

**City Council Meeting Agenda**

**Tuesday, October 10, 2023**

**6:30 p.m. – City Council EXECUTIVE SESSION –(CLOSED TO THE PUBLIC)**

**7:00 p.m. – City Council Regular Meeting**

**REVISED 10/09/2023**

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

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

- Email at any time up to **12 p.m. on Monday, October 9th** to [claudia.cisneros@mcminnvilleoregon.gov](mailto:claudia.cisneros@mcminnvilleoregon.gov)
- If appearing via telephone only please sign up prior by **12 p.m. on Monday, October 9th** by emailing the City Recorder at [claudia.cisneros@mcminnvilleoregon.gov](mailto:claudia.cisneros@mcminnvilleoregon.gov) as the chat function is not available when calling in zoom;
- Join the zoom meeting use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide your First and Last name, Address, and contact information (email or phone) to the City.**

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

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

**CITY COUNCIL REGULAR MEETING:**

*You may join online via Zoom Meeting:*

<https://mcminnvilleoregon.zoom.us/j/81601857848?pwd=OKjXpX7XB2tzqCXkRDN9aakODqtq6X.1>

Zoom ID: 816 0185 7848

Zoom Password: 331439

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

*ID: 816 0185 7848*

**6:30 PM – CITY COUNCIL EXECUTIVE SESSION – (NOT OPEN TO THE PUBLIC) (Added on 10.09.2023)**

1. CALL TO ORDER
2. **EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e):** To conduct deliberations with persons designated by the governing body to negotiate real property transactions. **AND Executive Session pursuant to ORS 192.660(2)(f):** To consider information or records that are exempt by law from public inspection.
3. ADJOURNMENT OF EXECUTIVE SESSION

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

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROCLAMATION
  - a. Domestic Violence Awareness Month Proclamation

b. Hands & Words Are Not for Hurting Week Proclamation

4. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –

*The Mayor will announce that interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorder and then any citizen participating via Zoom.*

5. PRESENTATIONS

- a. Murray Paolo's Thank You to the City of McMinnville.

6. ADVICE/ INFORMATION ITEMS

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

7. CONSENT AGENDA

- a. Consider the Request to Permit a Waiver of the Noise Ordinance from Chris Durig of The Oak for October 28, 2023, for a Halloween Party. **(Added on 10.09.2023)**  
b. Consider the Minutes of the August 22, 2023, City Council Work Session & Regular Meeting. **(Added on 10.09.2023)**  
c. Consider the Minutes of the August 29, 2023, Special Called Joint City Council & MW&L Commission Meeting. **(Added on 10.09.2023)**  
d. Consider the Minutes of the September 12, 2023, Joint City Council & MW&L Commission Work Session Meeting and City Council Regular Meeting. **(Added on 10.09.2023)**

8. RESOLUTIONS

- a. Consider **Resolution No. 2023-58**: A Resolution (1) adopting a contingency transfer in the budget for fiscal year 2023-2024 in the Wastewater Capital Fund and an appropriation transfer from the Wastewater Capital Fund to the General Fund and (2) authorizing an interfund loan from the Wastewater Capital Fund to the General Fund for purposes of a capital property acquisition. **(Added on 10.09.2023)**  
b. Consider **Resolution No. 2023-59**: A approving an intergovernmental agreement between the City of McMinnville and the McMinnville Urban Renewal Agency for the financing to purchase tax lots R4421BA03800 and R4421BA03805 (904 NE 10TH Street and 835 NE Alpine Avenue respectively to advance the goals and objectives of the McMinnville Urban Renewal Plan. **(Added on 10.09.2023)**

9. ORDINANCES

- a. Consider the first reading with a possible second reading of **Ordinance No. 5140**: An Ordinance Amending Ordinance No. 5086 and Approving a Master Plan for Tax Lot R4418 00100 at the Northeast Quadrant of the Intersection of NW Hill Road and New Baker Creek Road.  
b. Consider **Ordinance No. 5139**: An Ordinance Adopting a Housing Needs Analysis and Economic Opportunity Analysis for the Planning Horizon of 2021 – 2041, Population 47,498 People (Dockets G 1-20 and G 3-20).

10. ADJOURNMENT OF REGULAR MEETING

# STAFF REPORT

**DATE:** October 10, 2023  
**TO:** Mayor and City Councilors  
**FROM:** Heather Richards, Community Development Director  
**SUBJECT:** Ordinance No. 5139– Adopting a Housing Needs Analysis and Economic Opportunity Analysis as Addendums to the McMinnville Comprehensive Plan (Dockets G 1-20, and G 3-20)

## STRATEGIC PRIORITY & GOAL:

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

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

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### Report in Brief:

This is the consideration of Ordinance No. 5139, reflecting the Planning Commission's recommendation to the City Council to adopt the 2023 Housing Needs Analysis and Economic Opportunity Analysis as addendums to the McMinnville Comprehensive Plan, Volume 1. (The McMinnville Comprehensive Plan has three volumes: 1) Data; 2) Goals and Policies; and 3) Implementing Zoning Ordinance, Chapter 17 of the McMinnville Municipal Code).

Per ORS 197.296, the City of McMinnville needs to submit a Housing Needs Analysis to Department of Land Conservation and Development (DLCD) by December 31, 2023. Working with a Project Advisory Committee, the City also updated its Economic Opportunity Analysis.

This proceeding is a legislative land-use item for the City Council. The City Council is the final decision maker for this land-use action since it is an amendment to the McMinnville Comprehensive Plan.

Today's action is to decide if the City Council would like to host a public hearing as part of their consideration or adopt an Ordinance effecting the recommendation of the Planning Commission.

Per Section 17.72.130(B) of the McMinnville Municipal Code:

*Legislative hearings: Within 45 days following the public hearing on a comprehensive plan text amendment or other legislative matter, unless a continuance is announced, the Planning Commission shall render a decision which shall recommend either that the amendment be approved, denied, or modified:*

- 1. Upon reaching a decision the Planning Commission shall transmit to the City Council a copy of the proposed amendment, the minutes of the public hearing, the decision of the Planning Commission, and any other materials deemed necessary for a decision by the City Council;*
- 2. Upon receipt of the decision of the Planning Commission, the City Council shall:*
  - a. Adopt an ordinance effecting the proposed change as submitted by the Planning Commission, or*
  - b. Adopt an ordinance effecting the proposed change in an amended form, or*
  - c. Refuse to adopt the amendment through a vote to deny, or*
  - d. Call for a public hearing on the proposal, subject to the notice requirements stated in Section 17.72.120(D).*

The Planning Commission hosted a public hearing and heard public testimony on September 7 and September 21, 2023, and voted to recommend adoption of the two documents with the following amendments:

- Reduce park land need by 62 acres in Appendix E of the Economic Opportunity Analysis.
- Consider removal of 49 acres of commercial land need associated with the site specific needs identified in the MAC Town 2032 Economic Development Strategic Plan, and consider removal of the 12 acres of commercial land need associated with the retail leakage analysis in the Economic Opportunity Analysis.

Three people provided testimony at the Planning Commission public hearing: 1) Mark Davis representing himself; and 2) Sid Friedman and Rob Hallyburton representing Friends of Yamhill County. Mark Davis also provided two written letters of testimony as did Friends of Yamhill County and Thousand Friends of Oregon. All testimony provided by Mark Davis, Friends of Yamhill County and Thousand Friends of Oregon expressed concerns with elements of the two documents, either in terms of legal compliance or the assumptions and data used by the Project Advisory Committee to make their recommendation to the Planning Commission.

The Planning Commission considered the testimony provided, advice from the City's legal counsel, Bill Kabeiseman from Bateman Seidel, advice from the City's consultant, Beth Goodman of ECONorthwest and city staff to make their recommendation to the City Council. The reduction in park land need was based on a mathematical error pointed out by Mark Davis in his public testimony. The consideration of the other two elements of the Economic Opportunity Analysis was based on a risk analysis of successful litigation if challenged by Friends of Yamhill



County and Thousand Friends of Oregon. (A further analysis of the public testimony received is provided in the “Discussion” section of this staff report.

The project website with the public record can be found at: [G 1-20, G 2-20 & G 3-20 Project Materials \(BLI/HNA/HS\) | McMinnville Oregon](#)

### **Background:**

In 1994, the City of McMinnville entered into periodic review with the Department of Land Conservation and Development to start planning for future growth for the planning horizon of 2000 – 2020. The last urban growth boundary and growth planning effort had been for the planning horizon of 1980 – 2000. A Housing Needs Analysis was initially adopted in 2001, challenged, appealed and remanded back to the City for amendments and final adoption in 2003, with a new planning horizon of 2003 – 2023. An Economic Opportunity Analysis was prepared in 2001 and adopted in 2003 for the same planning horizon of 2003 – 2023. Both evaluations identified the need for additional land for housing, park land, institutional land and employment land. The City submitted a UGB amendment to the Department of Land Conservation and Development. That submittal was challenged resulting in a partial UGB amendment and remanded back to the City. After years of appeals, eventually resulting in an appeal to the Court of Appeals, the City elected to pause this work in 2013 electing not to invest more resources and staff time in the effort, resulting in the City not meeting their land need for housing and employment land for the planning horizon of 2003 – 2023. This led to increasingly constrained land supply for housing and employment development within the City of McMinnville’s urban growth boundary.

In 2018, the City of McMinnville initiated an effort to update its Housing Needs Analysis (HNA), Economic Opportunities Analysis (EOA), and Public Lands Analysis. After realizing the negative effects of constrained land supply on the City of McMinnville’s housing market and employment opportunities, the City elected to initiate the needs analysis to facilitate another effort at planning for growth in McMinnville. City Council directed staff to plan for both a twenty-year growth horizon (2021 – 2041) as well as a fifty-year growth horizon (2021 – 2067) in order to adopt a future Urban Reserve Area so that the City did not find itself in the same predicament in the future.

The city engaged a consultant team and worked with a project advisory committee on a buildable lands inventory, housing needs analysis, and economic opportunities analysis throughout 2018 and 2019.

At the same time, during the 2019 Oregon Legislative Session, two house bills were adopted, HB 2001 and HB 2003. Both bills impacted state legislation and eventually, rulemaking relative to how cities implemented land needs analyses. Knowing that the legislation and rulemaking would take some time to enact, the City put a pause on their draft needs analyses and turned towards the 2013 urban growth boundary remand to see if that would lead to a quicker resolution to the city’s land supply issues rather than a new effort. City staff worked on a response to the Court of Appeals remand in 2020 and in April 2021 learned that the submittal had been approved by the Department of Land Conservation and Development and was not appealed.

In order to preserve their efforts from 2018 and 2019, in May 2020, the City of McMinnville submitted the following “PAPA” notices (Notice of Proposed Amendments) to DLCD:

- **HNA.** Housing Needs Analysis and Residential Buildable Land Inventory (June 2019 Draft).
- **Housing Strategy.** (June 2019 Draft).
- **EOA.** Economic Opportunities Analysis, Employment Land Buildable Land Inventory, and Other Land Needs (February 2020 Draft). The City subsequently completed additional updates to the February 2020 draft in June 2020 after the initial PAPA submittal to DCLD. The City subsequently submitted the updated draft as an amended PAPA notice in May 2021.

In addition to the HNA, Housing Strategy and EOA, the City prepared a memo updating the HNA (Addendum 1 to the HNA) in June 2020 to address any new discoveries since the June 2019 draft was completed, and an Urbanization Study that served as a summary of the HNA/EOA analysis. All of which were provided as part of the PAPA notices.

As part of the PAPA notice for these documents in May 2020, the City needed to provide a specific date for a public hearing, and the City elected to select May 20, 2021, for the public hearing date to provide enough time for the HB 2001 and HB 2003 rulemaking to conclude.

On May 20, 2021, the Planning Commission opened and continued the public hearing to May 18, 2023. And then on May 9, 2023, the City noticed that the public hearing would be continued to September 7, 2023, to consider the final documents. This was done to preserve the work and investment that went into the 2018/2019 effort and to just focus on a limited update in 2023. Legal counsel and DLCD staff concurred with the process.

Due to the actions that the City took in May 2020, the City was able to preserve the work that had already been done thus far to meet the HB 2003 mandate, but the buildable land inventory needed to be updated to reflect the new urban growth boundary amendment and the provisions of HB 2001 (2019 Legislative Session) needed to be applied to the capacity analysis.

The updated McMinnville Urbanization Report provides a summary of the key data and findings for the Housing Needs Analysis, Economic Opportunities Analysis, and Public Land Needs Analysis.

### ***Population Forecast Used:***

McMinnville's 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

36,238	38,985	41,813	47,498	62,803
2021	2026	2031	2041	2067
	(5-year)	(10-year)	(20-year)	(46-year)

(Note this is provided by Portland State University's Portland Research Center and cities are required to use it per state law. It has been updated since the 2017 forecast was released, but the City made a policy decision to continue to use the 2017 population forecast so as not to rework the entirety of the documents to reflect a new forecast that was released in the summer of 2020 after the drafts had been completed. This is allowed by state law and is a policy

decision that was supported by DLCD staff, as it saved the City the costs and time that would be associated with redoing all of the work to reflect the new forecast.)

The documents discuss the different applicable statutory requirements and local policies that framed the discussion and recommendations of the project advisory committee as well as the decisions made by the project advisory committee that best reflected community values in terms of housing density, employment land needs and public land needs. The committee evaluated local data and planning scenario with the assistance of the consultant team and evaluated those scenarios within the regulatory framework of state laws, administrative rules and local comprehensive plan policies. and adopted policies to determine .

***Land Deficiency Identified (gross buildable acres):***

<i>Planning Period</i>	<i>Housing Land Need</i>	<i>Employment Land Need</i>	<i>Public / Institutional Land Need</i>	<i>Total</i>
<i>2021 – 2041</i>  <i>(Urban Growth Boundary)</i>	<i>202 Acres</i>	<i>29 Industrial</i> <i>159 Commercial</i>  <i>188 Acres</i>	<i>32 Acres</i>	<i>422 Acres</i>

***Note: this reflects the reduction of 62 acres of park land need per the Planning Commission recommendation but not the commercial land need reduction as the Planning Commission wanted the City Council to make that policy decision.***

If a needs analysis shows a need for additional land, typically the City would be required to submit with the needs analysis how it was addressing that additional land need – either through land-use efficiencies that created higher density development within the existing urban growth boundary or an expansion of the urban growth boundary or both. However, the state recently passed statutory provisions that allow for a sequential UGB analysis providing cities with additional time to evaluate land-use efficiencies and a potential UGB expansion after submitting a needs analysis (OAR 660-025-0040).

In this case, the needs analysis showed the additional land need for approximately 484 additional acres for housing, industrial, commercial, and public development needs to meet the projected population growth in the 2021 – 2041 planning horizon. However, given the statutory deadline of December 31, 2023, to submit the needs analysis to the state, the City is working with the Department of Land Conservation and Development on a sequential UGB work plan, allowing the City to conduct an efficiency measures analysis in 2024, and an urban growth boundary amendment if warranted in 2025 after the efficiency measures analysis.

This work was started in 2018/2019 resulting in draft documents that needed to be updated to reflect the December 2020 (acknowledged by DLCD April 2021) urban growth boundary (UGB) amendment for the planning period of 2003 – 2023, and the recent mandates from the Oregon Legislature for missing middle housing code reforms as well as reduction of capacity analysis for rural residential lands within the UGB for more than 14 years per OAR 660-038-0170(6)(b).

There are three steps in planning for growth relative to land supply:

- 1) **Needs Analysis** – Identification of how much land is needed for housing, industrial, commercial and public land to support population growth for twenty years.
- 2) **Land-Use Efficiencies Analysis** – is there a way to reduce the additional land need by densifying the development within the existing urban growth boundary.
- 3) **Urban Growth Boundary Alternatives Analysis** – an evaluation of land within 1-mile radius of the existing urban growth boundary to identify the best land for the City's urban growth boundary expansion that is the least impactful to prime farm and forest land.

This is the consideration of the first step in the process – the needs analysis. Step 2 will follow in 2024, and Step 3 will follow in 2025 if warranted.

For decades McMinnville has struggled with the discussion of growth planning with impassioned dialogue and debate about what is best for McMinnville.

The reality though is that McMinnville must plan for growth. That is the basis of the Oregon land use system. Cities are meant to grow to accommodate future population growth at a higher density and intensity than the unincorporated county in order to preserve farm and forest land. This is one of the basic premises of Oregon land use planning. Growth should occur within the cities' urban growth boundaries at a higher level of density and intensity than rural areas. And if a city needs to expand its urban growth boundary to accommodate Oregon's future growth it should do so.

The Oregon land use system was never intended to prevent cities from expanding their city limits and urban growth boundaries in order to accommodate that growth. In fact, the system is set up to require cities to expand their urban growth boundaries if the analysis indicates the need to do so. All Oregon land use goals are intended to be considered in equal measure and no one land use goal is considered more important than another. It is just as important to provide adequate land supply to support the needed new housing and employment opportunities for future population growth as it is to protect farm and forest land. If that does not occur, then the system is no longer equitable as it is choosing one land use goal over another.

To put it in perspective:

- The City of McMinnville's urban growth boundary is approximately 8,155 acres. There is approximately 458,240 acres of land in Yamhill County. The City of McMinnville's current urban growth boundary accounts for 1.8% of the overall land acreage in Yamhill County.
- The City of McMinnville's city limits houses 32% of the county's population.
- If the UGB needed to expand by 422 acres to accommodate future growth to 2041, it would absorb 0.1% (1/10 of 1%) of the total land acreage in Yamhill County.
- If the UGB needed to expand by 422 acres to accommodate future growth to 2041, , and the expansion was all EFU land it would absorb approximately 0.2% (2/10 of 1%) of the total land EFU acreage in Yamhill County.

The law also provides the opportunity for McMinnville policymakers to make their own decisions about how dense they want to build their needed housing, and the amount and type of land needed to meet their economic development goals and strategies.

The law also provides the opportunity for individuals and organizations to appeal the decisions of the City.

McMinnville's previous growth planning effort endured 20 years of debates, challenges, and appeals, resulting in a constrained land supply system that has changed the dynamics of the community. Housing has become exponentially more expensive as production has dwindled with land supply constraints. Lower and moderate-income households are being displaced from the marketplace. Employers are struggling to recruit and retain workforce due to affordable housing supply issues. Commercial land deficits have affected the supply of retail options in McMinnville. Recent studies show that many of McMinnville's households drive out of town to shop for general merchandise that they do not feel they can access in McMinnville.

This initial land need process is about planning for and ensuring that McMinnville can accommodate the future population growth assigned to the city by the state. Ensuring that there is enough land to build the needed housing, parks, employment, and commercial opportunities necessary to sustain a growing community with its own unique quality of life for current and future residents in an equitable manner.

This step in the process is about identifying what the land need is for the community to absorb population growth based on the community's *existing values* for housing density, economic development opportunities, and public land amenities to ensure a standard of quality of life for McMinnville's current and future residents. This first step relies on historic data and adopted comprehensive plan policies to inform the analysis.

The next step in the process, the land-use efficiencies evaluation, will determine if the community wants to change how it develops by increasing housing and employment density and reducing the amount of commercial and public amenity options to preserve more farm and forest land adjacent to the community. During this process the community will be asked to evaluate rezoning land or changing comprehensive plan policies to reflect those changes that the community wants to enact.

The last step of the process, the urban growth boundary expansion analysis, evaluates all land surrounding the current urban growth boundary for the lowest classification of high-value farm and forest land that is suitable for urban development in order to preserve the highest classifications of high-value farm and forest land.

### **Discussion:**

The Planning Commission hosted a public hearing on September 7, 2023. At that public hearing, they heard public testimony from Mark Davis (DAVIS), Sid Friedman and Rob Hallyburton. Sid Friedman and Rob Hallyburton were representing Friends of Yamhill County. Mark Davis expressed his concerns about the amount of park land need relative to the data in the record and past city performance, and the Friends of Yamhill County questioned some of the decisions of the Project Advisory Committee relative to assumptions of future projections based on past performance.

Since the written and oral public testimony had allegations of legal non-compliance and challenges about the data used by the consultant, the City asked Bill Kabeiseman of Bateman Seidel, (contracted legal counsel for the City of McMinnville for land use matters) and Beth Goodman of ECONorthwest to provide memorandums with their respective responses to the public testimony received. Those comments were then synthesized by city staff and provided to the planning commission with options on how to proceed, with an emphasis on those issues that were not legally compliant (none identified), those issues that had errors in the data (park land need), and those issues that the people testifying just did not agree with the Project Advisory Committee recommendations and were providing their own argument to persuade the Planning Commission to choose a different assumption or direction. (Please see Attachment D to this staff report, Public Testimony and City Rebuttal to Public Testimony)

There were over 50 people who volunteered to sit on three different Project Advisory Committees (Housing Needs Analysis, Economic Opportunity Analysis, and Public Land Needs) that met thirteen times over 20 months (2018 – 2020) and a Project Advisory Committee that met twice in 2023 to update the documents.

There were also two work sessions with City Council for feedback in 2019 and 2020, one joint work session with City Council and the Yamhill County Board of County Commissioners (2019), as well as three public open houses (2018, 2019). The Project Advisory Committee volunteers reviewed memorandums provided by the consultant and city staff as well as input gathered from the City Council and public open houses.

Much of the Friends of Yamhill County / Thousand Friends of Oregon (FRIENDS) persuasive arguments centered around encouraging the City to use the “safe harbors” in the laws. Safe Harbors are presumably not appealable in a challenge to the analysis. However, the laws also allow cities to make assumptions based on the best available data relative to the local conditions in their communities to ensure that future land need is meeting community values and needs. Both the safe harbors and local data scenarios were provided to the Project Advisory Committee for consideration. In most cases, the PACs chose to use local data for their recommendations.

FRIENDS has concerns about the data used by the PAC to make their recommendations. However, as is noted in both the Bateman Seidel memorandum and the ECONorthwest memorandum, the data used by the PAC is legally legitimate, and the best data available to them at the time.

Per OAR 660-024-0040(1), *The 20-year need determinations are estimates which, although based on the best available information and methodologies, **should not be held to an unreasonably high level of precision.** (Emphasis added)*

The Planning Commission discussed two of the items of contention at length with legal counsel and the consultant – Site Specific Needs Identified in the MAC Town 2032 Economic Development Strategic Plan (Exhibit 58 of the Economic Opportunity Analysis), and Retail Leakage (Exhibit 57 of the Economic Opportunity Analysis). FRIENDS argued that the City used a safe harbor to calculate the employment forecast based on population growth and then added to it these two additional elements. Although Goal 9 of the Oregon land use system very clearly states that cities must plan for enough land to meet their economic development needs based, including site specific needs based on their local economic development strategy, staff recommended removing these two items as there is not adequate case law to determine the legal risk if challenged. Planning Commission elected to defer this decision to the City Council.



If these two items were removed, it would reduce the commercial land approximately by 61 acres (the analysis needs to still be computed based on City Council direction as it is not a simple math equation since employment is assigned to these lands from the employment forecast and that will need to be adjusted which will impact other land need).

### **Attachments:**

- Attachment A: *Draft Updated McMinnville Urbanization Report (September 2023)*  
Note: this does not include the recommendations of the Planning Commission
- Attachment B: *Draft Updated McMinnville Housing Needs Analysis (September 2023)*  
Note: this does not include the recommendations of the Planning Commission
- Attachment C: *Draft Updated McMinnville Economic Opportunities Analysis (September 2023)* Note: this does not include the recommendations of the Planning Commission
- Attachment D: Public Testimony Received and City Rebuttal to Public Testimony
- Attachment E: Planning Commission Minutes, September 7, 2023 and September 21, 2023.

### **Additional Documents Located on the Project Website:** [G 1-20, G 2-20 & G 3-20 Project Materials \(BLI/HNA/HS\)](#) | [McMinnville Oregon](#)

- Friends of Yamhill County, Correction to the Record, 09.08.23
- City of McMinnville, Correction to the Record, 09.11.23
- Email from Heather Richards to Planning Commission, 09.11.23
- All Project Advisory Committee Meetings and Materials

### **Fiscal Impact:**

The initial drafts of the Housing Needs Analysis and Economic Opportunity Analysis cost approximately \$165,000 in consultant fees plus staff support at \$75,000.

Thus far, the estimate for the City's public hearing support, findings development and public testimony rebuttal is approximately \$15,000 for consultant and legal fees plus staff support of \$5,000.

### **City Council Options:** Per Section 17.72.130(B) of the McMinnville Municipal Code:

*Legislative hearings: Within 45 days following the public hearing on a comprehensive plan text amendment or other legislative matter, unless a continuance is announced, the Planning Commission shall render a decision which shall recommend either that the amendment be approved, denied, or modified:*

1. *Upon reaching a decision the Planning Commission shall transmit to the City Council a copy of the proposed amendment, the minutes of the public hearing, the decision of the Planning Commission, and any other materials deemed necessary for a decision by the City Council;*

2. *Upon receipt of the decision of the Planning Commission, the City Council shall:*
  - a. *Adopt an ordinance effecting the proposed change as submitted by the Planning Commission, or*
  - b. *Adopt an ordinance effecting the proposed change in an amended form, or*
  - c. *Refuse to adopt the amendment through a vote to deny, or*
  - d. *Call for a public hearing on the proposal, subject to the notice requirements stated in Section 17.72.120(D).*
1. **DIRECT CITY STAFF TO DRAFT AN ORDINANCE** approving Dockets G 1-20 and G 3-20, adopting the Housing Needs Analysis and Economic Opportunity Analysis per the Planning Commission's recommendation **WITH** the land need associated with the Specific Site Needs and Retail Leakage identified in the current Economic Opportunity Analysis.
2. **DIRECT CITY STAFF TO DRAFT AN ORDINANCE** approving Dockets G 1-20 and G 3-20, adopting the Housing Needs Analysis and Economic Opportunity Analysis per the Planning Commission's recommendation **WITHOUT** including the land need associated with the Specific Site Needs and Retail Leakage identified in the current Economic Opportunity Analysis.
3. **CALL FOR A PUBLIC HEARING**, date-specific to a future City Council meeting. In order to meet the statutory deadline of December 31, 2023, the public hearing would need to be scheduled no later than October 24, 2023.
4. **REFUSE TO ADOPT THE ORDINANCE**



# Updated McMinnville Urbanization Report:

## Housing Needs Analysis and Economic Opportunities Analysis



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# MCMINNVILLE URBANIZATION REPORT: SUMMARY

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

This evaluation process requires several technical studies. These include:

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

These analyses allow the City of McMinnville to assess whether there is sufficient land within the Urban Growth Boundary (UGB) to accommodate land needs for the 20-year period between 2021-2041. The purpose of the Urbanization Report is to (1) evaluate growth forecasts; (2) inventory how much buildable land the City has; (3) identify housing needs; (4) identify economic development strategies; and (5) determine how much land the City will need to accommodate growth between 2021-2041.

McMinnville is growing. The official population forecast projects that McMinnville will grow at 1.36% annually adding 11,260 new residents during the 2021-2041 period. This translates into a need for 4,657 new housing units.



New Population  
**11,260**



New Employment  
**6,885**



New Housing Units  
**4,657**

## MCMINNVILLE NEEDS 484 ACRES TO ACCOMMODATE GROWTH THROUGH 2041

McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross residential acres through 2041. For employment growth, McMinnville will need 188 gross acres for employment for the 2021 to 2041 period (29 industrial acres and 159 commercial acres). Finally, McMinnville will need an additional 94 acres in the 2021 to 2041 period for public and institutional uses (e.g., parks, schools, infrastructure, churches, etc.)

LAND USE TYPE	SURPLUS (DEFICIT)	
	20-YEAR (2021-2041)	46-YEAR (2021-2067)
Residential	(202)	(1,268)
Public or Institutional	(94)	(397)
Industrial	(29)	Not forecast for 2041-2067*
Commercial	(159)	(416)
<b>Total</b>	<b>(484)</b>	<b>(2,110)</b>

Source: ECONorthwest

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



# INTRODUCTION



The City of McMinnville is in the process of analyzing whether it has enough land to accommodate future growth. McMinnville last reviewed its Urban Growth Boundary (UGB) in 2007-08. The UGB is the line that determines the outer extent of urban growth in McMinnville. McMinnville is growing — between 2000 and 2019 the city grew by 28% adding 7,431 new residents. Growth is forecast to continue — McMinnville is projected to grow to 47,498 by 2041 — a 29% increase over the 2019 population.

This report is the culmination of several years of work and was updated in 2023 to account for changes in McMinnville in recent years. It summarizes the results of two longer technical reports and a series of memoranda that evaluation different elements of land need and supply in McMinnville:

- **City of McMinnville Housing Needs Analysis (HNA)** presents the full results of the housing needs analysis (HNA) for McMinnville and is intended to comply with statewide planning Goal 10 (housing) and Oregon Administrative Rule (OAR) 660-008. It includes an inventory of buildable residential lands in McMinnville and an estimate of new housing units needed to accommodate forecast population growth.
- **City of McMinnville Housing Strategy**, presents recommendations and implementation actions intended to result in policy changes that provide opportunities for development of housing to meet McMinnville's identified housing needs.
- **McMinnville Economic Opportunities Analysis (EOA) Update**, includes a buildable lands inventory of commercial and industrial lands within the Urban Growth Boundary (UGB), an analysis of commercial and industrial land needs for the next 20 years (and longer), and a determination of sufficiency of whether the buildable lands in the UGB will meet the 20-year identified needs.
- **Public and Institutional Land Needs**, estimates other land needs that are not addressed in the HNA and EOA documents. This includes parks, schools, churches, cemeteries and other public and Institutional land needs.



City staff and ECONorthwest staff worked with the Housing Needs Analysis Project Advisory Committee (HNAPAC) to review the results of the Housing Needs Analysis and develop the Housing Policy and Actions Strategy, and the Economic Opportunities Assessment Project Advisory Committee (EOAPAC) to review the results of the Economic Opportunities Analysis and public/institutional land needs. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020, development in McMinnville through 2021, and to meet requirements of new State legislation.

This report is organized by the following sections:

- **Buildable Lands Inventory**
- **Housing Needs Analysis**
- **Economic Opportunities Analysis**
- **Public and Institutional Land Needs**



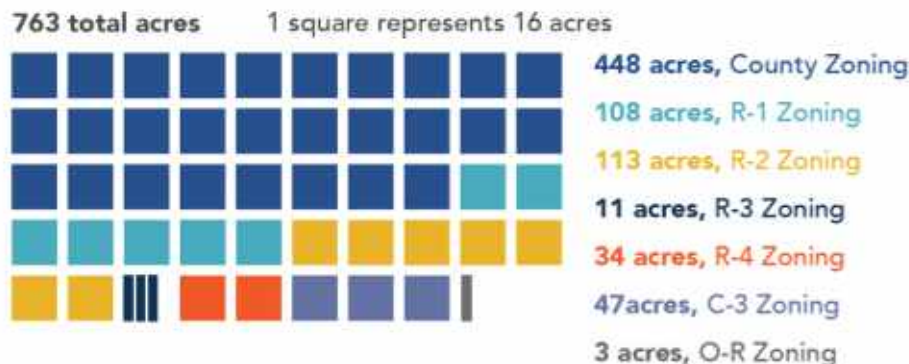
## Overview

The buildable lands inventory (BLI) provides a basis for analysis of development capacity on residential, commercial, and industrial land in the City of McMinnville. Legal requirements govern the development of the BLI. The Housing Needs Analysis and Economic Opportunities Analysis provide detailed methods, definitions, and results from the BLIs for residential, commercial, and industrial land. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020 and development in McMinnville through 2021, as well as policy changes enacted by HB 2001 (2019 Oregon Legislature).

## Residential Buildable Land

McMinnville has 763 acres of residential land that is vacant or partially vacant. The majority of McMinnville's buildable land (448 acres) is county-zoned land, which are not available for urban densities until they annex. In addition, some of McMinnville's buildable land (131 acres) is in Water Zone 2 which is not likely to be served with water for 10 years (about 2030).

### MCMINNVILLE'S BUILDABLE VACANT AND PARTIALLY VACANT RESIDENTIAL LAND, BY ZONING DISTRICT, 2023



## Definitions

### Buildable Land:

Unconstrained vacant and partially-vacant land designated for residential, commercial, or industrial development.

### Vacant Land:

Unconstrained suitable land designated for residential, commercial, or industrial development.

### Partially Vacant Land:

Unconstrained suitable land with enough land to could support additional residential, commercial, or industrial development under the existing zoning standards.

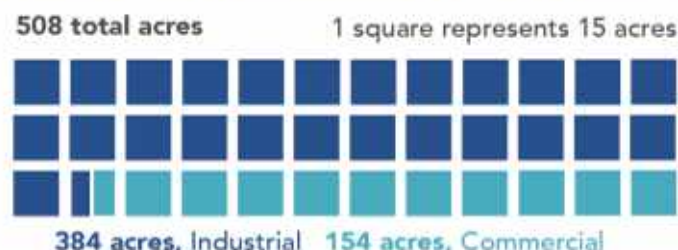
### Constrained land:

Land that is not available for development based upon one or more factors such as environmental protections, such as flood plain or wetlands.

## Commercial and Industrial Buildable Land

McMinnville has 508 acres of vacant and partially vacant land in commercial and industrial comprehensive plan designations. Of this land, 354 acres of McMinnville's vacant land are in industrial designations and about 154 vacant acres are in commercial designations.

### MCMINNVILLE'S BUILDABLE VACANT & PARTIALLY VACANT COMMERCIAL & INDUSTRIAL LAND, BY ZONING DISTRICT, 2023



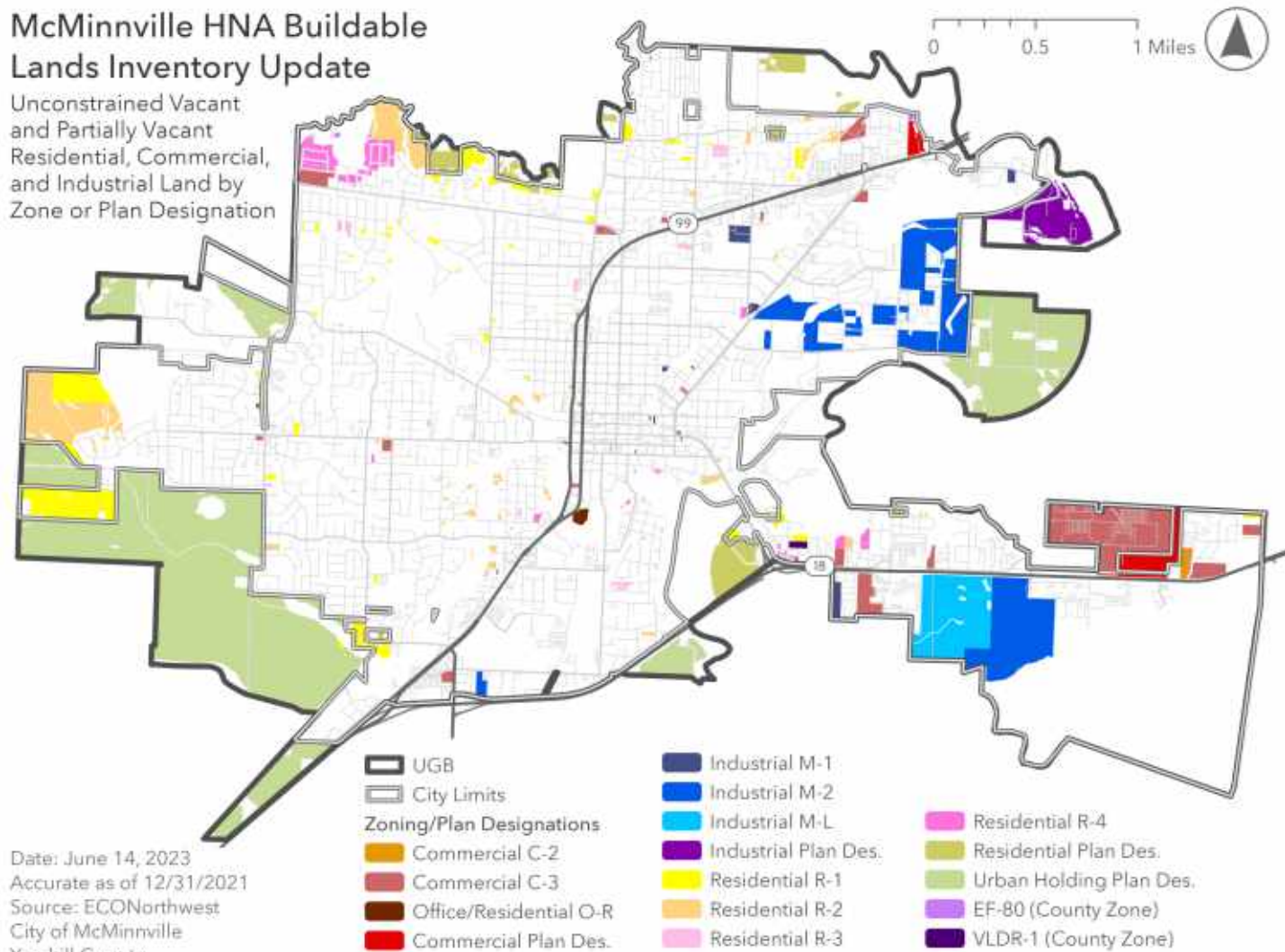
# BUILDABLE LANDS INVENTORY

## McMinnville Buildable Lands Inventory

Vacant and Partially Vacant Residential, Commercial, and Industrial Land by Zone (or Plan Designation)

### McMinnville HNA Buildable Lands Inventory Update

Unconstrained Vacant and Partially Vacant Residential, Commercial, and Industrial Land by Zone or Plan Designation



Date: June 14, 2023  
 Accurate as of 12/31/2021  
 Source: ECONorthwest  
 City of McMinnville  
 Yamhill County



## Housing Needs Analysis

McMinnville is in the process of updating its Housing Element of its Comprehensive Plan and zoning code. McMinnville has changed substantially over the last three decades. The community welcomed nearly 7,431 new residents from 2000 to 2019 and continues to be a growing city. In 2019, McMinnville had a population of 33,930 people. While the community makes up a about one-third of Yamhill County's total population, McMinnville has grown at a much faster rate than the County.

As the region (including McMinnville) continues to grow, housing affordability is becoming a growing concern to residents. Some people in the community are finding it difficult to access housing that is affordable and also meets their family's needs.

As McMinnville grows, the City needs to take stock of how much land is available to accommodate new homes and reevaluate the City's development policies. The City needs to look at what types of housing (single family homes, townhomes, apartments, etc.) to encourage in different areas of town. The City also needs to evaluate whether its existing development policies, like the zoning code, provide opportunity for development of a range of housing types that are affordable to people who live and want to live in McMinnville.

The Housing Needs Analysis provides information about the factors that may affect residential development in McMinnville over the next 5, 10, 20, and 46 years, including housing market changes, demographics, and other factors. The Housing Needs Analysis (HNA) provides a factual basis for an evaluation and revision to the Housing Element in McMinnville's Comprehensive Plan, to ensure that McMinnville meets the essential requirements of statewide planning Goal 10: to provide opportunities for development of housing that meets the needs of households of all income levels and to ensure the city has a 20-year supply of buildable residential land.

This summary report presents the results of two longer reports:

- **McMinnville Housing Needs Analysis 2021 to 2041** presents the full results of the housing needs analysis (HNA) for McMinnville and is intended to comply with statewide planning Goal 10 (housing) and Oregon Administrative Rule (OAR) 660-008. In addition to the 20-year forecast period, the analysis looked at housing and land needs over a 5-, 10-, and 46-year planning horizon.
- **McMinnville Housing Policy and Actions** presents recommendations for a revision to McMinnville's Comprehensive Plan Housing Element and implementation actions intended to result in policy changes that provide opportunities for development of housing to meet McMinnville's identified housing needs.

City and ECONorthwest staff worked with the Housing Needs Analysis Project Advisory Committee (HNAPAC) to review the results of the Housing Needs Analysis and develop the Housing Strategy. The PAC met seven times between July 2018 and June 2019. Other public outreach included an open house and a stakeholder focus group. In 2023, a PAC met twice to discuss the updates to the analysis.



### McMinnville is growing

The community welcomed nearly 7,431 new residents between 2000 and 2019.

As McMinnville grows, the City needs to take stock of how much land is available to accommodate new homes.

