AMI rent limit. Given the current market rents, a “market” rate project would not provide a return to investors necessary to fully fund market-rate development. We do not believe a market rate project can be funded without significant local development subsidy and free land. We believe a market project would not move forward for years.

Under these conditions, a housing development that offers a range of affordable options emerges as the most practical and financially responsible solution. By leveraging public subsidies, tax credits and HAYC’s operating subsidy, Guardian and HAYC can move forward with a project that delivers on catalytic design, returns the city’s capital, and provides housing much needed in McMinnville.

## PROPOSED DEVELOPMENT PLAN

By committing to a 100% affordable development, Guardian and HAYC can minimize the need for city subsidies while still delivering a high-impact housing solution. This project will provide:

- 171 affordable housing units serving households at 30%, 50%, 60%, and 80% AMI.
- Including nine Live-Work units.
- Outdoor space designed to support residents and enhance neighborhood engagement.
- A 3,012-square-foot commercial space.

This approach ensures that the project remains financially sustainable while addressing McMinnville’s need for affordable housing. Since market rents are currently at the 80% AMI level, Guardian and HAYC have developed two potential rent structures based on future market conditions.

Affordable Rents					Market Rents	
Unit Type	Size (SF)	AMI	Rent/Unit	\$/SF	Rent/Unit	\$/SF
1	600	30%	\$663	\$1.11	\$1,465	\$2.44
		50%	\$1,106	\$1.84		
		60%	\$1,327	\$2.21		
		80%	\$1,770	\$2.95		
2	860	30%	\$796	\$0.93	\$1,638	\$1.90
		50%	\$1,327	\$1.54		
		60%	\$1,593	\$1.85		
		80%	\$2,124	\$2.47		
3	1100	30%	\$920	\$0.84	\$1,875	\$1.70
		50%	\$1,534	\$1.39		
		60%	\$1,841	\$1.67		
		80%	\$2,455	\$2.23		

Proposed Unit Mix			
Heirloom & Perennial Units	Number of Units	Rentable Square Footage	Net Monthly Rent Per Unit
One-Bedroom - 30% AMI	26	616-622	604
One-Bedroom - 50% AMI	26	616-622	1,047
One-Bedroom - 60% AMI	27	616-622	1,268
One-Bedroom - 80% AMI	27	616-622	1,711
Two-Bedroom - 30% AMI	13	850-859	726
Two-Bedroom - 50% AMI	13	850-859	1,257
Two-Bedroom - 60% AMI	13	850-859	1,523
Two-Bedroom - 80% AMI	13	850-859	2,054
Three-Bedroom - 30% AMI	3	1075-1221	837
Three-Bedroom - 50% AMI	3	1075-1221	1,451
Three-Bedroom - 60% AMI	3	1075-1221	1,758
Three-Bedroom - 80% AMI	4	1075-1221	2,372

# Tenant Demographics

The affordable residential units in this phase are designed to meet the needs of the local workforce and families, aligning with the area's income demographics. According to the 2022 American Community Survey, 39% of McMinnville's population earns under \$50,000, and in the immediate neighborhood (Census Tract 308.01), that percentage rises to 51%. With a large portion of individuals and families eligible for these units, this housing will help address a critical need in the community by providing quality, affordable living options. The development aims to support residents who contribute to the local economy while ensuring they have access to stable and accessible housing.

Household Size	Income Size							
	30% Median Income		50% Median Income		60% Median Income		80% Median Income	
	Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually
1	2,065	24,780	3,292	39,500	4,030	48,360	5,263	63,156
2	2,360	28,320	3,763	45,150	4,605	55,260	6,017	72,204
3	2,655	31,860	4,233	50,800	5,180	62,160	6,767	81,204
4	2,950	35,400	4,700	56,400	5,755	69,060	7,517	90,204
5	3,188	38,250	5,079	60,950	6,220	74,640	8,121	97,452
6	3,423	41,070	5,454	65,450	6,680	80,160	8,721	104,652
7	3,660	43,920	5,829	69,950	7,140	85,680	9,321	111,852
8	3,895	46,740	6,204	74,450	7,600	91,200	9,925	119,100

Source: OHCS



# Phase 1 – Option 1

This fully affordable development offers 171 units with affordability levels ranging from 30% to 80% of AMI. Rental income will be supported by 42 project-based vouchers funded by the Housing Authority of Yamhill County.

NW Rubber Site: Phase 1 - Option 1 Development Costs	
LIHTC Funds	26,579,003
LIFT Funds	18,468,000
City of McMinnville Grant	100,000
Deferred Developer Fee	3,500,000
Perm Loan	26,000,000
<b>TOTAL DEVELOPMENT SOURCES</b>	<b>\$74,647,003</b>
<b>LAND COSTS</b>	<b>\$4,700,000</b>
Perennial	19,369,623
Heirloom	22,533,137
ROW Improvements	993,043
Sitework (Includes commercial)	5,020,413
Other Hard Costs	935,000
<b>CONSTRUCTION COSTS</b>	<b>\$48,851,216</b>
Architectural	1,638,401
Engineer	480,500
FF&E	200,000
Permits, Impact Fees & SDCs	750,000
Marketing	150,000
Other Costs	1,794,471
<b>DEVELOPMENT COSTS</b>	<b>\$5,013,372</b>
Bond Financing Costs	451,000
Tax Credit Costs	347,500
Loan Costs	1,074,065
Interest Reserve	6,300,000
<b>TOTAL FINANCING COSTS</b>	<b>\$8,172,565</b>
Lease Up Reserve	400,000
Operating Reserve	450,000
Replacement Reserve	59,850
<b>TOTAL RESERVES</b>	<b>\$909,850</b>
Developer Fee	7,000,000
<b>TOTAL PROJECT COSTS</b>	<b>\$74,647,003</b>

Perennial and Heirloom NOI		
Operating Income		
	Monthly Income	Annual Income
Unit Rent	271,707	3,260,484
Other Income	12,260	147,115
Gross Potential Income	283,967	3,407,599
Vacancy	5.00%	\$(14,690)
Effective Gross Income	\$269,277	\$3,231,324
Operating Expenses		
CATEGORY	Monthly Expenses	Annual Expenses
Insurance	8,906	106,875
Payroll	25,650	307,800
Utilities	11,400	136,800
Garbage	2,138	25,650
Administrative	14,250	171,000
Advertising	1,425	17,100
Repair	11,756	141,075
Elevator	2,850	34,200
Landscaping	5,700	68,400
Turnover	3,563	42,750
Reserves	4,988	59,850
<b>Total Operating Expenses</b>	<b>\$92,625</b>	<b>\$1,111,500</b>
<b>Net Operating Income</b>	<b>\$176,652</b>	<b>\$2,119,824</b>
Mortgage		\$(1,745,024)
<b>Net Income</b>		<b>\$374,800</b>
Debt Coverage Ratio		1.21

## Phase 1 – Option 2

As stated above, 80% AMI rents are currently aligned with market-rate rents. However, if the market does not improve by the time construction begins, the 80% AMI units will be adjusted downward to 60% AMI rents to ensure affordability and market feasibility.



NW Rubber Site: Phase 1 - Option 2 Development Costs	
LIHTC Funds	26,579,003
LIFT Funds	18,468,000
City of McMinnville Grant	100,000
Gap Funding	2,500,000
Deferred Developer Fee	3,500,000
Perm Loan	23,500,000
<b>TOTAL DEVELOPMENT SOURCES</b>	<b>\$74,647,003</b>
<b>LAND COSTS</b>	
Perennial	19,369,623
Heirloom	22,533,137
ROW Improvements	993,043
Sitework (Includes commercial)	5,020,413
Other Hard Costs	935,000
<b>CONSTRUCTION COSTS</b>	<b>\$48,851,216</b>
Architectural	1,638,401
Engineer	480,500
FF&E	200,000
Permits, Impact Fees & SDCs	750,000
Marketing	150,000
Other Costs	1,794,471
<b>DEVELOPMENT COSTS</b>	<b>\$5,013,372</b>
Bond Financing Costs	451,000
Tax Credit Costs	347,500
Loan Costs	1,074,065
Interest Reserve	6,300,000
<b>TOTAL FINANCING COSTS</b>	<b>\$8,172,565</b>
Lease Up Reserve	400,000
Operating Reserve	450,000
Replacement Reserve	59,850
<b>TOTAL RESERVES</b>	<b>\$909,850</b>
Developer Fee	7,000,000
<b>TOTAL PROJECT COSTS</b>	<b>\$74,647,003</b>

# Phase 1 – Option 3

Option 3 models the financials for a vertical mixed-use development model, integrating commercial and residential within the buildings. If Guardian and HAYC were to proceed with this option, a significant subsidy would be required to support the project’s feasibility. A major factor contributing to the funding gap is the inclusion of commercial construction, which triggers Commercial Bureau of Labor and Industries (BOLI) prevailing wage requirements. These wage standards substantially increase labor costs, making the project more expensive and necessitating greater financial assistance to ensure its viability. Other factors affecting this option’s feasibility is the more expensive construction cost to build the 5-story building, requiring ground floor concrete “podium” to accommodate retail and tuck-under parking, as well as the low projected rents which would not support the construction cost.

We are open to share with the selection committee our detailed design and financial analysis for this option, which would result in a \$12 million deficit.



Conceptual site plan including ground floor commercial and market-rate configuration of Heirloom building.

NW Rubber Site: Phase 1 - Option 3 Development Costs	
LIHTC Funds	28,506,184
LIFT Funds	14,904,000
City of McMinnville Grant	100,000
Deferred Developer Fee	3,500,000
Perm Loan	20,500,000
<b>TOTAL DEVELOPMENT SOURCES</b>	<b>67,510,184</b>
<b>LAND COSTS</b>	<b>4,700,000</b>
Perennial	21,306,585
Heirloom	24,786,451
ROW Improvements	1,092,347
Sitework (Includes commercial)	6,429,955
Other Hard Costs	1,130,000
<b>CONSTRUCTION COSTS</b>	<b>54,745,337</b>
Architectural	1,638,401
Engineer	480,500
FF&E	200,000
Permits, Impact Fees & SDCs	750,000
Marketing	200,000
Other Costs	1,089,150
<b>DEVELOPMENT COSTS</b>	<b>4,358,051</b>
Bond Financing Costs	451,000
Tax Credit Costs	347,500
Loan Costs	1,074,065
Interest Reserve	6,300,000
<b>TOTAL FINANCING COSTS</b>	<b>8,172,565</b>
Lease Up Reserve	350,000
Operating Reserve	300,000
Replacement Reserve	59,850
<b>TOTAL RESERVES</b>	<b>709,850</b>
Developer Fee	7,000,000
<b>TOTAL PROJECT COSTS</b>	<b>79,685,803</b>
<b>Gap</b>	<b>\$(12,175,619)</b>

## Phase 2 – Commercial

Phase 2 encompasses a 3,000-square-foot commercial space scheduled to commence construction in Q1 2028. The space will be designed to accommodate a range of potential uses that align with community needs and market demand. Our development team has conducted preliminary market analysis and engaged with prospective tenants, identifying strong interest in a specialty grocery concept focused on local and artisanal products. Additional viable uses include food and beverage establishments or wellness-oriented businesses that would complement the residential components and enhance the neighborhood's amenity offerings.

As part of our comprehensive development strategy, we are evaluating opportunities to optimize the site's potential through strategic partnerships with adjacent property owners, including preliminary discussions regarding the neighboring childcare facility parcel. This approach allows for potential future expansion while maintaining flexibility in the commercial programming to best serve the community's evolving needs.

NW Rubber Site: Phase 2 - Commercial Development Costs	
Commercial Building	825,000
Tenant Improvements	155,000
Development Costs	100,000
<b>TOTAL DEVELOPMENT SOURCES</b>	<b>\$1,080,000</b>
ESTIMATED RENT	\$24/SF NNN



# Proposed Business Deal and Transaction Structure

Guardian and HAYC are partnering to develop this multifamily housing project. Both organizations have extensive experience in real estate development, particularly in the affordable housing sector. Guardian has a long-standing history of successfully developing both affordable and market-rate housing, while HAYC has a proven track record of developing and managing affordable housing projects that serve low-income residents. Together, Guardian and HAYC bring the expertise necessary to navigate the challenges of the current market and deliver a successful development.

Our team includes two proven real estate developers and operating with an existing commitment to McMinnville. Guardian has owned and operated apartments in McMinnville since 2005. HAYC is the only community focused organization competing for this opportunity. HAYC deep commitment and long ties to McMinnville that makes this project a point of pride.

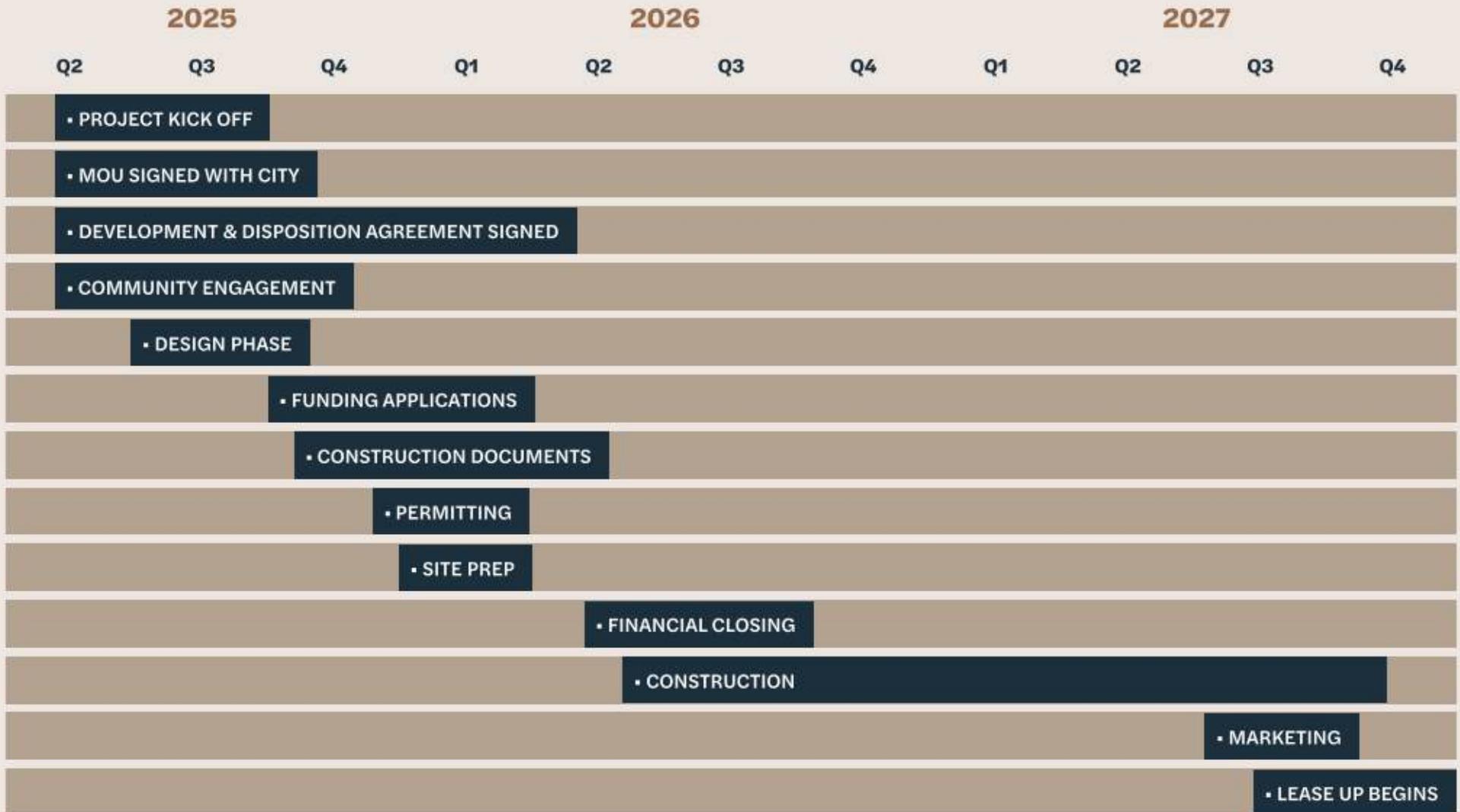
To facilitate this development, we are proposing a land acquisition cost of \$4,700,000 through a fee simple property sale for the NW Rubber site, which is \$450,000 above the \$4,250,000 purchase price paid by the City of McMinnville in 2023. The financial framework of the project relies on key exemptions, including a full property tax exemption, System Development Charge (SDC) exemption, and Construction Excise Tax (CET) exemption, all of which are essential to maintaining the project's financial viability.

Guardian and HAYC have proposed a two-phase development plan to optimize project costs and streamline the construction process. The first phase will include all site work, the two residential buildings, and right-of-way improvements. The second phase will focus on the development of the commercial space. By splitting the project into two phases, the team can save on costs by avoiding the inclusion of BOLI pricing across the entire development, ultimately making the project more financially feasible while still delivering a high-quality result.

This proposal reflects our commitment to delivering a viable, community focused housing solution at the NW Rubber site while leveraging strategic partnerships and financial tools to overcome market challenges.



# Development Schedule



## Final Remarks

The NW Rubber site stands at a transformative moment in McMinnville's story. Our vision, inspired by the intimate, walkable neighborhoods of Europe's most beloved cities, weaves together the site's industrial heritage with thoughtfully designed spaces that celebrate community life. Through the partnership of Guardian and the HAYC, we've crafted more than a development – we've created a framework for a vibrant, inclusive neighborhood where every corner, open space, and connection is shaped by the unique character of McMinnville itself. Our context-driven design responds to the poetry of intersecting street grids, historic viewsheds, and architectural landmarks that make this district special, while delivering crucial affordable housing and dynamic public spaces that will enrich daily life. With deep local roots, proven experience, and an unwavering commitment to McMinnville's values, our team is ready to transform this historic site into a cherished neighborhood that will inspire and serve generations to come.