# MCMINNVILLE'S POPULATION AND HOUSEHOLDS



**McMinnville's population has historically grown faster than both the county and state.**

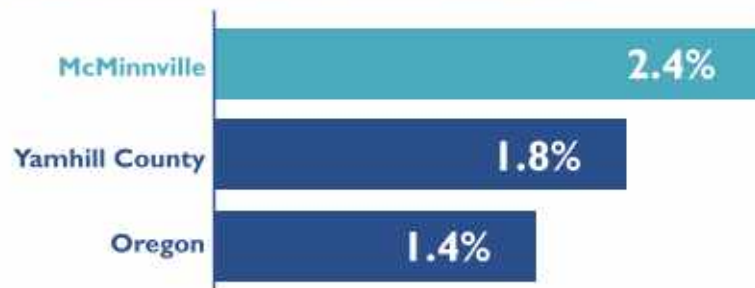
## McMinnville's Population and Households

Population and housing characteristics are useful for better understanding McMinnville and McMinnville's residents. Population growth, age of residents, household size and composition, and tenure status (homeowners and renters) provide useful context about how the characteristics of McMinnville's households compare to Yamhill County and Oregon.

Unless otherwise noted, all data in this document are from the U.S. Census 2012-2016 or 2013-2017 American Community Survey.

### AVERAGE POPULATION GROWTH PER YEAR, 1990-2017

Source: Portland State University, Population Research Center



### POPULATION, 2017

Source: Portland State University, Population Research Center



### McMinnville's median population age is 35.

McMinnville's population is similarly aged to Yamhill County and Oregon's median.

### MEDIAN AGE, 2016

Source: Portland State University, Population Research Center

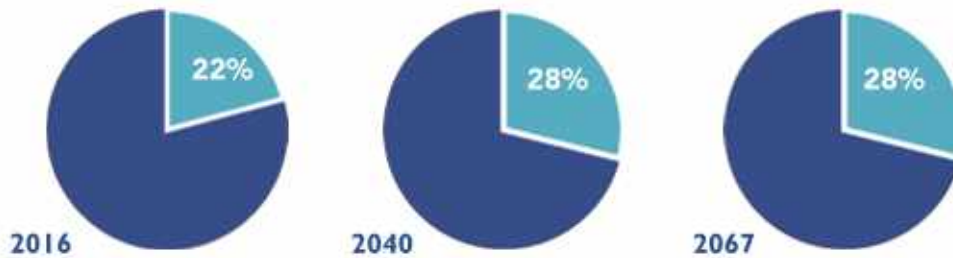




# MCMINNVILLE'S POPULATION AND HOUSEHOLDS

## POPULATION AGED 60 AND OLDER, MCMINNVILLE, 2016, 2040, & 2067

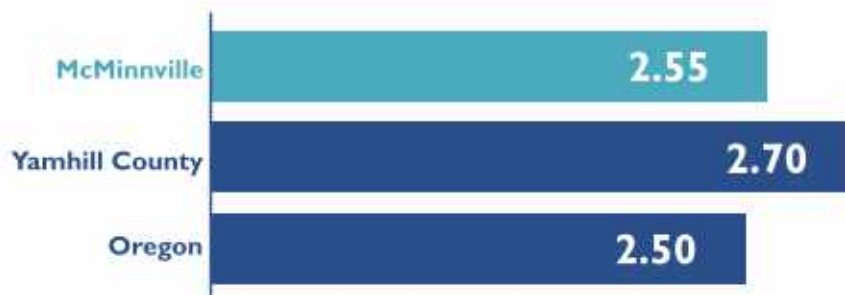
Source: Portland State University, Population Research Center



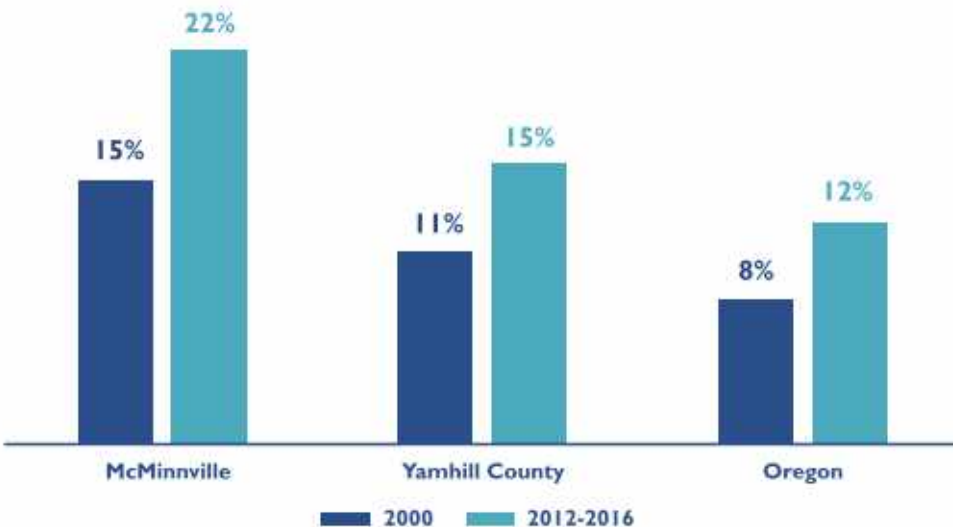
### Population over 60 years of age is expected to increase.

McMinnville's share of the population over 60 years of age is expected to increase over the next 20 years.

## AVERAGE NUMBER OF PEOPLE PER HOUSEHOLD, 2017



## PERCENT OF POPULATION THAT IS HISPANIC OR LATINO, 2000 & 2016



### McMinnville is ethnically diverse.

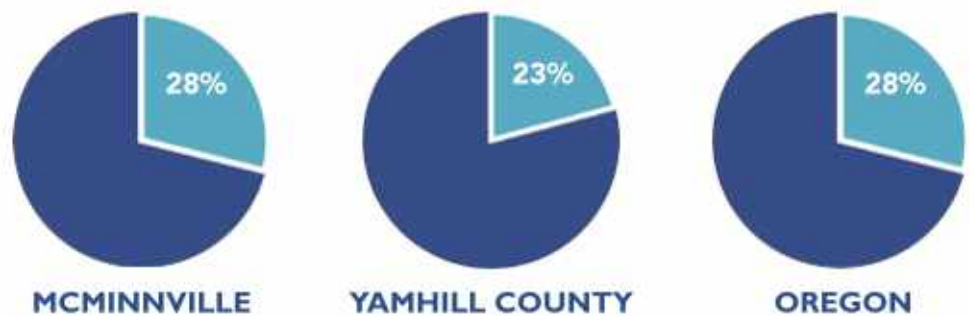
McMinnville's population is more ethnically diverse than Yamhill County and Oregon's population.

# MCMINNVILLE'S POPULATION AND HOUSEHOLDS

## McMinnville has an increasing number of one-person households.

From 2000 to 2017, McMinnville's share of one-person households grew from 24% of all households to 28%.

PERCENT OF 1-PERSON HOUSEHOLDS, 2017

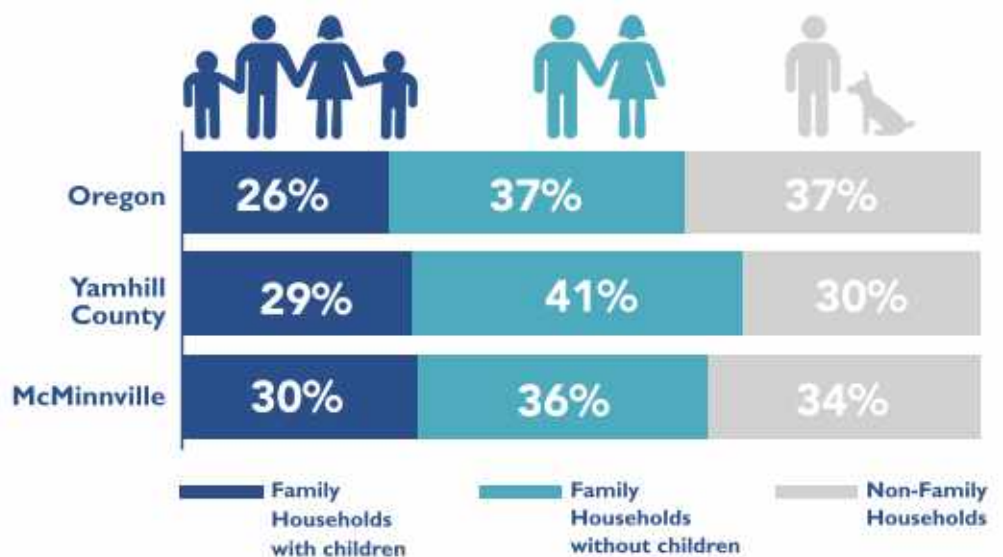


## About a third of McMinnville's households were non-family.

McMinnville had a larger share of non-family households than Yamhill County and a smaller share of non-family households than Oregon.

HOUSEHOLD COMPOSITION, 2017

A family household is one in which the residents are related to at least one other person in the household by birth, marriage, or adoption. Non-family households include people living alone, unmarried couples, and unrelated housemates.





## McMinnville's Housing Market

Analysis of historical development trends in McMinnville provides insights into how the local housing market functions in the context of Yamhill County. This report groups housing into the three housing types shown below.



### SINGLE-FAMILY DETACHED

(includes manufactured homes)



### SINGLE-FAMILY ATTACHED

(townhouses)



### MULTIFAMILY

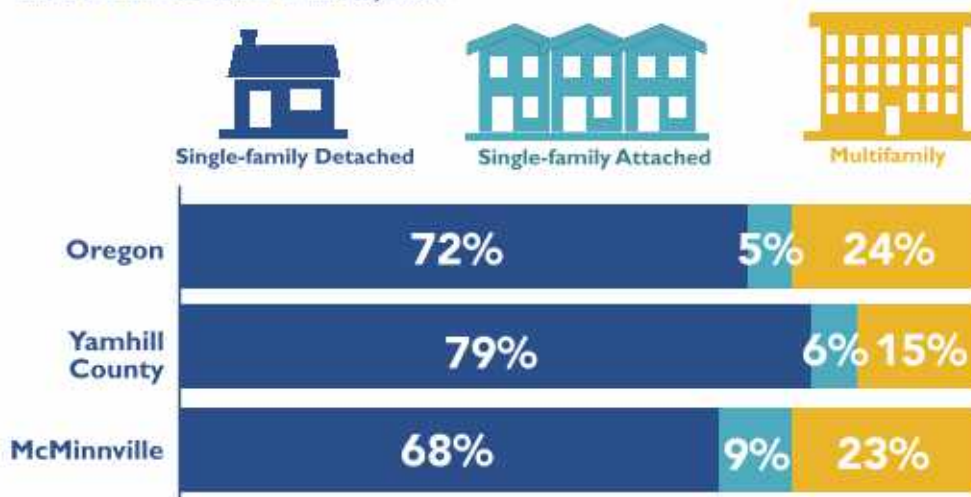
(duplexes, tri- and quad-plexes, buildings with 5+ units)

**Most of McMinnville's housing stock, including housing built since 2000 was single-family detached housing.**

Limited housing diversity limits opportunities for rental housing and limits the variety of housing available for ownership.

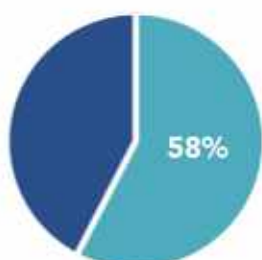
Since 2000, McMinnville mix of housing types has remained relatively unchanged, despite growth in total dwelling units. In McMinnville, government-assisted housing and housing for farmworkers can be any of the housing types listed above.

### MIX OF HOUSING TYPES, 2017



Urban areas, like McMinnville, will typically have a larger share of multifamily housing than more rural areas, such as unincorporated areas of Yamhill County.

### PERCENT OF HOUSING UNITS THAT ARE OWNER-OCCUPIED, 2016



MCMINNVILLE



YAMHILL COUNTY



OREGON

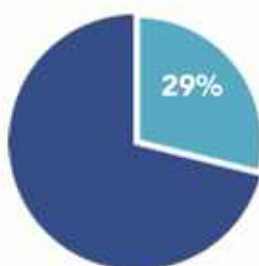
A majority of McMinnville's housing is owner-occupied. Most of McMinnville's homeowners (95%) live in single-family detached housing.

# MCMINNVILLE'S HOUSING MARKET

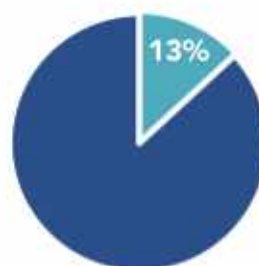
## PERCENT OF MCMINNVILLE'S HOUSING UNITS THAT ARE RENTER-OCCUPIED BY TYPE OF HOUSING, 2016

**A majority of renters in McMinnville live in multifamily housing.**

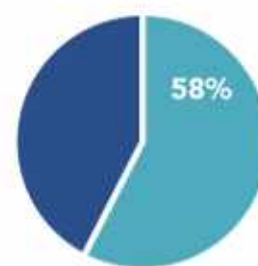
McMinnville has a larger share of renters than both the county and state.



**SINGLE-FAMILY DETACHED**



**SINGLE-FAMILY ATTACHED**



**MULTIFAMILY**

McMinnville issued about 3,000 permits for dwelling units between 2000 and 2017. Sixty-two percent of all permits issued were for single-family detached dwelling units, 8% were for single-family attached dwellings units, and 31% were for multifamily dwelling units.

The 2008 recession impacted McMinnville's housing market. McMinnville permitted about 1,300 fewer units between 2009-2017, compared to 2000-2008.

## BUILDING PERMITS ISSUED, 2000 TO 2017

Source: McMinnville Building Permit Database



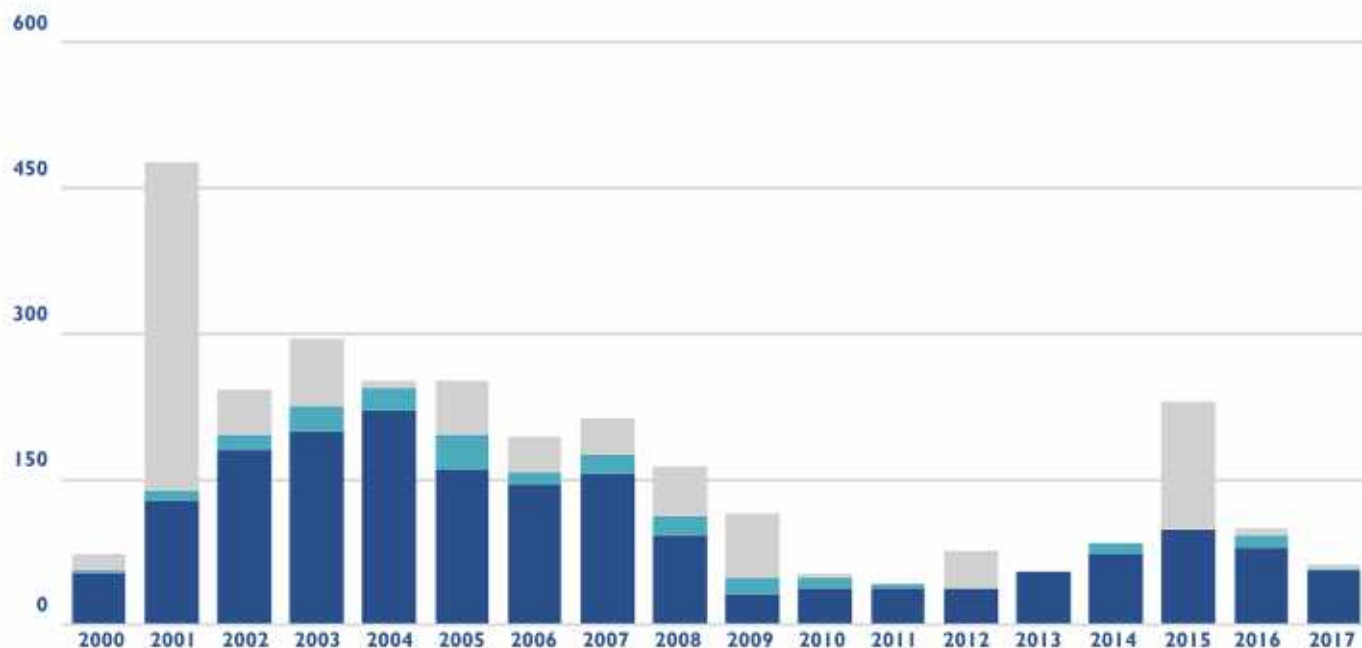
**SINGLE-FAMILY DETACHED**



**SINGLE-FAMILY ATTACHED**



**MULTI-FAMILY**



Housing Affordability

The term affordable housing refers to a household’s ability to find housing within its financial means. Housing affordability affects both higher- and lower-income households and is an important issue for McMinnville and the region. Low-income households have fewer resources available to pay for housing and have the most difficulty finding affordable housing. Key points about affordability in McMinnville include:

- McMinnville will have an ongoing need for housing affordable to households across the income spectrum.
- The City is planning for housing types for households at all income levels.
- Future housing affordability will depend on the relationship between income and housing price. The key question, which is difficult to answer based on historical data, is whether housing prices will continue to outpace income growth. It seems likely that without public intervention, housing will become less affordable in McMinnville.



PERCENT OF HOUSEHOLDS THAT ARE COST BURDENED OR SEVERELY COST BURDENED, 2016



Cost-burdened households spend more than 30% of their gross income on housing.

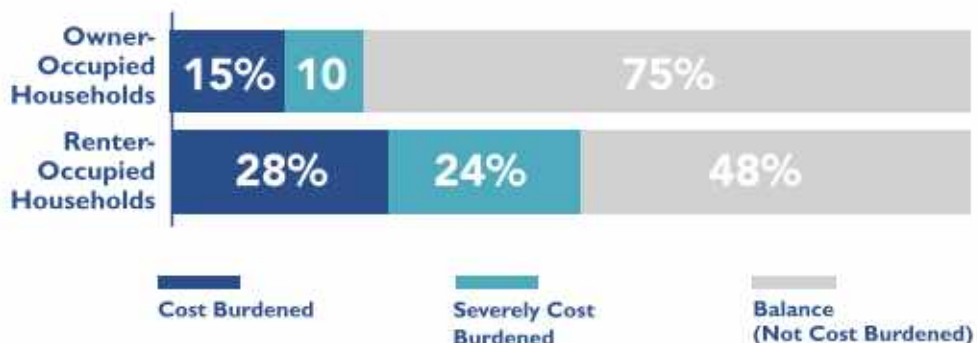


# HOUSING AFFORDABILITY

Consistent with the region, over a third of McMinnville's households are paying more than they can afford for housing.

Renters are much more likely to be cost burdened than homeowners in McMinnville.

## PERCENT OF MCMINNVILLE'S HOUSEHOLDS THAT ARE COST BURDENED OR SEVERELY COST BURDENED, BY OWNERSHIP STATUS, 2016

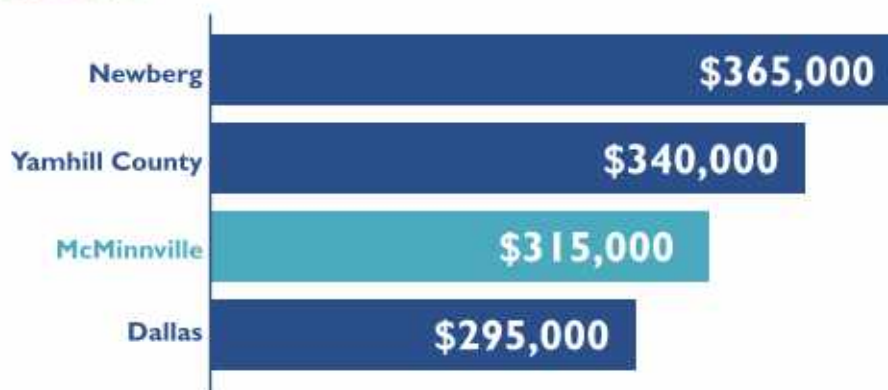


## MEDIAN MONTHLY RENTS, 2016



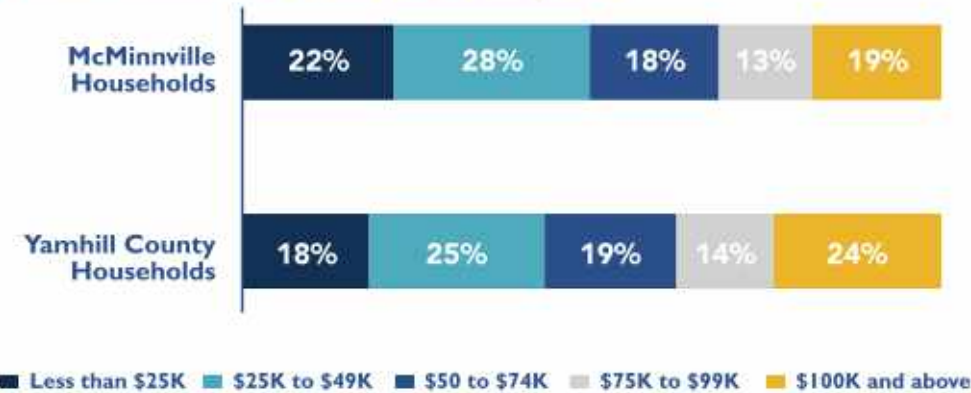
## MEDIAN HOME SALES PRICES, FEBRUARY 2019

Source: Redfin



# HOUSING AFFORDABILITY

## HOUSEHOLD INCOME DISTRIBUTION, 2016



Households earning less than \$25,000 per year are considered Very or Extremely Low-Income. Compared to Yamhill County, more households in McMinnville fall into this category.

Another way to evaluate housing affordability is to consider housing types affordable at different levels of income. The 2017 median household income in McMinnville was \$50,300.

A household in McMinnville would need to earn about \$90,000 per year to afford a house at the median home sales price of \$315,000 in McMinnville. Fewer than 24% of McMinnville's existing households have the income to afford a house at this price.

## FINANCIALLY ATTAINABLE HOUSING BY MEDIAN HOUSEHOLD INCOME, 2017

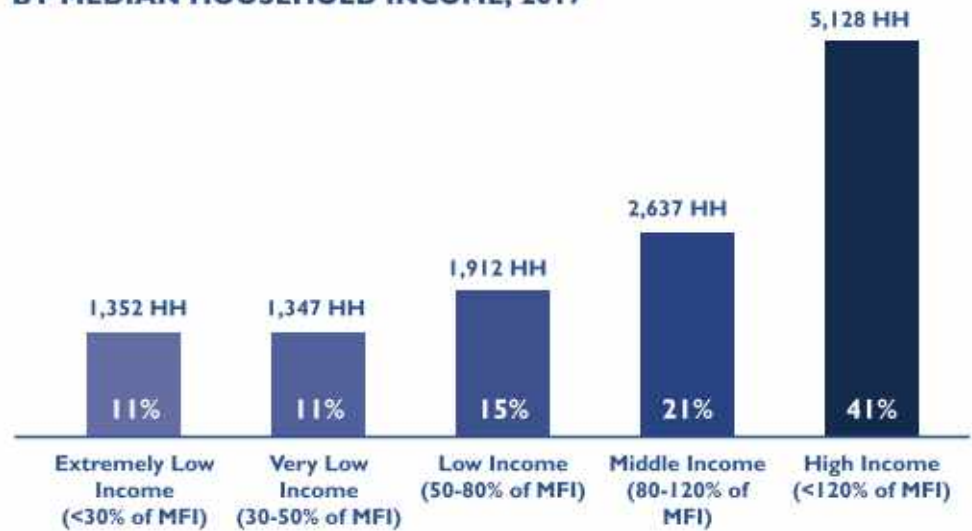
Source: Bureau of Labor Services



# HOUSING AFFORDABILITY

## SHARE OF MCMINNVILLE'S HOUSEHOLDS BY MEDIAN HOUSEHOLD INCOME, 2017

About 41% of McMinnville's households are high income, earning \$60,359 or more per year. About 37% of McMinnville's households earn 80% or less of MHI (about \$40,200 per year) and cannot afford a two-bedroom unit at Yamhill County's fair market rent of \$1,330.

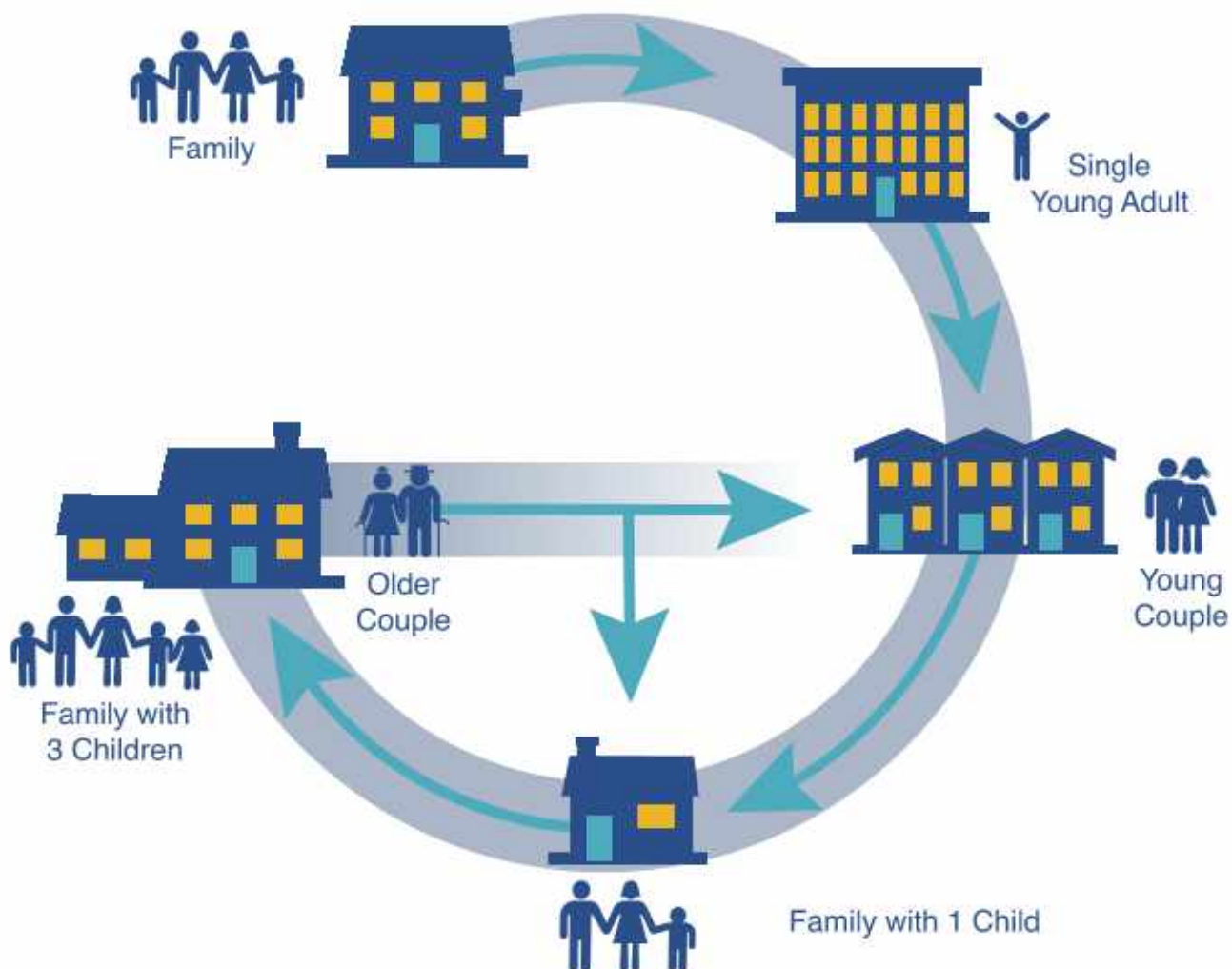




## Factors Affecting Housing Need

Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice, as shown in the figure below. Key relationships include:

- Housing needs change over a person's lifetime.
- Homeownership rates increase as income increases.
- Homeownership rates increase as age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are much more likely to choose multifamily housing than single-family housing.
- Income is a strong determinant of tenure and housing-type choice for all age categories.



# FACTORS AFFECTING HOUSING NEED

The linkages between demographics and housing need can be used to predict future housing need in McMinnville. Three demographic trends are particularly important for McMinnville:

- **Aging of Baby Boomer Generation (born 1946 to 1964)**
- **Aging of the Millennial Generation (born early 1980s to early 2000s)**
- **Continued growth of the Latinx population**

## Housing Implications for Boomers:

Need for smaller, lower- cost housing near transit and urban amenities such as shopping and health care services.

## Aging of the Baby Boomers

Consistent with state and national trends, McMinnville's population is growing older. By 2040, 28% of the population of McMinnville is forecast to be 60 years of age and older, up from 22% in 2016.

### LIKELY TRENDS AMONG BABY BOOMER HOUSEHOLDS:



## Housing Implications for Millennials:

Need for affordable owner and renter housing, especially in walkable neighborhoods. Millennial incomes will increase as they age. They will need opportunities for affordable, owner-occupied single-family housing, such as cottages or townhouses.

## Aging of the Millennials

The share of Millennials residing in McMinnville is forecast to stay consistent over the planning period. McMinnville's ability to attract and retain Millennials will depend on availability of affordable owner- and renter-occupied housing.

### LIKELY TRENDS AMONG MILLENNIAL HOUSEHOLDS:



## Housing Implications for Latinx Households:

Need for larger, lower-cost renting and ownership opportunities to accommodate larger households with more children and multiple generations.

## Continued Growth of the Latinx Population

McMinnville's Latinx population grew by more than 3,400 people (7%) between 2000 and 2016. Nationwide, the Latinx population is predicted to be the fastest growing ethnic group over the next few decades.

### CHARACTERISTICS OF LATINX HOUSEHOLDS COMPARED TO NON-LATINX HOUSEHOLDS:





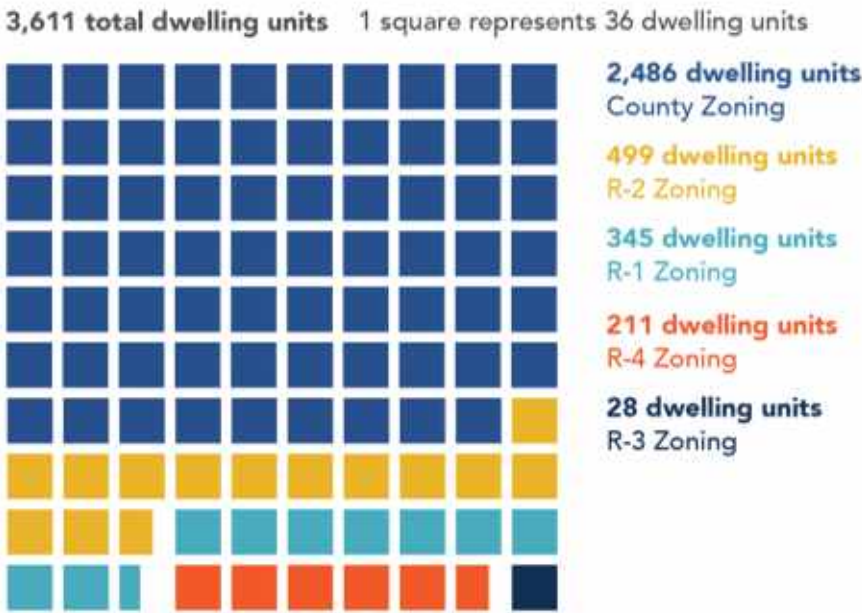
Development Capacity

The capacity analysis estimates the number of new dwelling units that can be accommodated on McMinnville’s buildable vacant and partially vacant residential land based on historical densities, with deductions for future rights-of-way. As part of the 2023 update, historical densities were increased by 3% to reflect changes to the City’s zoning code to allow more diverse housing types, such as townhouses, cottage housing, duplexes, triplexes, and quadplexes.



Capacity on Buildable Residential Land

CAPACITY ON RESIDENTIAL LAND, BY ZONING DISTRICT



Definitions

Capacity:

Number of dwelling units that can be accommodated on buildable land at planned densities.

Housing Density:

Number of dwelling units in an acre of land, with 43,560 square feet to 1 acre.

Future Density:

Density based on historical development densities with an increase of 3% to account for changes to McMinnville’s zoning code to comply with State requirements to allow more diverse housing types in residential areas per House Bill 2001 (2019).

DENSITY ON MCMINNVILLE’S RESIDENTIAL LAND BASED ON HISTORICAL DENSITIES, DWELLING UNITS PER GROSS ACRE (AMENDED PER HB 2001 (2019 OREGON LEGISLATURE))

3.19	4.43	4.94	6.28
R-1 Single-Family	R-2 Single-Family	R-3 Two-Family	R-4 Multiple-Family
6.49	22.56	5.05	
O-R Office / Residential	C-3 General Commercial	County Zoning	

# ACCOMMODATING NEEDED HOUSING

McMinnville's population is forecast to grow at 1.4% per year, adding over 11,200 new residents between 2021-2041. McMinnville will add another 15,300 new residents between 2041-2067.

**McMinnville's population growth will result in the addition of 4,657 new dwelling units between 2021-2041.**

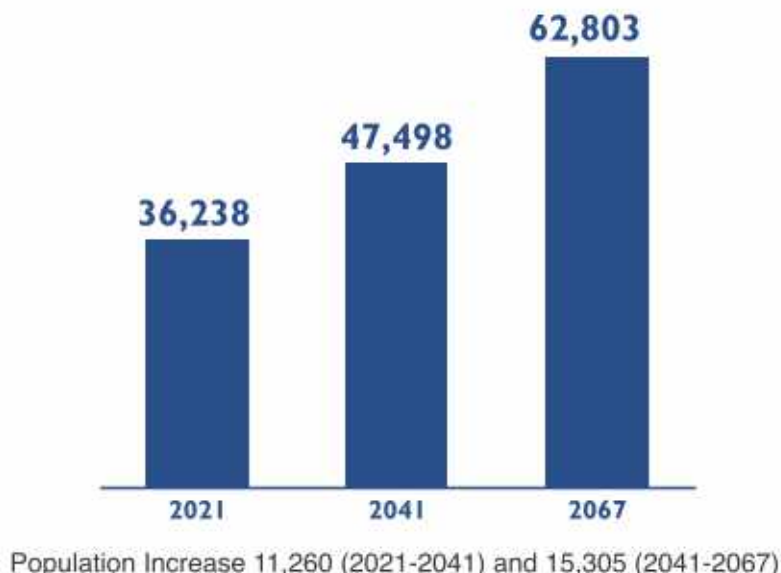
To accommodate growth between 2041-2067, McMinnville will add another 6,329 new dwelling units, for a total of 10,986 new units between 2021-2067. Some of these units will be accommodated through redevelopment or by accessory dwelling units and will not require buildable lands.

McMinnville needs to plan for a wider variety of housing types than has been produced in the past. These include different types of single-family detached units (e.g. tiny homes, cottages, small-lot single-family, traditional and high amenity), more townhouses, and more types of multifamily housing (e.g. duplexes, triplexes, quadplexes, apartments and condos with 5+ units).

## Demand For Residential Land, By Housing Type

McMinnville's population growth will affect the number of new households created and the demand for residential land. McMinnville's forecast for new housing is based on the forecast for population growth within the McMinnville UGB.

### FORECASTED TOTAL POPULATION, MCMINNVILLE UGB



McMinnville will need to provide land for 4,284 new dwelling units over the 20-year period, or 10,107 over the 46-year period. The analysis of housing affordability, the factors affecting housing need, and demographic changes suggest that McMinnville needs more affordable housing types (e.g., lower cost) and a greater variety of housing types, including more small-scale single-family detached housing, townhouses, and multifamily housing.

	 SINGLE-FAMILY DETACHED	 SINGLE-FAMILY ATTACHED	 MULTIFAMILY
2021-2041	2,524 new dwelling units	559 new dwelling units	1,202 new dwelling units
2021-2067	5,954 new dwelling units	1,318 new dwelling units	2,835 new dwelling units



## Comparison of Housing Capacity to Housing Demand

The last step in the Housing Needs Analysis is to compare the capacity of McMinnville's vacant and partially vacant residential land with demand for housing. McMinnville does not have enough land in its residential plan designations to accommodate growth of single-family detached, single-family attached (townhouses), or multifamily housing.



## Deficit of Capacity for New Housing

At historic housing densities (increased by 3% to account for the requirements of House Bill 2001 (2019) to allow more diverse housing types in residential areas), McMinnville has capacity for 3,611 dwelling units on existing vacant and partially vacant lands, including lands brought into the UGB in 2020.

### DEFICIT OF LAND FOR NEW HOUSING, MCMINNVILLE UGB, 2021-2041

A deficit of 1,101 dwelling units results in a deficit of:



### DEFICIT OF LAND FOR NEW HOUSING, MCMINNVILLE UGB, 2021-2067

A deficit of 6,924 dwelling units results in a deficit of:



# KEY FINDINGS AND CONCLUSIONS

## Key Findings and Conclusions

McMinnville's UGB is forecast to grow from 36,238 people in 2021 to 47,498 people in 2041, an increase of 11,260 people. After considering a number of factors, including household size and residential vacancy rates, McMinnville will have demand for about 4,657 new dwelling units over the 20-year planning period (2021 to 2041), and about 10,986 new dwelling units for the 46-year period between 2021 and 2067.

McMinnville will need to accommodate an average of 233 new dwelling units annually over the 20-year planning horizon. Over the 20-year planning period, McMinnville will accommodate 373 needed dwelling units through redevelopment and infill — these units will not require vacant or partially vacant lands. Accordingly, this will result in McMinnville needing to accommodate 4,284 needed new dwelling units on vacant or partially vacant buildable residential lands.

In the future, McMinnville will plan for an increased share of single-family attached dwelling units and multifamily units to meet the City's housing needs. Currently, about 68% of McMinnville's housing stock is single-family detached housing, 9% is single-family attached housing, and 23% is multifamily housing. Based on Project Advisory Committee recommendations, McMinnville will plan for a different mix in new housing, which will result in a slight change to McMinnville's aggregate overall mix of existing and new housing. McMinnville will plan for a decrease in share of single-family detached housing (55% of new housing stock) to provide opportunities for more single-family attached housing (12% of new housing) and multifamily housing (33% of new housing).

McMinnville is planning for slightly higher overall average density than it has in the past. As McMinnville shifts toward more single-family attached housing and multifamily housing, McMinnville's average housing density (for new dwelling units) will increase from 5.05 dwelling units per gross acre (historic average density) to 5.46 dwelling units per gross acre (needed average density) — an 11% increase.

McMinnville's existing deficit of relatively affordable housing on both sides of the affordability spectrum indicates a need for a wider range of housing types for renters and homeowners. About 36% of McMinnville's households are cost burdened (paying more than 30% of their income on housing), including a cost-burden rate of 52% for renter households. Without diversification of housing types, lack of affordability will continue to be a problem — possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions between 2021 and 2041, about:

- **1,016 of the forecasted new households will have incomes of \$25,150 or less.** These households often cannot afford market-rate housing without government subsidy.
- **1,711 new households will have incomes between \$25,150 and \$60,359.** These households will need access to relatively affordable housing, such as single-family detached housing (e.g., tiny homes, cottages, small-lot, and traditional), single-family attached housing (e.g., town homes), and multifamily products (particularly middle housing types such as duplexes, triplexes, quadplexes, and apartments/multifamily condominiums).
- **1,930 new households will have incomes over \$60,359.** These households will need higher-amenity housing types such as single-family detached housing, single-family attached housing, and higher-end multifamily products (particularly condominiums).

McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units, which means the City has an approximate deficit of about 202 gross acres by 2041.



# HOUSING POLICY RECOMMENDATIONS

The McMinnville Housing Strategy presents a full range of policy and action recommendations from the housing needs analysis. This section summarizes the recommendations from that memorandum.

The overall intention of these policy actions is to ensure that McMinnville is allowing for development of a wide range of housing types that will be affordable to households at all income levels, consistent with the intention of Oregon's Statewide Planning Goal 10. No single policy is sufficient to create an environment where more diverse housing and will be developed in McMinnville.

## Land Use Strategy

### Strategy 1. Growth Planning

- 1.1 Develop an Urban Reserve Area
- 1.2 Establish a Framework Plan for the URA
- 1.3 Identify an Expanded UGB per the URA
- 1.4 Develop Area Plans for UGB Lands Identifying Housing Opportunities
- 1.5 Conduct Infrastructure Planning for URA and UGB Areas (Update infrastructure plans for growth lands)
- 1.6 Update Goal 5 Natural Resource Planning & Policies, incl. Wetlands and Riparian Areas
- 1.7 Update Goal 7 Hazards Planning & Policies, incl. Landslide Susceptibility
- 1.8 Review and Update City/County Urban Growth Management Agreement (UGMA) if needed.
- 1.9 Implement Great Neighborhood Principles
- 1.10 Create a Diverse Housing Zone
- 1.11 Develop a High-Density Residential Zone
- 1.12 Develop Annexation Process to Mandate Housing Types Upon Annexation per Area Plans

### Strategy 2. Housing Development in Existing UGB

- 2.1 Create a Diverse Housing Zone
- 2.2 Develop a High-Density Residential Zone
- 2.3 Provide Density Bonuses to Developers
- 2.4 Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards
- 2.5 Update Infrastructure Plans for Infill Development
- 2.6 Implement Great Neighborhood Principles
- 2.7 Re-designate or Rezone Land for Housing

### Strategy 3. Infrastructure & Public Facilities Planning

- 3.1 Assess Infrastructure Capacity to Support Infill
- 3.2 Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits
- 3.3 Identify Issues and Plan for Water Zone 2 Infrastructure Improvements
- 3.4 Develop Infrastructure Allocation Policies
- 3.5 Identify Areas with Underutilized Infrastructure Capacity
- 3.6 Encourage "To and Through" Infrastructure Policies

### Strategy 4. Special Area Planning

- 4.1 City Center Housing Strategy
- 4.2 Evaluate Three Mile Lane for Residential Development
- 4.3 Undertake a Highway 99W Corridor Study – Explore Opportunities for Higher Density Mixed-Use Development

### Strategy 5. Land Use / Code Amendments

- 5.1 Allow Duplexes, Cottages, Townhomes, Row Houses, and Tri- and Quad-Plexes in Single-Family Zones with Appropriate Design & Development Standards
- 5.2 Implement Other Code Amendments Prioritized by the PAC.
- 5.3 Streamline Zoning Code and Other Ordinances
- 5.4 Implement the Great Neighborhood Principles
- 5.5 Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits
- 5.6 Evaluate Code for Fair Housing Act Best Practices
- 5.7 Advocate for Inclusionary Zoning Enablement – State Legislation and Annexation Processes

## Other, Non-Land Use Strategies

### Strategy 6. Programs for Affordable Housing (Non-Land Use)

- 6.1 Pursue Funds for Affordable Housing (City Influence).
- 6.2 Financial Incentives Supporting Inclusionary Zoning
- 6.3 Reduced or Waived Planning Fees, Permit Fees, SDCs for Affordable Housing
- 6.4 Vertical Housing Tax Abatement (Locally Enabled & Managed)
- 6.5 SDC Financing and Credits
- 6.6 Parcel assembly
- 6.7 Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)
- 6.8 Sole Source SDCs
- 6.9 Grants or Loans
- 6.10 Vacant Property Tax.
- 6.11 Fee for Demolition of Affordable Home for Expensive Home.

### Strategy 7. Leveraging Partnerships for Housing (Non-Land Use)

- 7.1 Support Partners Pursuit of Affordable Housing Funds
- 7.2 Community Land Trust (CLT)
- 7.3 Affordable Housing Property Tax Abatement
- 7.4 Land Banking

# ECONOMIC OPPORTUNITIES ANALYSIS



McMinnville's Economic Opportunities Analysis (EOA) provides information to support economic development planning and management of McMinnville's commercial and industrial land. The City last evaluated economic trends in an EOA in 2013. Substantial changes have occurred in the national and regional economy since 2013 that have implications for economic growth in McMinnville, including the recovery from the Great Recession and changes in retail and increased automation. In 2019, the City adopted the MAC-Town 2032 Economic Development Strategic Plan which identifies target industries and establishes a detailed action plan to enhance McMinnville's economy.

This report summarizes detailed technical analysis found in the 2020 McMinnville Economic Opportunities Analysis. The purpose of the 2020 EOA was to develop a factual base to provide the City with information about current economic conditions. This factual basis, presented in the EOA, provides information necessary for updating the City's economic development Comprehensive Plan policies and to evaluate whether McMinnville has an adequate inventory of industrial and other employment sites to accommodate economic and employment growth.

The EOA provides information that the City can use to identify and capitalize on its economic opportunities. It also provides information essential to addressing the City's challenges in managing economic development. These challenges include a lack of appropriate industrial sites to support growth of businesses that require specific characteristics, as well as a significant deficit of land for retail, office, and other commercial uses.

This summary report presents the results of the McMinnville Economic Opportunities Analysis 2021 to 2041, which presents the full results of the EOA for McMinnville and is intended to comply with statewide planning Goal 9 (economy) and Oregon Administrative Rule (OAR) 660-009. The EOA presents an evaluation of McMinnville Comprehensive Plan policies related to economic development. The report reflects updates completed in 2023 to account for: land added to McMinnville's UGB in 2020 and development in McMinnville through 2021.

City staff and ECONorthwest staff worked with the Project Advisory Committee (PAC) to review the results of the EOA. In 2023, a PAC met twice to discuss the updates to the analysis.



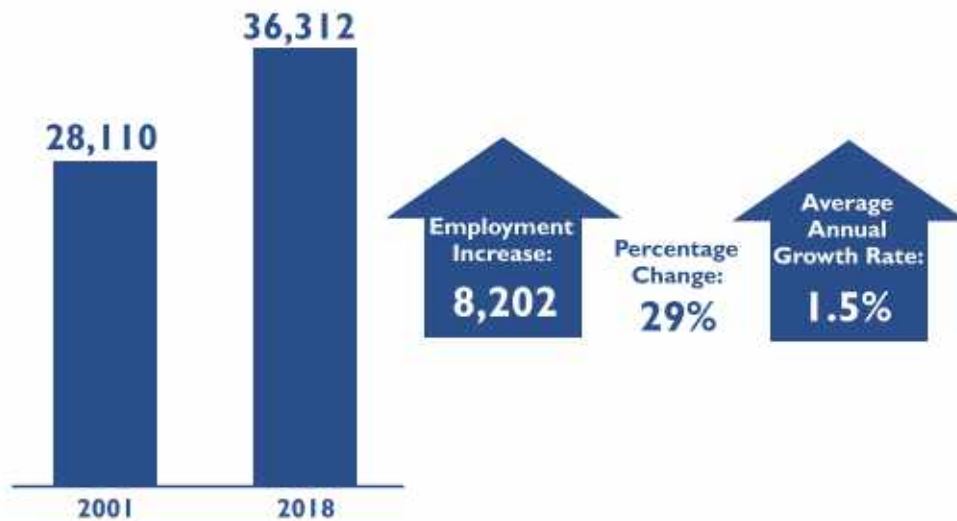


# FACTORS AFFECTING ECONOMIC GROWTH IN MCMINNVILLE

McMinnville's economy and employment will grow as a result of growth in the national and regional economy, as well as factors in Yamhill County and the Willamette Valley. The following are key trends that have implications for economic growth in McMinnville.

## CHANGE IN COVERED EMPLOYMENT, YAMHILL COUNTY, 2001-2018

Source: U.S. Bureau of Labor Statistics.



## Industrial employment, including sectors such as manufacturing, grew in Yamhill County between 2001 and 2018

Industrial sectors added more than 2,500 jobs, commercial services added almost 5,000 jobs, and retail employment increased by over 570 jobs.

## AVERAGE ANNUAL PAY

Oregon Employment Department: Oregon Labor Market Information System,  
U.S. Bureau of Labor Statistics



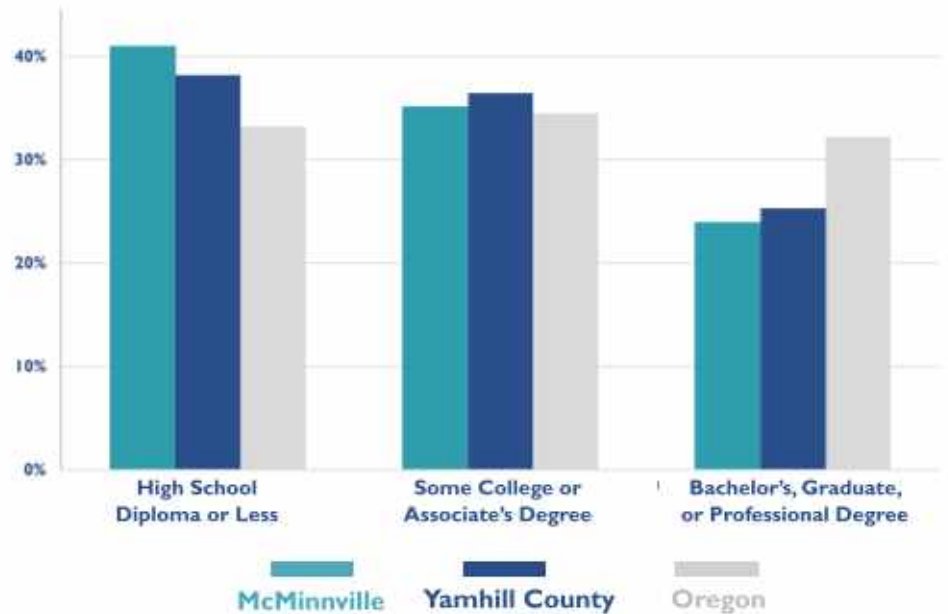
The average pay for jobs in McMinnville was \$40,105 per job, below the County and State averages.



# FACTORS AFFECTING ECONOMIC GROWTH IN MCMINNVILLE

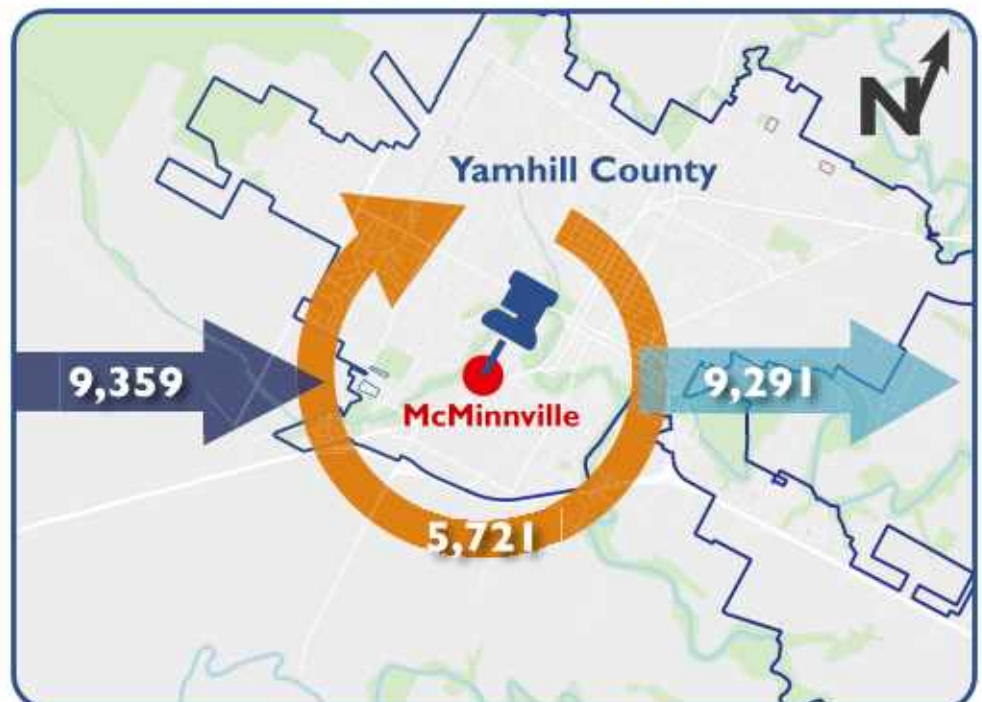
## EDUCATIONAL ATTAINMENT, PERCENT OF THE POPULATION AGE 25 AND OVER, 2017

McMinnville has a lower than average percent of population with a Bachelor's Degree (or higher) relative to statewide trends.



## COMMUTING PATTERNS IN MCMINNVILLE, 2017

McMinnville is part of the regional economy of the Mid-Willamette Valley. About 38% of people who work in McMinnville also reside in McMinnville, while other workers commute to McMinnville from other places including Salem, Portland, and Newberg.



**5,721**

People live and work in McMinnville

**9,359**

People commute into McMinnville to work

**9,291**

People live in McMinnville and work elsewhere

## Employment in McMinnville

In 2017, McMinnville had about 14,964 covered employees<sup>1</sup> at 1,208 businesses and other employers. McMinnville's average employer size was 12.4 employees per employer. The sectors with the largest concentrations of employees in McMinnville were in the following sectors: Health Care and Social Assistance / Private Education (21%), Manufacturing (15%), Retail Trade (15%), Government (14%), and Accommodation and Food Service (10%).

### JOBS BY SECTOR, MCMINNVILLE, 2017

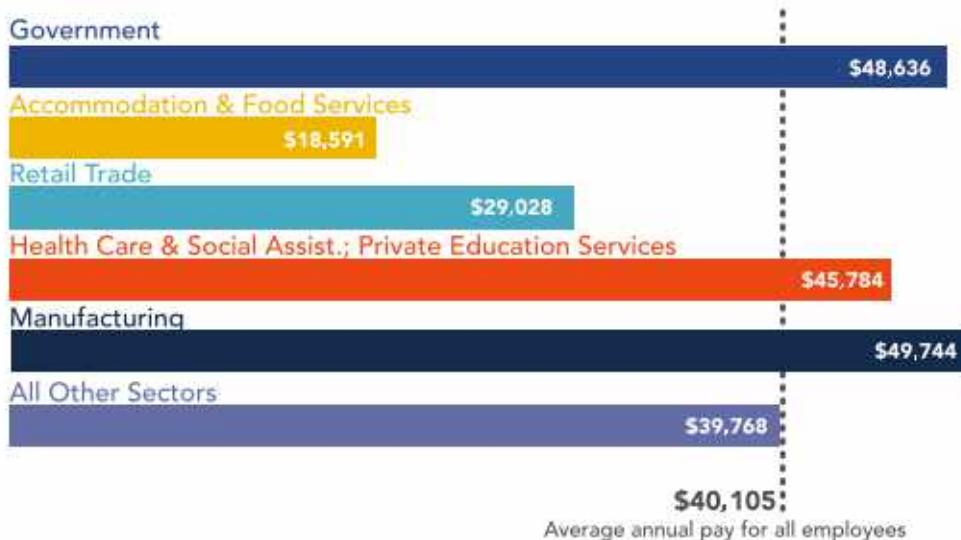
Source: Oregon Employment Department, Quarterly Census of Employment and Wages

1 square represents 500 jobs



Food and Beverage manufacturing accounts for about one quarter of McMinnville's employment in the manufacturing sector.

### AVERAGE PAY BY SECTOR, MCMINNVILLE, 2017



McMinnville's employment in Healthcare, Social Assistance, and Private Education has the largest share of employment and higher-than-average wages.

<sup>1</sup> Covered employment is employment covered by unemployment insurance. Covered employment does not include all workers in an economy. Most notably, covered employment does not include sole proprietors.



# MCMINNVILLE'S COMPETITIVE ADVANTAGES AND TARGET INDUSTRIES



## Target Industries

The industries identified as having potential for growth in McMinnville (according to the MAC-Town 2032 Economic Development Strategic Plan) are:



Traditional Industry  
& Advanced Manufacturing



Craft Beverages & Food Systems



Technology & Entrepreneurship



Education, Medicine  
& Other Sciences

Economic development opportunities in McMinnville will be affected by local conditions as well as the national and state economic conditions addressed above. Economic conditions in McMinnville relative to these conditions in other portions of the Mid-Willamette Valley region form McMinnville's competitive advantage for economic development. McMinnville's competitive advantages have implications for the types of firms most likely to locate and expand in the area.

- **Location and size.** McMinnville is located with proximity to Portland, Salem, and the Oregon Coast. McMinnville's central location serves the local community, regional employment, and commercial service needs, as well as serving tourism industries as a regionally recognized destination for Yamhill and Willamette Valley wineries.
- **Transportation.** McMinnville is directly served by Highway 99W – as a historically significant central organizing spine to access commercial and industrial businesses throughout the community. Highway 18 and Highway 22 (via 99W) also provide connections to the region. The McMinnville Municipal Airport has the capacity to handle corporate jet aircraft – together with availability of aircraft rentals, flight instruction, aircraft maintenance, and fuel.
- **Low public utility rates.** McMinnville is recognized as offering low electricity and water rates compared with other public and private utilities region-wide and statewide.
- **Access to labor pool and workforce training resources.** McMinnville employers have access to a county-wide labor market of nearly 50,000, as well as the larger regional Mid-Valley labor pool. McMinnville's access to education through Linfield College and Chemeketa Community College also provide direct connections for businesses and potential employees. **Quality of life.** McMinnville's small-town character, including a walkable downtown attracts workers and businesses to McMinnville, and is especially attractive for entrepreneurial and other individually owned, non-corporate enterprises.

### McMinnville's disadvantages for economic development include:

- **Transportation.** McMinnville's poor linkages to Interstate access and congestion on the 99W corridor present challenges to Transportation in McMinnville.
- **Land supply.** Since 2000, population has been increasing somewhat more rapidly than the state, at an average annual rate of 1.4%. In the past, City services have been able to match without experiencing major fiscal issues. However, continued population growth at a somewhat reduced coordinated population growth rate averaging about 1.2% per year is now forecast through 2067. Constrained land supply may be restricting growth and the cost of services is increasing faster than increases in assessed values. The EOA shows a deficit of commercial land in McMinnville.



# FORECAST OF EMPLOYMENT GROWTH AND LAND SUFFICIENCY

The rate at which McMinnville's employment base grows over the next 20 years will affect development of new commercial and industrial buildings and demand for employment land. McMinnville's employment forecast assumes that employment will grow at the same rate as population growth, at 1.36% average annual per year. Employment growth will result in growth of more than 6,800 new jobs and demand for 697 acres of land between 2021 and 2041. For commercial land, demand will continue to grow through 2067, resulting in total commercial land demand of 570 acres between 2021 and 2067.

**McMinnville's  
employment is forecast  
to grow at the same rate  
as its population,  
1.36% per year.**

## FORECASTED DEMAND FOR LAND TO ACCOMMODATE EMPLOYMENT, 2021-2041

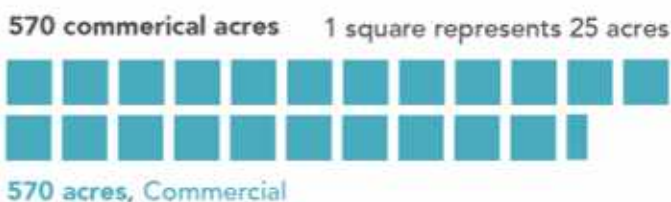


## FORECASTED DEMAND FOR LAND TO ACCOMMODATE EMPLOYMENT, 2021-2041

McMinnville does not have enough land to accommodate commercial and industrial employment growth over the next 20 years. The City has a deficit of about 29 acres of industrial land and 159 acres of commercial land.



## FORECASTED DEMAND FOR COMMERCIAL LAND TO ACCOMMODATE EMPLOYMENT, 2021-2067



## FORECASTED DEMAND FOR COMMERCIAL LAND TO ACCOMMODATE EMPLOYMENT, 2021-2067

McMinnville does not have enough land to accommodate commercial employment growth over the next 46 years. The City has a deficit of about 416 acres of commercial land. This analysis does not estimate demand for industrial land for the 2041-2067 period.



# PUBLIC AND INSTITUTIONAL LAND NEEDS

## PUBLIC AND INSTITUTIONAL USES INCLUDE:

- Public Schools
- Private Schools
- Religious Uses
- Parks
- Government
- Semi-Public Services
- Infrastructure



## Public and Institutional Land Needs

Certain land uses don't lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. Statewide Planning Goal 14 (Urbanization) explicitly discusses specific public lands under Land Need Factor 2 (emphasis added): "Demonstrated need for housing, employment opportunities, livability or uses such as **public facilities, streets and roads, schools, parks or open space**, or any combination of the need categories...". The HNA and EOA identify land supply and demand for housing and employment. Cities, however, provide land for other uses that support housing and employment as well as other aspects of community life.

Inventorying public and institutional land needs was the first step in the analysis. The inventory was then converted into the number of acres per 1,000 population. Public and institutional land needs were further informed through consultations with affected city departments, the McMinnville School District, Chemeketa Community College, and Linfield College, and government agencies. The results were discussed at several meetings of a subcommittee of the EOA PAC and reflect the PAC's recommendations.

The City expanded its UGB in 2020, including land for public and semi-public uses. McMinnville's UGB expansion added about 383 acres for public and semi-public uses, shown in the table below. The expansion included enough land to meet the estimated public land needs through 2041 except for an unmet park land need.

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

CATEGORY OF LAND NEED	ADDITIONAL LAND NEED (ACRES)		
	UGB EXPANSION FOR 2003-2023 PHASE 2	PUBLIC LAND NEED THROUGH 2041	SURPLUS OR (DEFICIT)
Parks	254	392	(138)
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
<b>Total</b>	<b>383</b>	<b>477</b>	<b>(94)</b>



# ACKNOWLEDGMENTS

ECONorthwest prepared this report for the City of McMinnville. ECONorthwest and the City of McMinnville thank the many people who helped to develop the McMinnville Housing Needs Analysis, Economic Opportunities Analysis, and Urbanization Report, as well as the update to these reports in 2023. This project was funded in part by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

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<b>Kellie Menke</b>	<b>Mark Davis</b>	Brad Bassitt	Mike Morris	Ellen Hogg
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Sal Peralta	<b>Robert J. Banagay</b>	Scott Cooper	Jody Christensen	Scott Green
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# City of McMinnville

## Housing Needs Analysis

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September 2023

Prepared for:  
City of McMinnville

**FINAL DRAFT REPORT**

**ECONorthwest**  
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# Acknowledgments

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ECONorthwest prepared this report for the City of McMinnville. ECONorthwest and the City of McMinnville thank those who helped develop the McMinnville Buildable Lands Inventory and Housing Needs Analysis. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

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Ellen Hogg	Matthew Deppe,	Heather Richards,
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# Executive Summary

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This section summarizes the high-level findings from the analysis of land sufficiency of residential land in the McMinnville urban growth boundary (UGB). The findings in this report are intended to comply with statewide planning policies, statutes, and goals.

## Background

The City of McMinnville first adopted an urban growth boundary (UGB) in 1981 to meet the projected needs for the 1980-2000 planning period. McMinnville's last acknowledged Housing Needs Analysis (HNA) approved in 2003 is for the 2003-2023 planning period. This analysis identified the need for additional land supply and resulted in an attempt to expand the City's UGB in 2003, which was partially approved in 2004, with the remainder appealed for a variety of issues, ultimately being remanded to the City in 2011. In 2021, the final UGB amendment for the 2003 HNA was approved for the planning period of 2003-2023.

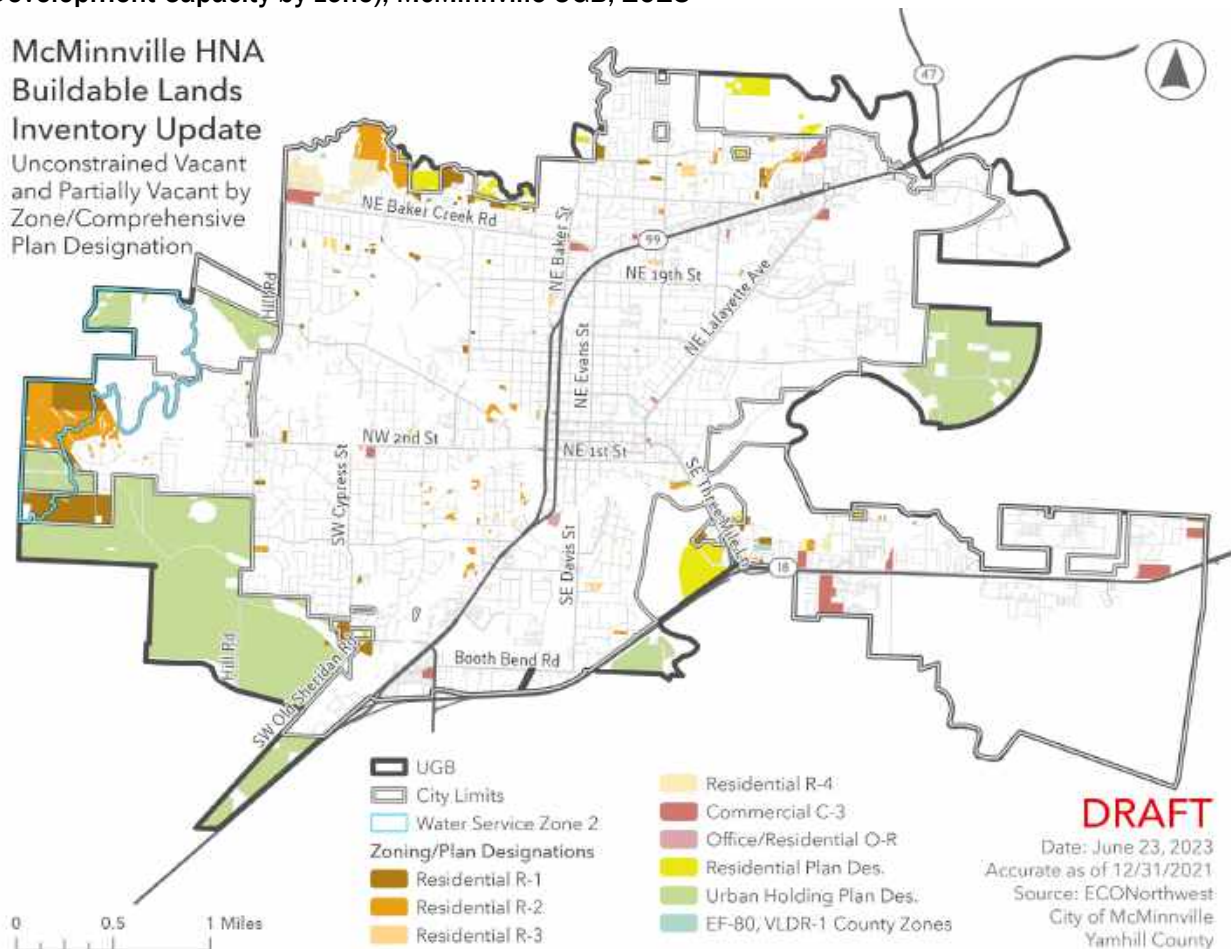
While the City was trying to finalize the UGB amendment for the 2003 acknowledged HNA, the City started working on a new HNA for the planning period of 2021-2041 and 2021 - 2067 in 2018. A draft was completed in 2020, and then amended in 2023 to include the results of the 2021 UGB amendment and the provisions of HB 2001 (2019 Oregon Legislature). The update in 2023 updated the Buildable Lands Inventory to include development through December 31, 2021.

An HNA provides McMinnville with the factual basis to update the Housing Element of the City's comprehensive plan and zoning code, support for future planning efforts related to housing, and options for addressing unmet housing needs in McMinnville. It provides information that will inform future planning efforts, including a review of the McMinnville UGB and the establishment of urban renewal areas (URAs). It provides the City with information about the housing market in McMinnville and describes the factors that will affect future housing demand and need in McMinnville.

## How much residential land does McMinnville currently have?

Within the Urban Growth Boundary (UGB), McMinnville has 5,418 total acres of vacant or partially vacant residential land spread across 10,563 tax lots, this includes commercial zones that allow residential uses. Of this land, 847 acres is vacant for residential development. About 63% of this land (533 acres) is in County zoning and 37% (315 acres) is within the city limits. Of note, McMinnville's residential land includes both public and institutional land as well (such as parks, schools, and religious land uses).

**Exhibit 1: Buildable Acres (Unconstrained Portions of Vacant and Partially Vacant Parcels with Development Capacity by zone), McMinnville UGB, 2023**





## How much growth is McMinnville planning for?

McMinnville is growing and per state law must plan for the housing to accommodate its growing population. Exhibit 2 shows McMinnville's projected populations through 2067. McMinnville is expected to grow by 31% over the 20-year analysis period of 2021 to 2041, from 36,238 residents to 47,498 residents, and by 42% over the 46 year analysis period of 2021 to 2067 from 36,238 residents to 62,803 residents.

### Exhibit 2. McMinnville's 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

<b>36,238</b>	<b>38,985</b>	<b>41,813</b>	<b>47,498</b>	<b>62,803</b>
2021	2026 (5-year)	2031 (10-year)	2041 (20-year)	2067 (46-year)

ECONorthwest projects McMinnville's housing needs in Exhibit 3. McMinnville will need to add 4,657 dwelling units by 2041 to accommodate its projected growth in population (an average of 233 new dwelling units per year). McMinnville will need to add 10,986 dwelling units by 2067 to accommodate its projected growth in population (an average of 234 dwelling units per year).

### Exhibit 3. Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041 and 2021 to 2067

Source: Calculations by ECONorthwest

Variable	New Dwelling Units	
	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Change in persons	11,260	26,565
Average household size	2.55	2.55
New occupied DU	4,416	10,418
<i>times</i> Aggregate vacancy rate	5.4%	5.4%
<i>equals</i> Vacant dwelling units	241	568
<b>Total new dwelling units</b>	<b>4,657</b>	<b>10,986</b>
<b>Annual average of new dwelling units</b>	<b>233</b>	<b>234</b>

## How much land will be required for housing?

Exhibit 4 summarizes the projected mix of needed housing units in McMinnville for the planning period of 2021- 2041 and 2021-2067 period. The projected housing mix assumption consist of 55% single-dwelling units detached, 12% single-dwelling units attached, and 33% multifamily units. This housing mix assumption is based on demographic trends, demands and local values for an increased supply of multidwelling units and less reliance on single dwelling units.

### Exhibit 4. Forecast of Demand for New Dwelling Units by Type, McMinnville UGB, 2021 to 2041 and 2021 to 2067

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	New Dwelling Units by Type	
	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Needed new dwelling units	4,657	10,986
Dwelling units by structure type		
Single-family detached		
Percent single-family detached DU	55%	55%
<i>equals</i> Total new single-family detached DU	2,561	6,042
Single-family attached		
Percent single-family attached DU	12%	12%
<i>equals</i> Total new single-family attached DU	559	1,318
Multifamily		
Percent multifamily	33%	33%
<i>Total new multifamily</i>	1,537	3,626
<i>equals</i> Total new dwelling units	4,657	10,986

McMinnville expects to accommodate some housing on land with existing development, through infill and redevelopment. Infill (which includes accessory dwelling units) and redevelopment is development that occurs on fully developed lots; the property owner may add additional units to the property or demolish the dwelling unit(s) that are already in place to build one or more units on the property. For the 2021 to 2041 period, this HNA assumes 8% of new housing will be accommodated through infill and redevelopment. This results in 373 units that will be accommodated through infill and redevelopment.

Translating need for housing into need for residential land requires assumptions about future development densities. An analysis of historical densities showed that McMinnville's housing developed at an average of 4.9 dwelling units per gross acre between 2000 and July 2018. Since then, McMinnville adopted development code to comply with House Bill 2001 (2019) to allow duplexes, townhouses, cottage housing, triplexes, and quadplexes in areas where single-

dwelling detached housing is allowed. As a result, per HB 2001 (2019) this analysis assumed an increase of 3% for future densities, resulting in an average of 5.05 dwelling units per gross acre.

Exhibit 5 shows the capacity of McMinnville's vacant residential land based on the historical densities with 3% added to account for HB 2001 (2019). McMinnville has capacity for 3,183 dwelling units.

#### **Exhibit 5. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1 and 2) with Baseline Capacity, McMinnville UGB, 2018**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (5.05 du/gross acre). Note 3: As stated above, no capacity was allocated to the C-3 zone.

\*The 54 acres of land for the small lots in rural zoning with reduced capacity was removed from the acres of land for "All other land in County zoning"

<b>Zoning Districts</b>	<b>Total Unconstrained Buildable Acres (Water Zone 1 &amp; 2)</b>	<b>Density Assumption (DU/Gross Acre)</b>	<b>Capacity (Dwelling Units)</b>
R-1 Single Family Residential	108	3.19	345
R-2 Single Family Residential	113	4.43	499
R-3 Two Family Residential	11	4.94	53
R-4 Multiple-Family Residential	34	6.28	212
O-R Office/Residential	3	6.49	16
C-3 General Commercial	47	22.56	-
County Zoning			
Small lots in rural residential zoning with reduced capacity*			72
All other land in County zoning	394	5.05	1,986
<b>TOTAL</b>	<b>708</b>	<b>4.49</b>	<b>3,183</b>

## **Does McMinnville have enough land to accommodate growth?**

Per this HNA, McMinnville's UGB will not accommodate all of its projected housing needs. McMinnville has a deficit of capacity for **1,101 dwelling units** for the 2021-2041 period, resulting in a land deficit of **218 gross acres** (at a density of 5.05 du/gross acre) or 202 gross acres (at a density of 5.46 du/gross acre).



# 1. Introduction

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This report presents a housing needs analysis (HNA) for the City of McMinnville. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and applicable statutes such as ORS 197.296 and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Consistent with Statewide Planning Goal 10, the HNA documents McMinnville's housing needs for the 2021–2041 planning period.<sup>1</sup> It is more comprehensive than the State requires, looking at housing needs for a 5-, 10-, 20-, and 50-year period. The shorter-term analyses are intended to identify immediate housing needs and strategies given current land-need deficiencies, and the 50-year analysis can provide a basis for the establishment of urban reserve areas (URAs).

This HNA was first developed in 2018 and 2019, and then updated in 2023 to account for changes in buildable land supply and state statutory requirements and allowances.

In 2023, the City updated the HNA to:

- Add an Executive Summary.
- Account for changes in the buildable lands inventory, including:
  - Accounting for land brought into the urban growth boundary in 2021
  - Development that occurred through December 31, 2021, as an update to the buildable lands inventory
  - Remove the forecast of growth and land demand for the 2018-2021 period, as that growth is now accounted for in the update of the buildable lands inventory.
- Update the analysis of needed density to assume an increase of 3% for needed densities, as allowed by HB 2001 (2019).
- Update to the capacity to reflect the changes in needed densities, reflect changes in the buildable lands inventory, and changes in the capacity of rural residential lands that have been within the UGB for more than 14 years, where housing is not developing at expected urban densities.

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<sup>1</sup> ORS 197.296(2) requires cities to “demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.” McMinnville anticipates adopting the housing needs analysis no earlier than 2021. As a result, this report presents housing needs for the 2021 to 2041 period.

- Update the estimate of Land Sufficiency to reflect changes to the BLI and forecast of land need and Conclusions sections to incorporate the updated Residential Capacity Analysis.

Other than these items, the City did not substantively update assumptions or policy recommendations in the draft HNA, as they were thoroughly reviewed and voted on by the Project Advisory Committee in development of the draft HNA in 2018 and 2019.

## Background

In January 1981, the City of McMinnville adopted an urban growth boundary (UGB) intended to meet the needs for the 1980–2000 planning period. The City of McMinnville last initiated a housing needs analysis in 2000 for the 2000–2020 planning period as part of a comprehensive review of its 20-year needs. It was subsequently updated to a 2003–2023 planning period.

In 2007–2008, the City submitted a UGB amendment to the Department of Land Conservation and Development (DLCD) for the inclusion of 1,188 gross acres, resulting in a total inclusion request of 890 buildable acres (of which 537 buildable acres were designated to meet identified housing needs) and the adoption of several land-use efficiency measures. This UGB amendment was subsequently appealed on a number of issues, and ultimately the court of appeals found that the City had not justified its inclusion of high-value farmland instead of rural residential “exception” areas and agricultural areas of poorer soils.

In July 2011, the court of appeals remanded the aforementioned case, approving the inclusion of 217 buildable acres of exception-only land in the UGB for residential use, thus leaving a 320-acre deficit of buildable residential land. To partially address residential land needs, the City has since approved some plan amendments and rezones from lower- to higher-density residential designations. Other than some smaller nonresidential-to-residential plan amendments and zone changes, no additional land has been added to the residential plan designation since 2007–2008, per the court of appeals’ decision in 2011 that required a reduction in land.

In December 2020, McMinnville adopted Ordinance No. 5098 to finish the UGB amendment needed to meet the land need identified in the 2003 HNA, by expanding the UGB to include 595.40 gross buildable acres of land in an urban holding designation for residential, parks, schools, religious and neighborhood serving commercial land needs, 27 gross buildable acres for commercial designation, and 40 gross buildable acres for industrial designation for a total of 662.4 gross buildable acres. This report updates the buildable lands inventory to include those lands.

From 1996 to 2016, when Senate Bill 1573 was passed, annexation of residentially designated land within the unincorporated UGB was subject to approval by City voters.<sup>2</sup> Annexations of

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<sup>2</sup> <https://olis.leg.state.or.us/liz/2016R1/Measures/Overview/SB1573>.

land in McMinnville from 1996 to 2016 totaled 468.4 acres with at least 190 of those acres designated for uses other than housing.

From 2000 to 2017, McMinnville added nearly 7,166 residents, accounting for 34% of Yamhill County's growth over that period. In the same time, McMinnville added about 3,250 new dwelling units. McMinnville's population has grown a little older on average and has become slightly more ethnically diverse since 2000, consistent with statewide trends.

This report provides McMinnville with a factual basis to update the Housing Element of the City's comprehensive plan and zoning code. Additionally, it provides a factual basis to support future planning efforts related to housing and options for addressing unmet housing needs in McMinnville. It provides information that will inform future planning efforts, including a review of the McMinnville UGB and the establishment of urban renewal areas (URAs). It provides the City with information about the housing market in McMinnville and describes the factors that will affect future housing demand and need in McMinnville, such as changing demographics and housing preferences. This analysis will help decision makers understand whether McMinnville has enough land to accommodate growth over the next 5, 10, 20, and 50 years.

## Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay, including shelter, proximity to other attractions (job, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors such as income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing market in Yamhill County and McMinnville are the result of the individual decisions of thousands of households, (McMinnville has over 12,000 households, and Yamhill County has nearly 40,000 households). These points help to underscore the complexity of projecting what types of housing will be built in McMinnville between 2021 and 2041.

The complex nature of the housing market was demonstrated by the unprecedented boom-and-bust during the past two decades. This complexity does not eliminate the need for some type of forecast of future housing demand and need, with the resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need.



## Statewide Planning Goal 10 and Related Policies

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land-use plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).<sup>3</sup> Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.”

ORS 197.303(1) defines “needed housing” as follows:

As used in ORS 197.307, “needed housing” means all housing on land zoned for residential use or mixed-residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the US Department of Housing and Urban Development under 42 U.S.C. 1437a. Needed housing includes the following housing types:

- (a) Attached and detached single-family housing and multifamily housing for both owner and renter occupancy;
- (b) Government-assisted housing;
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
- (e) Housing for farmworkers.

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon’s Urban Areas*, referred to as the workbook. In addition, cities with a population of 25,000 or more (including McMinnville) are required to

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<sup>3</sup> ORS 197.296(1)-(9) only applies to cities with populations over 25,000.

comply with ORS 197.296(1)–(9) and must conduct an analysis of housing need by housing type and density range to determine the number of needed dwelling units and amount of land needed for each housing type in the next 20 years (ORS 197.296(3)(b)).

Broadly, ORS 197.296(2) requires cities to demonstrate that its comprehensive plan provides sufficient buildable lands within the urban growth boundary to accommodate estimated housing needs for 20 years. Section 6 requires cities to conduct a buildable lands inventory and analyze housing needs and residential land needs. If the conclusion of that analysis is that the housing need determined pursuant is greater than the housing capacity determined, the City must either (1) amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years; (2) amend land-use regulations to include new measures that “demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary”; or (3) adopt a combination of (1) and (2).

In summary, McMinnville must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This housing needs analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes. This report references relevant state guidance in relation to various elements of the HNA.

## **A Note About Housing Needs**

As described above, the nature of the housing market and housing needs are complex. Provisions of statute that discuss needed mix and needed density read as if, after conducting an analysis of historical and forecast trends, the City can apply a formula to arrive at a correct determination of needed mix and density to ensure that housing needs are met for the next twenty years of population growth. But these determinations function within a fairly rigid formula that does not take into account market and choice. In effect, this would require the City to determine the needed housing type and density for each household and aggregate the results for all households to arrive at the needed mix of housing types and the average needed density for the planning period. It presumes that households fit into categories that are uniform in their housing needs, preferences, choices, and trade-offs and, therefore, the City can determine the correct aggregate housing choices. Meeting housing needs should also reflect community values and provide opportunities for a range of housing options to meet needs in the community, from affordable housing for the residents with the lowest incomes to executive housing options.