## NW Rubber Site, Phase 2 Proposals:

Component	Ethos	Guardian	Palindrome
<b>Development Program</b>	<p>Two Phases:</p> <p>1) <b>6500 sf of commercial space</b> (Retail/Gateway). (Ethos)</p> <p><b>80 Units of Affordable Housing (30 -60% AMI)</b> (1 Bedroom Units) Home First Development</p> <p>2) <b>7500 sf commercial.</b> Ethos Development</p> <p><b>104 Units (80 – 120% AMI)</b> plus leasable commercial and creative maker spaces on the ground level.</p> <p><b>Parking:</b> 138 Parking Stalls (Approx 250 required)</p> <p><b>Open Space:</b> 0.85 acres of Public Open Space (24% of site)</p> <p><b>Completion:</b> September 2028</p>	<p>Two Phases:</p> <p>1) <b>171 Affordable (30 – 80% AMI)</b> (9 Live Work Units)</p> <p>2) <b>3000 sf of commercial space</b></p> <p><b>Parking:</b> 117 Parking Stalls (85 Required)</p> <p><b>Open Space:</b> Did not provide quantity</p> <p><b>Completion:</b> December 2028</p>	<p>Two Phases:</p> <p>1) <b>188 Apartments (123 Affordable, 65 Market Rate)</b></p> <p>2) 51 Key Boutique Hotel</p> <p>Market Hall (<b>11,100 sf commercial</b>)</p> <p>Micro – Restaurant/Retail/Office (<b>6,840 sf commercial</b>)</p> <p><b>Parking:</b> 153 Parking Stalls (Approx 280 required)</p> <p><b>Open Space:</b> (4200 sf) + Pavilion (5600 sf)</p> <p><b>Completion:</b> December 2029</p>
<b>Terms</b>	<ul style="list-style-type: none"> <li>• Land available at no cost</li> <li>• Full SDC Exemptions (Parks, Trans and WW for whole project)</li> <li>• Significant Reduction in Permit Fees</li> <li>• Waived or reduced property taxes</li> <li>• Payment in Lieu of Taxes (\$10K - \$20K per year)</li> <li>• MULTE (Ten Year Tax Exemption)</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase property for \$4,700,000</li> <li>• SDC Exemptions (Trans and WW for AH Component)</li> <li>• 50% Reduction in Permit fees for AH component</li> <li>• Full Property Tax Exemption</li> <li>• CET Exemption</li> </ul>	<ul style="list-style-type: none"> <li>• Land available at no cost</li> <li>• SDC Exemptions (Trans and WW for AH Component)</li> <li>• 50% Reduction in Permit fees for AH component</li> <li>• CET Exemption for AH Component</li> <li>• 15 Year Property Tax Exemption for AH Component</li> </ul>
<b>Public Engagement</b>	<p>Asset Based Community Development (ABCD) through PSU Center for Public Interest Design</p> <p>2 Open Houses</p> <p>Focus Groups</p>	<p>Neighborhood Meeting 1</p> <p>Online Survey 1</p> <p>Neighborhood Meeting 2</p> <p>Online Survey 2</p>	<p>Stakeholder Outreach</p> <p>Community Outreach</p> <p>Reduce barriers to participation</p> <p>Feedback Loop</p>
<b>Total Construction Value</b>	<p><b>\$63.65 MM</b></p> <p>Phase 1: \$34 MM (Tax Exempt) + \$1.75 MM</p> <p>Phase 2: \$27.9 MM</p>	<p><b>\$71.0 MM (Tax Exempt)</b></p>	<p><b>\$80.5 MM</b></p> <p>Phase 1: \$59 MM</p> <p>Phase 2: \$21.5 MM</p>

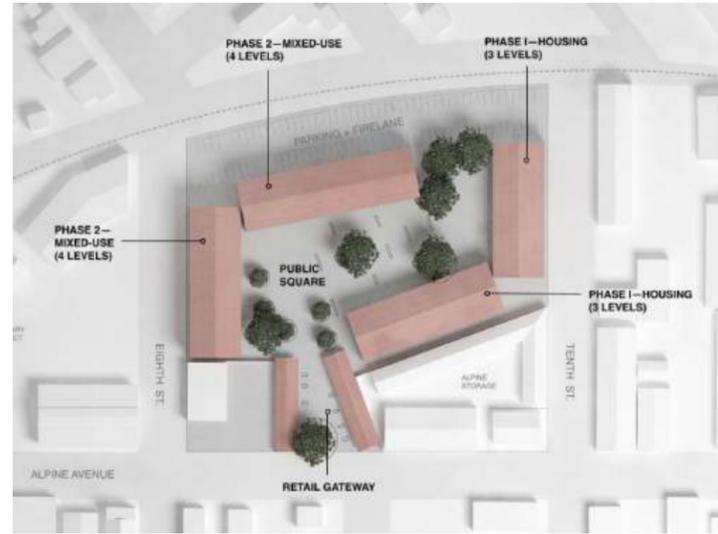
Component

Ethos

Guardian

Palindrome

Site Plans



# McMinnville NW Rubber Site

## DRAFT Financial Analysis of Received Proposals

Date March 26, 2025  
 To McMinnville Urban Renewal Advisory Committee  
 From Chris Zahas and Andrew Oliver, Leland Consulting Group  
 CC Heather Richards and Jeff Towery, City of McMinnville

### Introduction

Leland Consulting Group (LCG) was engaged by the City of McMinnville to assist in the RFQ and selection process for the development of the NW Rubber Site. After Phase 1 of the selection process, the selection committee narrowed the pool to three development teams who each provided Phase 2 proposals: Ethos, Palindrome, and Guardian. After receiving each team’s proposal, the selection committee asked LCG to analyze the financial impacts of each team’s proposed development plan. This memo outlines the assumptions and results of this analysis, which compares the tax, fee, and urban renewal proceeds from each proposal, as well as selected economic impacts including jobs, wages paid to workers, and retail spending at the site based on each development program, forecast out to 2045. A forecast year of 2045 was chosen to accommodate for the impact after the urban renewal district sunsets to overlapping taxing districts.

### Methodology

#### Proposal Inputs

This analysis considered each team’s proposal *as submitted* as the initial inputs. This included hard and soft costs of development, schedule and phasing, unit counts, commercial building square footage, and, importantly, the tax and fee exemptions as requested by each team. The full proposals are also included in this packet for your review. The costs for each proposal are detailed below in Figures 1-3:

Figure 1. Ethos Development Costs

	Construction Costs	Soft/Other Costs	Total Costs	GSF	Units	AMI
Phase 1 - Retail / Commercial Gateway	\$1,490,000	\$281,000	\$1,771,000	6,500		
Phase 1 - Affordable Housing	\$24,500,000	\$9,500,000	\$34,000,000	82,000	80	30-60%
Phase 2 - Ground Floor Commercial Space	\$1,628,571	\$357,143	\$1,985,714	7,500		
Phase 2 - Market-Rate Housing	\$21,171,429	\$4,642,857	\$25,814,286	97,500	104	80-120%
<b>Total</b>	<b>\$48,790,000</b>	<b>\$14,781,000</b>	<b>\$63,571,000</b>	<b>193,500</b>	<b>184</b>	

Figure 2. Palindrome Development Costs

	Construction Costs	Soft/Other Costs	Total Costs	GSF	Units/ Rooms	AMI
Phase 1 - Affordable Housing	\$27,014,175	\$10,427,460	\$37,441,636	108,300	123	80% ?
Phase 1 - Market-Rate Housing	\$15,465,179	\$5,969,553	\$21,434,731	62,000	65	
Phase 2 - Hotel / Market Hall	\$12,503,493	\$5,682,616	\$18,186,110	39,300	51	
Phase 2 - Micro-Retail & Office	\$2,176,181	\$989,036	\$3,165,216	6,840		
<b>Total</b>	<b>\$57,159,028</b>	<b>\$23,068,665</b>	<b>\$80,227,693</b>	<b>216,440</b>	<b>239</b>	

**Figure 3. Guardian Development Costs**

	Construction Costs	Soft/Other Costs	Total Costs	GSF	Units	AMI
Phase 1 - Affordable Housing	\$48,851,216	\$21,095,787	\$69,947,003	124,891	171	30-80%
Phase 2 - Commercial	\$825,000	\$255,000	\$1,080,000	3,000		
<b>Total</b>	<b>\$49,676,216</b>	<b>\$21,350,787</b>	<b>\$71,027,003</b>	<b>127,891</b>	<b>171</b>	

The table below shows the exemptions requested by each team in their proposals as modeled in this analysis. Note that the Ethos proposal contained several ranges, so a 75% reduction in permit fee and an average of the requested range of \$10-20k for the PILOT program were used. Some of these exemptions are those already offered by the city for affordable housing (such as transportation and sewer SDC exemptions and a 50% reduction in permit fees for affordable housing) whereas others such as some of the full fee abatements requested by Ethos and Guardian and the 15-year property tax exemption requested by Palindrome have not been used or offered by the city in the past.

**Figure 4. Modeled Tax and Fee Exemptions by Team**

Ethos	Palindrome	Guardian
<ul style="list-style-type: none"> <li>• Zero land basis</li> </ul>	<ul style="list-style-type: none"> <li>• \$0 land acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase property for \$4.7 million</li> </ul>
<ul style="list-style-type: none"> <li>• SDC fee abatements</li> </ul>	<ul style="list-style-type: none"> <li>• SDC Exemptions (Transportation and Sewer for AH component)</li> </ul>	<ul style="list-style-type: none"> <li>• SDC Exemptions (Transportation and Sewer for AH component)</li> </ul>
<ul style="list-style-type: none"> <li>• Permit fee “significant reduction” (assumed 75%)</li> </ul>	<ul style="list-style-type: none"> <li>• 50% reduction in permit fees for AH component</li> </ul>	<ul style="list-style-type: none"> <li>• 50% reduction in permit fees for AH component</li> </ul>
<ul style="list-style-type: none"> <li>• Ten-Year MULTE tax exemption for market-rate housing</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Excise Tax exemption for AH component</li> </ul>	<ul style="list-style-type: none"> <li>• Full Property Tax Exemption</li> </ul>
<ul style="list-style-type: none"> <li>• PILOT (Payment in lieu of taxes) \$10-20k/year (assumed \$15)</li> </ul>	<ul style="list-style-type: none"> <li>• 15 year property tax exemption for AH component</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Excise Tax Exemption</li> </ul>

## Fiscal Inputs and Assumptions

This analysis used a number of assumptions and inputs to calculate tax and fee revenue as well as potential spending and wages generated by the new development. As with any projections into the future, there is a degree of uncertainty around all such assumptions, particularly given the current economic turbulence around inflation and construction costs. Some key inputs and assumptions are detailed below:

### Tax Inputs

- **Property tax** will primarily flow to the Urban Renewal district until it sunsets in 2038.
  - \$13.1816 per \$1,000 of assessed value is subject to the Urban Renewal increment until 2038.
  - \$3.5495 per \$1,000 of assessed value is not subject to the Urban Renewal increment (this revenue goes towards general obligation bonds for the City, School District 40, and Chemeketa Community College).
- According to the Yamhill County Assessor, the **Change Property Ratio (CPR)** is “used to adjust the market value of changed property to the average level of assessment for each property class.” Essentially, this reduces the assessed value by a certain percentage based on the property type to reflect the difference between average countywide assessed value and market value. Since assessed values are capped at a 3 percent annual increase in Oregon due to Measure 50 (1997), this calculation is intended to adjust the tax burden of new construction to more closely match that of existing development. In Yamhill County, the CPR is 0.593 for

commercial buildings and 0.356 for multifamily. These ratios were applied to calculate the taxable value based on each proposal's construction costs and their share of commercial and residential square footage.