This formula further assumes that housing needs are reduced to type (single-family detached, single-family attached, and multifamily), mix, and density. It further assumes these are the sole factors, if not the most critical ones, that allow cities to meet housing need. Without explicitly stating it, these components of housing need are reduced to a proxy for affordability across income levels, while failing to account for other aspects of the housing market that may be more critical to addressing housing need and choice across the income spectrum. It is demonstrably true that density does not necessarily equate to affordability. Further, state law currently prohibits cities from directly addressing some aspects of the housing market that may be more

critical to meeting housing needs, specifically ORS 197.309 (which enables inclusionary zoning but places restrictions on when it can be applied).

The required analysis also ignores the fact that some historic trends may be the result of factors that have artificially distorted the market and provision of housing supply in different ways, including past regulatory constraints that may have influenced the housing market, which become embedded in the trend analysis of housing need.

In reality, the City is zoning for housing opportunities in which households can make choices about housing that meets their needs by providing choices consistent with their preferences, and these needs and preferences may change during the planning period. This interpretation is consistent with the language of Goal 10: “Plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”

Household preference will lead to housing choices, where a household may have a choice of different housing options that reflect trade-offs. For example, when it comes to affordability, there may be different housing choices that are equally affordable. A household may choose an ownership opportunity that results in slight cost burden but allows them to establish ownership and equity, rather than a rental opportunity at a lower price point that doesn’t result in cost burden.

While housing type and density can be factors in housing costs, they are not determinants. Other factors can have a significant impact on housing cost and preference. These factors include:

- **Location within the region and city.** Locational factors and neighborhood amenities can dramatically affect housing cost. Locational choices relative to neighborhoods, amenities, schools, access to services, and so on can determine preferences and housing costs. In some cases, the cost per square foot in the highest-density multifamily developments in the most desirable neighborhoods can be significantly higher than larger single-family detached housing in a neighborhood a few miles away. To create equity and inclusion, the City needs to be cognizant of ensuring that neighborhoods are equitable and that housing types are equally distributed.
- **Square footage, materials, and amenities.** These factors can be significant in determining housing cost. Census data suggests that the size of both single-family units and multifamily units continue to increase.
- **Household formation.** Some people may select different options for household formation to increase housing choice opportunities. For example, some individuals or extended families may prefer to live in a larger house together and share costs and social supports, rather than living in individual units that may be more expensive, lack social supports, or both.



- **Housing subtypes.** Within the three broad categories of housing types specified in statute (single-family detached, single-family attached, and multifamily) are numerous subtypes. Some subtypes might have more in common with other housing types. For example, a cottage cluster might be comprised of single-family detached homes with smaller footprints and a higher density, where they are more comparable in density and affordability to other housing types than they are to large-lot single-family homes with significantly more square footage. In this case, it could be more appropriate to plan for opportunity/flexibility to achieve densities and affordability with different housing types, rather than to plan for a specific mix of the three specified housing types.

In short, housing needs can, and do, change over time. The statutes imply that the needed mix identified at the start of the planning period is the correct mix and must be achieved over the course of the planning period. It treats needed mix and density as determinants rather than predictive factors. If households make different housing choices than were initially expected or predicted then, per the statutes, the City has not achieved the correct mix and must adjust because the predictions may not have accurately reflected the socioeconomic and demographic characteristics or housing choices of the City's current and future residents. The law is set up to treat housing mix and density as destiny—treating them as a given to be adhered to rather than a forecast. While the population growth that provides the basis for future planning is described as a “forecast,” and planning for employment land is described as “economic opportunities,” planning for housing is instead described as “needed mix and density” rather than a housing forecast of opportunities for different housing types.

This suggests that the numbers in a population forecast are predictive and subject to change while the demographic and socioeconomic components inherent in that same forecast are not. It further assumes that the City can determine the complex factors that determine the right housing choice for households. A self-fulfilling planning scheme can be overly rigid and may drive households to select housing options because they are an available, rather than a preferred, choice.

The statutes appear to be more concerned with needed density and mix, identified at the beginning of the planning period as an absolute, more so than the consideration of housing preferences and affordable options commensurate with household incomes. In effect, the metrics (e.g., density and mix) for needed housing can be more concerned with urbanization goals than with housing needs (particularly affordability, since density does not necessarily equate to affordability).

The above discussion isn't intended to conflate housing need with the housing market. On the contrary, the housing needs analysis and residential lands needs analysis must address housing needs for those who lack housing, those who are at risk of losing housing, those who are not being served by the housing market, and those who have the narrowest choice of housing options commensurate with their incomes. There are many in the community who lack viable housing opportunities or choices. The market may continue to operate without responding to, or being able to respond to, housing needs for those residents, absent market interventions.

The housing needs analysis and resulting housing strategy will require creativity to meet the housing challenges that lie ahead, but they will provide pathways to opportunity. Rigid thinking about housing type, mix, and density—as well as segregated zoning—will not lead to the creative solutions that McMinnville seeks to meet housing challenges head-on while creating great neighborhoods of enduring value that provide opportunity to future generations. Further, narrow thinking about the term “needed housing,” however well-intentioned, could replicate planning failures from the past. Affordability achieved through the warehousing of people doesn’t provide a pathway to opportunity or upward mobility.

Needed mix and density are statutory components of a housing needs analysis that are typically conducted in advance of a housing strategy; accordingly, predetermining them will prevent the use of flexible options that provide more creative solutions. Instead, the residential land needs analysis should be based on either needed mix or density, leaving the other to be addressed through a responsive, creative strategy that avoids rigid categories and adjusts as needs are met over time.

As the City of McMinnville continues to discuss housing needs and construct a housing strategy in response, it should allow for market innovation over the planning horizon to ensure that the need is truly being met with choice option. Additionally, the City of McMinnville has recently adopted Great Neighborhood Principles to ensure that everyone in McMinnville can live in a nice neighborhood regardless of income. These principles strive for equity and inclusion in residential neighborhoods, and they will play an important role in crafting a meaningful response that will not only address the housing needs of McMinnville’s future residents but provide enduring value.

## Public Process

At the broadest level, the purpose of the project was to understand how much McMinnville will grow over the next 5, 10, 20, and 46 years. The project has two components: (1) technical analysis (the BLI and HNA), and (2) housing strategies (provided in a future, separate document). Both benefit from public input. The technical analysis requires a broad range of assumptions that influence the outcomes, and the housing strategy is a series of high-level policy choices that will affect McMinnville residents. Public engagement during the project was accomplished through the three primary avenues described below.<sup>4</sup>

### Project Advisory Committee Meetings

The City of McMinnville and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met six times<sup>5</sup> to discuss project assumptions, results, and implications. There was also a joint meeting of the Project Advisory Committee and City Council. The project relied on the Project Advisory Committee to:

- Review work products, advise on public involvement, and consider public input when making recommendations.
- Advise the project team on matters regarding housing needs, market conditions, and the buildable lands inventory in McMinnville.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Housing Needs Analysis.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Housing Strategy. Provide input on goals, strategies, and actions that address McMinnville's housing needs in a way that fits with, and enhances quality of life in, the community.

In 2023, a Project Advisory Committee met twice to discuss the changes to the HNA analysis described above and throughout the document. This was then provided as an update to the City Council in a work session.

### Public Open House

The City of McMinnville and ECONorthwest solicited input from the general public at a public open house held on February 5, 2019. The open house consisted of eight information stations related to the preliminary results of the housing needs analysis and the buildable lands

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<sup>4</sup> In addition to Project Advisory Committee meetings, public meetings, and stakeholder focus groups, the City of McMinnville also maintained a project website and social media presence.

<sup>5</sup> Project Advisory Committee meeting dates with the consultant team: July 17, 2018; November 14, 2018; December 18, 2018; March 7, 2019; and May 21, 2019.

Project Advisory Committee meeting dates without the consultant team: January 16, 2019 and June 13, 2019.



inventory, as well as two public comment stations. As work proceeds on the evaluation of actions in the housing strategy, there will be additional public engagement.

## Stakeholder Focus Group

The City of McMinnville and ECONorthwest solicited feedback at a stakeholder focus group. The purpose of the focus group was to provide an opportunity for small-group discussion and to allow input on key issues. The purpose of the focus group, held on January 25, 2019, was to have a targeted discussion with realtors, developers, and housing providers to learn about what they see as opportunities and constraints associated with housing development in McMinnville for the next 5, 10, 20 and 50 years.

## Organization of This Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of McMinnville's inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting McMinnville's housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in McMinnville** presents factors that affect housing need in McMinnville, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in McMinnville relative to the larger region.
- **Chapter 5. Housing Need in McMinnville** presents the forecast for housing growth in McMinnville, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency within McMinnville** estimates McMinnville's residential land sufficiency needed to accommodate expected growth over the planning period.
- **Appendix A. Residential Buildable Lands Inventory** provides details on the process and methods for conducting the analysis as well as findings.
- **Appendix B. Scenario Modeling** provides details about the impact of housing mix assumptions. ECONorthwest presented these scenarios to the Project Advisory Committee to inform their housing mix assumption recommendation.

## 2. Residential Buildable Lands Inventory

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This chapter summarizes the residential buildable lands inventory (BLI) for the McMinnville UGB. The buildable lands inventory analysis (BLI) complies with statewide planning Goal 10, ORS 197.296(4), and OAR 660-008. A detailed discussion of methods and additional results is presented in Appendix A.

The BLI has the following main steps: (1) establish the residential land base (parcels or portion of parcels with appropriate zoning); (2) classify parcels by development status; (3) identify and deduct development constraints, including environmental and other constraints; and (4) summarize total buildable area by zone. Buildable lands are properties classified as “vacant” or “partially vacant,” which have at least some development capacity after deducting constrained areas. Those will be assigned capacity for new residential development. Calculations must also be made about how much of that land will be needed for streets and other land uses expected to occur on residential lands, which will reduce the amount available for development. Assumptions are also made about the extent of infill and redevelopment that is expected to occur on other lands.

The BLI is based on data and development status of land as of December 31, 2021.

ECONorthwest updated the BLI from the 2019 *McMinnville Housing Needs Analysis* report to December 2021 to account for: land brought into the UGB through the 2020 Urban Growth Boundary (UGB) expansion; development that occurred between January 1, 2018 and December 31, 2021; and other changes such as changes in zoning or tax lot divisions.

### Categorizing Lands

The buildable lands inventory classifies all residential (and commercial land where housing is a permitted use) into categories.

### Development Status

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all residential tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes), unless aerial imagery or City staff determined that the tax lot is no longer vacant in the verification step.
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more

than a half-acre of buildable land after removing constraints and developed land from the total acreage.<sup>6</sup> This was refined through visual inspection of recent aerial photos.

- *Developed land.* Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed.
- *Public or exempt land.* Except as noted below, lands in public or semipublic ownership are considered unavailable for development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Yamhill County Assessment property tax exemption codes and ownership field. Exempt lands owned by a nonprofit housing developer which are vacant or partially vacant are considered available for development and are inventoried accordingly.

## Development Constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted portions of residential tax lots that fall within certain constraints from the vacant and partially vacant lands (e.g., wetlands and steep slopes). We used categories consistent with OAR 660-008-0005(2):

- *Lands within floodplains and floodways.* Flood insurance rate maps from the Federal Emergency Management Agency (FEMA), as well as land in McMinnville's floodplain zone and plan designation, were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas.* The National Wetlands Inventory was used to identify areas within wetlands.
- *Land within landslide hazards.<sup>7</sup>* The DOGAMI SLIDO database and landslide susceptibility datasets were used to identify lands with landslide hazards. ECONorthwest included lands with high or very high susceptibility to landslides in the constrained area. The City is proposing a policy interpreting the mapped DOGAMI hazards for purposes of the BLI, which can be reviewed upon further study if necessary.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.

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<sup>6</sup> Under the safe harbor established in OAR 660-024-0050 (2)(a), the infill potential of developed residential lots of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land. Cities with populations greater than 25,000, including McMinnville, are not eligible for this safe harbor. However, other cities that ECONorthwest has worked with have successfully justified similar threshold assumptions, and the Public Advisory Committee (PAC) for this project considered this a reasonable method to address infill potential of developed residential lots in McMinnville.

<sup>7</sup> The City of McMinnville will need to adopt comprehensive plan policies regarding buildable lands assumptions in areas with high and very-high landslide susceptibility. Current comprehensive plan policies addressing this hazard do not exist. Should future studies find that the City can address issues by engineering, the City could add associated acreage back into the BLI.

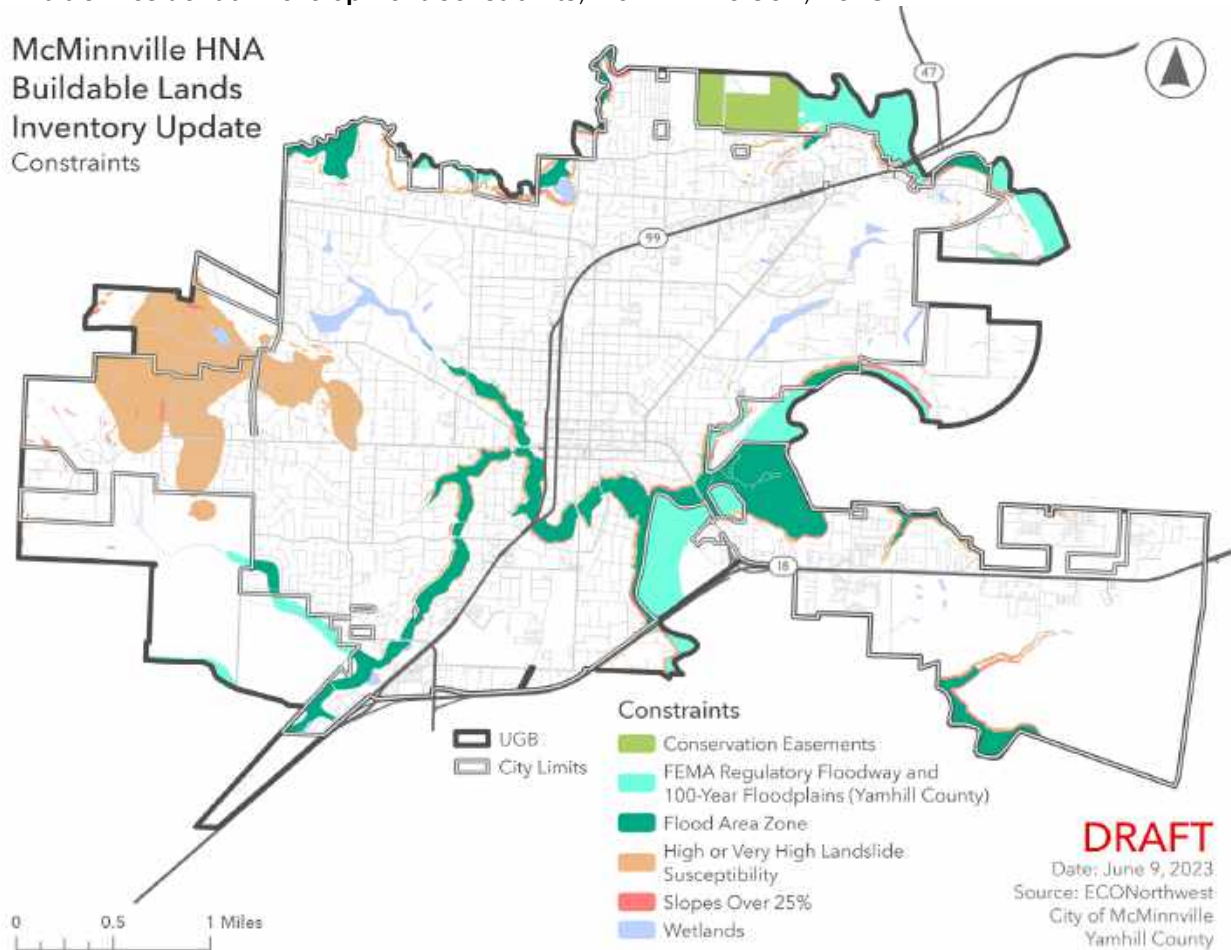


- *Land with conservation easements.* Lands within conservation easements, as identified by City staff, were included in the constrained area.

After deducting constraints, vacant and partially vacant lands that have remaining development capacity are classified as buildable lands.

Exhibit 6 maps the development constraints used for the residential BLI.

#### Exhibit 6. Residential Development Constraints, McMinnville UGB, 2023



# Buildable Lands Inventory Results

## Land Base

Exhibit 7 shows the residential land base in McMinnville by plan designation and zone. It also allocates the properties and acreage in the land base between Water Pressure Service Zone 2 and all other areas as described below. The land base is comprised of those properties within the UGB with a zoning or plan designation that permits residential use. This is predominantly properties with a residential plan or zoning designation. It also includes commercial plan designations and zones that also allow residential uses. The land base excludes plan and zone designations that don't allow for residential use, such as industrial zones and the floodplain zone.

The results show that the McMinnville UGB has 5,418 total acres in the residential land base in 10,563 tax lots. This analysis includes commercial zones C-3 and O-R, which allow residential uses, and excludes zones that do not allow residential uses, including industrial zones C-1, C-2, and F-P zones.<sup>8</sup> Of the total acres in the UGB, about 920 acres (17%) are in the R-1 single-family residential zone, about 1,310 acres (24%) are in the R-2 single-family residential zone, about 388 acres (7%) are in the R-3 two-family residential zone, and about 710 acres (13%) are in the R-4 multifamily residential zone.

ECONorthwest also identified land in the Water Pressure Service Zone 2 contour due to additional considerations for capacity. Properties in Service Zone 2 are in the UGB but will be unable to develop until a water storage tank and associated water infrastructure are built to serve properties in Service Zone 2. The Zone 2 area covers properties within three zoning or plan designations: R-1 and R-2 (within City limits), as well as the Urban Holding plan designation (within the unincorporated UGB). Exhibit 7 shows the acreage in tax lots that is either completely within or partially within Zone 2, and the remaining acreage in tax lots not in Zone 2 is defined as Zone 1.<sup>9</sup> Of the 5,418 acres in the land base, 279 acres (5%) are in Zone 2.

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<sup>8</sup> The F-P zone and plan designation were included in the development constraints. Tax lots partially in the F-P zone and a residential zone were assigned to the adjacent residential zone, and the overlapping floodplain area was calculated in the constraint deductions.

<sup>9</sup> Some lots that fell within Zone 2 were excluded from Zone 2 acreage based on discussion with City staff. These included lots that were not subject to Zone 2 requirements, such as lots in a platted subdivision (most of those are authorized for development using private booster pumps for water pressure in the interim). Lots partially in Zone 2 were split, and acreages were calculated separately using the Intersect tool in GIS.

## Exhibit 7. Land Base: Residential Acres by Classification and Zone, McMinnville UGB, 2023

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding. Note: all lands in county zones are in the residential plan designation.

Zone/Plan Designation	Number of taxlots	Percent	Total taxlot acreage			Percent (total acreage)
			Zone 1	Zone 2	Total	
City Limits, by Zone						
Residential R-1	2,155	20%	853	67	920	17%
Residential R-2	4,350	41%	1,232	78	1,310	24%
Residential R-3	1,223	12%	388	-	388	7%
Residential R-4	1,747	17%	710	-	710	13%
Office/Residential O-R	75	1%	34	-	34	1%
Commercial C-3	772	7%	636	-	636	12%
UGB, by County Zone or Plan Des.						
EF-80 (County Zone)	9	0%	47	-	47	1%
VLDR-1 (County Zone)	3	0%	3	-	3	0%
Residential Plan Des.	61	1%	318	-	318	6%
Urban Holding Plan Des.	168	2%	917	135	1,051	19%
Total	10,563	100%	5,138	279	5,418	100%

## Development Status

Properties within the residential land base were classified into the development status categories described above (vacant, partially vacant, developed, public/exempt). The constraints shown in Exhibit 6 were then overlaid and applied to those properties.

Exhibit 8 shows all land in the residential land base by development and constraint status. Of the total residential land base, about 60% of McMinnville's total residential land (3,224 acres) is committed, 18% (999 acres) is constrained, and 22% (1,185 acres) is unconstrained buildable acres.

## Exhibit 8. Residential Land by Zone and Constraint Status, McMinnville UGB, 2023

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

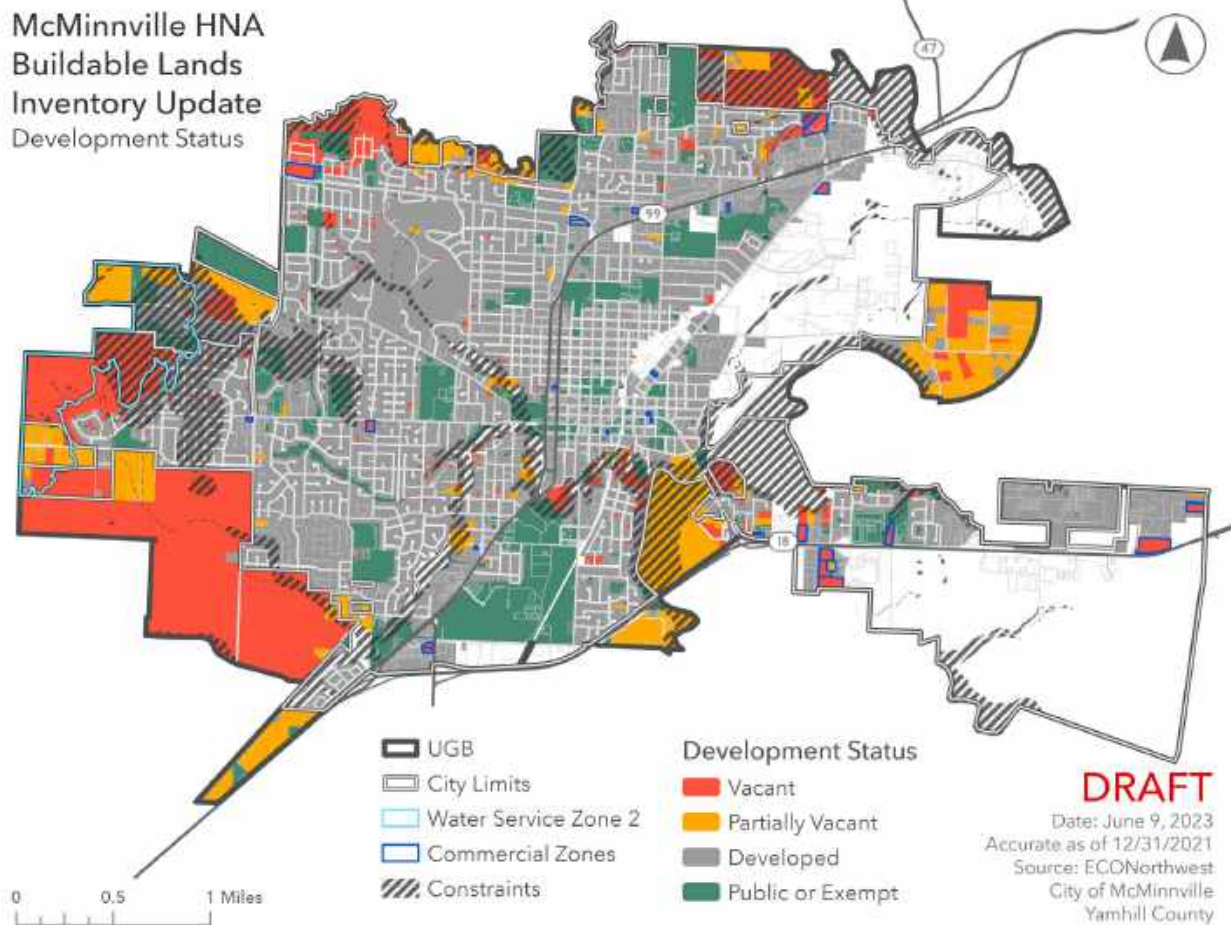
Zone/Plan Designation	Total acres			Committed acres			Constrained acres			Buildable acres		
	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total
<b>City Limits, by Zone</b>												
Residential R-1	853	67	920	630	3	633	148	30	179	75	33	108
Residential R-2	1,232	78	1,310	992	-	992	172	33	206	68	45	113
Residential R-3	388	-	388	342	-	342	35	-	35	11	-	11
Residential R-4	710	-	710	564	-	564	112	-	112	34	-	34
Office/Residential O-R	34	-	34	24	-	24	8	-	8	3	-	3
Commercial C-3	636	-	636	572	-	572	17	-	17	47	-	47
<b>UGB, by County Zone or Plan Des.</b>												
EF-80 (County Zone)	47	-	47	15	-	15	31	-	31	2	-	2
VLDR-1 (County Zone)	3	-	3	2	-	2	-	-	-	2	-	2
Residential Plan Des.	318	-	318	29	-	29	214	-	214	75	-	75
Urban Holding Plan Des.	917	135	1,051	54	8	62	124	73	198	739	53	792
<b>Total</b>	<b>5,138</b>	<b>279</b>	<b>5,418</b>	<b>3,224</b>	<b>11</b>	<b>3,234</b>	<b>861</b>	<b>137</b>	<b>999</b>	<b>1,053</b>	<b>131</b>	<b>1,185</b>

Note: Per Ordinance No. 5098, the McMinnville Urban Growth Management Plan, Appendix G, 383 gross buildable acres in the Urban Holding Plan Designation are to serve public and institutional land needs, and 39.30 gross buildable acres of the Urban Holding Plan Designation is a set aside of neighborhood serving commercial land need.



Exhibit 9 shows residential land by development status with constraints overlaid.

**Exhibit 9. Residential Land Base by Development Status, McMinnville UGB, 2023**



## Vacant Buildable Land

Exhibit 10 shows buildable acres (i.e., acres in tax lots that have capacity after constraints are deducted) for vacant and partially vacant land by zone and plan designation. Of McMinnville's 1,185 unconstrained buildable residential acres, about 67% are in tax lots classified as vacant and 33% are in tax lots classified as partially vacant.

### Exhibit 10. Buildable (Gross) Acres in Vacant and Partially Vacant Tax Lots by Zone, McMinnville UGB, 2023

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

Zone/Plan Designation	Total Buildable acres			Buildable acres on vacant lots			Buildable acres on partially vacant lots		
	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total
<b>City Limits, by Zone</b>									
Residential R-1	75	33	108	49	32	80	26	2	28
Residential R-2	68	45	113	57	45	102	11	-	11
Residential R-3	11	-	11	10	-	10	1	-	1
Residential R-4	34	-	34	33	-	33	1	-	1
Office/Residential O-R	3	-	3	3	-	3	-	-	-
Commercial C-3	47	-	47	44	-	44	2	-	2
<b>UGB, by County Zone or Plan Des.</b>	-	-	-						
EF-80 (County Zone)	2	-	2	2	-	2	-	-	-
VLDR-1 (County Zone)	2	-	2	-	-	-	2	-	2
Residential Plan Des.	75	-	75	8	-	8	67	-	67
Urban Holding Plan Des.	739	53	792	506	5	511	232	49	281
<b>Total</b>	<b>1,053</b>	<b>131</b>	<b>1,185</b>	<b>712</b>	<b>81</b>	<b>792</b>	<b>342</b>	<b>51</b>	<b>392</b>

Note: Per Ordinance No. 5098, the McMinnville Growth Management and Urbanization Plan, Appendix G, 383 gross buildable acres in the Urban Holding Plan Designation are to serve public and institutional land needs, and 39 gross buildable acres of the Urban Holding Plan Designation is a set aside of neighborhood serving commercial land need.

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

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

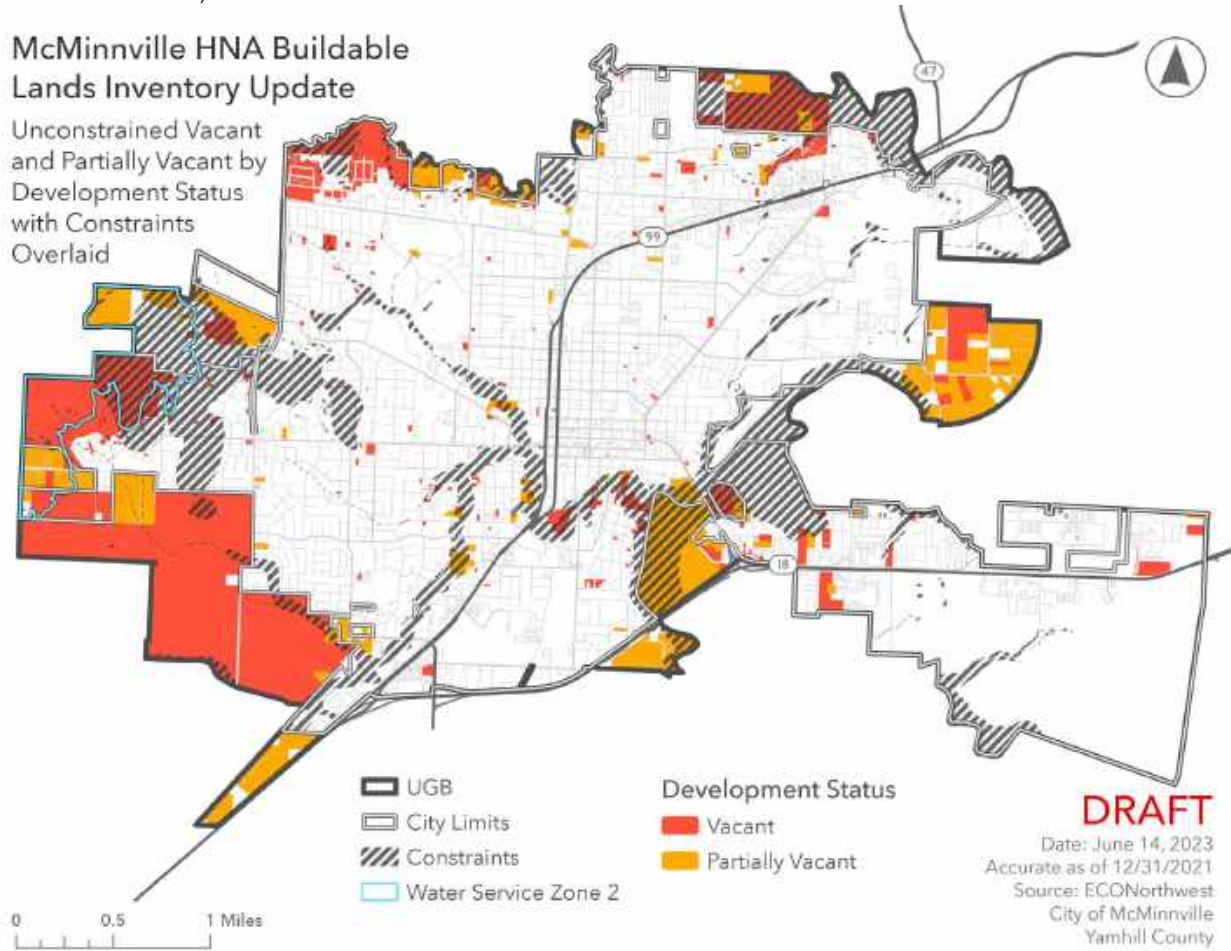
**Exhibit 11. Buildable (Gross) Acres in Vacant and Partially Vacant Tax Lots by Zone for Residential Uses, McMinnville UGB, 2023**

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

Zone/Plan Designation	Buildable Acres for Residential Uses
<b>City Limits, by Zone</b>	
Residential R-1	108
Residential R-2	113
Residential R-3	11
Residential R-4	34
Office/Residential O-R	3
Commercial C-3	47
<b>UGB, by County Zone or Plan Des.</b>	
EF-80 (County Zone)	2
VLDR-1 (County Zone)	2
Residential Plan Des.	75
Urban Holding Plan Des.	792
Land for housing	370
Land for public and semi-public uses	383
Land for neighborhood commercial uses	39
<b>Total Land for Housing</b>	<b>763</b>

The exhibits on the following pages map McMinnville’s buildable vacant and partially vacant residential land and resulting buildable lands after deducting constraints. Exhibit 12 shows vacant and partially vacant lots with constraints overlaid. Exhibit 13 shows buildable lots—those vacant and partially vacant parcels that have at least some development capacity after deducting constraints. Exhibit 14 shows the unconstrained buildable acres on those buildable parcels.

**Exhibit 12. Vacant and Partially Vacant Residential Lots with Constraints Overlaid, McMinnville UGB, 2023**

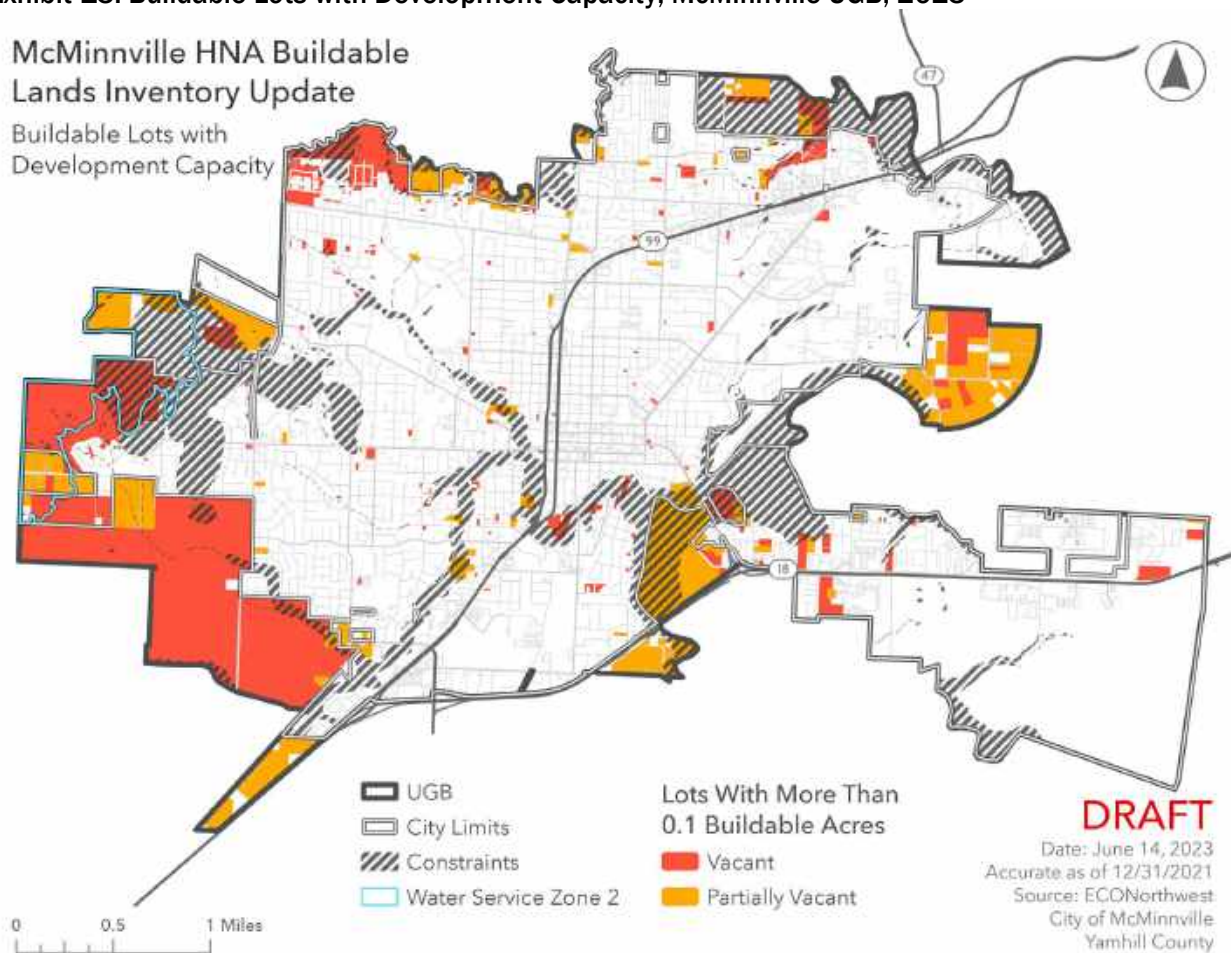




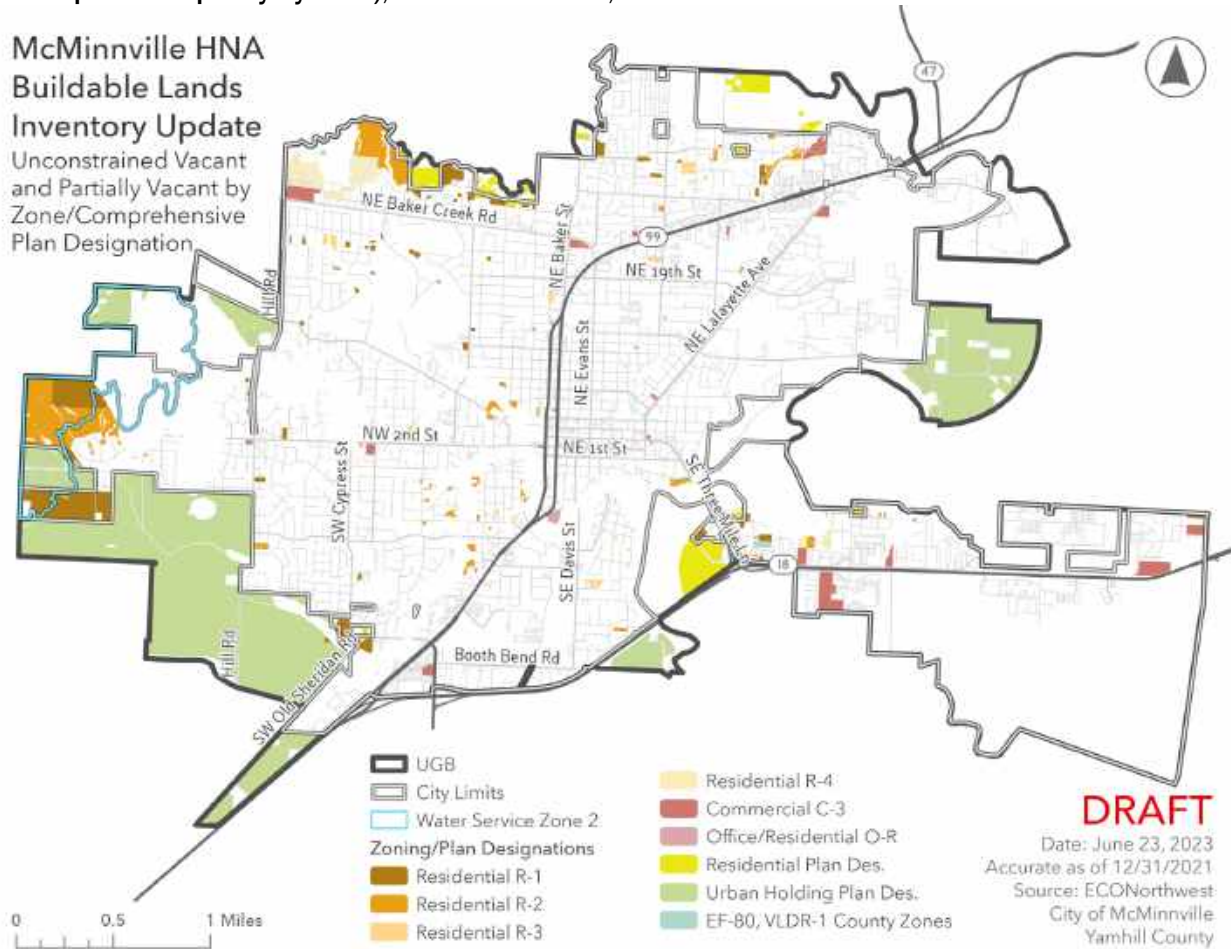
### Exhibit 13. Buildable Lots with Development Capacity, McMinnville UGB, 2023

#### McMinnville HNA Buildable Lands Inventory Update

Buildable Lots with  
Development Capacity



**Exhibit 14. Buildable Acres (Unconstrained Portions of Vacant and Partially Vacant Parcels with Development Capacity by zone), McMinnville UGB, 2023**



## Infill and Redevelopment Potential

ORS 197.296(4) states that buildable lands must include vacant and partially vacant lands, as well as lands that may be used for infill and redevelopment. In other words, can lands that are classified as developed (not classified as vacant or partially vacant) accommodate additional development? For example, a lot developed with a single-family home may be able to accommodate an accessory dwelling unit. Infill and redevelopment reduce the amount of new residential development that must be accommodated on vacant and partially vacant land. The standard is outlined in OAR 660-008-0005(7):

“Redevelopable Land” means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

The key phrase here is “there exists the strong likelihood that existing development will be converted to more intensive uses.” The rule provides no guidance on how to operationalize the definition; the remainder of this section describes how it is addressed for this study.

While every property that is classified as vacant or partially vacant and has capacity after deducting constraints is expected to accommodate new development, the calculation is different for infill and redevelopment. The City need only identify the extent of infill and redevelopment likely to occur on lands that are already classified as developed. In other words, while some developed lots may accommodate some additional infill and redevelopment, not every property that could experience infill or redevelopment will do so during the twenty-year planning period.

The City is not required to create a map or document that identifies specific lots or parcels that may be used for infill or redevelopment like it is for vacant and partially vacant properties classified as buildable lands (ORS 197.296(4)(c)).

The Project Advisory Committee considered options for assumptions about the amount of infill and redevelopment that could reasonably be expected to occur on other residential lands that are already considered to be developed. There was general interest in using safe harbors or safe harbor methods and simplified methods when provided in applicable statutes and administrative rules. This recognizes that the safe harbor protections may not be available to the City for some methods while acknowledging that the methods and assumptions are reasonable nonetheless and are based on an analysis that was used to develop those methods and assumptions.

As a reminder, even small parcels with existing development that have been classified as partially vacant are already assumed to have capacity and are not included under the definition of infill.

It is unrealistic to assume that every property classified as developed that could experience even a small amount of infill, redevelopment, or both would do so during the planning period.

For example, if every single-family dwelling could add an accessory dwelling, it would be unreasonable to assume every property owner would add one (e.g., the strong likelihood standard). Therefore, rather than analyze properties to identify which ones would be authorized for infill and redevelopment, the analysis focused on the share of new residential units that reasonably could be expected to be accommodated on lands that are already classified as developed. For redevelopment, an optional check could include an evaluation of the extent of larger sites that have capacity to accommodate increased development and have realistic improvement-to-land-value ratios.

Assumed infill and redevelopment would need to add new units, and the demolition and replacement of one dwelling with another one would not add new residential units.

OAR 660-038 provides a simplified UBG method, which provides formulas that can be used for certain assumptions related to a UGB expansion, including sections that address residential land needs in OAR 660-038-0030. The simplified method can only be used when planning for a UGB for a shorter time period (fourteen years), which the City of McMinnville has chosen not to pursue. However, the analysis that went into developing the formulas in the simplified method provide useful guidance.

- OAR 660-038-0030(6) allows a city to account for the projected redevelopment expected to occur in residentially zoned areas and for mixed-use residential development in commercially zoned areas. For cities with a current UGB population greater than 25,000, the specified range is between 5% and 25%.
  - Five percent of the 4,657 units projected from 2021 to 2041 is 233 units (12 units/year); 25% is 1,164 units (58 units/year). The City of McMinnville has not seen significant redevelopment of existing sites for new housing in the past twenty years.
- OAR 660-038-0030(7) allows a city to account for accessory dwelling units expected to occur. For cities with a current UGB population greater than 25,000, the specified range is between 1% and 3%.
  - One percent of the 4,657 units projected from 2021 to 2041 is 47 units (2 units/year); 3% is 140 units (7 units/year). While McMinnville does not track permits for ADUs differently than for other dwellings, it is estimated that the construction of new ADUs has averaged fewer than two per year.
- These two factors account for infill and redevelopment. There are no other provisions in the simplified method addressing infill other than in the later evaluation of land in areas studied for inclusion in the UGB. Taken together, the range for infill and redevelopment is 6% to 28%
- It is reasonable to assume that some parcels classified as developed (less than one-half acre with a residence) will also have some infill capacity through partitioning rather than ADUs, based on zoning and site development configuration. Therefore, we don't differentiate the type of infill development.



## Recommendation on Infill

The Project Advisory Committee's recommended assumption for redevelopment is that 8% of new dwelling units during the planning period will be accommodated on lands classified as "developed" through infill, redevelopment, or both. (Eight percent of the 4,657 units projected from 2021 to 2041 is 373 units [19 units/year].)

The projected growth before 2021 has been removed from this analysis, as the buildable lands inventory was updated to December 2021. This update accounted for actual growth that occurred through 2021.

### 3. Historical and Recent Development Trends

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Analysis of historical development trends in McMinnville provides insight into the functioning of the local housing market. Moreover, it is required by ORS 197.296(5)(a). The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

ORS 197.296 requires the analysis of housing mix and density to include the past five years or since the most recent periodic review, whichever time period is greater.<sup>10</sup> The City's last periodic review ended in 1999. As a result, this HNA examines changes in McMinnville's housing market from January 2000 to December 2017 for information about housing mix and density. For other information about McMinnville's housing market, we present information for 2000 through 2017 from the US Census and ACS, as that is the most recently available data. We selected this time period both because it complies with ORS 197.296 and because it provides information about McMinnville's housing market before and after the national housing market bubble's growth and deflation, in addition to the more recent increase in housing costs.

This chapter presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, single-family attached, multifamily, etc.)
2. Tenure (e.g., distinguishing unit type by owner or renter units)
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels)
4. Some combination of these categories

For the purposes of this study, we grouped housing types based on (1) whether the structure is a stand-alone or is attached to another structure, and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

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<sup>10</sup> Specifically, ORS 197.296(5) (b) states: "A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years."

- **Single-family detached** includes single-family detached units (including multiple single-family detached units on a single parcel), manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or town houses.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In McMinnville, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above. ORS 197.312 specifies that a city or county may not, by charter, prohibit government-assisted housing or impose additional approval standards on government-assisted housing that are not applied to similar but unassisted housing. It also contains provisions providing for equal zoning treatment of housing for a farmworker and the farmworker's immediate family.

## Data Used in This Analysis

Throughout this report, we use data from multiple sources, choosing data from well-recognized and reliable data sources. State statutes do not provide direction about which data sources to use. This report uses the best available sources for housing, population, and household data, which comes from two primary Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the United States. From 2012 through 2016 and 2013 through 2017, the ACS sampled an average of 3.5 million households per year, or about 2.6% and 2.9% of the households in the nation, respectively. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report uses data from the 2012–2016 and 2013–2017 ACS for McMinnville.<sup>11</sup> In general, we use data from 2012–2016, unless the data informs a housing forecast assumption, in which case we use data from 2013–2017. This chapter, as well as the following chapters, also use data from the 2000 and 2010 Decennial Census. If, for example, the report presents a finding that addresses a period from 2000 to the “2013–2017 period,” then the report is describing a trend that took place from 2000 to 2017 (a 17-year analysis period).

It is worth commenting on the methods used for the American Community Survey.<sup>12</sup> The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.5 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as “sampling error” and is expressed as a band, or “margin of error” (MOE), around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

## Trends in Housing Mix

This section provides an overview of changes in the mix of housing types, comparing McMinnville to Yamhill County and Oregon. We compare McMinnville to these larger regions to understand how McMinnville fits into the regional housing market. These trends demonstrate the types of housing developed in McMinnville historically.

This section shows the following trends in housing mix in McMinnville:

- **McMinnville’s housing stock is majority single-family detached housing units.** According to 2013–2017 ACS data, 68% of McMinnville’s housing stock was single-family detached, 23% was multifamily, and 9% was single-family attached (e.g., town houses).

Based on ACS data, McMinnville has a proportionally smaller share of single-family housing compared to Yamhill County (79%) and the State (72%). This is typical, as urban areas (i.e., McMinnville) will often have a larger share of multifamily housing than more rural areas of the same jurisdiction (i.e., Yamhill County).

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<sup>11</sup> ACS data is presented in five-year ranges because “they represent the characteristics of the population and housing over a specific data collection period.” [https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS\\_Information\\_Guide.pdf](https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS_Information_Guide.pdf)

<sup>12</sup> A thorough description of the ACS can be found in the Census Bureau’s publication “What Local Governments Need to Know.” <https://www.census.gov/library/publications/2009/acs/state-and-local.html>

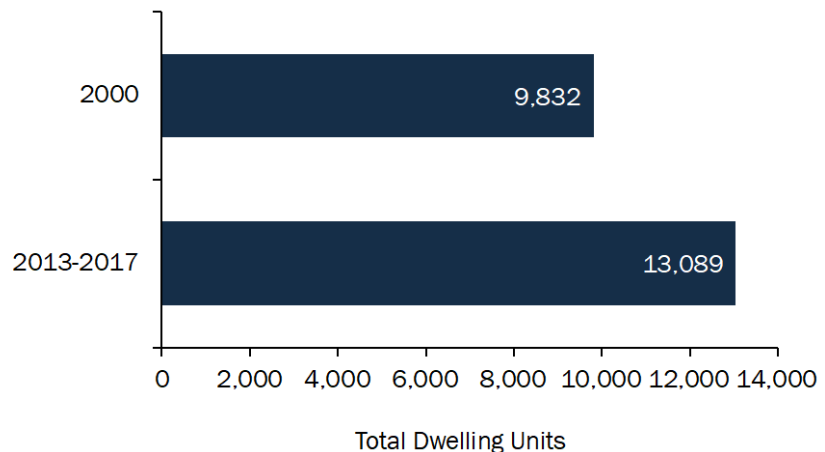


- **McMinnville’s housing mix is not unlike most comparison cities.** Single-family detached housing is the dominant housing type in McMinnville and other comparison cities (Albany, Ashland, Grants Pass, Hood River, Newberg, Redmond, and Sherwood). McMinnville does, however, have a slightly higher share of single-family attached housing than many of these communities, (particularly Albany, Grants Pass, Hood River, and Redmond). McMinnville has a larger share of manufactured housing (about 12%, classified as single-family detached), compared to other comparison cities.
- **McMinnville’s total housing stock grew by about 33% between 2000 and the 2013–2017 period.** McMinnville added 3,257 new dwelling units during this 17-year period.
- **According to McMinnville’s permit database, single-family detached housing accounted for the majority of new housing growth between 2000 and 2017.** Sixty-two percent of new housing permitted between 2000 and 2017 was single-family detached housing.

## Housing Mix

The total number of dwelling units in McMinnville increased by 3,257 units from 2000 to 2017 (33% change).

**Exhibit 15. Total Dwelling Units, McMinnville, 2000 and 2013–2017**  
Source: US Census Bureau, 2000 Decennial Census, SF3 Table and 2013–2017 ACS Table B25024.

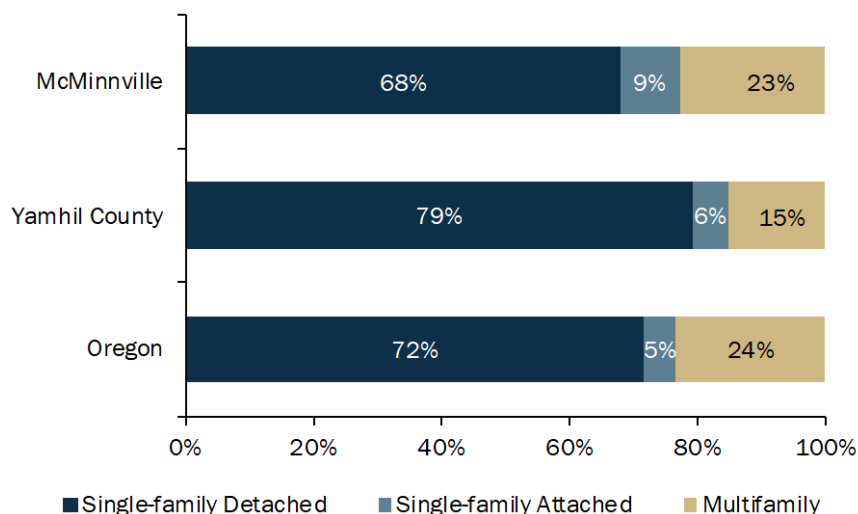


**About two-thirds of McMinnville's total housing stock is single-family detached.**

Typical of urban areas, McMinnville has a larger share of multifamily housing than Yamhill County, which is comprised of both urban (including McMinnville) and rural areas.

**Exhibit 16. Housing Mix, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS Table B25024.

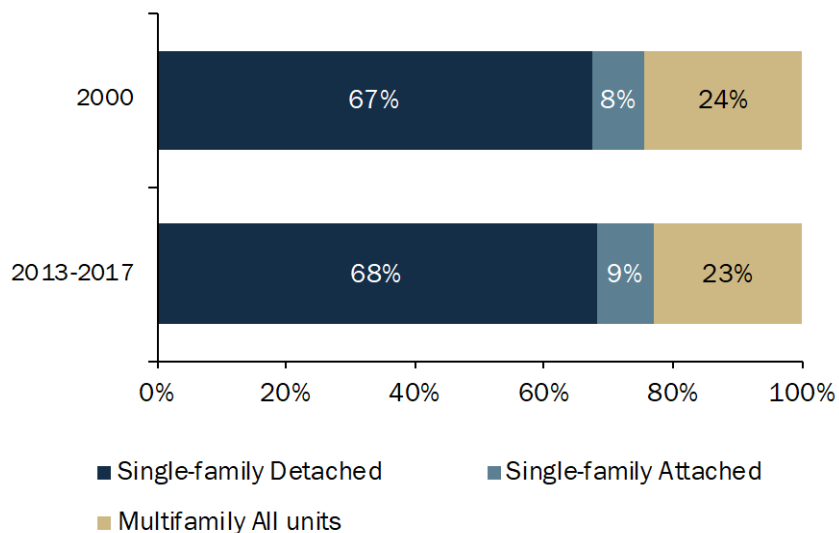


**The mix of housing in McMinnville stayed relatively static from 2000 to 2017.**

McMinnville had 13,089 dwelling units in 2017. About 8,902 were single-family detached, 1,180 were single-family attached, and 3,007 were multifamily.

**Exhibit 17. Change in Housing Mix, McMinnville, 2000 and 2013–2017**

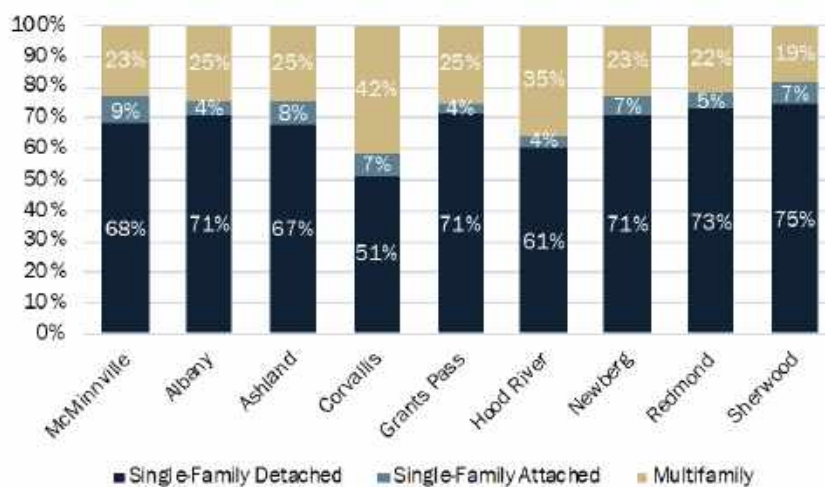
Source: US Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013–2017 ACS Table B25024.



**McMinnville has a larger share of single-family attached housing than other comparison cities.**

**Exhibit 18. Housing Mix, McMinnville and Comparison Cities, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table B25024. Note: Comparison cities selected by the City of McMinnville.

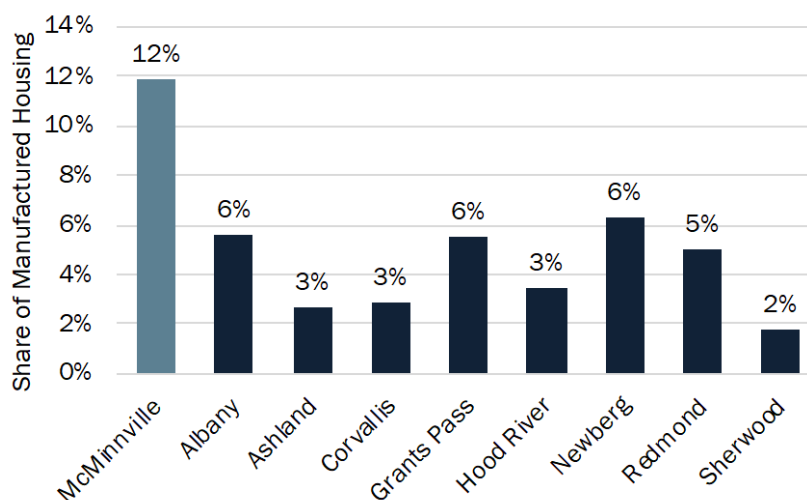


**About 12% of McMinnville's housing stock is manufactured housing.**

McMinnville has a larger share of manufactured housing stock than all other comparison cities.

**Exhibit 19. Manufactured Housing, Share of Total Housing Stock, McMinnville and Comparison Cities, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table B25024. Note: Manufactured housing is a form of single-family detached housing.



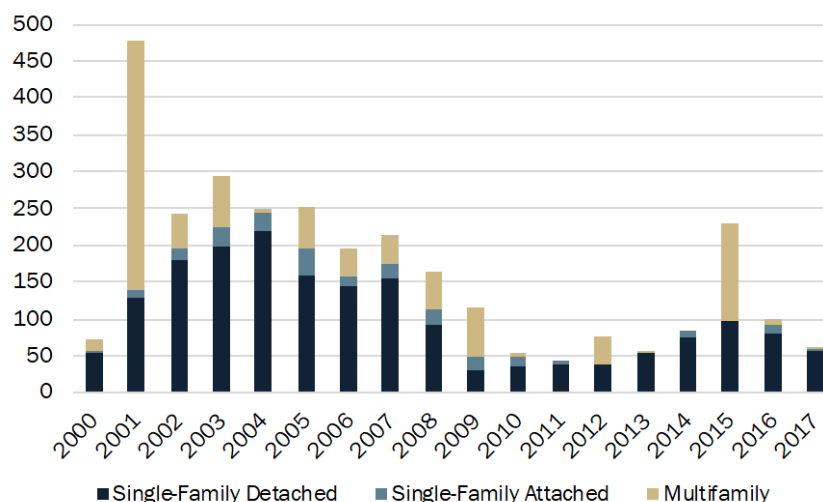
## Building Permits

Over the 2000 to 2017 period, McMinnville issued permits for 3,038 dwelling units, with an average of 179 permits issued annually.

Since 2000, McMinnville issued 69% of permits for single-family dwelling units (62% single-family detached and 8% single-family attached). McMinnville issued 31% of permits for multifamily dwelling units.

**Exhibit 20. Building Permits Issued for New Residential Construction by Type of Unit, McMinnville, 2000 through 2017**

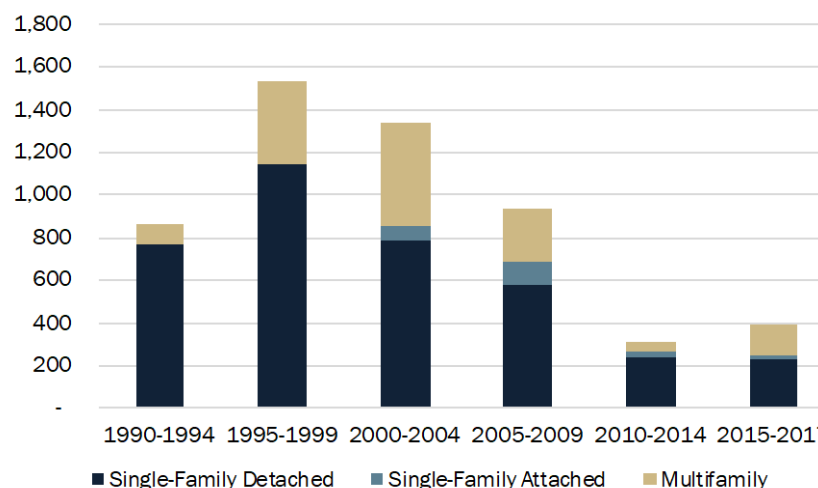
Source: City of McMinnville. Note: This chart shows a ~200 unit discrepancy from ACS data presented in Exhibit 15. That said, there is a margin of error associated with ACS data.



McMinnville permitted substantially fewer units in the current decade (2010–17) than previous decades.

**Exhibit 21. Share of Building Permits Issued for New Residential Construction by Type of Unit, McMinnville, 1990–1994, 1995–1999, 2000–2004, 2005–2009, 2010–2014, and 2015–2017**

Source: City of McMinnville. Note: DU is dwelling unit.





## Housing Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre.<sup>13</sup> The US Census does not track residential development density, thus this study analyzes housing density based on McMinnville's permit database for development between 2000 and July 2018.

Through analysis of McMinnville's building permit data, between 2000 and July of 2018, 3,038 new dwelling units were developed in McMinnville. Of the 3,038 new units:

- 1,877 units were single-family detached (62%),
- 228 units were single-family attached (8%), and
- 933 units were multifamily (31%).

Exhibit 22 shows average net residential development by structure type for the historical analysis period (2000 to July of 2018). In this time, housing in McMinnville developed at an average density of 6.6 dwelling units per net acre. Single-family detached housing developed at an average of 4.8 units per net acre. Single-family attached housing developed at an average of 12.3 units per net acre. Multifamily housing developed at an average of 18.2 units per net acre (of which duplexes developed at an average of 7.0 units per net acre and all other multifamily units developed at 19.7 units per net acre).

### Exhibit 22. Net Density by Unit Type and Zone, McMinnville, 2000 through July 2018

Source: City of McMinnville Building Permit Database.

Plan Designation and Zone	Single-Family Detached			Single-Family Attached			Multi-Family			TOTAL		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Commercial Sub-Total	-	-	-	-	-	-	309	9.9	31.2	309	9.9	31.2
C-3	-	-	-	-	-	-	309	9.9	31.2	309	9.9	31.2
Residential Sub-Total	1,877	393.8	4.8	228	18.5	12.3	624	41.3	16.5	2,729	453.5	6.0
O-R	-	-	-	-	-	-	57	7.5	7.6	57	7.5	7.6
R-1	393	98.9	4.0	27	2.9	9.5	2	0.2	-	422	102.0	4.1
R-2	880	184.8	4.8	102	8.3	12.3	213	14.5	18.6	1,195	207.6	5.8
R-3	100	17.0	5.9	44	4.2	10.6	6	0.9	-	150	22.0	6.8
R-4	504	93.1	5.4	55	3.1	17.6	346	18.2	19.1	905	114.4	7.9
<b>Total</b>	<b>1,877</b>	<b>393.8</b>	<b>4.8</b>	<b>228</b>	<b>18.5</b>	<b>12.3</b>	<b>933</b>	<b>51.2</b>	<b>18.2</b>	<b>3,038</b>	<b>463.4</b>	<b>6.6</b>

<sup>13</sup> OAR 660-024-0010(6) defines net buildable acre as land that "consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

## Trends in Tenure

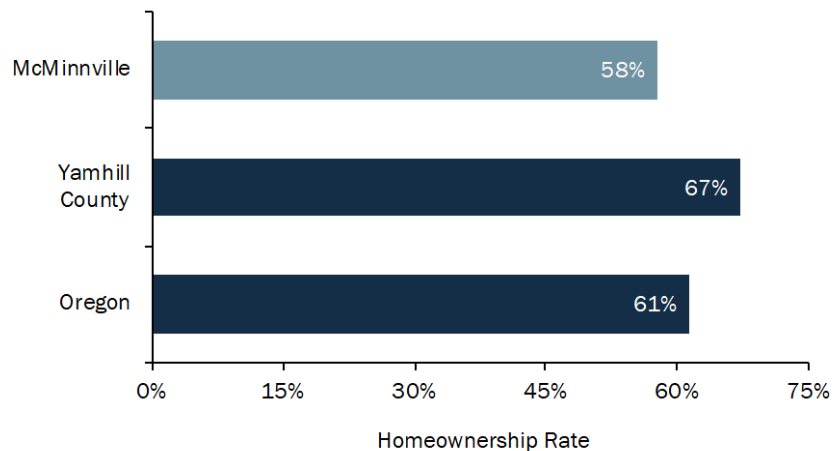
Housing tenure describes whether a dwelling is owner- or renter-occupied. The data shows:

- **About 58% of McMinnville households were homeowners in 2012–2016.** In comparison, 67% of Yamhill County households and 61% of Oregon households were homeowners.
- **Homeownership in McMinnville stayed relatively stable between 2000 and 2012–2016.** In 2000, 60% of McMinnville households were homeowners. In 2010 and 2012–2016, 58% of households were homeowners.
- **Nearly all McMinnville homeowners (95%) lived in single-family detached housing, while many renters (58%) lived in multifamily housing.** (2012–16 ACS data)

**McMinnville's homeownership rate is lower than that of the County and State.**

**Exhibit 23. Homeownership for Occupied Units, McMinnville, Yamhill County, and Oregon 2012–2016**

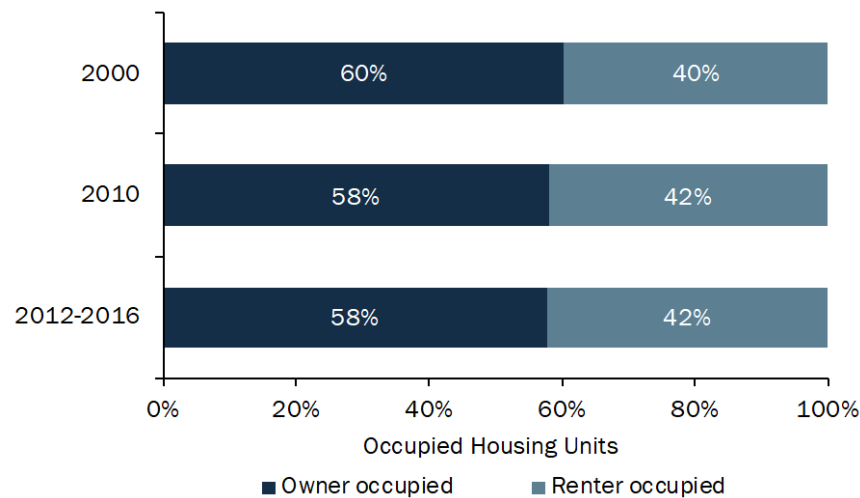
Source: US Census Bureau, 2012–2016 ACS Table B24003.



**McMinnville's homeownership rate has remained steady since 2000 at about 60%.**

**Exhibit 24. Tenure, Occupied Units, McMinnville 2012–2016**

Source: US Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2012–16 ACS Table B24003.

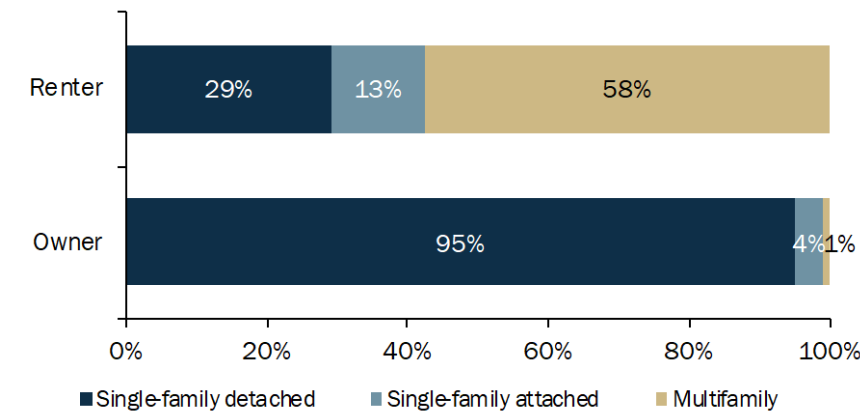


**Nearly all homeowners and about a third of all renters lived in single-family detached housing.**

Fifty-eight percent of McMinnville's households that rented lived in multifamily housing.

**Exhibit 25. Housing Units by Type and Tenure, McMinnville, 2012–2016**

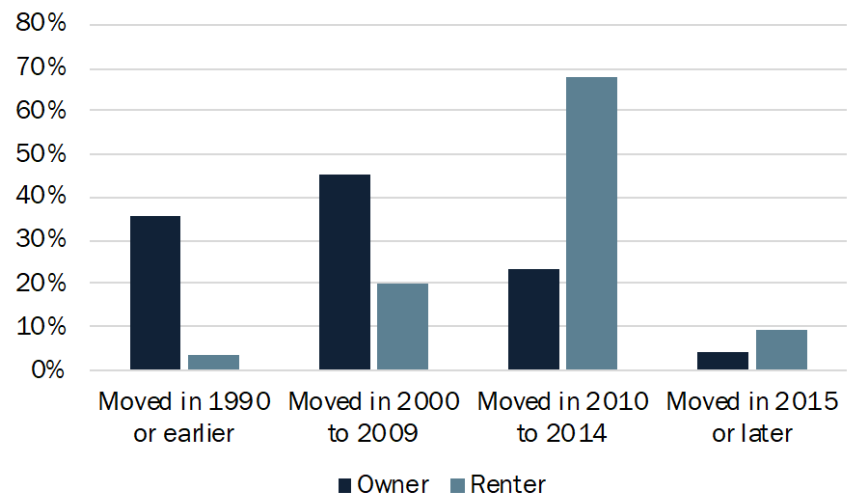
Source: US Census Bureau, 2012–2016 ACS Table B25032.



Twenty-eight percent of homeowners moved in 2010 or after, compared to 77% of renters that moved in 2010 or after.

**Exhibit 26. Tenure by Year Householder Moved, McMinnville, 2012–2016**

Source: US Census Bureau, 2012–2016 ACS Table B25026.





## Vacancy Rates

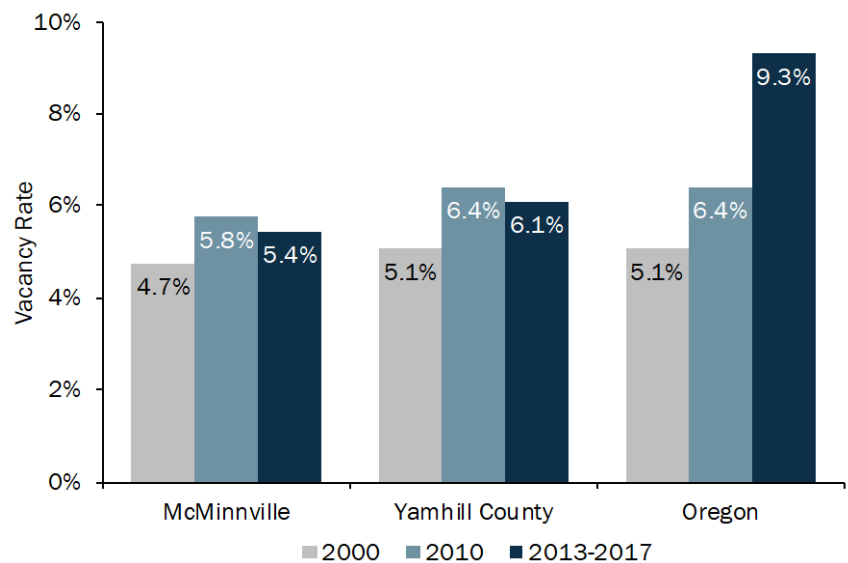
Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

**The vacancy rate in McMinnville was 5.4% in 2013–2017, up from 4.7% in 2000.**

As of 2017, McMinnville's vacancy rate was below that of Yamhill County (6.1%) and Oregon (9.3%).

**Exhibit 27. Percent of Housing Units that are Vacant, McMinnville, Yamhill County, and Oregon, 2000, 2010, 2013–2017**

Source: Census Bureau, 2000 Decennial Census SF1 Table QT-H1, 2010 Decennial Census SF1 Table QT-H1, 2013–2017 ACS Table B25002.



## Short-Term Rentals and Seasonal Housing

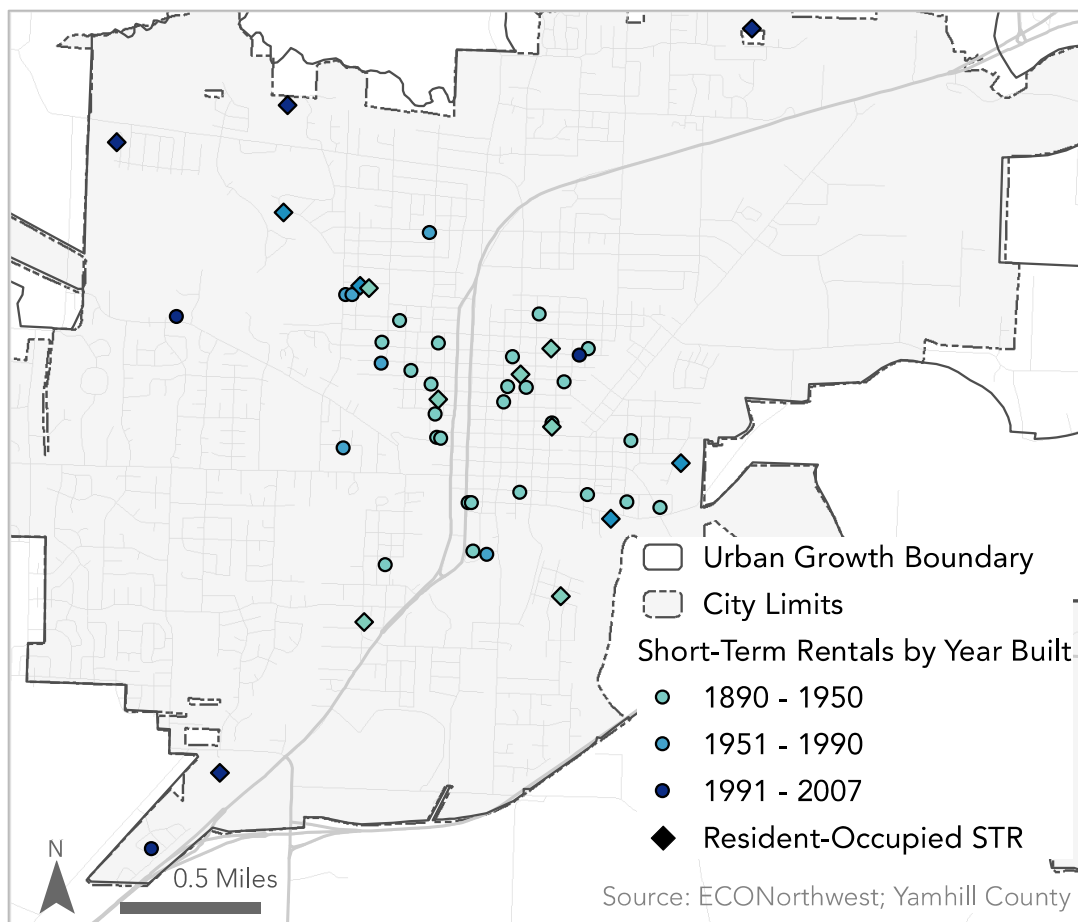
McMinnville defines a short-term rental as “the use of an entire dwelling unit by any person or group of persons entitled to occupy for rent for a period of no more than 30 (thirty) consecutive days. Short term rentals include vacation home rentals approved under the regulations in effect through May 10, 2018 (Ord. 5047 §2, 2018).

McMinnville defines a resident-occupied short-term rental as “the use of no more than two guest sleeping rooms by any person or group of persons entitled to occupy for rent for a period of no more than 30 (thirty) consecutive days. The dwelling unit is occupied by a full-time resident at the time that the guest sleeping rooms within the dwelling unit are available for overnight rental. Resident occupied short-term rentals include bed-and-breakfast establishments approved under the regulations in effect through May 10, 2018 (Ord. 5047 §2, 2018).

**McMinnville has about 53 short-term rentals, of which 15 rentals are occupied by a resident.** Of these rentals, 60% are located in units built in 1950 or earlier, 19% in units built between 1951 and 1990, 13% in units built in 1991 or later, and 8% are unknown.

### Exhibit 28. Short-Term Rentals, McMinnville, 2018 Point-in-Time

Source: City of McMinnville short-term rental database. Note: Short-term rentals include resident-occupied short-term rentals and nonresident-occupied short-term rentals.

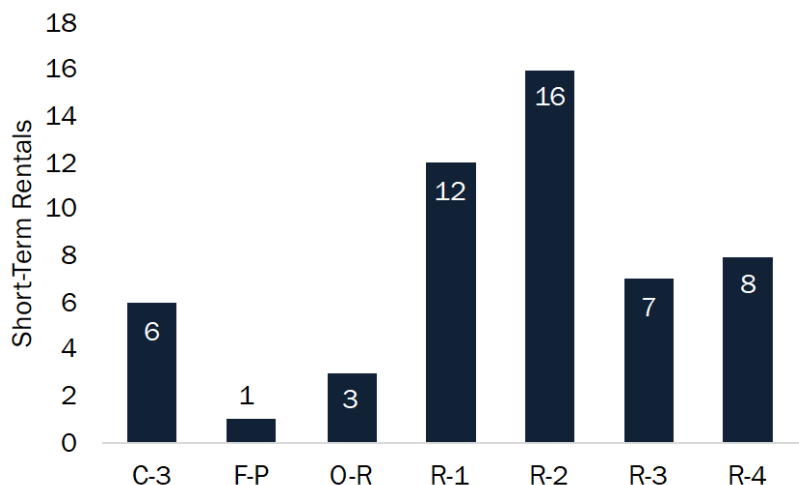


About 87% of McMinnville’s short-term rentals are located in a residential zone (O-R, R-1, R-2, R-3, and R-4).

Another 11% of short-term rentals are located in a commercial zone (C-3), and the remaining 2% of short-term rentals are located in a floodplain (F-P).

**Exhibit 29. Short-Term Rental by Zone Classification, McMinnville, 2018 Point-in-Time**

Source: City of McMinnville short-term rental database. Note: Short-term rentals include resident-occupied short-term rentals and nonresident-occupied short-term rentals.

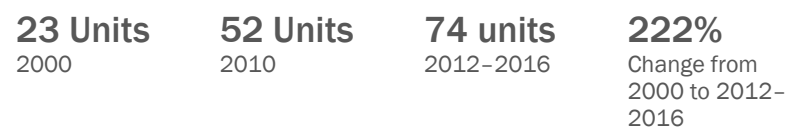


McMinnville has more vacant units categorized as “seasonal, recreational, or occasional use” than it did in 2000.

However, a smaller share of McMinnville’s vacant units is for seasonal, recreational, or occasional use (9% in 2000, 7% in 2010, and 5% in 2016).

**Exhibit 30. Vacancy of Seasonal, Recreational, or Occasional-Use Housing, McMinnville, 2000 to 2012–2016**

Source: US Census Bureau, 2000 Decennial Census SF1 Table H005, 2010 Decennial Census SF1 Table H5, 2012–16 ACS Table B25004. Note: This data is not directly associated with the City of McMinnville’s short-term rental data.



## Government-Assisted Housing Projects

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. There are sixteen government-assisted housing developments in McMinnville:

**McMinnville has a total of 16 government-assisted housing developments, totaling 558 units.**

### Exhibit 31. Inventory of Government-Assisted Housing Projects, McMinnville, 2018

Source: Oregon Department of Housing and Community Services, Affordable Housing Inventory, 2018. Note: The Project Advisory Committee vetted OHCS's inventory and modified the listings to accurately reflect government-assisted housing in McMinnville.

Development Name	Total Units	Population Served
Bridges	6	Low-income residents
Fresa Park B	6	Agricultural workers
Hendricks Place	8	Special Needs
Heritage Place	60	Seniors
Homeport	12	Special Needs
Jandina Park	36	Family
Orchards Plaza	60	(5) Family and (55) Seniors
Redwood Commons	64	Family
Sunflower Park	33	(27) Family (6) Transitional
Sunnyside Apts	15	Special Needs
Tice Park	88	Family
Villa Del Sol	24	(12) Family and (12) Agricultural workers
Villa West	48	Family
Village Quarter	50	Senior
Willamette Place I	24	Seniors or Special Needs of Any Age
Willamette Place II	24	Seniors or Special Needs of Any Age
Total	558	

In addition, the Housing Authority of Yamhill County (HAYC) administers 1,423 Housing Choice Vouchers (countywide). A small share of these vouchers serves specific populations, such as homeless veterans and their families with VASH vouchers and nonelderly persons with disabilities with Mainstream Vouchers. Due to the shortage of affordable rental housing in Yamhill County, HAYC has a 58% utilization rate for persons-issued vouchers (as of December 2018).<sup>14</sup>

<sup>14</sup> When households qualify to receive a Housing Choice Voucher, they must first find housing that meets their income and housing cost requirements. Many households in McMinnville are unable to find rental housing that meets those requirements and must forego their Housing Choice Voucher, despite being eligible. Forty-two percent of Housing Choice Vouchers are currently unused for this reason.



## Manufactured Homes

Cities are required to plan for manufactured homes—both on individual lots and in parks (ORS 197.475-492). Manufactured homes typically provide a source of affordable housing in cities. They provide a form of homeownership and rental units that can be made available to households making less than the median income in cities.