- The city's 10 percent **hotel tax** was also applied to the Palindrome proposal based on expected hotel room costs.

## Fee Assumptions

- This analysis used the city's **updated fee schedule** for sewer, parks, and transportation System Development Charges (SDCs), which will go into effect July 1, 2025.
- **System Development Charge assumptions** for retail and restaurants were based on a reasonable assumed number of plumbing fixtures per commercial space as well as proposed square footage of commercial space in each proposal.
- **Permit Fees** were calculated by city staff based on the proposals.
- The city's 1 percent **Affordable Housing Construction Excise Tax** was applied where exemptions were not requested. However, 15% of this tax goes to the state so it was applied at a rate of 0.85%

## Inflation Assumptions

- **General inflation** was assumed at a rate of 2.3%, based on the latest forecasts by the St. Louis Federal Reserve.
- **Construction costs** were assumed at a higher inflation rate of 4.3% based on an average of the past 5 years of the Turner Construction Cost Index. The rate of construction cost inflation has varied widely since the COVID-19 pandemic but this represents a middle ground between higher rates around 8% in 2021 and more recent rates closer to 3%. Given the potential for continued raw material price increases due to tariffs and other economic factors, a higher rate of construction cost inflation compared to general inflation is warranted.
- **Assessed value** was assumed to increase at 3% per year, the maximum amount allowed by Oregon law.

## Job, Spending, and Wage Assumptions

To calculate jobs, spending, and wages generated by the proposals, various assumptions and data sources were used. These variables are somewhat more speculative than the tax and fee revenues, and adjustments to these assumptions could change the overall 20-year totals for each proposal to some degree. However, given that these assumptions were applied equally to each proposal allows a general comparison of the economic effects of each development scheme, even though the total dollar amounts involve some margin of error.

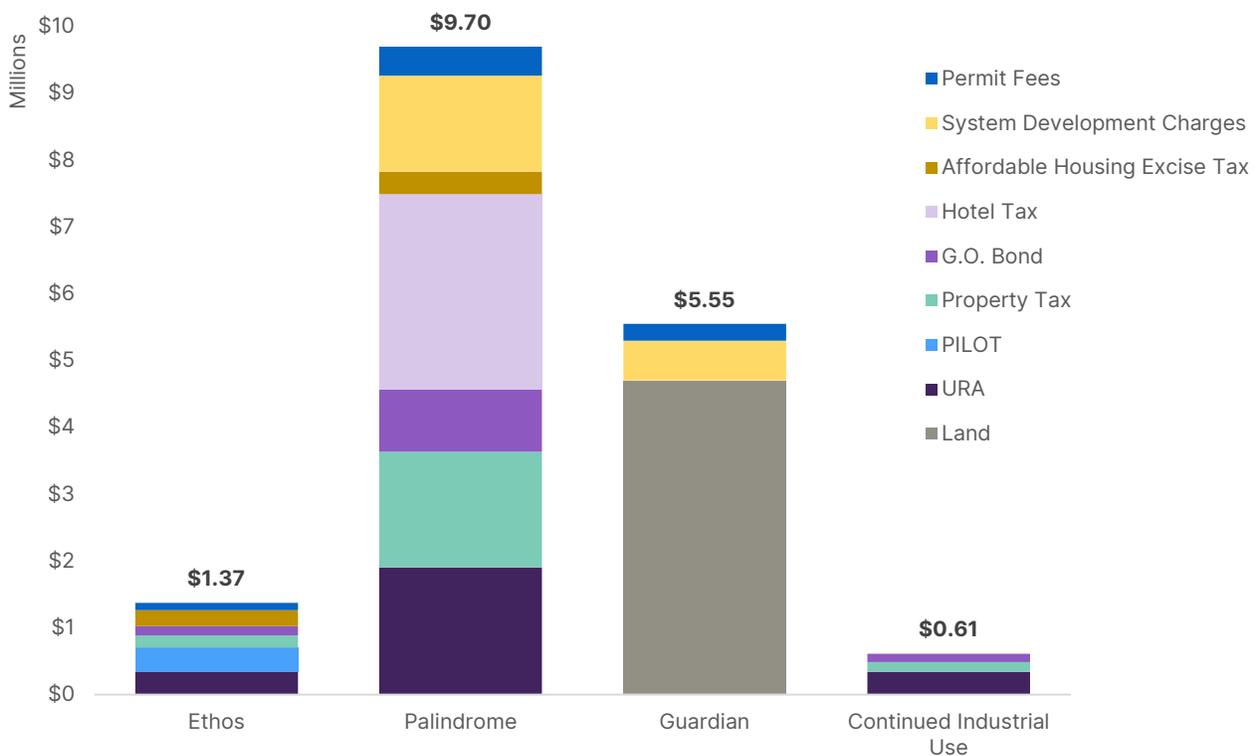
- **Job density** was assumed at one job per 500 square feet of restaurant space and 1,200 square feet of retail, based on estimates from the U.S. Energy Information Administration
- 3.5-4.5 **employees** per 100 apartments and 0.47 employees per hotel room were assumed, based on data from regional hospitality consultants.
- Based on Yamhill County wage data, **average wages** range from \$30-40,000 per year for employees in apartments, restaurants, hotel, and retail.
- **Retail sales per square foot** were estimated at \$350-400 based on type of retail, based on research by Leland Consulting Group.
- **Hotel rooms** were estimated to cost \$200/night in 2025 with the general inflation rate of 2.3% applied, and a hotel room occupancy rate of 60%, based on CoStar, local market, and Visit McMinnville data.
- **Hotel guest spending** per party was estimated at \$268 in 2025 based on Visit McMinnville data, with the general inflation rate of 2.3% applied.

# Results

## 20-Year Totals

Figure 5 below shows the total revenues from property taxes, hotel taxes, land sale, and city fees from each proposal. It also includes the amount of tax revenue that the site would generate if it were to continue as an industrial use with a new owner, based on its 2024 assessed value increasing by the 3% assessed value cap yearly through 2045. This chart shows the total revenues from the 20-year period in 2025 dollars, using net present value (NPV). This adjusts future income by applying a 5 percent discount rate, reflecting the principle that a dollar today is worth more than a dollar in the future. This measurement also allows the city to conceptualize alternatives to the revenues generated by these development proposals, such as issuing a bond with a 5 percent interest rate to generate the same amount of revenue. Note that the totals shown in Figure 5 reflect revenues flowing to the City of McMinnville, the Urban Renewal Agency, and other jurisdictions and special districts which will receive tax revenue after the District sunsets.

**Figure 5. Tax, Fee, and Land Revenue, 2025-2045 (Net Present Value)**



In addition to direct tax and fee revenue, the development on the NW Rubber Site can be expected to generate significant additional economic benefits to the McMinnville community in the form of jobs, wages, and spending, as shown below in Figure 6. This chart shows the cumulative wages paid to the expected employees of the apartments, retail and/or hotel uses at the site, the cumulative forecast retail spending at businesses on the site, and the cumulative spending on hotel rooms at the site over 20 years. These numbers include inflation, and are *not* discounted into present dollars. Similar to the tax and fee revenue, Palindrome’s increased amount of retail square footage and proposed hotel represent the largest additional economic benefits to the McMinnville community beyond the direct tax and fee revenues shown above.

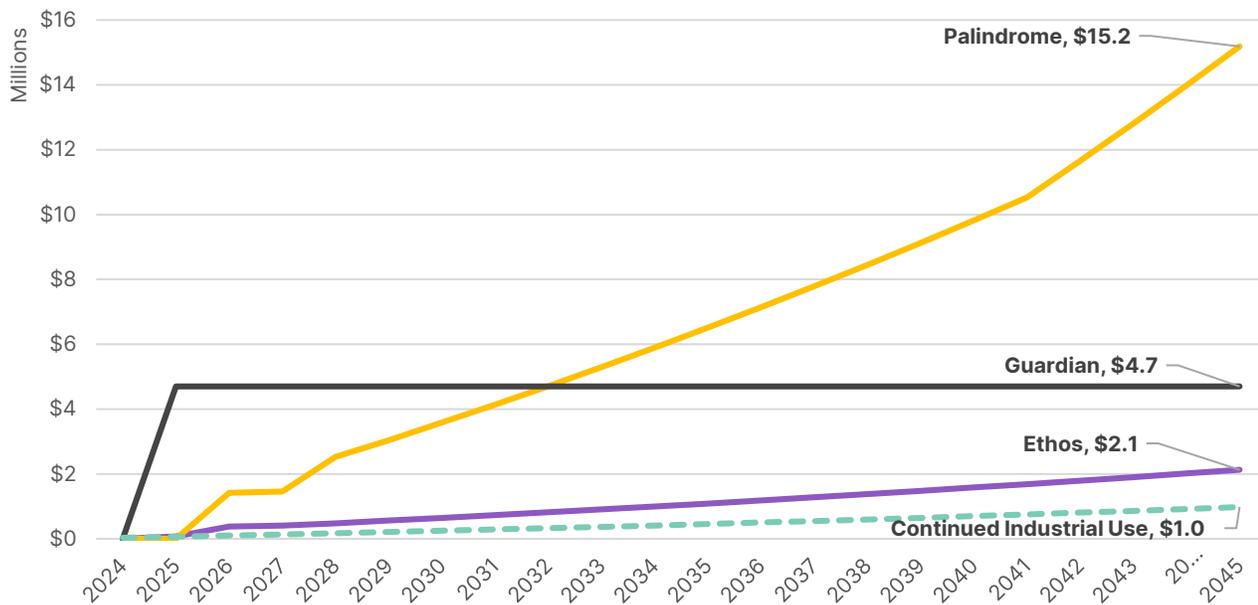
**Figure 6. Wages and Spending Generated 2025-2045 (Total, Including Inflation)**



### Impacts Over Time

The chart below in Figure 7 shows the total tax, fee, and land revenue by proposal over time for the 2025-2045 period, as well as comparing with the hypothetical tax revenue from continued industrial use. Since these numbers are not discounted based on future dollar values, the grand totals are larger than those shown in Figure 5. Overall, Guardian’s land price offer creates a large near term amount of revenue but with the affordable housing tax exemption, their proposal does not produce future revenues. Ethos and Palindrome both produce continued revenue streams over time, but Palindrome’s larger share of commercial and market-rate development, particularly the addition of the hotel, results in a much higher tax revenue over time, particularly after the expiration of their requested 15-year tax exemption for the affordable housing component.

**Figure 7. Total Tax, Fee, and Land Revenue by Proposal, 2025-2045 (Cumulative)**



The following charts show cumulative expenses for the 20-year period and for each year individually, by proposal. The cumulative charts show the total revenue from each source over the 20-year horizon, so each year’s totals represent the total revenues to date for that year. The cumulative charts also compare the revenues over time with the expenses of acquiring and holding the site, shown in a dotted red line, which represents the “adjusted expenses” – the total costs to date of acquiring and holding the site minus the total revenues to date across all fee and tax types. Although this does not reflect the fact that some tax and fee revenue is earmarked for specific types of expenditures, it shows a general picture of the ability to repay the city’s acquisition and holding of the site. These costs are:

- \$4.35 million for land acquisition in January 2024
- \$430,052 through June 30, 2025 (all in for monthly interest, consultant fees, and security/utility costs for the property)
- \$21,000 per month thereafter for expenses detailed above

Also note that the sunset of the Urban Renewal Area in 2038 results in the resumption of property taxes being collected starting in 2039. These taxes would return to their distribution among jurisdictions and special districts at that point. Using current tax rates and expected 2039 assessed value, the estimated revenue to each jurisdiction and special district for the *first year* after the sunset of the URA is shown below for illustration, by proposal and for the continued industrial use scenario without new development on the site:

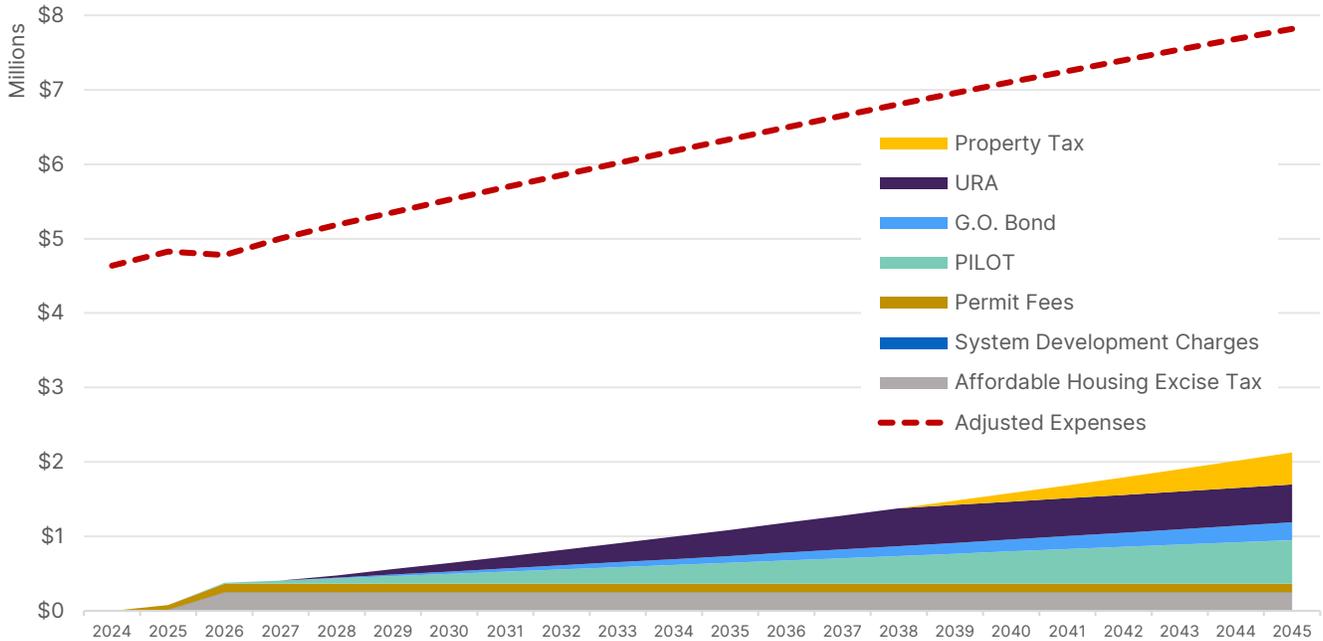
**Figure 8. Estimated 2039 Property Tax by Jurisdiction and Special District**

	Ethos	Palindrome	Guardian	Continued Industrial Use
Yamhill County	\$10,450	\$56,717	\$0	\$7,411
Yam. Co. Ext. Serv.	\$182	\$988	\$0	\$129
Yamhill Soil & Water	\$144	\$779	\$0	\$102
S.D. 40 - McMinnville	\$26,818	\$145,558	\$0	\$19,019
McMinnville Fire	\$8,108	\$44,009	\$0	\$5,750
Willamette Regional ESD	\$1,203	\$6,529	\$0	\$853
City of McMinnville	\$19,715	\$107,006	\$0	\$13,981
Chemeketa Library	\$332	\$1,800	\$0	\$235
Chemeketa Comm. Coll.	\$3,515	\$19,078	\$0	\$2,493
<b>Total</b>	<b>\$70,467</b>	<b>\$382,463</b>	<b>\$0</b>	<b>\$49,973</b>

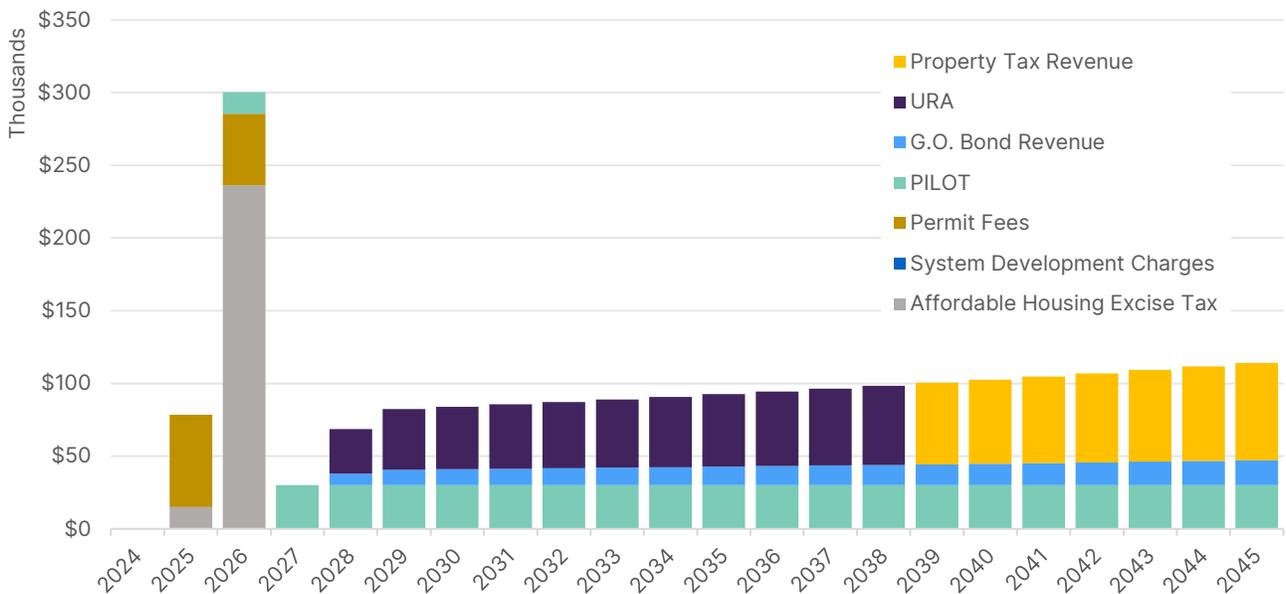
## Ethos

As shown in Figure 9, Ethos' proposal generates about \$2.1 million in total over 20 years in tax and fee revenue. Taken alone, this would not be sufficient revenue to pay back the continuing carrying and interest costs of the parcel or to pay back the initial purchase. As proposed, the Ethos project does generate tax and fee revenue distributed across various types and potential uses. Figure 10 shows that after the initial lump sums of fee revenue, mostly in 2026, the Ethos project generates around \$100,000 of tax revenue per year.