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space on which the unit is located. Living in a manufactured housing park is desirable to some because it can provide a sense of security (with an on-site manager), community, and amenities (such as laundry and recreation facilities). Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons. For instance, manufactured homes have lower base prices, as they cost less to produce. Due to the durability of a manufactured home, the value of a manufactured home generally does not appreciate in the way a conventional home would. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases.

ORS 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high-density residential development. Exhibit 32 presents the Oregon Department of Housing and Community Services (OHCS) inventory of mobile and manufactured home parks within McMinnville as of 2018.

**McMinnville has 12 manufactured home parks within the UGB, with a total of 1,014 spaces.**

### **Exhibit 32. Inventory of Mobile/Manufactured Home Parks, McMinnville UGB, 2018**

Source: Oregon Manufactured Dwelling Park Directory (tabular) and Interactive Map and Statewide Park Directory. Note 1: The tabular directory only identified four parks (Flamingo Mobile Homes, Squires Estates, Squires Mobile West Estates, and Walnut City Lodges). Note 2: This inventory excludes "mobile home subdivisions" where all lots are occupied by manufactured homes, but each manufactured home is on a separate lot.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone or Plan Designation
Flamingo Mobile Home Park	1338 E Quincy	55+	24	0	R-4
Squires Estates	1557 N Pacific Hwy	Family	103	0	R-3
Squires Mobile West Estates	1011 N 9th St	Family	102	2	R-3
Walnut City Lodges	745 SW Baker St	Family	32	2	O-R
Kathleen Manor Manufactured Home Community	1200 Hill Rd	Family	224	n/a	R-3
Heidi Manor Manufactured Home Community	1145 SW Cypress St	Family	116	n/a	R-3
Southwest Terrace LLC	1501 SW Baker St	55+	76	n/a	C-3
Victor Manor/Horizon Homeowners Cooperative	900 SE Booth Bend Rd	Family	32	n/a	C-3
McMinnville Manor	1602 NE Riverside Dr	55+	95	n/a	R-4
Riverside Mobile Terrace	2170 NE Riverside Dr	Family	82	n/a	R-4
Evergreen Mobile Home Park	2400 SE Stratus Ave	Family	20	n/a	R-4
Olde Stone Village	4155 NE Three Mile Ln	Family	108	n/a	R-4
<b>Total</b>			<b>1,014</b>	<b>4</b>	

## 4. Demographic and Other Factors Affecting Residential Development in McMinnville

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Demographic trends are important for developing a thorough understanding of the dynamics of the McMinnville housing market and projecting McMinnville's future housing needs. McMinnville exists in a regional economy, where trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to McMinnville at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare McMinnville to Yamhill County and, where appropriate, to nearby cities with comparable populations and community attributes (Monmouth, Independence, Dallas, and Newberg). Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Project the number of new housing units needed in the next twenty years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the twenty-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.
6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4. Chapter 5 presents data to address steps 1, 5, and 6.

# Demographic and Socioeconomic Factors Affecting Housing Choice<sup>15</sup>

Analysts typically describe housing demand as the preferences for different types of housing (i.e., single-family detached, single-family attached, or multifamily), and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of seniors (particularly Baby Boomers or people born from about 1946 to 1964), and Millennials, people born from about 1980 to 2000.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Income** is household income. Research suggests that income is the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., a single-family detached, a duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these key demographic factors, presenting data that suggests how changes to these factors may affect housing need in McMinnville over the next twenty years.

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<sup>15</sup> The research in this chapter is based on numerous articles and sources of information about housing, including:

D. Myers and S. Ryu, "Aging Baby Boomers and the Generational Housing Bubble," *Journal of the American Planning Association*, Winter 2008.

Davis, Hibbits & Midghal Research, "Metro Residential Preference Survey," May 2014.

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave*, Urban Land Institute, 2010.

G. Galster, "People Versus Place, People and Place, or More? New Directions for Housing Policy," *Housing Policy Debate*, 2017.

C. Herbert and H. Molinsky, "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade*, Urban Land Institute, 2010.

J. Schuetz, "Who Is the New Face of American Homeownership?," Brookings, 2017.

American Planning Association, "Investing in Place; Two Generations' View on the Future of Communities," 2014.

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.



## National Trends<sup>16</sup>

This brief summary on national housing trends builds on previous work by ECONorthwest, Urban Land Institute (ULI) reports, and conclusions from the *State of the Nation's Housing, 2018* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“By many metrics, the housing market is on sound footing. With the economy near full employment, household incomes are increasing and boosting housing demand. On the supply side, a decade of historically low single-family construction has left room for expansion of this important sector of the economy. Although multifamily construction appears to be slowing, vacancy rates are still low enough to support additional rentals. In fact, to the extent that growth in supply outpaces demand, a slowdown in rent growth should help to ease affordability concerns.”

However, challenges to a strong domestic housing market remain. High mortgage rates make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. The *State of the Nation's Housing, 2018* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the national housing market are summarized below:

- **Moderate new construction and tight housing supply, particularly for affordable housing.** New construction experienced its eighth year of gains in 2017 with 1.2 million units added to the national stock. Estimates for multifamily starts range between 350,000 to 400,000 (2017). The supply of for-sale homes in 2017 averaged 3.9 months below what is considered balanced (six months), and lower-cost homes are considered especially scarce. The *State of the Nation's Housing, 2018* report cites lack of skilled labor, higher building costs, scarce developable land, and the cost of local zoning and regulation as impediments to new construction.
- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased from a fifty-year low of 62.9% in the second quarter of 2016 to 63.7% in the second quarter of 2017. Trends suggest homeownership among householders aged 65 and older have remained strong and homeownership rates among young adults have begun stabilizing after years of decline.
- **Housing affordability.** In 2016, almost one-third of American households spent more than 30% of their income on housing. This figure is down from the prior year, bolstered by a considerable drop in the owner share of cost-burdened households. Low-income households face an especially dire hurdle to afford housing. As resources become increasingly competitive, and with such a large share of households exceeding the

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<sup>16</sup> These trends are based on information from (1) the *State of the Nation's Housing, 2018* report from the Joint Center for Housing Studies of Harvard University, (2) the Urban Land Institute's "2018 Emerging Trends in Real Estate," and (3) the US Census.

traditional standards for affordability, policymakers are focusing efforts on the severely cost burdened. Among those earning less than \$15,000, more than 70% of households paid more than half of their income on housing.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes nationally could total as many as 12 million units between 2017 and 2027. Much of the demand will come from Baby Boomers, Millennials,<sup>17</sup> and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**<sup>18</sup> Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed-incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- **Changes in housing preference.** Housing preference will be affected by changes in demographics; most notably, the aging of Baby Boomers, housing demand from Millennials, and growth of immigrants.
  - *Baby Boomers.* The housing market will be affected by the continued aging of Baby Boomers, the oldest of whom were in their seventies in 2018 and the youngest of whom were in their fifties in 2018. Baby Boomers' housing choices will affect housing preference and homeownership. Addressing housing needs for those moving through their sixties, seventies, eighties, and beyond will require a range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-targeted communities.<sup>19</sup> Characteristics like

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<sup>17</sup> According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 (inclusive). Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

To generalize, and because there is no official Millennial generation, we define this cohort as individuals born between 1980 and 2000.

<sup>18</sup> These findings are copied from the Joint Center for Housing Studies of Harvard University's "Improving America's Housing, 2019."

[https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_Improving\\_Americas\\_Housing\\_2019.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf)

<sup>19</sup> Urban Land Institute, "Emerging Trends in Real Estate, 2019."

immigration and ethnicity play a role too, as “older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households.”<sup>20</sup> Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in close proximity to relatives may also choose to live in multigenerational households.

- Research shows that “older people in western countries prefer to live in their own familiar environment as long as possible,” but aging in place does not only mean growing old in their own homes.<sup>21</sup> A broader definition exists, which explains that aging in place also means “remaining in the current community and living in the residence of one’s choice.”<sup>22</sup> Therefore, some Baby Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing, such as multifamily housing or age-restricted housing developments, before they move into to a dependent-living facility or into a familial home. Moreover, “the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses.”<sup>23</sup>
- *Millennials*. Over the last several decades, young adults have been increasingly living in multigenerational housing—more so than older demographics.<sup>24</sup> Despite this trend, as Millennials age over the next twenty years, they will be forming households and families. In 2018, the oldest Millennials were in their late thirties and the youngest were in their late teens. By 2040, Millennials will be between 40 and 60 years old.

Millennials only started forming their own households at the beginning of the 2007–2009 recession. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. From 2012 to 2017, Millennials formed an average of 2.1 million net new households each year. Twenty-six percent of Millennials aged 25 to 34 lived with their parents (or other relatives) in 2017.

Millennials’ average wealth may remain far below Baby Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2015, Millennials comprised 28% of active homebuyers,

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<sup>20</sup> C. Herbert and H. Molinsky, “Meeting the Housing Needs of an Aging Population,” 2015. [https://shelterforce.org/2015/05/30/meeting\\_the\\_housing\\_needs\\_of\\_an\\_aging\\_population/](https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/)

<sup>21</sup> P. Vanleerberghe, et al., *The Quality of Life of Older People Aging in Place: A Literature Review*, 2017.

<sup>22</sup> Ibid.

<sup>23</sup> American Planning Association, “Making Space for Tiny Houses,” Quick Notes.

<sup>24</sup> According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household in 1980, and by 2008, 20% did (18% change).

while Gen Xers comprised 32% and Baby Boomers 31%.<sup>25</sup> That said, “over the next 15 years, nearly \$24 trillion will be transferred in bequests,” presenting new opportunities for Millennials (as well as Gen Xers).

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next ten years. Current population survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunch by the effects of the Great Recession. After a period of decline, however, the foreign born are again contributing to household growth. The Census Bureau’s estimates of net immigration in 2017–2018 indicate that 1.2 million immigrants moved to the United States from abroad, down from 1.3 million immigrants in 2016–2017 but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if recent federal policies about immigration are successful, growth in undocumented and documented immigration could slow household growth in the coming years.
- *Diversity.* The growing diversity of American households will have a large impact on domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened, warrants consideration. Since 1994, the difference in homeownership rates between whites and blacks has risen by 1.9 percentage points to 29.2% in 2017. Alternatively, the gap between white and Hispanic homeownership rates, and white and Asian homeownership rates, both decreased during this period but remained sizable at 26.1 and 16.5 percentage points, respectively. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households, leads to higher rates of cost burden for minorities—47% for blacks, 44% for Hispanics, 37% for Asians/others, and 28% for whites in 2015.
- Changes in housing characteristics. The US Census Bureau’s *Characteristics of New Housing* report (2017) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the *New Housing* report:<sup>26</sup>

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<sup>25</sup> V. Srinivas and U. Goradia, “The Future of Wealth in the United States,” Deloitte Insights, 2015.

<https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html>

<sup>26</sup> US Census Bureau, “Highlights of Annual 2017 Characteristics of New Housing.”

<https://www.census.gov/construction/chars/highlights.html>.



- *Larger single-family units on smaller lots.* Between 1999 and 2017, the median size of new single-family dwellings increased by 20% nationally from 2,028 sq. ft. to 2,426 sq. ft., and between 1999 and 2017, the western region increased by 20% from 2,001 sq. ft. to 2,398 sq. ft. Moreover, between 1999 and 2017 the percentage of new units smaller than 1,400 sq. ft. across the United States decreased by more than half, from 15% to 6%; the percentage of units greater than 3,000 sq. ft. increased from 17% to 25%; and the percentage of lots less than 7,000 sq. ft. increased from 25% to 31%. In addition to larger homes, a trend toward smaller lot sizes is seen nationally.
- *Larger multifamily units.* Between 1999 and 2017, the median size of new multifamily dwelling units increased by 5.3% across the United States, and the western region increased by 2.4%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% to 33% between 1999 and 2017, and it increased from 25% to 28% in the western region.
- *Household amenities.* Across the United States since 2013, an increasing number of new units have had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 97% in 2017. In that same time, the share of units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2017, 65% of new single-family houses in the United States had one or more garages (down from 69% in 2000).
- *Shared amenities.* Housing with shared amenities is growing in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs),<sup>27</sup> cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include bathrooms, kitchens and other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green space, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, and tennis courts.<sup>28</sup>

## State Trends

Oregon's 2016–2020 Consolidated Plan Amendment includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that “a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions

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<sup>27</sup> Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: US Department of Housing and Urban Development, *Understanding SRO*, 2001.  
<https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf>

<sup>28</sup> Urbsworks, *Housing Choices Guide Book: A Visual Guide to Compact Housing Types in Northwest Oregon*, n.d.  
[https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet\\_DIGITAL.pdf](https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf)

A. Saiz and A. Salazar, *Real Trends: The Future of Real Estate in the United States*, Center for Real Estate, Urban Economics Lab, n.d.

of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon.”

It identified the following issues that describe housing need statewide:<sup>29</sup>

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, half of Oregon renter households pay more than one-third of their income toward rent, and one-third pay more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K–12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon’s economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinos, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of twenty, many of whom have earned a college degree or some level of higher education.
- In 2019, minimum wage in Oregon<sup>30</sup> was \$11.25, \$12.50 in the Portland Metro, and \$11.00 for nonurban counties.

“Breaking New Ground, Oregon’s Statewide Housing Plan” for 2018 describes the Oregon Housing and Community Services (OHCS) goals and implementation strategies for achieving the goals.<sup>31</sup> It includes relevant data to help illustrate the rationale for each priority. Oregon’s

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<sup>29</sup> These conclusions are copied directly from *Oregon’s 2016–2020 Consolidated Plan Amendment* <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

<sup>30</sup> The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. <https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx>

<sup>31</sup> Priorities and factoids are copied directly from Oregon Housing and Community Services “Breaking New Ground, Oregon’s Statewide Housing Plan,” November 2018 Draft. <https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf>

“Statewide Housing Plan” identified six housing priorities to address in communities across the State over 2019 to 2023.

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*
  - Summary of the Issue: In Oregon, 26% of people of color live below the poverty line in Oregon, compared to 15% of the white population.
  - 2019–2023 Goal: Communities of color will experience increased access to OHCS resources and achieve greater parity in housing stability, self-sufficiency, and homeownership. OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and overcome systemic injustices faced by communities of color in housing discrimination, access to housing, and economic prosperity.
- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon’s children and veterans.*
  - Summary of the Issue: According to the Point-in-Time count, approximately 14,000 Oregonians experienced homelessness in 2017, an increase of nearly 6% since 2015. Oregon’s unsheltered population increased faster than the sheltered population, and the State’s rate of unsheltered homelessness is the third highest in the nation at 57%. The State’s rate of unsheltered homelessness among people in families with children is the second highest in the nation at 52%.
  - 2019–2023 Goal: OHCS will drive toward impactful homelessness interventions by increasing the percentage of people who are able to retain permanent housing for at least six months after receiving homeless services to at least 85 percent. OHCS will also collaborate with partners to end veterans’ homelessness in Oregon and build a system in which every child has a safe and stable place to call home.
- **Permanent Supportive Housing.** *Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*
  - Summary of the Issue: Oregon needs about 12,388 units of permanent supportive housing to serve individuals and families with a range of needs and challenges.
  - 2019–2023 Goal: OHCS will increase our commitment to permanent supportive housing by funding the creation of 1,000 or more additional permanent supportive-housing units to improve the future long-term housing stability for vulnerable Oregonians.
- **Affordable Rental Housing.** *Work to close the affordable rental-housing gap and reduce housing cost burden for low-income Oregonians.*

- Summary of the Issue: Statewide, over 85,000 new units are needed to house those households earning below 30% of median family income (MFI) in units affordable to them. The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.
- 2019–2023 Goal: OHCS will triple the existing pipeline of affordable rental housing—up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.
- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*
  - Summary of the Issue: In Oregon, homeownership rates for all categories of people of color are lower than for white Oregonians. For white non-Hispanic Oregonians, the homeownership rate is 63%. For Hispanic and nonwhite Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.
  - 2019–2023 Goal: OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.
- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*
  - Summary of the Issue: While housing costs may be lower in rural areas, incomes are lower as well: median family income is \$42,750 for rural counties versus \$54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States, and median rents are 16% higher.
  - 2019–2023 Goal: OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry, and local governments will flourish, leading to improved capacity, leveraging of resources, and a doubling of the housing development pipeline.



## Regional and Local Demographic Trends that May Affect Housing Need in McMinnville

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

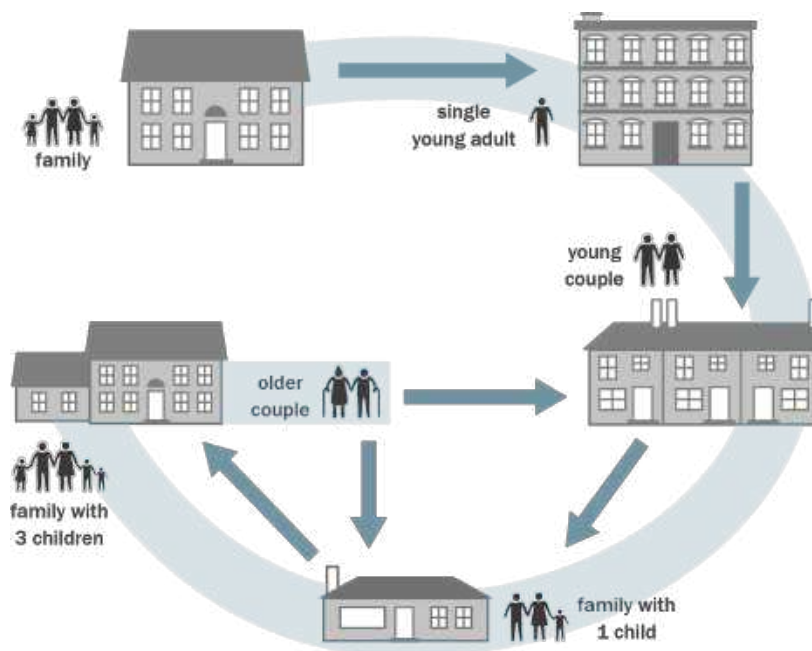
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As McMinnville's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in McMinnville.

### Housing needs and preferences change in predictable ways over time, with changes in marital status and size of family.

Families of different sizes need different types of housing.

### Exhibit 33. Effect of Demographic Changes on Housing Need

Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. *Households and Housing*. New Brunswick, NJ: Center for Urban Policy Research.



## Growing Population

McMinnville's population grew by 88% between 1990 and 2017, adding 15,771 new residents. Over this period, McMinnville's population grew at an average annual growth rate of 2.4%. McMinnville's population growth will drive future demand for housing over the planning period.

### Exhibit 34. Population, McMinnville, 1990–2017

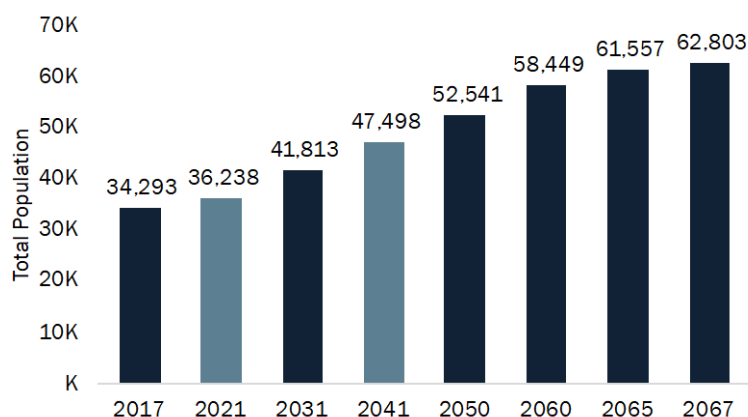
Source: US Decennial Census 1990, 2000, and 2010. Portland State University Population Research Center, 2017 Estimate.

	1990	2000	2010	2017	Change 1990 to 2017		
					Number	Percent	AAGR
U.S.	248,709,873	281,421,906	308,745,538	325,719,178	77,009,305	31%	1.0%
Oregon	2,842,321	3,421,399	3,831,074	4,141,100	1,298,779	46%	1.4%
Yamhill County	65,551	84,992	99,193	106,300	40,749	62%	1.8%
McMinnville	17,894	26,499	32,187	33,665	15,771	88%	2.4%

By 2067, McMinnville's population within its UGB is expected to exceed 60,000 people.

### Exhibit 35. Population Forecast, McMinnville UGB, 2017 through 2067

Source: Population Research Center, Portland State University, June 30, 2017.



McMinnville's population within its UGB is expected to grow by around 31% (11,260 people) over the 20-year analysis period (2021 to 2041).

### Exhibit 36. McMinnville's 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

<b>36,238</b>	<b>38,985</b>	<b>41,813</b>	<b>47,498</b>	<b>62,803</b>
2021	2026 (5-year)	2031 (10-year)	2041 (20-year)	2067 (46-year)

A majority of new population growth in Yamhill County and Oregon is because of in-migration.

### Exhibit 37. Migrant Share of New Population, Yamhill County and Oregon, 2000–2016

Source: Population Research Center, Portland State University.

<b>Yamhill County</b>	<b>19,998</b> New Population	<b>13,477</b> New Migrant Population	<b>67%</b> Migrant Share of Growth
<b>Oregon</b>	<b>654,951</b> New Population	<b>420,150</b> New Migrant Population	<b>64%</b> Migrant Share of Growth

## Aging Population

This section describes two key characteristics of McMinnville's population (seniors and young adults, including Millennials), with implications for future housing demand in McMinnville:

- **Seniors.** McMinnville and Yamhill County populations are progressively getting older. As McMinnville's elderly population grows, it will increase demand for housing that is suitable for elderly residents. By 2040, residents aged 60 years and older will account for 28% of McMinnville's population, compared to 20% in 2010.

The impact of growth in seniors in McMinnville will depend, in part, on whether older people already living in McMinnville continue to live in their current residence as they age. National surveys show that most households prefer to age in place by continuing to live in their current home and community as long as possible.<sup>32</sup>

**Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments.** Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.<sup>33</sup>

- **McMinnville has a larger proportion of younger people than the County and State.** About 30% of McMinnville's population is under 20 years old, compared to 28% of Yamhill County's population and 25% of the State's population. The forecast for population growth in McMinnville shows the number of people under 20 years will increase, but the share of younger people will decline marginally from 29% of the population in 2017 to 27% of the population by 2040.

Linfield College offers a partial explanation for McMinnville's age structure. Data provided by the college indicated that Linfield had 2,588 students enrolled as of May 2018.<sup>34</sup> Approximately 1,240 students (48% of the 2,588 students) were at the McMinnville campus as of February 2019.<sup>35</sup> As of 2016, the 1,240 students make up approximately 4% of the City's total population, about 13% of the City's population under age 20, and about 23% of the City's population between the ages of 15 and 24. Linfield students are counted in PSU's population forecast. Linfield requires students to live in campus housing for their first two years.

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<sup>32</sup> A survey conducted by AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

<sup>33</sup> M. S. Ball, *Aging in Place: A Toolkit for Local Governments*.

<sup>34</sup> <https://www.linfield.edu/about/facts-and-figures.html>

<sup>35</sup> <https://www.opb.org/news/article/linfield-college-tenured-faculty-cut/>

People who are currently between 18 and 38 years old<sup>36</sup> are referred to as the Millennial generation and account for the largest share of the population in Oregon.<sup>37</sup> By 2041, Millennials will be about 41 to 61 years of age. The forecast for Yamhill County shows growth in the number of Millennials from about 27,500 people in 2021 to 35,000 people in 2041 (about 28% change). The share of Millennials from 2021 to 2041 is forecast to remain the same (at about 25% of Yamhill County's total population).

McMinnville's ability to retain people in this age group will depend, in part, on whether the City has opportunities for housing that both appeal to and are affordable to Millennials. In the near-term, Millennials may increase demand for rental units. The long-term housing preferences of Millennials are uncertain. Research suggests that Millennials' housing preferences may be similar to Baby Boomers, with a preference for smaller, less-costly units. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.<sup>38</sup>

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.<sup>39</sup> The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows results similar to national surveys and studies about housing preference for Millennials.

Growth in Millennials in McMinnville will increase demand for affordable single-family detached housing (including cottages) in the long-term and affordable town houses and multifamily housing in the near term. The preference for Millennials to locate in urban neighborhoods or town centers may also increase demand for town homes and multifamily housing types. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

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<sup>36</sup> No formal agreement on when the Millennial generation starts or ends exists. For this report, we define the Millennial generation as individuals born in 1980 through 2000.

<sup>37</sup> M. Dimock, "Defining Generations: Where Millennials End and Post-Millennials Begin," Pew Research Center, March 2018. <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

<sup>38</sup> American Planning Association, "Investing in Place; Two Generations' View on the Future of Communities," 2014. Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows."

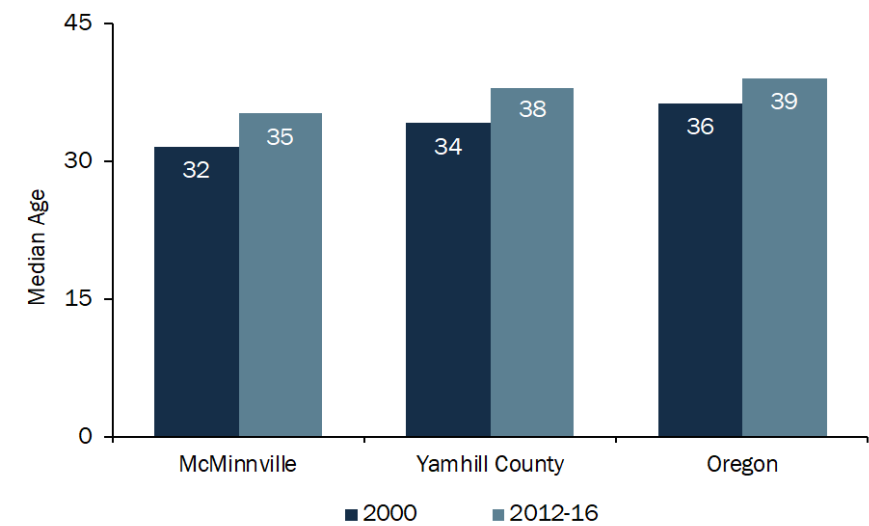
National Association of Home Builders, "Survey Says: Home Trends and Buyer Preferences."

<sup>39</sup> Davis, Hibbits & Midghal Research, "Metro Residential Preference Survey," May 2014.



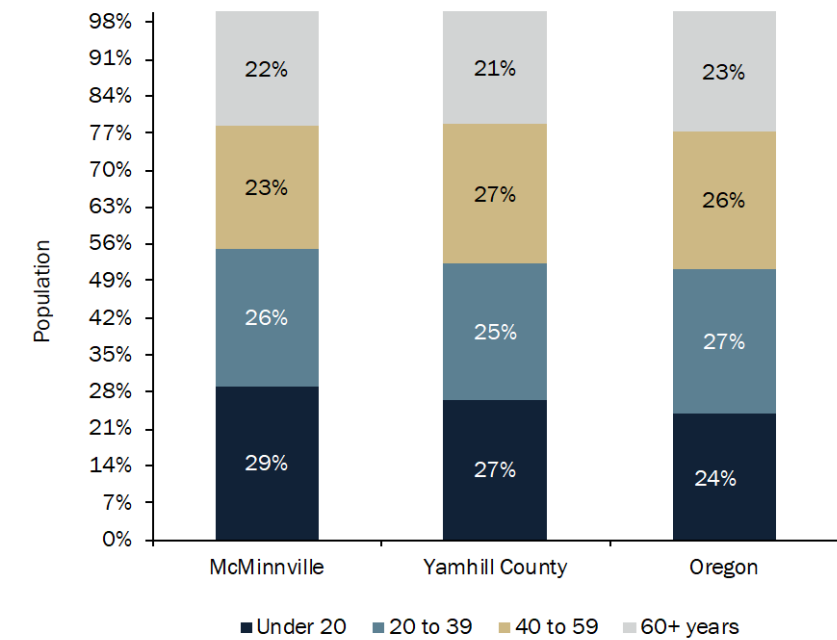
From 2000 to 2012–2016, McMinnville’s median age increased from 31.5 to 35.2 years. Larger regions experienced similar trends.

**Exhibit 38. Median Age, Years, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016**  
Source: US Census Bureau, 2000 Decennial Census Table B01002, 2012–2016 ACS, Table B01002.



Similar to Yamhill County and Oregon, McMinnville’s population distribution was relatively proportional by age. McMinnville had a slightly larger cohort under the age of 20.

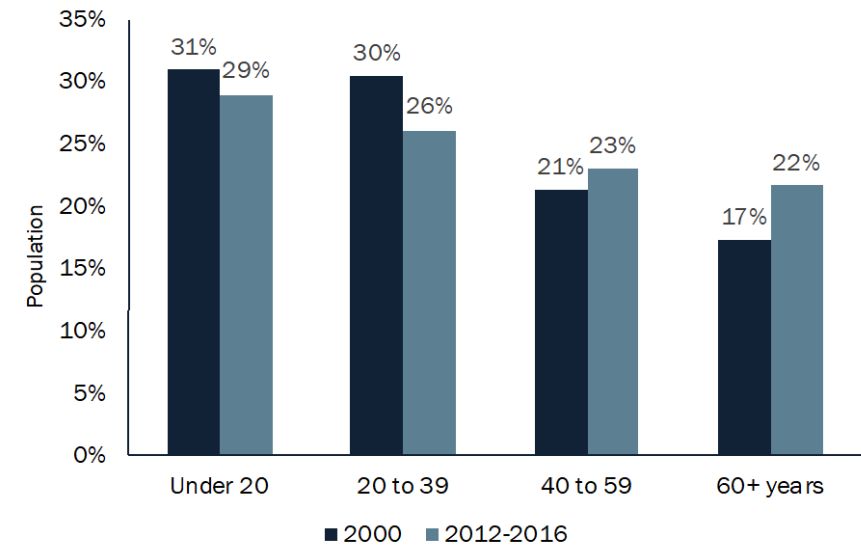
**Exhibit 39. Population Distribution by Age, McMinnville, Yamhill County, and Oregon, 2012–2016**  
Source: US Census Bureau, 2012–2016, ACS, Table B01001.



Between 2000 and 2012–2016, McMinnville’s population distribution shifted toward older age cohorts.

**Exhibit 40. Population Distribution by Age, McMinnville, 2000 to 2012–2016**

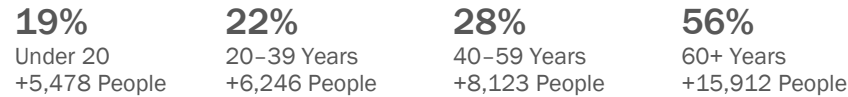
Source: US Census Bureau, 2000 Decennial Census Table P012, 2012–2016 ACS, Table B01001.



The share of Yamhill County’s population aged 60 years and older is forecast to grow the fastest (56% from 2017 to 2040).

**Exhibit 41. Forecast Growth Rate by Age Group, Yamhill County, 2017 to 2040**

Source: Portland State University, Population Research Center, Yamhill County Forecast, June 30, 2017.

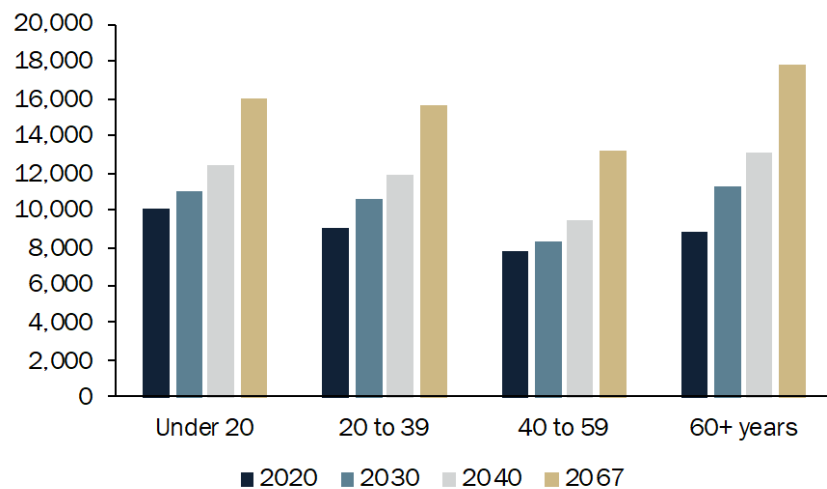


**All age groups in McMinnville will add to the population between 2020 and 2040, with the senior population projected to grow the most at 48%.**

Populations less than 20 years old, and populations 20 to 39 years old and 40 to 59 years old, will grow at a slower rate (24%, 32%, and 22%).

**Exhibit 42. Population Projection by Age Group, McMinnville, 2020, 2030, 2040, and 2067**

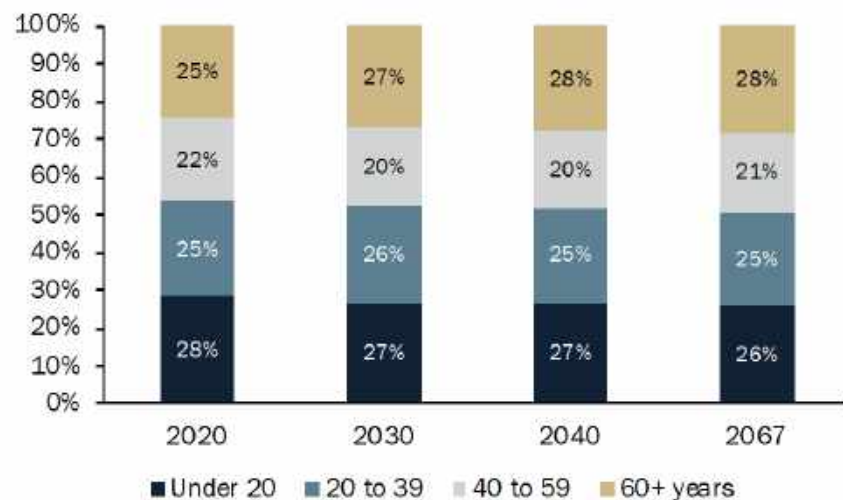
Source: Portland State University, Population Research Center. Note: This exhibit presents trend data from the PSU forecast. It is not forecast data for McMinnville's 2021–2041 planning period. It provides relevant data closely associated to the 2021–2041 planning period.



**By 2040, the share of McMinnville's senior population (aged 60+) will grow while the share of the population under 20 years of age and between 40 and 59 years of age will decline.**

**Exhibit 43. Population Projection Distributed by Age Group, McMinnville, 2020, 2030, 2040, and 2067**

Source: Portland State University, Population Research Center.



## Increased Diversity<sup>40</sup>

McMinnville is becoming more ethnically diverse. The Hispanic and Latino population grew from 15% of McMinnville's population in 2000 to 22% of the population in the 2012–2016 period, adding more than 3,426 new Hispanic and Latino residents. Much of this diversity is due to immigration: 14% of McMinnville's population is foreign born, and of this population, 78% have immigrated from Mexico.

The US Census Bureau forecasts that at the national level, the Hispanic and Latino population will continue growing faster than most other non-Hispanic populations between 2021 and 2041. The Census forecasts that the Hispanic and Latino population will increase 93% from 2016 to 2060 and the foreign-born Hispanic population will increase by about 40% in that same time.<sup>41</sup> According to the *State of Hispanic Homeownership Report* from the National Association of Hispanic Real Estate Professionals,<sup>42</sup> Hispanics accounted for 28.6% of the nation's household formation in 2017. Household formations, for Hispanic homeowners specifically, accounted for 15% of the nation's net homeownership growth. The rate of homeownership for Hispanics increased from 45.4% in 2014<sup>43</sup> to 46.2% in 2017. The only demographic that increased their rate of homeownership from 2016 to 2017 was Hispanics.

The *State of Hispanic Homeownership Report* also cites the lack of affordable housing products as a substantial barrier to homeownership. The report finds that Hispanic households are more likely than non-Hispanic households to be nuclear households, comprised of married couples with children and multigeneration households in the same home, such as parents and adult children living together.

The population of McMinnville is now, and has historically been, more ethnically diverse than Yamhill County and Oregon. Continued growth in the Hispanic and Latino population will affect McMinnville's housing needs in a variety of ways.<sup>44</sup> Growth in first- and, to a lesser extent, second- and third-generation Hispanic and Latino immigrants will increase demand for larger dwelling units to accommodate the larger average household sizes for these households. Foreign-born households, including Hispanic and Latino immigrants, are more likely to live in multigenerational households, requiring more bedrooms/space. As Hispanic and Latino households integrate over generations, household size typically decreases, and their housing needs become similar to housing needs for all households.

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<sup>40</sup> The US Census Bureau considers race and ethnicity as two distinct concepts. The Census applies two categories for ethnicity, which are Hispanic or Latino (i.e., Latinx) and Not Hispanic or Latino (i.e., Non-Latinx). Latinx is an ethnicity and not a race, meaning individuals who identify as Latinx may be of any race. The share of the population that identifies as Latinx should not be added to percentages for racial categories.

<sup>41</sup> US Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*, pg. 7.

<sup>42</sup> National Association of Hispanic Real Estate Professionals, *2017 State of Hispanic Homeownership Report*.

<sup>43</sup> Ibid.

<sup>44</sup> Pew Research Center, *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012; National Association of Hispanic Real Estate Professionals, *2017 State of Hispanic Homeownership Report*.



Growth in Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable and can accommodate multiple generations and larger household sizes.

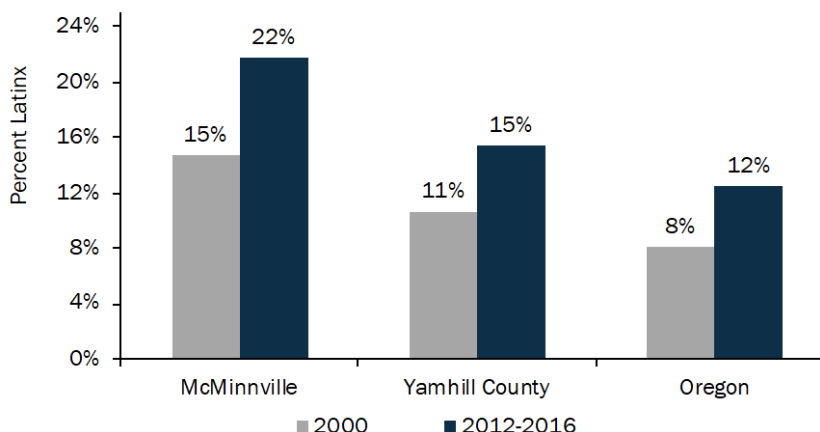
**McMinnville is and has historically been more ethnically diverse than Yamhill County and Oregon.**

The share of McMinnville's population that identifies as Latinx increased by 7% from 2000 to 2012–2016.

In this same time, the share of Yamhill County and Oregon's Latinx population increased by 4%.

**Exhibit 44. Latinx Population as a Percent of the Total Population, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016**

Source: US Census Bureau, 2000 Decennial Census Table P008, 2012–2016 ACS Table B03002.



**McMinnville and Yamhill County are less racially diverse than the State. McMinnville's racial composition is similar to that of Yamhill County.**

Only about 10% of McMinnville's population is nonwhite, compared to 15% in Oregon.

**Exhibit 45. Race<sup>45</sup> as a Percent of the Total Population, McMinnville and Comparison Regions, 2012–2016**

Source: US Census Bureau, 2012–2016 ACS Table B03002.

<b>McMinnville</b>	<b>89%</b> White	<b>1%</b> Black/African Am.	<b>2%</b> Asian	<b>8%</b> Other races
<b>Yamhill Co.</b>	<b>89%</b> White	<b>1%</b> Black/African Am.	<b>1%</b> Asian	<b>9%</b> Other races
<b>Oregon</b>	<b>85%</b> White	<b>2%</b> Black/African Am.	<b>4%</b> Asian	<b>9%</b> Other races

<sup>45</sup> The races categorized as "other races" are American Indian, Alaska Native, Native Hawaiian, other Pacific Islanders, two or more races, and some other races. Note: Latinx is not a race, it is an ethnicity.

Fourteen percent of McMinnville’s population is foreign-born. Of the foreign-born population, most are from Latin America (82%), Mexico specifically (78%).

#### Exhibit 46. Distribution of Foreign-Born Population, McMinnville, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B05006.

<b>82%</b>	<b>11%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>
3,708 Persons	495 Persons	315 Persons	15 Persons	10 Persons
Latin America	Asia	Europe	Oceania	Africa

About 40% of students in the McMinnville School District identify as Latino or another ethnicity.