**Figure 9. Ethos Cumulative Expenses and Revenues, 2024-2045**



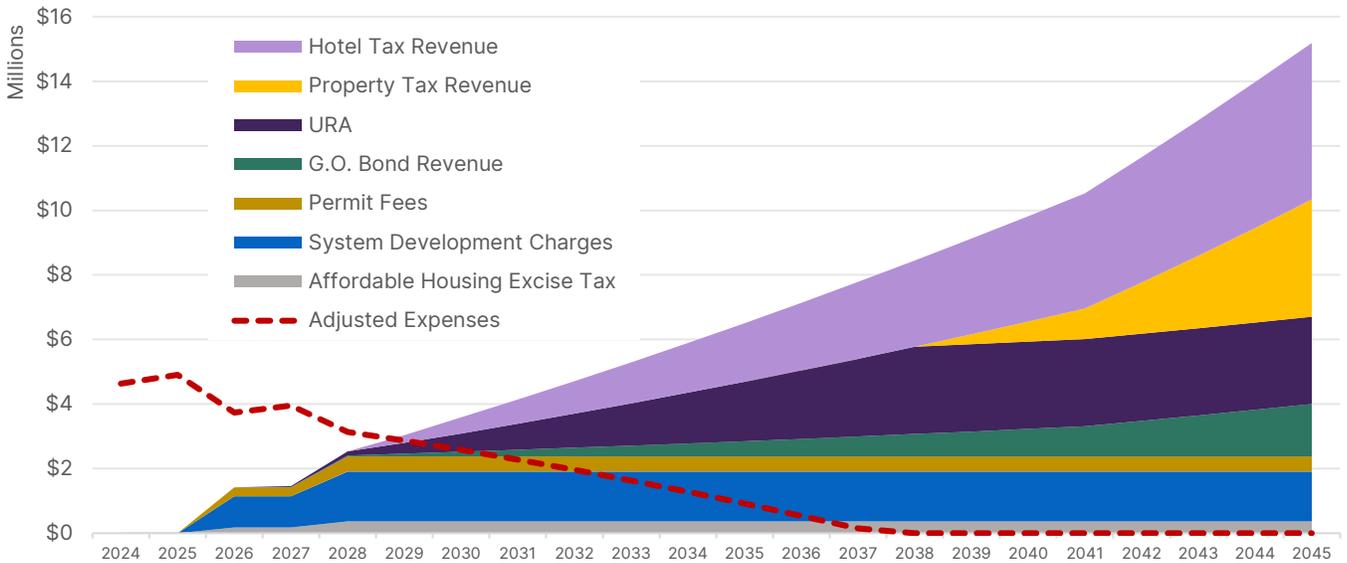
**Figure 10. Ethos Yearly Revenue, 2024-2045**



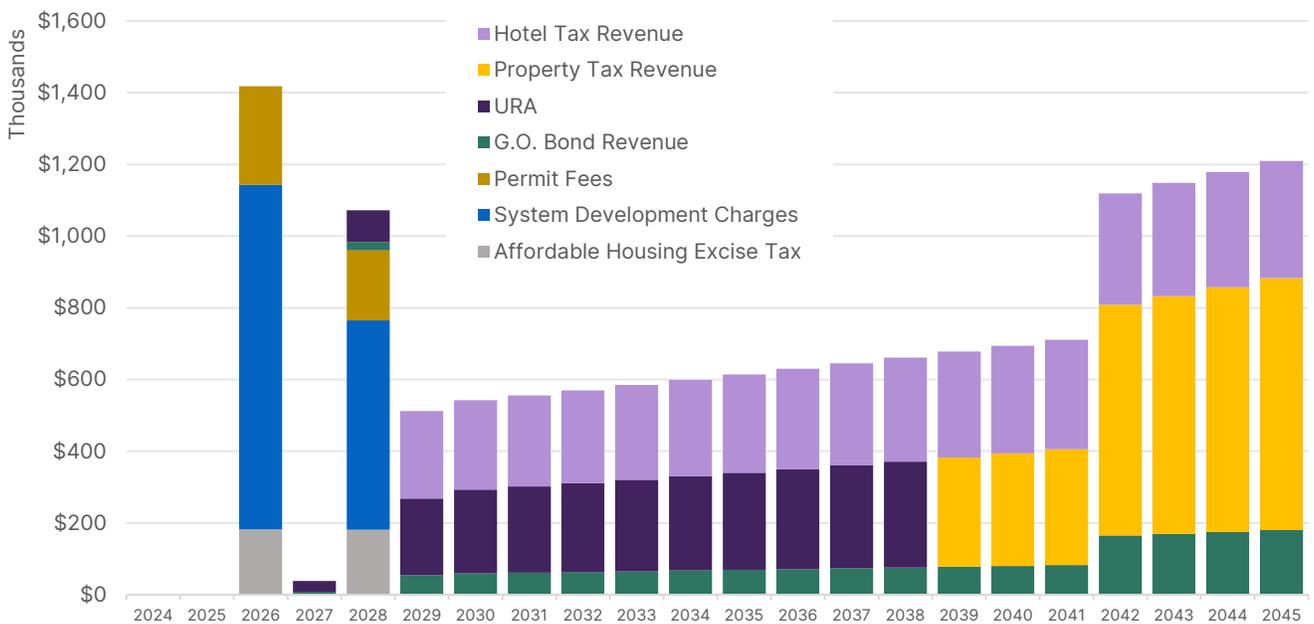
## Palindrome

Palindrome’s proposal produces about \$15 million in tax revenue over the 20-year horizon. Like Ethos’, it is diversified among a variety of types of revenue, though the revenues are significantly higher due to the market rate components and the addition of the hotel in particular, which generates almost \$5 million in hotel tax revenue over 20 years. The Palindrome proposal produces sufficient revenue to repay the purchase, interest, and carrying costs by 2037 (as noted above, not all revenue could be used directly for this purpose, but this calculation illustrates the relative income-generating potential of the project). The project generates about \$600,000 of revenue per year until 2042 when the requested 15-year tax exemption would expire, thus increasing yearly revenue above \$1 million per year after that point.

**Figure 11. Palindrome Cumulative Expenses and Revenues, 2024-2045**



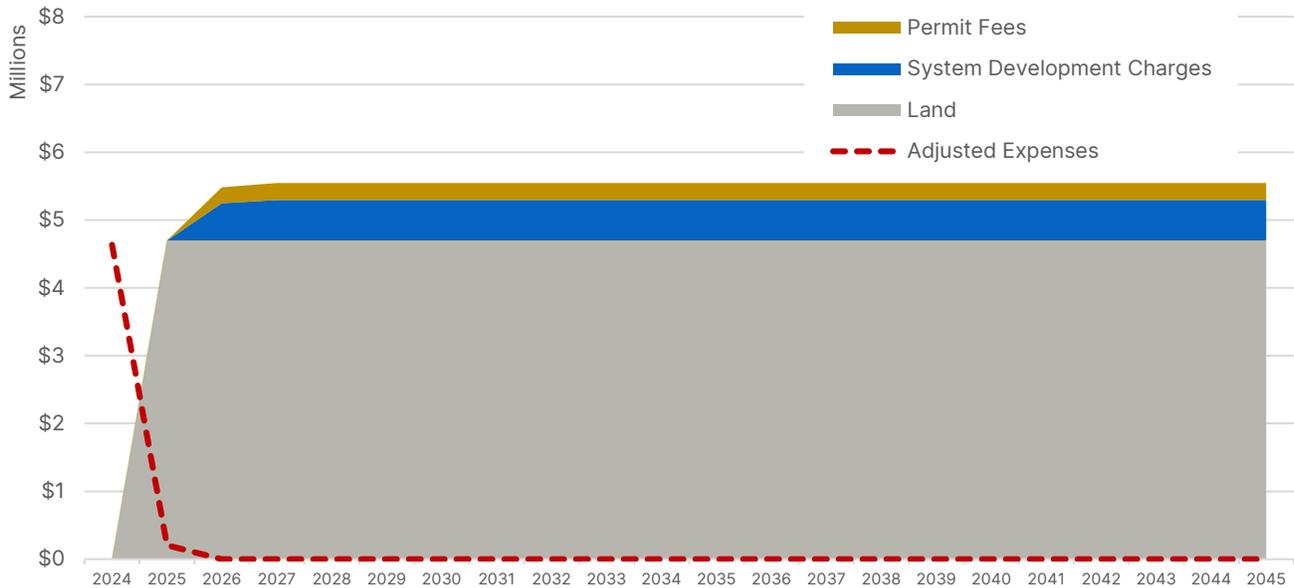
**Figure 12. Palindrome Yearly Revenue, 2024-2045**



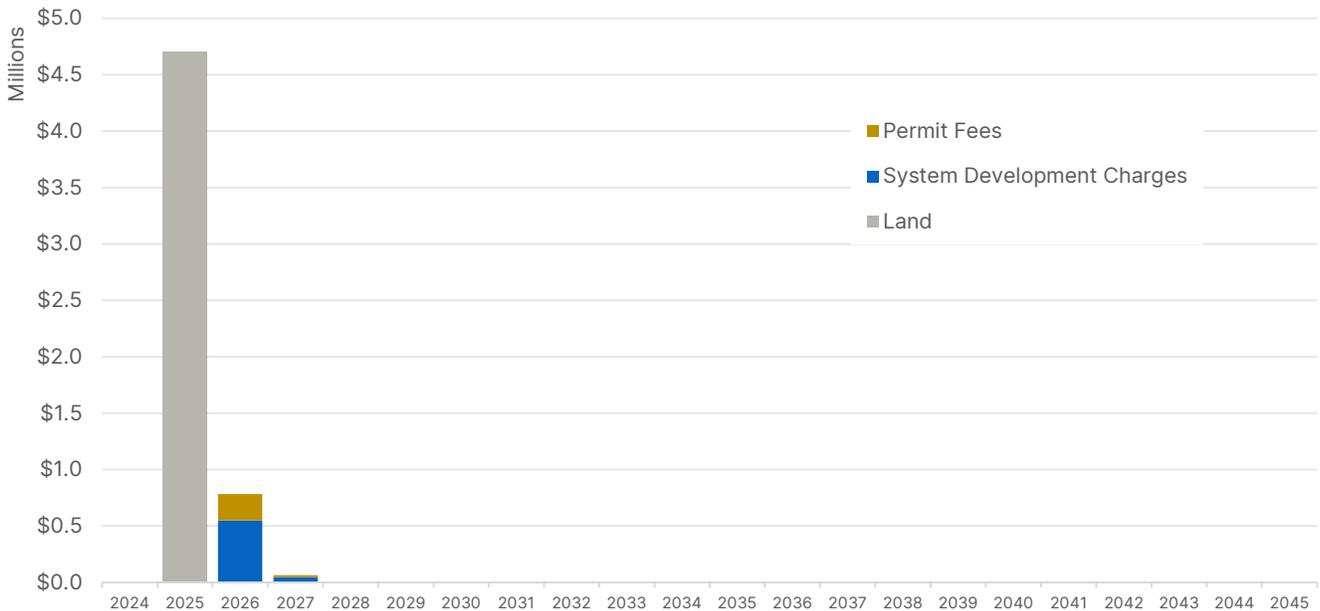
## Guardian

Unlike the others, Guardian’s proposal rests on a one-time land purchase of \$4.7 million. This results in sufficient revenue to pay for the acquisition, holding, and interest costs within a couple of years, but at the expense of a significant loss of future tax revenue due to the full property tax exemption.

**Figure 13. Guardian Cumulative Expenses and Revenues, 2024-2045**



**Figure 14. Guardian Yearly Revenue, 2024-2045**



# 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 to redevelop a 3.6-acre former industrial site into a mixed-use development of housing and commercial spaces that serve the community.**
- **The project is envisioned as a catalyst project in the NE Gateway district, and should reflect the city's core values of courage, equity, stewardship, and accountability.**
- **The City will select a developer using a two-stage RFQ/RFP process as detailed below. Submissions are due on August 30, 2024.**

### OVERVIEW

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.

### VISION AND USES

#### 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 accountability** in both the development team and the project.
- Demonstrating **design excellence**.
- Demonstrating consideration for the **effects** that this redevelopment may have on residents of the surrounding neighborhoods.
- Incorporating **representational community engagement** into the design and development process.

**PROCESS**

The City will utilize a **two-stage RFQ/RFP (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 for Phase 1 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?




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“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 18<sup>th</sup> 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.

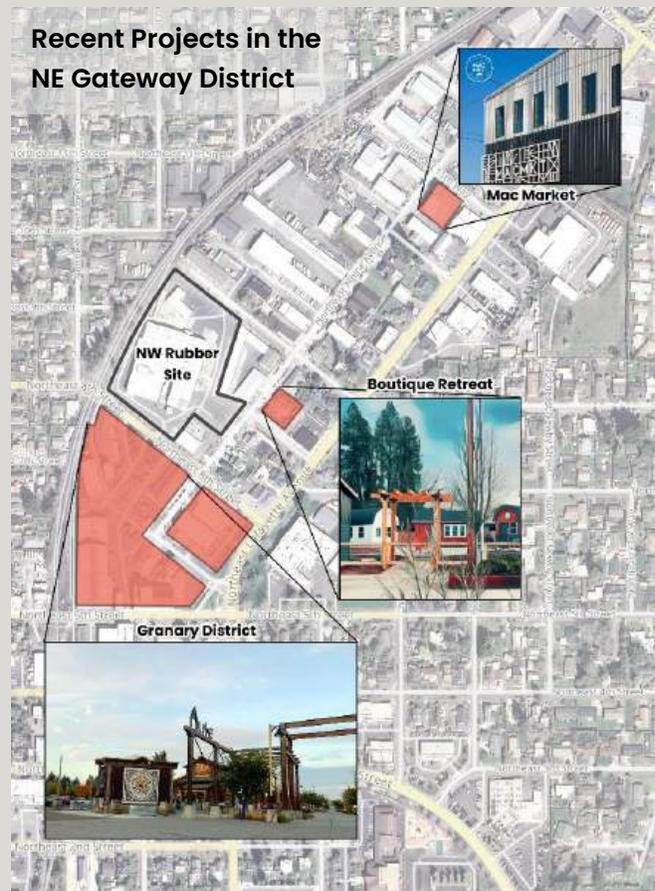
McMinnville is at the heart of Oregon’s famous wine-growing region; over 220 area wineries and vineyards have their doors open for touring and tasting. Because of its ideal climate and volcanic soil left behind from ancient Cascade mountain lava flows, the valley produces flavorsome red, white, rose, 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 5<sup>th</sup> street have created an accessible and walkable quarter-mile corridor linking the NE Gateway District and 3<sup>rd</sup> St., 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.

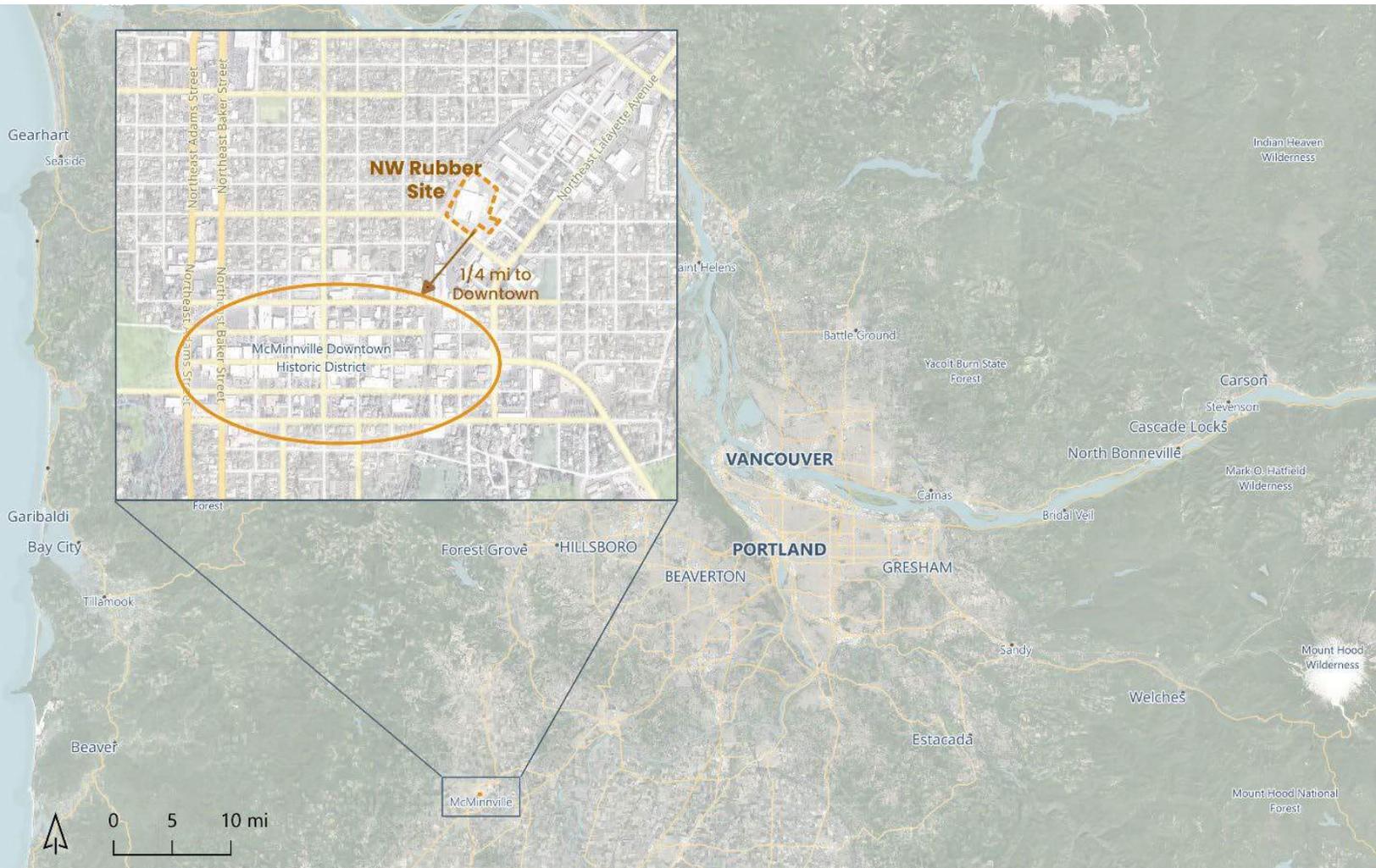
## KEY MCMINNVILLE FACTS AND FIGURES:

- **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 8<sup>th</sup> Street to the south which serves as a connector to surrounding neighborhoods, and NE 10<sup>th</sup> Avenue to the north.