#### Exhibit 47. Ethnicity of School Aged Children, McMinnville School District, 2017–2018

Source: McMinnville School District. Note: percentages do not sum to 100% due to rounding.

<b>61%</b>	<b>35%</b>	<b>5%</b>
White	Latino	Another ethnicity

## Household Size and Composition

McMinnville’s household size and composition show that households in McMinnville are somewhat different than averages across the State. McMinnville had 12,376 households according to 2013–2017 ACS data. McMinnville’s and Yamhill County’s households are larger and possess fewer nonfamily households.

McMinnville’s average household size is slightly smaller than Yamhill County’s but comparable to the State’s.

#### Exhibit 48. Average Household Size, McMinnville, Yamhill County, and Oregon, 2013–2017

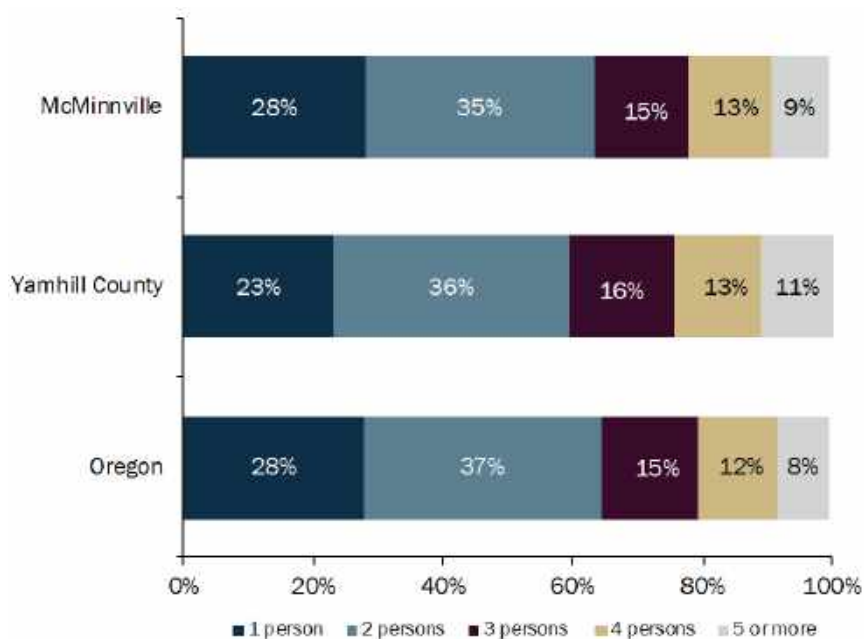
Source: US Census Bureau, 2013–2017 ACS Table B25010. US Census Bureau, 2010 Decennial Census, Table H12H, H12.

(2013–2017) Total Occupied Housing Units	<b>2.55</b> <b>Persons</b> McMinnville	<b>2.70</b> <b>Persons</b> Yamhill County	<b>2.50</b> <b>Persons</b> Oregon
(2010) Total Occupied Housing Units	<b>2.61</b> <b>Persons</b> McMinnville	<b>2.70</b> <b>Persons</b> Yamhill County	<b>2.47</b> <b>Persons</b> Oregon
(2010) Occupied Housing Units with Latino/Hispanic Householder	<b>4.11</b> <b>Persons</b> McMinnville	<b>4.08</b> <b>Persons</b> Yamhill County	<b>3.68</b> <b>Persons</b> Oregon

About 60% of households in McMinnville, Yamhill County, and the State are composed of one and two people.

**Exhibit 49. Household Size, McMinnville, Yamhill County, and Oregon, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table B25009

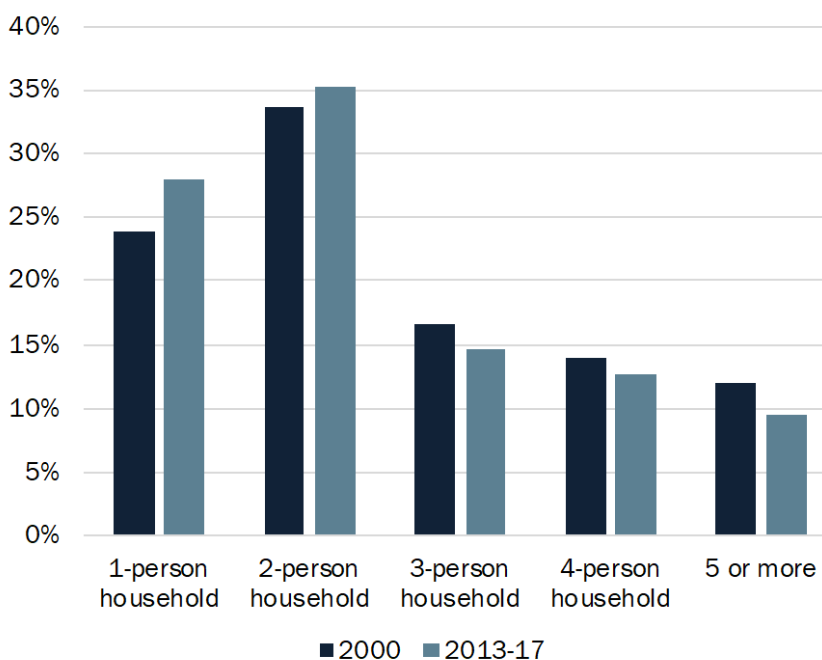


**McMinnville's household size composition stayed relatively constant from 2000 to 2013–2017.**

The majority of McMinnville households are composed of one and two people.

**Exhibit 50. Household Size, McMinnville, 2000 to 2013–17**

Source: US Census Bureau, 2013–2017 ACS, Table B25009.

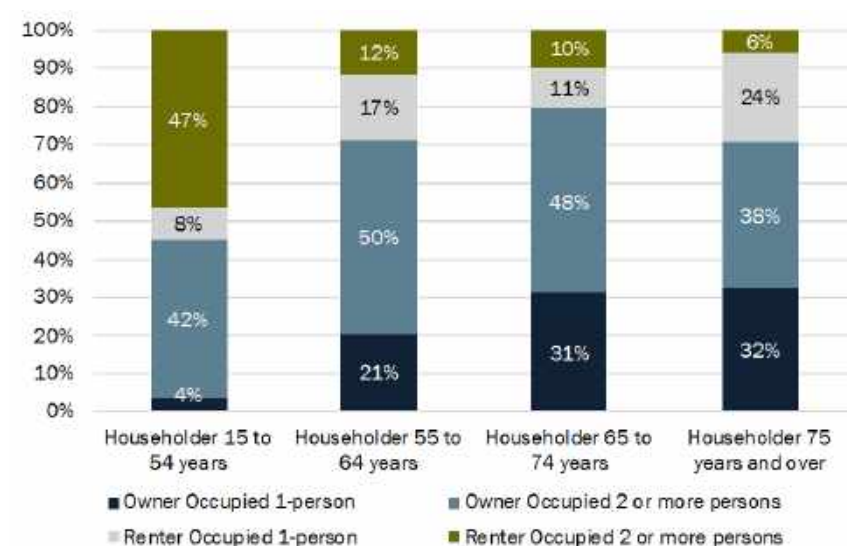


**Homeownership rates peak between 65 and 74 years of age—nearly 80% of households in this age group owned their home.**

Comparatively, 45% of householders aged 15 to 54 reside in owner-occupied housing, most of which (42%) live in a household with two or more people.

**Exhibit 51. Tenure by Household Size by Age of Householder, McMinnville, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table B25116.

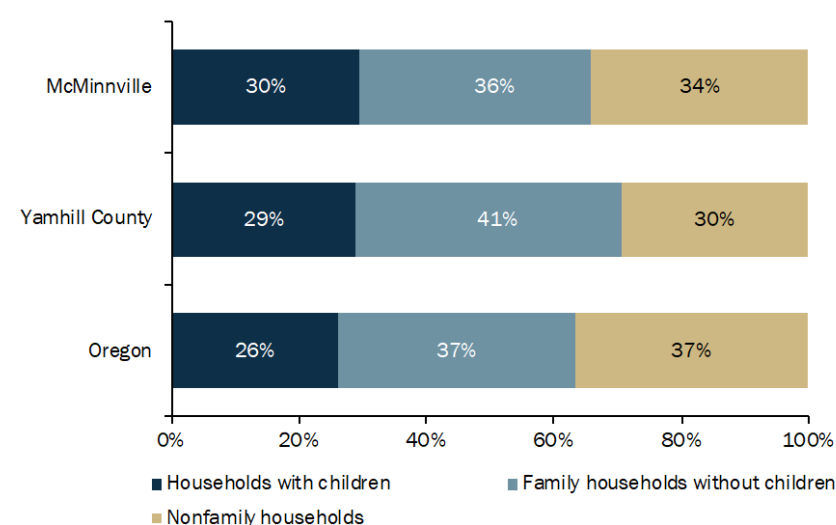


**McMinnville and the County have a smaller share of nonfamily households than the State.**

In McMinnville, 34% of households are nonfamily, compared to 30% of Yamhill County households and 37% of Oregon households.

**Exhibit 52. Household Composition, McMinnville, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table DP02.

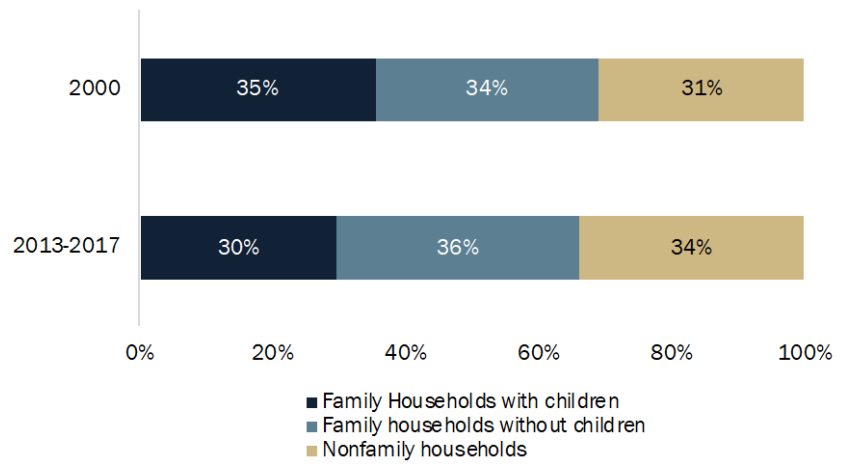




The share of family households without children increased in McMinnville from 2000 to 2017.

### Exhibit 53. Household Composition, McMinnville, 2000 to 2013–2017

Source: US Census Bureau, 2000 Decennial Census and 2013–2017 ACS, Table DP02.



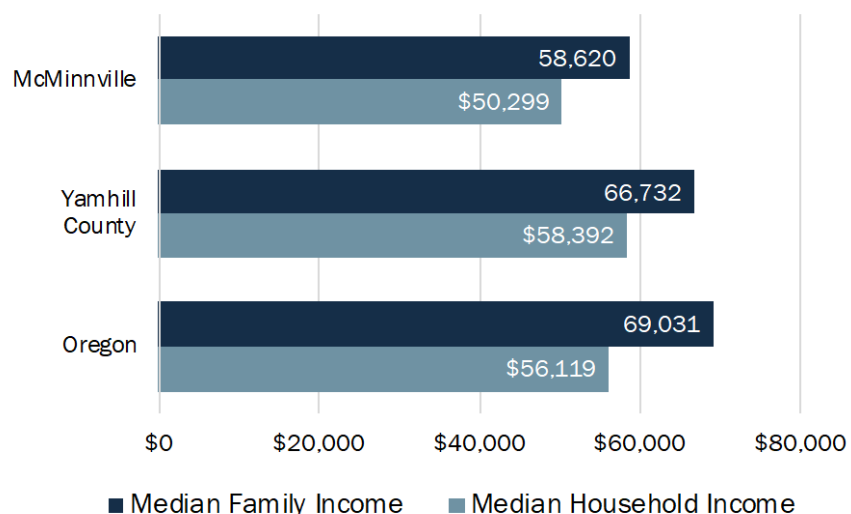
## Income of McMinnville Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Incomes for people living in McMinnville are lower than that of Yamhill County and Oregon.

**In the 2013–2017 period, McMinnville's median household income and median family income was below that of comparison regions.**

**Exhibit 54. Median Household Income and Median Family Income, McMinnville, Yamhill County, and Oregon, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS Table B25119 and B19113.

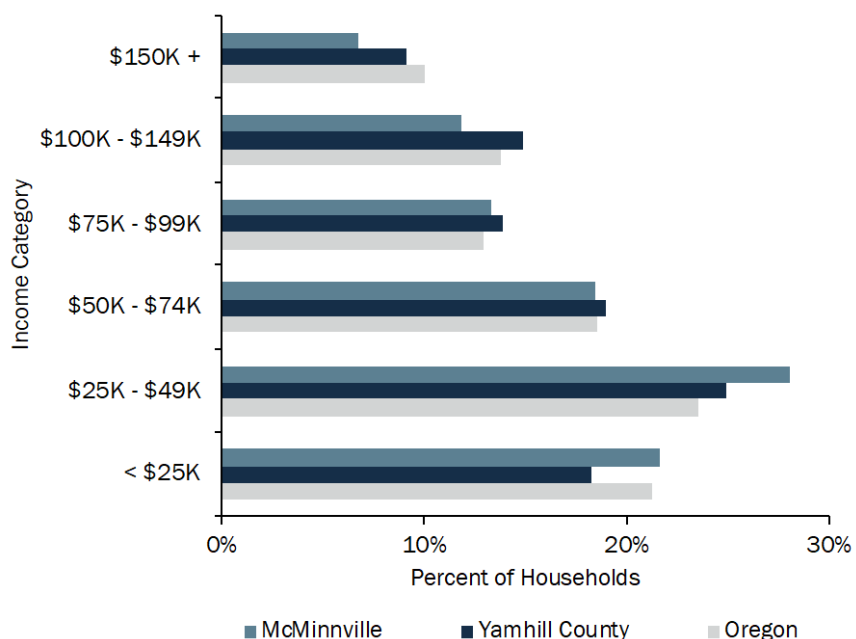


**Fifty percent of McMinnville households make \$50,000 or less per year.**

In comparison, 43% of Yamhill County and 45% of the State make \$50,000 or less per year.

**Exhibit 55. Household Income, McMinnville, Yamhill County, and Oregon, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS, Table B19001.

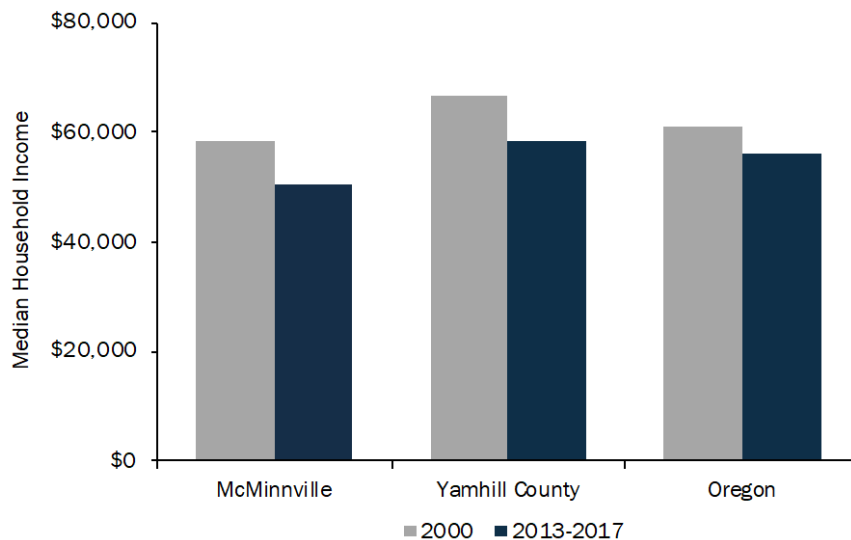


**After adjusting for inflation, McMinnville's median household income decreased by 14% from 2000 to 2013–2017, from \$58,356 to \$50,299 per year.**

Yamhill County and Oregon also experienced real decreases in median housing income after adjusting for inflation.

**Exhibit 56. Median Household Income (2017 Inflation-Adjusted), McMinnville, Yamhill County, Oregon, 2000 and 2013–2017**

Source: US Census Bureau, 2000 Decennial Census, Table HCT012, 2013–2017 ACS Table B25119.



## Homelessness

The number of homeless persons in Yamhill County increased by over 300 people (30%), from 2015 to 2017.

For Yamhill County, the Point-in-Time homeless estimate was 1,066 persons in 2017 and 1,386 persons in 2018.

### Exhibit 57. Point-in-Time Homeless Counts, Sheltered vs. Unsheltered, Yamhill County, 2017 and 2018

Source: Yamhill Community Action Partnership. Note: Point-in-time homeless count took place on January 31, 2018, and January 25, 2017.

<b>2017</b>	<b>21%</b> Percent Sheltered	<b>25%</b> Percent Unsheltered	<b>54%</b> Precariously Housed (e.g., couch surfing)	<b>1,066</b> Total Homeless (PIT)
<b>2018</b>	<b>17%</b> Percent Sheltered	<b>30%</b> Percent Unsheltered	<b>53%</b> Precariously Housed (e.g., couch surfing)	<b>1,386</b> Total Homeless (PIT)

In the 2016–2017 school year, 525 students experienced homelessness.

### Exhibit 58. Students Experiencing Homelessness, Yamhill County and Oregon, 2016–2017 School Year

Source: Oregon Department of Housing and Community Services.

<b>Yamhill County</b>	<b>3%</b> Percent of Homeless Students	<b>525</b> Total Homeless Students	<b>16,791</b> Total Students
<b>Oregon</b>	<b>4%</b> Percent of Homeless Students	<b>25,088</b> Total Homeless Students	<b>578,947</b> Total Students



## Commuting Trends

McMinnville is part of the complex, interconnected economy of Yamhill County that is considered part of the Portland metropolitan region by the US Census Bureau. Of the more than 14,600 people who work in McMinnville, about 62% of workers commute into McMinnville from other areas, (most notably Portland, Salem, and Newberg).

**About 9,038 people commute into McMinnville for work, and 8,657 people commute out of McMinnville for work.**

### Exhibit 59. Commuting Flows, McMinnville 2015

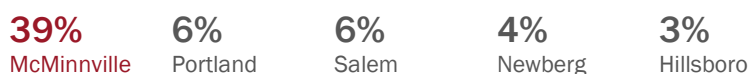
Source: US Census Bureau, Census On the Map.



**Nearly 40% of people who live in McMinnville also work in McMinnville.**

### Exhibit 60. Places Where McMinnville Residents Were Employed, 2015

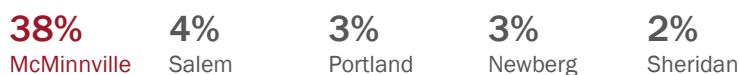
Source: US Census Bureau, Census On the Map.



**More than 60% of McMinnville workers live somewhere else and commute into the City.**

### Exhibit 61. Places Where Workers Who Are Employed in McMinnville Live, 2015

Source: US Census Bureau, Census On the Map.

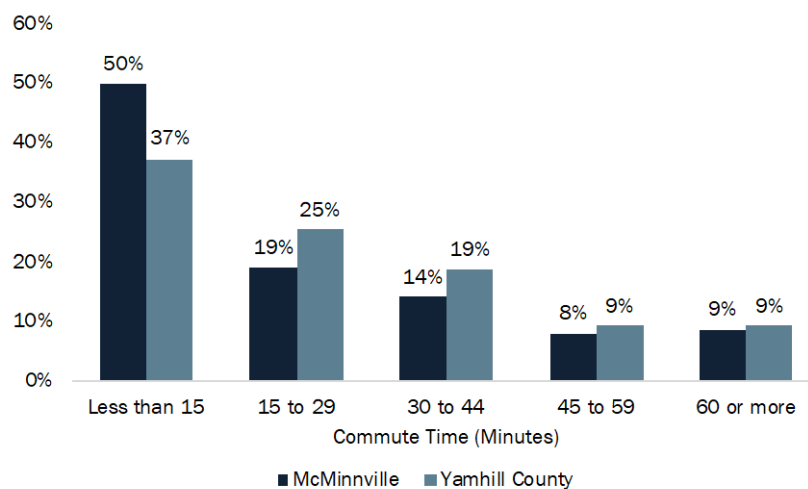


**Half of McMinnville residents had a commute time of less than 15 minutes compared to the 37% of Yamhill residents.**

Just under 70% of McMinnville residents have a commute time of less than 30 minutes.

### Exhibit 62. Commute Time by Place of Residence, McMinnville and Yamhill County, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B08303.



## Regional and Local Trends Affecting Affordability in McMinnville

This section describes changes in sales prices, rents, and housing affordability in McMinnville, Yamhill County, and comparison cities. The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

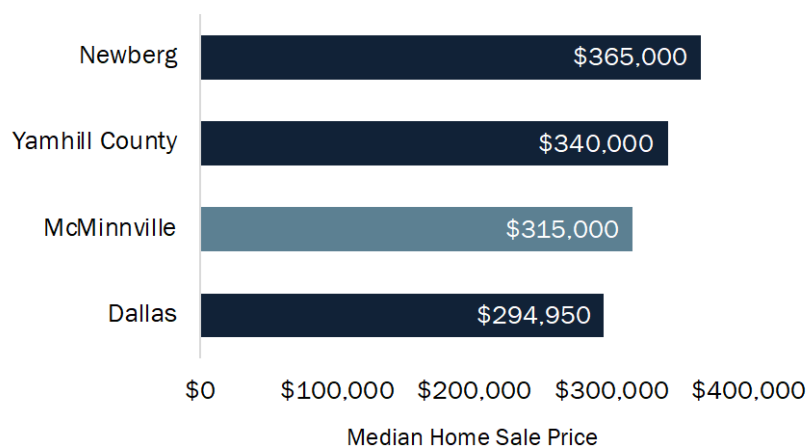
### Changes in Housing Costs

With a median sales price of \$315,000 in February 2019, McMinnville's housing sales prices are slightly lower than that of Yamhill County. McMinnville housing prices are increasing, and they have outpaced growth in median household incomes.

**McMinnville's median home sales price was lower than the County's median home sales price in February 2019 (by \$25,000).**

**Exhibit 63. Median Sales Price, McMinnville and Comparison Geographies, February 2019**

Source: Redfin.

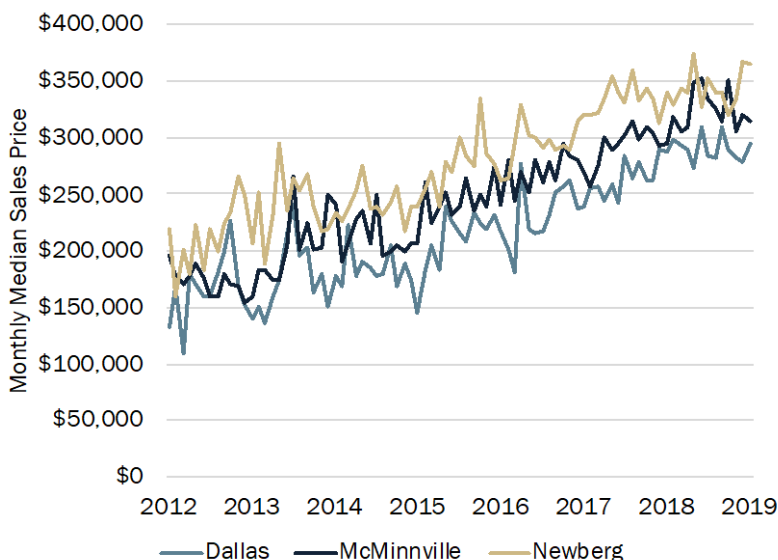


**Between February of 2012 and February of 2019, median home sales prices in McMinnville rose steadily, increasing from \$196,400 to \$350,000.**

In this same time, McMinnville's median home sales price increased by 78%. In comparison, Dallas's median home sales price increased by 108% and Newberg's by 70%.

**Exhibit 64. Monthly Median Sales Price, McMinnville and Comparison Geographies, February 2012 through February 2019**

Source: Redfin Median Sales Data 2018.

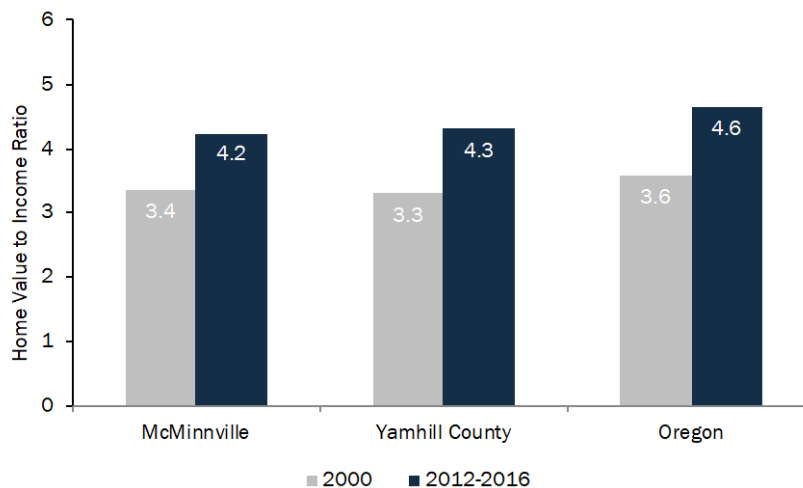


**Since 2000, housing costs in McMinnville, like comparison regions, have increased faster than incomes.**

The median value of a house in McMinnville was 3.4 times the median household income in 2000 and 4.2 times median household income in 2012–2016.

**Exhibit 65. Ratio of Median Housing Value to Median Household Income, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016<sup>46</sup>**

Source: US Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012–2016 ACS, Tables B19013 and B25077.



<sup>46</sup> This ratio compares the median value of housing in McMinnville and other places to the median household income. Inflation-adjusted median owner values in McMinnville increased from \$187,469 in 2000 to \$200,800 in 2012–2016. Over the same period, median income decreased from \$55,930 to \$47,460.

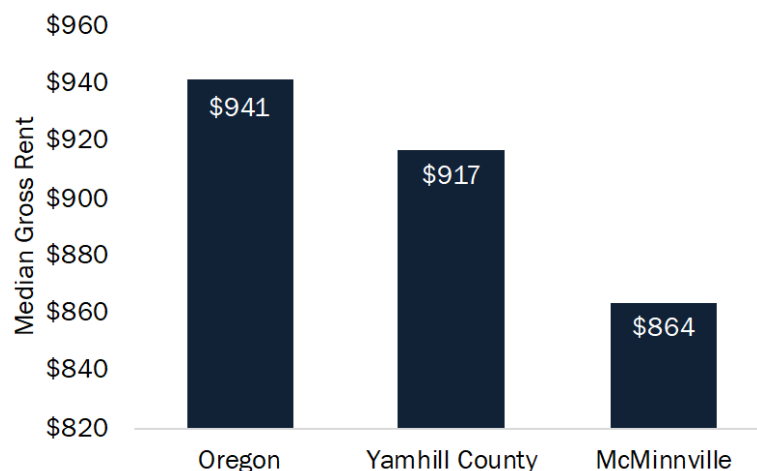
## Changes in Rental Costs

Rent costs in McMinnville are lower than in Yamhill County and Oregon as a whole. The following charts show gross rent (which includes the cost of rent plus utilities) for McMinnville in comparison to the County and State. The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

**The median gross rent in McMinnville is \$864, which is \$53 lower than Yamhill's median and \$77 lower than Oregon's median.**

**Exhibit 66. Median Gross Rent in McMinnville, Yamhill County, and Oregon, 2012–2016**

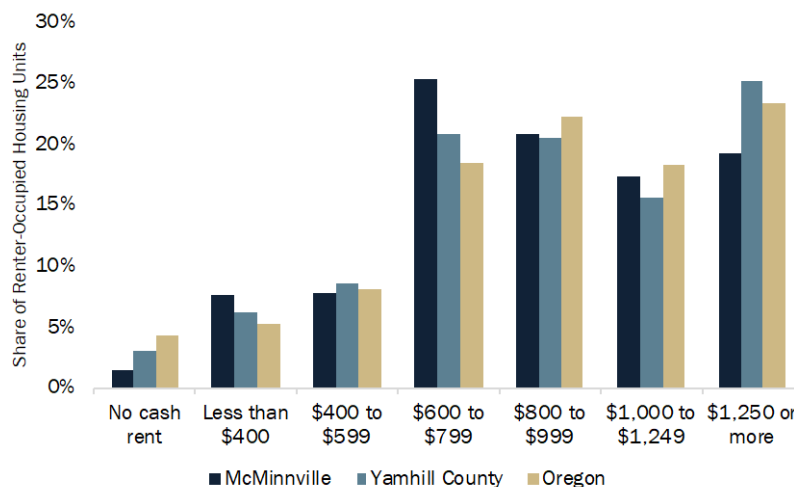
Source: US Census Bureau, 2012–2016 ACS Table B25064.



**About 62% of renters in McMinnville pay less than \$1,000 per month. About 19% of McMinnville's renters pay \$1,250 or more in gross rent per month, a smaller share than Yamhill County (25%) and Oregon (23%).**

**Exhibit 67. Gross Rent in McMinnville, Yamhill County, and Oregon, 2012–2016**

Source: US Census Bureau, 2012–2016 ACS Table B25063.





## Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than 30% of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience “cost burden,” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 36% of McMinnville’s households are cost burdened. Renters experience much higher rates of cost burden than homeowners: 52% of renter households in McMinnville are cost burdened, compared with 25% of homeowners. Overall, McMinnville has a similar share of cost-burdened households as Yamhill County and the State overall. McMinnville also has a smaller share of cost-burdened households (total) and cost-burdened renter households than other cities in close proximity (Newberg, Independence, and Monmouth).

For example, about 23% of McMinnville households have incomes of less than \$25,000 per year, which is about 50% of McMinnville’s median household income. Based on HUD’s 30% cost-burden threshold, these households can afford monthly housing costs of less than \$629 per month. Most, but not all, of these households are cost burdened. For instance, as Exhibit 72 illustrates, 86% of households earning less than \$20,000 per year are cost burdened while only 20% of households earning between \$50,000 and \$75,000 are cost burdened.

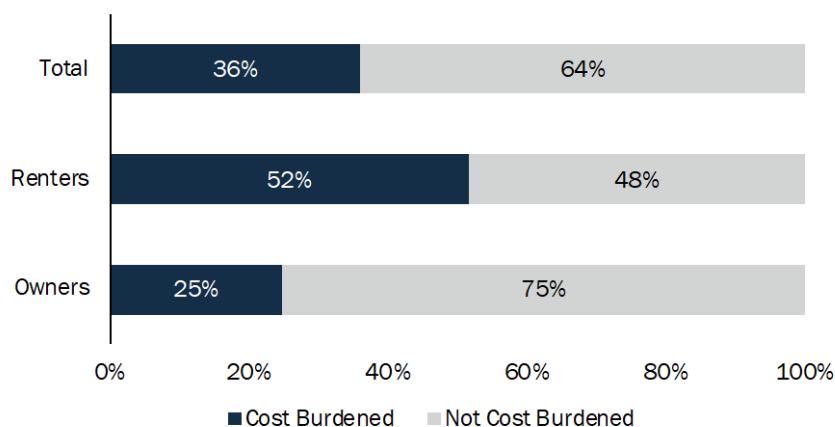
The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

### Renters are much more likely to be cost burdened than homeowners.

Cost-burden rates are higher among renters in McMinnville than among homeowners. In 2016, about 52% of renters were cost burdened, compared to 25% of homeowners.

**Exhibit 68. Housing Cost Burden by Tenure, McMinnville, 2012–2016**

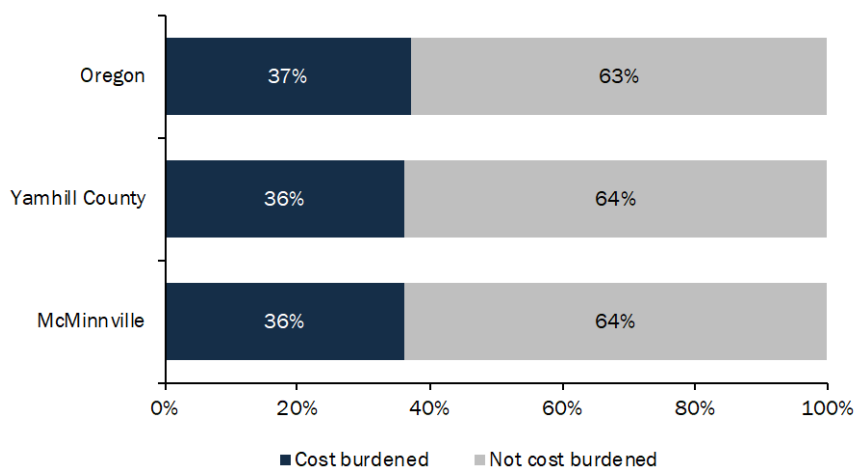
Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



The share of McMinnville households that are cost burdened is similar to the share of cost-burdened households in the County and State.

### Exhibit 69. Housing Cost Burden, McMinnville and Comparison Regions, 2012–2016

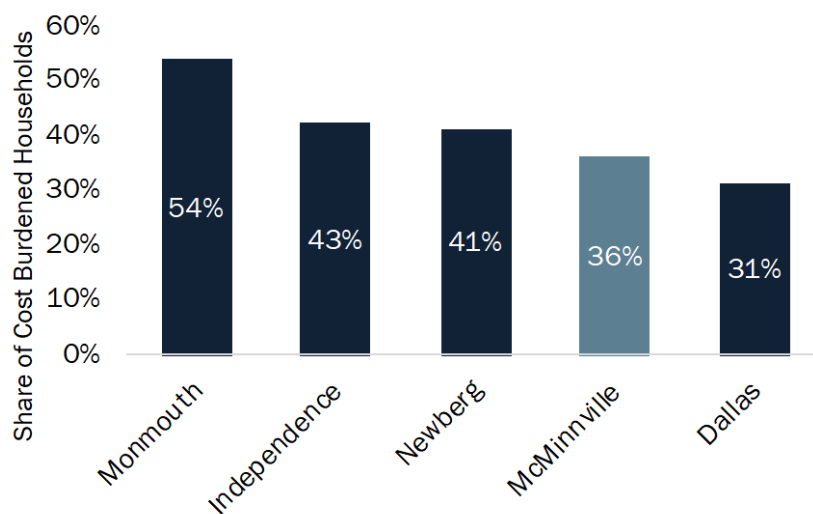
Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



Other communities in the region have a larger share of cost-burdened households than McMinnville does.

### Exhibit 70. Cost-Burdened Households, McMinnville and Comparison Cities, 2012–2016

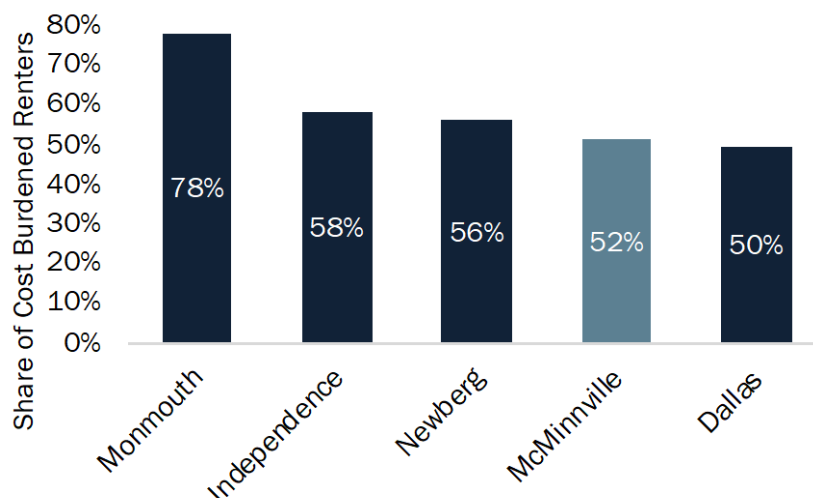
Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



Similar to other comparison cities in the region, over half of renter households in McMinnville are cost burdened.

**Exhibit 71. Cost-Burdened Renter Households, McMinnville and Comparison Cities, 2012–2016**

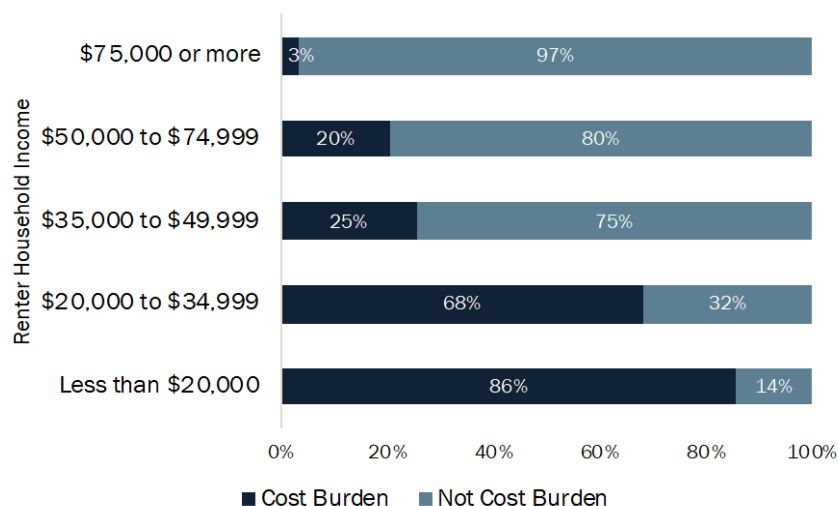
Source: US Census Bureau, 2012–2016 ACS Table B25070.



Households with incomes less than \$35,000 experience much higher rates of cost burden than higher-income households. Eighty-six percent of households, making less than \$20,000 per year were cost burdened and 68% of households making between \$20,000 and \$35,000 were cost burdened.

**Exhibit 72. Cost-Burdened Households by Household Income, McMinnville, 2013–2017**

Source: US Census Bureau, 2013–2017 ACS Table B25074.



While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on nondiscretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary nondiscretionary expenses. Thus, some households with higher incomes may choose housing that technically results in cost burden, even if other housing options are available that would not result in cost burden.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on their household income.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

**Fair market rent for a 2-bedroom apartment in Yamhill County is \$1,330**

**Exhibit 73. HUD Fair Market Rent (FMR) by Unit Type, Yamhill County, 2018**

Source: US Department of Housing and Urban Development.

<b>\$1,026</b>	<b>\$1,132</b>	<b>\$1,330</b>	<b>\$1,935</b>	<b>\$2,343</b>
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

**A household must earn at least \$25.58 per hour to afford a two-bedroom unit in Yamhill County.**

**Exhibit 74. Affordable Housing Wage, Yamhill County, 2018**

Source: US Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

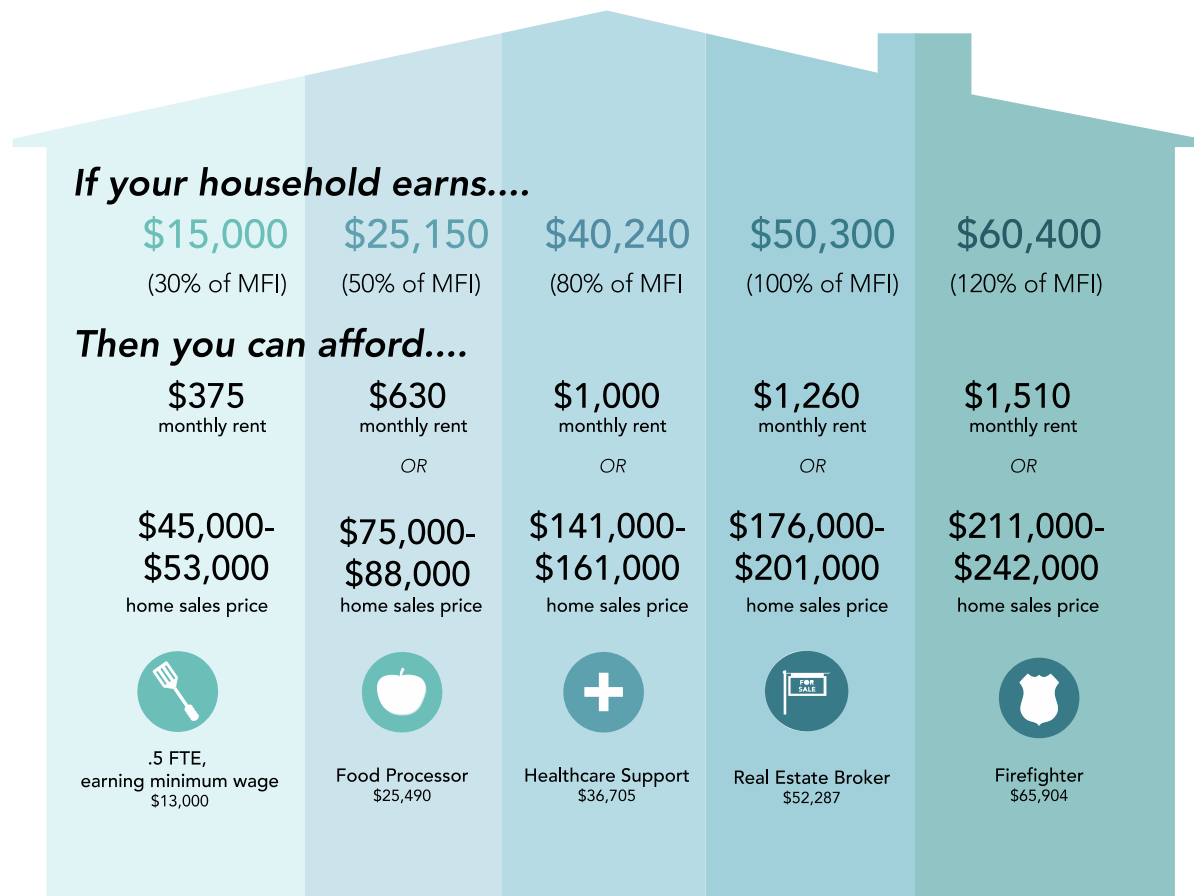
**\$25.58/hour**

Affordable Housing Wage for Two-Bedroom Unit in Yamhill County

A household earning the median household income (\$50,300) can afford a monthly rent of about \$1,260 or a home roughly valued between \$176,000 and \$201,000, as illustrated in Exhibit 75. A family earning the median family income (\$58,620) can afford a monthly rent of about \$1,470 or a home roughly valued between \$205,000 and \$234,000.