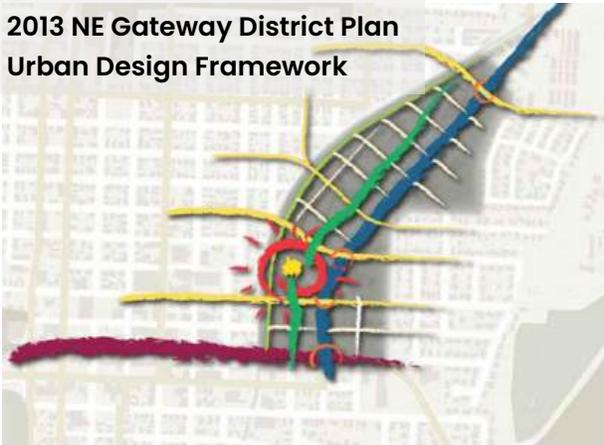
Served with both wet (wastewater, water, and gas) and dry (communication and power) utilities, the site is located adjacent to the successful Grain Station commercial district, just north of McMinnville’s award winning main street, and adjacent to one of McMinnville’s historic residential neighborhoods.

### 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 3rd St. 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 urban design concept for the district from 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

<b>Address / Parcels</b>	904 NE 10 <sup>th</sup> St., McMinnville, OR, 97128 (R4421BA 03800) 836 NE Alpine Ave., McMinnville, OR 97128 (R4421BA 03850)
<b>Size</b>	3.6 acres
<b>Current Owner</b>	City of McMinnville, fee simple
<b>Current Use</b>	Vacant Industrial
<b>Existing Improvements</b>	50,465 sf vacant manufacturing facility with machinery removed 4,500 sf office building
<b>Zoning</b>	<p><u>NE Gateway Planned Development Overlay Zone 2</u></p> <ul style="list-style-type: none"> <li>• <i>Allowed uses:</i> multifamily residential, food and beverage manufacturing or service, lodging, office, retail, light industrial, live/work space with or without retail</li> <li>• <i>Development Standards:</i> 80 foot height, 0-10 foot setbacks, active street frontage requirements, design standards in NE Gateway Plan</li> <li>• <i>Maximum Density:</i> Governed by development standards and parking.</li> <li>• <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.</li> </ul>
<b>Access</b>	Access to Alpine Ave at NE 9 <sup>th</sup> Ave via the smaller parcel and access to the NE and NW side of the larger parcel are available via NE 10 <sup>th</sup> Ave and 8 <sup>th</sup> Street.

## Existing Utilities

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

## Physical Attributes

<b>Topography</b>	Flat, not in a landslide or steep slope area
<b>Flood Plain Status</b>	Not in a mapped flood area
<b>Environmental Assessments</b>	<p>Phase I environmental assessment found</p> <ul style="list-style-type: none"> <li>• The potential release of hazardous substances or petroleum products in connection with the long-term industrial use of the Subject Property;</li> <li>• The potential migration of hazardous substances or petroleum products to the Subject Property from adjacent industrial use facilities; and</li> <li>• The potential release of petroleum products from a historical UST located on the northeastern portion of the Subject Property.</li> </ul> <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"> <li>• 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.</li> <li>• 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.</li> </ul>

## 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.

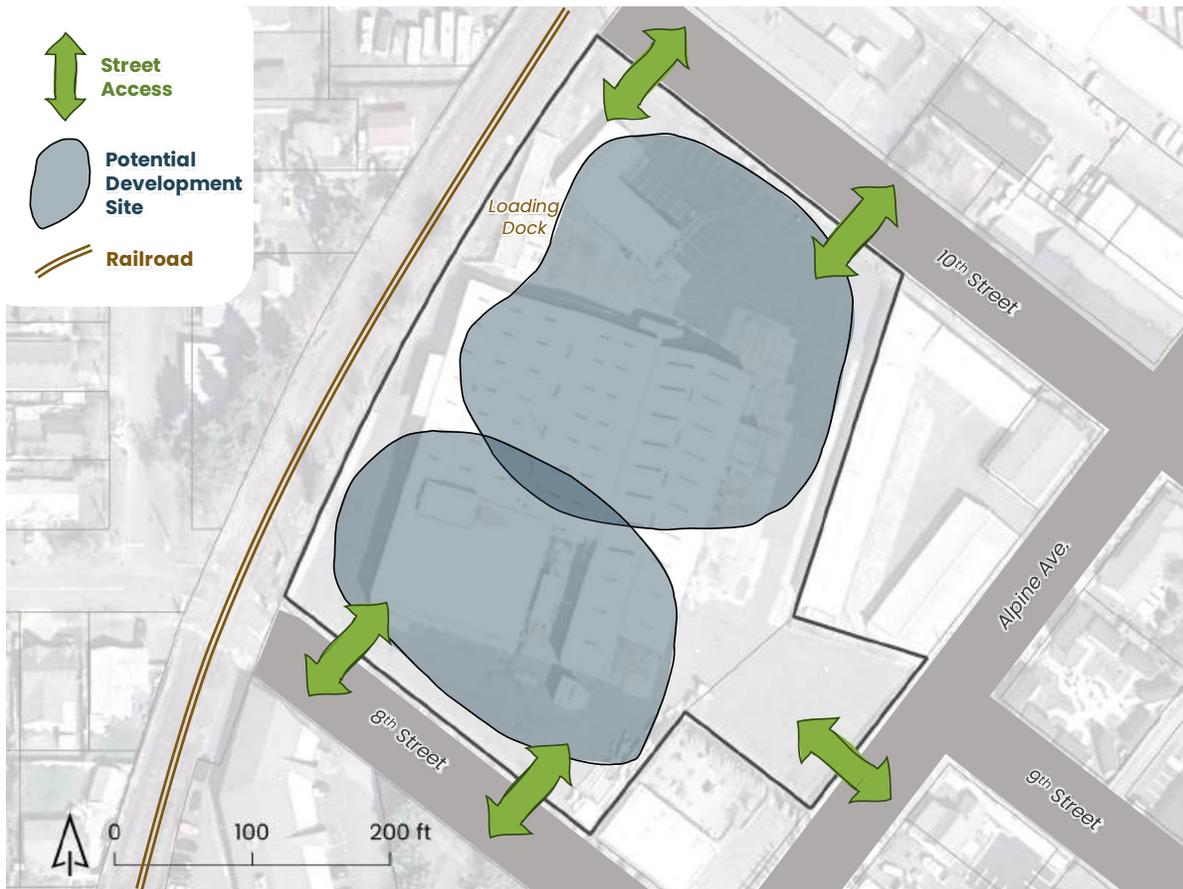
- **Commercial spaces** that activate the site and complement the existing commercial activity in the district.
- **Parks, plazas, and open spaces** that encourage relaxation, play or outdoor living to address need for open space in the district, enhancing the wellbeing of the neighborhood.
- **Parking** 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 accountability in both the development team and the project**.
- Demonstrating **design excellence**.
- Demonstrating consideration for the **effects** that this redevelopment may have on residents of the surrounding neighborhoods.
- 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 examples of the following elements from past experience:

- 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 submittals 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).

Upon receipt of qualification responses, the City will convene a selection 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 selection committee.

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](mailto: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**

Milestone	Date
<b>PHASE 1</b>	
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 Project Objectives and Core Values (20 points)**
  - See pp. 12-14
- **Public Involvement (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
<b>PHASE 2</b>	
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-November 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.

## Background Documents

The following documents can be found on the City of McMinnville's website at [Northwest Rubber RFQ for Developers | McMinnville Oregon](#)

- 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 Assessment, 2023
- Environmental Phase II Assessment, 2023
- 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
- McMinnville Harvard Mayor's Institute Community Design Final Presentation, 2024

## General Conditions

### Changes to the RFQ Solicitation by Addenda:

The City reserves the right to make changes to the RFQ by written addendum, which shall be issued by email format only to all those who have obtained the RFQ documents by registering on the city's website at [City of McMinnville Procurement - Bids & RFPs | DemandStar](#).

No addenda will be issued within 72 hours of either Phase's submittal deadline except by an addendum, if necessary, postponing the date for receipt of submittals or withdrawing the RFQ altogether.

Each submitting developer is responsible for obtaining all addenda prior to submitting a Proposal and shall acknowledge in the Proposal receipt of each addendum as part of the Proposal.

### Confidentiality:

All information submitted by potential developers under this RFQ shall become and remain the property of the City and, as such, is considered public information and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the submittals for which the developer requests exception from disclosure as being proprietary information exempt from disclosure, consistent with Oregon law. If a submittal contains any information that is considered a trade secret under ORS 192.501(2), each sheet of such information must be marked with the following legend:

*"This data constitutes a trade secret and shall not be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."*

Identifying the submittal packet in whole as a trade secret is not acceptable. Failure to identify a portion of the submittal as a trade secret shall be deemed a waiver of any future claim of that information as a trade secret. Nondisclosure of documents or any portion of a document submitted as part of a submittal may depend upon official or judicial determinations made pursuant to the Oregon Public Records Law.

The City will make available to any person requesting information through the City processes for disclosure of public records, any and all information submitted as a result of this RFQ not exempted from disclosure without obtaining permission from any submitting developer to do so after the RFQ is completed.

The City accepts no liability for the inadvertent or unavoidable release of any confidential information submitted. If a public record request is made for material marked as proprietary, the City will attempt to notify the impacted submitting developer prior to the deadline for release of the material but will not defend against any legal challenge for release. Therefore, claims arising out of any public record request for such information

shall be at the developer's sole expense, if the developer wishes to deny or withhold the information.

**Cancellation:**

The City reserves the right to cancel this RFQ at any time during either Phase, if cancellation is deemed to be in the best interest of the City. In no event shall the City have any liability for the cancellation of this RFQ.