**Exhibit 75. Financially Attainable Housing, by Median Household Income (MHI), McMinnville (\$50,300), 2017**

Source: US Census Bureau, 2013–2017 ACS Table B25119.

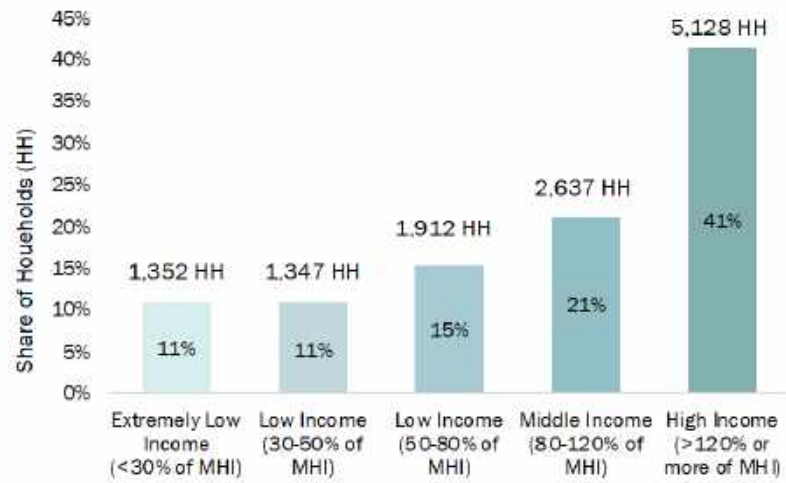




About 52% of McMinnville's households have incomes less than \$53,200 and cannot afford a two-bedroom apartment at Yamhill County's fair market rent (FMR) of \$1,330.

**Exhibit 76. Share of Households, by Median Household Income (MHI) for McMinnville (\$50,300), 2017**

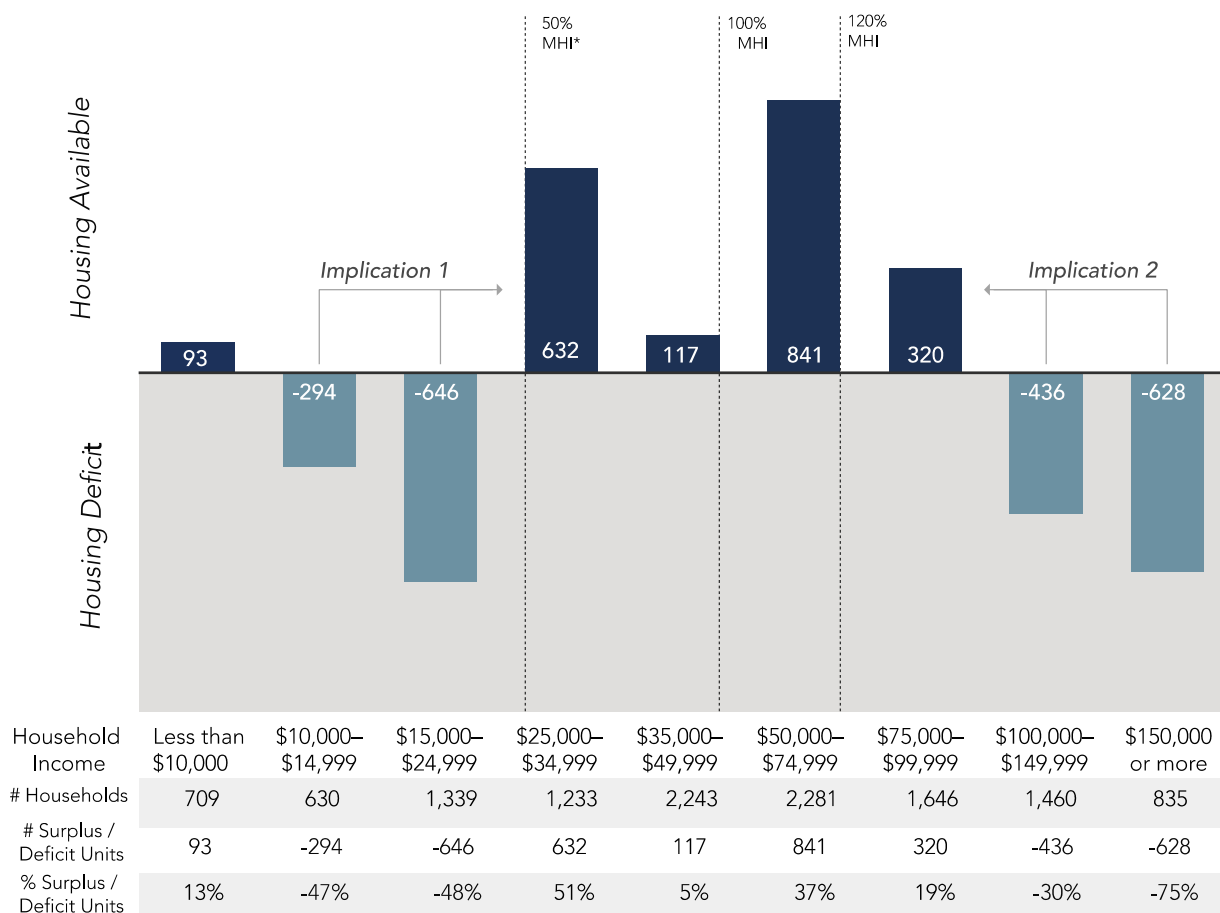
Source: US Census Bureau, 2013–2017 ACS Table 19001 and B25119.



Comparing the number of households by income with the number of units affordable to those households in McMinnville reflects a current deficit of housing affordable to households earning between \$10,000 and \$25,000 annually and households earning \$100,000 or more annually. McMinnville has a deficit of all types of government-assisted housing; more affordable housing types (such as manufactured housing in parks and lots, small-homes, duplexes, triplexes, quadplexes, small-lots, and apartments); and housing types of higher values (such as high-amenity or executive housing).

## Exhibit 77. Affordable Housing Costs and Units by Income Level, McMinnville, 2017

Source: US Census Bureau, 2012–2016, ACS Table B19001, B25075, and B25063



\*ACS 2013-2017 five-year estimates, table S1903.

### Implication 1

Some lower-income households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost burdened.

### Implication 2

Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of a lack of higher-cost and higher-amenity housing that would better suit their preferences.

## Summary of the Factors Affecting McMinnville's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice, and in doing so, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people ages 20 to 34. People in this age group will also have, on average, less income than people who are older. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing (58% in McMinnville).

The data conveys what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), the "empty nesters."<sup>47</sup> Simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Thus, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in McMinnville over the next twenty years:

- **Growth in housing will be driven by growth in population.** Between 1990 and 2017, McMinnville's population grew by 15,771 people or 88%. The population in McMinnville's UGB is forecast to grow from 36,238 (in 2021) to 47,498 (in 2041), an increase of 11,260 people (31%).<sup>48</sup>
- **Housing affordability will be a growing challenge in McMinnville.** Housing affordability is a challenge in Oregon in general, and McMinnville is affected by this statewide trend. Housing prices are increasing faster than incomes in McMinnville and Yamhill County, consistent with state and national challenges. While 23% of McMinnville housing is multifamily housing, the County has a relatively small supply of multifamily housing (15%), which constrains the supply of affordable housing for the region—thus affecting the City.<sup>49</sup> For instance, over half of renters in McMinnville are

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<sup>47</sup> See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

<sup>48</sup> This forecast is based on McMinnville's official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period.

<sup>49</sup> The share of multifamily housing stock is driven by demographics and market factors. Often, as the population within cities increases, the share of single-family detached housing decreases.

cost burdened, which is indicative of a lack of affordable rental units, such as multifamily and other housing types (e.g., single-family detached and single-family attached dwelling units). McMinnville's key challenge over the next twenty years is providing opportunities for not only the development of housing of all types but development across the affordability spectrum; in particular, there is a need for more affordable housing types, which developers may be less incentivized to develop.

- **Without substantial changes in housing policy (at all levels of government), on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing.

The City's residential policies can impact the amount of change in McMinnville's housing market to some degree. If the City adopts policies to increase opportunities to build housing types that are affordable to low- and moderate-income households, a larger percentage of new housing developed over the next twenty years in McMinnville may be relatively affordable compared to the past.

Examples of policies that the City could adopt to achieve this outcome include (1) allowing a wider range of housing types (e.g., duplexes, triplexes, town houses, cottage clusters, or single-lot small-home subdivisions) in single-family zones to promote inclusivity and equity, ensuring that there is sufficient land zoned to allow single-family attached and multifamily housing and other innovative affordable housing development; (2) supporting development of government-subsidized affordable housing, and (3) encouraging multifamily residential development in downtown. Ultimately, the degree of change in McMinnville's housing market, however, will depend on market demand for these types of housing in McMinnville, Yamhill County, and the greater region.

- **If the future differs from the past, and policy changes are prescribed, the future of housing in McMinnville is likely to move in the direction (on average) of smaller units and more diverse housing types.** Most, but not all, of the demographic evidence suggests that the bulk of the change should be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for development of smaller single-family detached homes, town homes, and multifamily housing.

Key demographic and economic trends that will affect McMinnville's future housing needs are: (1) the aging of Baby Boomers, (2) the aging of Millennials, and (3) the continued growth of the Hispanic and Latino population.

- *The Baby Boomer population is continuing to age.* By 2041, people 60 years and older will account for about 28% of the population in McMinnville (up from 23% in 2017). As the population ages, household sizes and homeownership rates will decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. With Baby Boomers' debt "reaching \$5.3 trillion by 2030. Many retirees may [also] downsize their homes to pay off debt and boost retirement savings,"

which will open up housing opportunities for Gen Xers and Millennials.<sup>50</sup> Demand for specialized senior housing may grow in McMinnville, such as visitable age-restricted housing and housing in a continuum of care (from independent living to in-home nursing care).

- *Millennials will continue to age.* By 2041, Millennials will be roughly between about 41 years old to 61 years old. As they age, generally speaking, their household sizes will increase, and homeownership rates will peak by about age 55. Between 2021 and 2041, Millennials will be a key driver in demand for housing for families with children. The ability to retain Millennials will depend on availability of affordable rental and ownership housing. The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.<sup>51</sup>
- *The Hispanic and Latino population will continue to grow.* The US Census projects that by about 2041, the Hispanic and Latino population will account for about one-quarter of the nation's population. The share of the Hispanic and Latino population in the western United States is likely to be higher. The Hispanic and Latino population currently accounts for about 22% of McMinnville's population. In addition, the Hispanic and Latino population is generally younger than the U.S. average, with many Hispanic and Latino people belonging to the Millennial generation.

Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in the Hispanic and Latino population will drive demand for larger housing for families with children. Given the lower income for Hispanic and Latino households, especially first-generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.<sup>52</sup>

In summary, an aging population, increasing housing costs (although lower than the region), housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables support the need for a broader array of housing choices than are available today.

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<sup>50</sup> V. Srinivas and U. Goradia, "The Future of Wealth in the United States," Deloitte Insights, 2015.  
<https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html>

<sup>51</sup> Ibid.

<sup>52</sup> The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first-, second-, and third-generation households. In short, Hispanic and Latino households have a lower median income than the national averages. First- and second-generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership, but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

Pew Research Center, *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012.

National Association of Hispanic Real Estate Professionals, *2014 State of Hispanic Homeownership Report*.



Growth of seniors will drive demand for smaller single-family detached housing and town homes, as well as multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials and the Hispanic and Latino population will drive demand for smaller and larger affordable housing types, including demand for single-family units (many of which may be ownership units) and for multifamily units (many of which may be rental units). Growth in the Hispanic and Latino population and the aging of the Baby Boomer generation will increase demand for multigenerational housing. McMinnville's share of households (41%) earning more than 120% of median household income will increase demand for high-amenity housing or all types.

**The purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today.** Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. But a variety of factors or events could cause growth forecasts to be substantially different.

## 5. Housing Need in McMinnville

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This chapter analyzes housing needs in McMinnville for the next 5, 10, 20, and 46 years. Much of the emphasis is on the 20-year forecast, as it is required by Goal 10. The analysis also provides projections of housing by type. Depending on the development configurations and character of McMinnville's neighborhoods, different areas of the City may have distinct or dissimilar housing types and densities. The aggregate total density is used in this analysis, as well as densities that correspond to current zoning classifications.

### Project New Housing Units Needed in the Next 5, 10, 20, and 46 Years

The results of the housing needs analysis are based on (1) the official population forecast for growth in McMinnville over the 5-, 10-, 20-, and 46-year planning periods, (2) information about McMinnville's housing market relative to Yamhill County and nearby comparison cities, and (3) the demographic composition of McMinnville's existing population and expected long-term changes in the demographics of Yamhill County.

#### Projection for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in McMinnville between 2021 and 2041, shown in Exhibit 78. The key assumptions are based on the best available data and may rely on safe harbor provisions (or safe harbor methodologies), when available.<sup>53</sup>

- **Population.** A 20-year population forecast (in this instance, 2021 to 2041) is the foundation for estimating needed new dwelling units. McMinnville's urban area is forecast to grow from 36,238 persons in 2021 to 47,498 persons in 2041, an increase of 11,260 people.<sup>54</sup>
- **Persons in Group Quarters.** Typically, persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges,

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<sup>53</sup> A safe harbor is an assumption that a city can use in a housing needs analysis, which the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as "an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division."

<sup>54</sup> This forecast is based on McMinnville's official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period.

government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

The 2013–2017 American Community Survey shows that 5% of McMinnville’s population was in group quarters. However, the population in group quarters, in total number, has declined over the last decade. City of McMinnville staff and the Project Advisory Committee considered three options<sup>55</sup> to address the population in group quarters. Staff recommended—and the majority of the Project Advisory Committee agreed—that for the purpose of this analysis, we assume that group quarters will be met through the same land needs as the net new population without allocating housing to group quarters separately (option 3). This assumption does not mean that we are assuming zero group quarters for the planning periods.

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the current Decennial Census at the time of the analysis. According to the 2013–2017 American Community Survey, the average household size in McMinnville was 2.55 people. Thus, for the 2021 to 2041 period, we assume an average household size of 2.55 persons.
- **Vacancy Rate.** The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market’s response to demand for additional dwelling units. Vacancy rates for rental and

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<sup>55</sup> **Option 1:** Use the “share method,” then assign one person per group quarter, and assign group quarters to land need at the same density as multifamily development.

**Option 2a:** Use the “share method,” then assign an analogous household size, and then apply that to the population to calculate land needs. Two Project Advisory Committee members requested this method instead of Option 1.

**Option 2b:** Use the “share method,” then assign a direct group quarters population per acre estimate. This method directly assigns population density for group quarters rather than rely on use of an interim assignment step analogous to household size.

**Option 3:** Do not use the “share method.” Instead, use assumptions and methods based on McMinnville-specific group quarters data and PSU’s official population forecast for McMinnville. This option assigns all new net population growth to housing units. This method assumes the population in group quarters at Linfield and the jail will remain relatively constant. The population in other group quarters represents less than 1% of McMinnville’s current population. Group quarters have also remained relatively constant and have not experienced a consistent growth trend in recent years. The group quarters population segment represents a declining share of overall population. The needed housing mix reflects a higher share of multifamily housing than the historic share. The land needs and densities for multifamily housing and group quarters are assumed to be equivalent. Without differentiating between population in multifamily housing and group quarters, the identified land needs would meet the same needs, whether the population is in housing or in group quarters.

multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the current Census. According to the 2013–2017 American Community Survey, McMinnville’s vacancy rate was 5.4%. For the 2021 to 2041 period, we assume a vacancy rate of 5.4%.

**McMinnville will need 4,657 new dwelling units over the 20-year period from 2021 to 2041, or an average of 233 dwelling units annually.**

**Exhibit 78. Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041**

Source: Calculations by ECONorthwest

Variable	New Dwelling Units (2021-2041)
Change in persons	11,260
Average household size	2.55
New occupied DU	4,416
times Aggregate vacancy rate	5.4%
equals Vacant dwelling units	241
<b>Total new dwelling units (2021-2041)</b>	<b>4,657</b>
<b>Annual average of new dwelling units</b>	<b>233</b>

Exhibit 79 presents McMinnville’s forecast of demand for new dwelling units over McMinnville’s other various planning horizons. It shows that McMinnville will have demand for about 1,136 new dwelling units between 2021 and 2026, and another 1,169 new dwelling units between 2026 and 2031 (totaling 2,305 for the 10-year period). McMinnville will have demand for approximately 10,986 new dwelling units for the 46-year period between 2021 and 2067.

**Exhibit 79. Forecast of Demand for New Dwelling Units in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

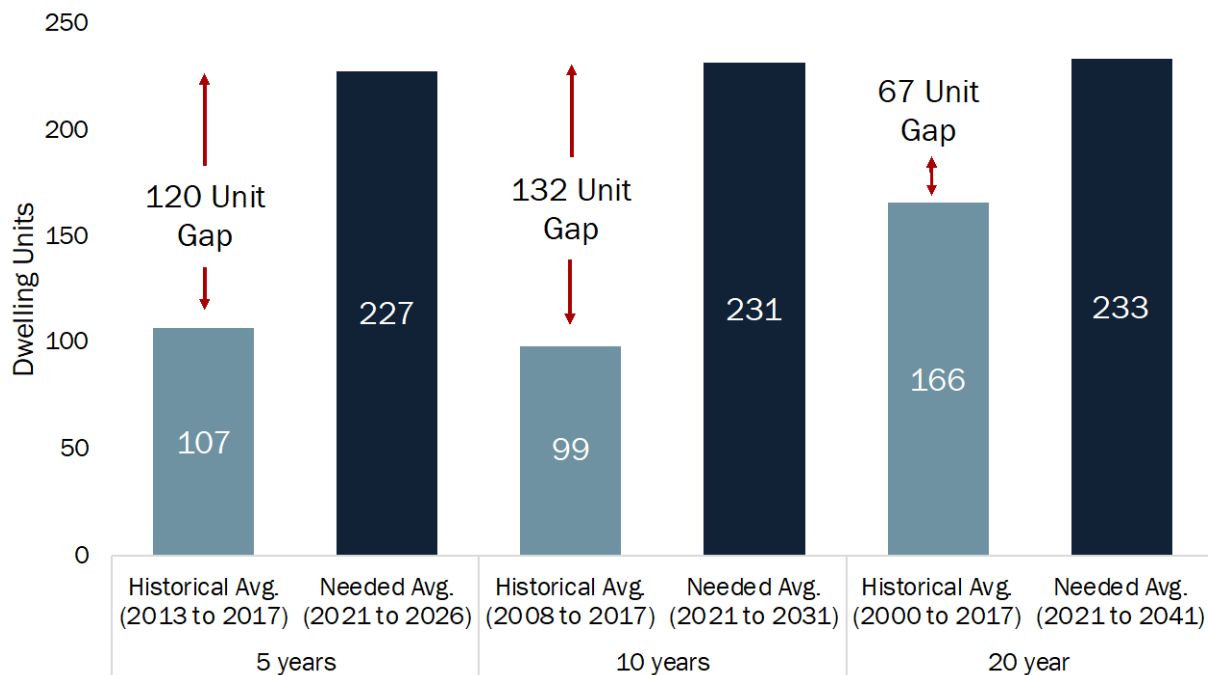
Source: Calculations by ECONorthwest

Variable	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Change in persons	2,746	5,575	11,260	26,565
Average household size	2.55	2.55	2.55	2.55
New occupied DU	1,077	2,186	4,416	10,418
times Aggregate vacancy rate	5.4%	5.4%	5.4%	5.4%
equals Vacant dwelling units	59	119	241	568
<b>Total new dwelling units</b>	<b>1,136</b>	<b>2,305</b>	<b>4,657</b>	<b>10,986</b>
<b>Annual average of new dwelling units</b>	<b>227</b>	<b>231</b>	<b>233</b>	<b>234</b>

As illustrated in Exhibit 80, if production of housing in McMinnville follows historic trends, the market will not produce enough housing to meet all of McMinnville’s projected housing needs.

## Exhibit 80. Comparison of Historical Production and Future Demand for Housing, McMinnville, 2000–2017 and 2021–2041

Source: City of McMinnville permit database. Calculations by ECONorthwest.



The projected growth before 2021 has been removed from this analysis, as the buildable lands inventory was updated through December 2021. This update accounted for actual growth that occurred through 2021.

### Projection for Housing Growth by Housing Type

This section describes the factors that influenced the assumptions for the housing forecast. It also presents the housing forecast by housing type. Appendix B outlines the scenario models presented to the Project Advisory Committee, which informed their recommendation for housing mix (a core assumption for the housing forecast).

### Factors Influencing the Needed Mix and Density Determination

With a population over 25,000, McMinnville is subject to the provisions of ORS 197.296(1)-(9). Goal 10 requires cities to make a housing needs projection. OAR 660-008(4) provides the specific guidance:

(4) A housing needs projection refers to a local determination, justified in the plan, of the mix of housing types, amounts, and densities that will be:

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



- (b) consistent with any adopted regional housing standards, state statutes, and Land Conservation and Development Commission administrative rules; and
- (c) consistent with Goal 14 requirements.

To make the housing needs determination, we use the information presented in the housing needs analysis. We use the following definitions to distinguish between housing need and housing market demand, which we believe to be consistent with definitions in state policy:

- *Housing need* can be defined broadly or narrowly. The broad definition is based on the mandate of Goal 10 that requires communities to plan for housing that meets the needs of households at all income levels. Goal 10, though it addresses housing, emphasizes the impacts on the households that need that housing. Since everyone needs shelter, Goal 10 requires that a jurisdiction address, at some level, how every household (and group quarters population) will be affected by the housing market over a 20-year period. In short, housing need is addressed through the local housing needs projection.
- *Housing market demand* is what households demonstrate they are willing or able to purchase (own or rent) in the market place. Growth in population means growth in the number of households, which implies an increase in demand for housing units. That demand is met primarily by the construction of new housing units by the private sector based on its judgments about the types of housing that will be absorbed by the market. ORS 197.296 includes a market supply component, called a buildable land needs analysis,<sup>56</sup> which must consider the density and mix of housing developed over the previous five years or since the current periodic review, whichever is greater. In concept, what got built in that five-year period, or longer, was the effective demand for new housing of those who can afford to purchase housing in the market: it is the local equilibrium of demand factors, supply factors, and price.

Cities are required to determine the average density and mix of needed housing over the next 20 years (ORS 197.296(7)). McMinnville is using a 2021 to 2041 analysis period. The determination of needed density and mix over the 2021 to 2041 period must consider the five factors listed in ORS 197.296(5) that may affect future housing need:

- (a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:
  - (A) the number, density, and average mix of housing types of urban residential development that have actually occurred;
  - (B) trends in density and average mix of housing types of urban residential development;

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<sup>56</sup> ORS 197.296 (E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

- (C) demographic and population trends;
- (D) economic trends and cycles; and
- (E) the number, density, and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

#### (5)(A)(A) AND (E) AVERAGE DENSITY AND MIX

Subsections (A) and (E) require similar data. Subsection (A) requires the number, density, and average mix of housing types of urban residential development that have actually occurred; while (E) requires the same data but for housing types that have occurred on the buildable lands. The density and mix analysis presented in Chapter 3 of this report is intended to comply with these two requirements. Exhibit 81 shows the average housing mix of units by type for each zone and net density by type for each zone, and overall by zone and type.

#### **Exhibit 81. Historical Average Density and Mix, McMinnville, 2000 through July 2018**

Source: City of McMinnville Permit Database.

Plan Designation and Zone	Single-Family Detached		Single-Family Attached		Multifamily		TOTAL	
	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density
Commercial	0%	-	0%	-	33%	31.2	10%	31.2
C-3	0%	-	0%	-	33%	31.2	10%	31.2
Residential	100%	4.8	100%	12.3	67%	16.5	90%	6.0
O-R	0%	-	0%	-	6%	7.6	2%	7.6
R-1	21%	4.0	12%	9.5	0%	-	14%	4.1
R-2	47%	4.8	45%	12.3	23%	18.6	39%	5.8
R-3	5%	5.9	19%	10.6	1%	-	5%	6.8
R-4	27%	5.4	24%	17.6	37%	19.1	30%	7.9
<b>Total</b>	<b>62%</b>	<b>4.8</b>	<b>8%</b>	<b>12.3</b>	<b>31%</b>	<b>18.2</b>	<b>100%</b>	<b>6.6</b>

#### (5)(A)(B) TRENDS IN DENSITY AND AVERAGE MIX OF HOUSING TYPES OF URBAN RESIDENTIAL DEVELOPMENT

Housing mix is the mixture of housing types (e.g., single-family detached, single-family attached, or multifamily) within a city. State law requires a determination of the future housing mix in the community and allows that determination to be based on different periods: (1) the mix of housing built in the past five years or since the most recent periodic review, whichever time period is greater, (2) a shorter time period if the data will provide more accurate and reliable information, or (3) a longer time period if the data will provide more accurate and reliable information (ORS 197.296).

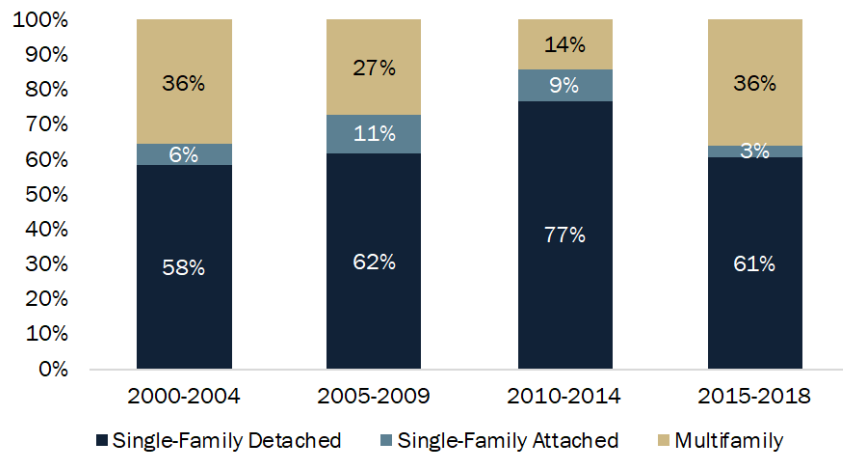
A majority share of new housing built in McMinnville, since 2000, has been single-family detached housing. Since 2015, about 36% of new housing built was multifamily, consistent with trends in the early 2000s. Single-family attached housing has consistently made up a smaller share of new housing built.

Since 2000, single-family detached housing predominated McMinnville's housing market.

Single-family attached housing consistently makes up a smaller share of the housing stock built since 2000.

**Exhibit 82. Trends in Housing Mix of New Units, McMinnville, 2000 to July 2018**

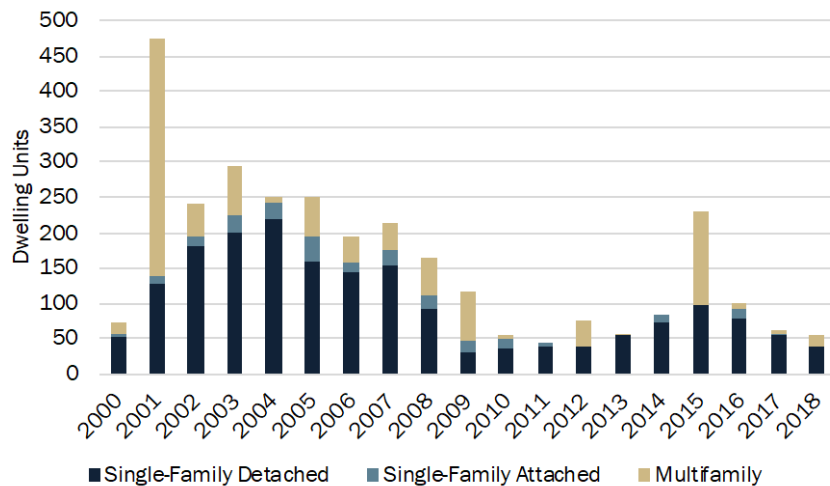
Source: McMinnville Building Permit Database.



Since 2000, 62% of housing permitted in McMinnville was single-family detached, 8% was single-family attached, and 31% was multifamily.

**Exhibit 83. Trends in Housing Mix of New Units, McMinnville, 2000 to July 2018**

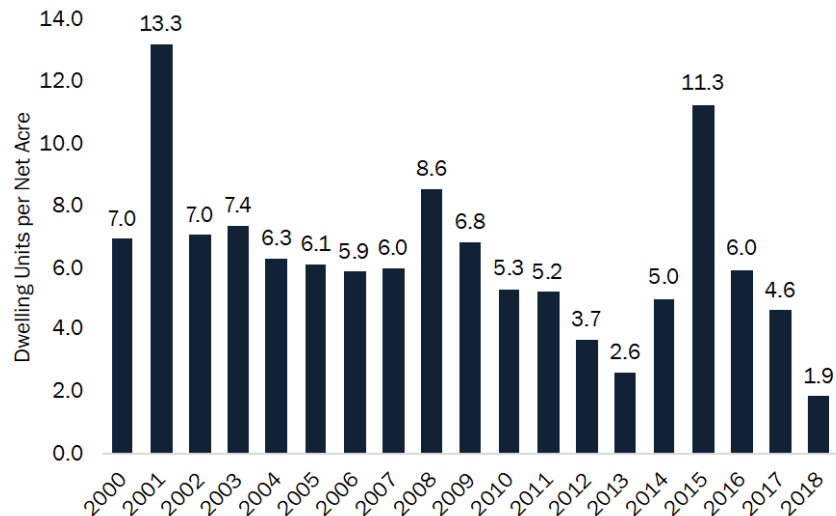
Source: McMinnville Building Permit Database.



Since 2000, McMinnville's average net density was 6.6 dwelling units per net acre.

**Exhibit 84. Trends in Net Density of New Units, McMinnville, 2000 to July 2018**

Source: McMinnville Building Permit Database. Note: Net density is dwelling units per net acre.



Housing density is the density of residential units by structure type, expressed in dwelling units per net or gross acre. The US Census does not track residential development density, so this study analyzes housing density based on new development between 2000 and July 2018.

Consistent with trends observed in other cities, considerable variation exists in residential density from year to year. While housing density averaged around 6.6 dwelling units per net acre since 2000, some years show a spike in density of over 10 dwelling units per net acre. In other years, density dipped below five dwelling units per net acre. Density is affected by many factors—housing type, housing mix, lot configurations, etc. With limited annual permitting, one large multifamily project can considerably change annual density findings (such as in 2001 and 2015).

#### (5)(A)(C) DEMOGRAPHIC AND POPULATION TRENDS

To understand what will influence McMinnville's housing market, it is important to consider demographic and population trends. The following factors will influence needed mix and density in McMinnville's future:

- Population in McMinnville is growing faster than the State and national average since 1990.
- Population in McMinnville is aging, and the cohort aged 60+ in Yamhill County will increase by about 56% by 2041.
- The share of the population that is Hispanic and Latino is growing faster than County and State averages since 2000. Per the most recent Decennial Census, Latino and Hispanic households were on average 1.5 persons larger.
- Overall, average household size is shrinking and the share of 1-person households in McMinnville has increased since 2000.

- Median household income and median family income is below County and State median incomes.
- While 41% of McMinnville households earn more than 120% of McMinnville's median household income, about 50% of McMinnville households earn less than \$50,000 per year, compared to 43% of Yamhill County households.
- From 2017 to 2018, Point-in-Time homelessness increased by 30%.
- In the 2016–2017 school year, 3% of students experienced homelessness in Yamhill County.
- Approximately 13,500 people work in McMinnville, but 60% of those workers commute into McMinnville from other areas.

These trends—coupled with the forecast of new housing in McMinnville's UGB for the 2021 to 2041 period (Exhibit 78)—suggest that, in the future, the need for new housing developed in McMinnville will include housing that is generally more affordable, with some housing located in walkable areas with access to services. Findings additionally suggest that in the future, McMinnville will need high-amenity housing types for the large share of households earning over 120% of McMinnville's median family income. This assumption is additionally based on the following findings in the previous chapters:

- Demographic changes suggest moderate increases in demand for small-lot, small-home detached single-family housing, attached single-family housing, and multifamily housing. The key demographic trends that will affect McMinnville's future housing needs are (1) the aging of Baby Boomers, (2) the aging of Millennials, and (3) the continued growth of the Hispanic and Latino population. Growth of these groups has the following implications for housing need in McMinnville:
  - *Baby Boomers.* Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted-living facilities or age-restricted developments. These households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving into age-restricted manufactured home parks (if space is available), or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for smaller single-family detached, single-family attached, multifamily, and multigenerational housing types like accessory dwelling units. Some Baby Boomers may prefer housing in walkable neighborhoods with access to services.
  - *Millennials.* Over the next twenty years, Millennial households will continue to grow, but their share of the population will stay stable at about 25% of the population. The aging of Millennials will still result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is



comparatively affordable. Some Millennials may prefer to locate in traditional single-family detached housing, others in town houses or multifamily housing.

- *The Hispanic and Latino population.* Growth in the number of Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Hispanic and Latino households, particularly those that are foreign-born (11% of McMinnville’s population as of 2016) are more likely to be larger than average, often having more children and living in multigenerational households. The housing types that are most likely to be affordable to the majority of Hispanic and Latino households are existing lower-cost single-family housing, single-family housing with an accessory dwelling unit, and multifamily housing.
- About 36% of McMinnville’s households are cost burdened. Fifty-two percent of McMinnville’s renters are cost burdened, compared to 25% of homeowners. These factors indicate that McMinnville needs more affordable housing types, especially for renters. A household earning median household income (about \$50,300) could afford a home roughly valued between \$176,000 and \$201,000, which is below the current 2018 median sales price for single-family housing in McMinnville (about \$349,000).

McMinnville’s share of multifamily housing accounts for about 23% of the City’s housing stock. The majority of McMinnville’s multifamily buildings are five or more units (73%), indicating few “missing middle” multifamily housing types.

These findings suggest that McMinnville’s needed housing mix is for a broader range of housing types than are currently available in McMinnville’s housing stock, both for ownership and rent, as well as across the affordability spectrum. McMinnville will need to provide development opportunities over the next twenty years for traditional single-family detached housing, smaller single-family detached housing (e.g., cottages or small-lot single-family detached units), manufactured housing, accessory dwelling units, town houses, duplexes, triplexes, quadplexes, and apartment buildings. McMinnville needs housing across the affordability spectrum from affordable housing (including government-assisted housing) to high-amenity housing.

#### (5)(A)(D) ECONOMIC TRENDS AND CYCLES

Population growth in Oregon tends to follow economic cycles. Historically, Oregon’s economy is more cyclical than the nation’s, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the United States in the 1990s (which was generally an expansionary period) but lagged behind the United States in the 1980s. Oregon’s slow growth in the 1980s was primarily due to the nationwide recession early in the decade. As the nation’s economic growth slowed during 2007, Oregon’s population growth began to slow.

Despite this, McMinnville has grown at an average annual growth rate of 2.4% since 1990, faster than the nation, State, and County (1.0%, 1.4%, 1.8%). Migration is the largest component of

population growth in McMinnville. From 2000 to 2016, 67% of Yamhill County's new population (13,477 people) was a result of migration. According to the Joint Center for Housing Studies of Harvard, immigration will continue to play a role in accelerating growth in the coming years unless affected by macro-politics.

Building activity had not picked up since the recession, until the past three to five years. McMinnville is experiencing pent-up demand for housing, and competition has grown. As a result of increased housing costs and competition, McMinnville is experiencing a decrease in first-time homebuyers due to limited options and competition from wealthier households.

Housing instability is increasing in McMinnville, fueled by an unsteady and low-opportunity employment market. As of 2019, the minimum wage in Oregon was \$11.25 (an annual salary of \$23,400, or about 47% of median family income in McMinnville). A household must earn at least \$25.58 per hour to afford a two-bedroom unit in Yamhill County at fair market rent. Wages in Oregon remain below the national average, but they are at its highest point relative to the early 1980s. The Office of Economic Analysis reports that new Oregon Employment Department research "shows that median hourly wage increase for Oregon workers since 2014 has been 3.1 percent annually for the past three years."<sup>57</sup> These wage increases are "substantially stronger for the Oregonians who have been continually employed over the last three years."<sup>58</sup>

By the end of 2018, the OEA forecasts 41,700 jobs will be added to Oregon's economy. This is an approximate annual growth of 2.2% in total nonfarm employment relative to 2017 levels.<sup>59</sup> The leisure and hospitality, construction, professional and business services, and health services industries are forecasted to account for well over half of the total job growth in Oregon for 2018. Oregon continues to have an advantage in job growth compared to other states, due to its industrial sector and in-migration flow of young workers in search of jobs. This information explains that, as the housing market continues to recover, and as Oregon's economy improves, Oregon will likely see an increase in household formation rates. Yamhill County and McMinnville will be affected by these state trends, which will result in continued demand for new houses.

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<sup>57</sup> Office of Economic Analysis, "Oregon Economic and Revenue Forecast," 38(3), September 2018. <https://www.oregon.gov/das/OEA/Documents/forecast0918.pdf>.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*

## Housing Forecast by Housing Type

The Project Advisory Committee recommended that Scenario 2 needed a housing mix assumption to inform the housing forecast by housing type (see Appendix B for a description of each scenario). The recommendation is presented below. The basis for the determination of needed housing mix in McMinnville is the demographic trends suggesting continued demand for a wider variety of housing types as well as the following assumptions:

- McMinnville’s official forecast for population growth shows that the City will add 11,260 people over the 20-year period. This new population will result in the need for 4,657 new dwelling units over the 20-year period.
- The recommended mix assumption for McMinnville’s needed housing mix was Scenario 2:
  - 55% of new housing will be single-family detached, a category which includes manufactured housing, accessory dwelling units, and cottage clusters. In the 2013–2017 period, 68% of McMinnville’s total existing housing stock was single-family detached.
  - 12% of new housing will be single-family attached. In the 2013–2017 period, 9% of McMinnville’s total existing housing stock was single-family attached.
  - 33% of new housing will be multifamily, a category which includes redevelopment. In the 2013–2017 period, 23% of McMinnville’s total existing housing stock was multifamily.

**McMinnville will have demand for 4,657 new dwelling units over the 20-year period, 55% of which will be single-family detached housing.**

### Exhibit 85. Forecast of Demand for New Dwelling Units by Type, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Needed Mix
<b>Needed new dwelling units (2021-2041)</b>	<b>4,657</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
<i>equals</i> Total new single-family detached DU	2,561
Single-family attached	
Percent single-family attached DU	12%
<i>equals</i> Total new single-family attached DU	559
Multifamily	
Percent multifamily	33%
<i>equals</i> total new multifamily	1,537
<b>Total new dwelling units (2021-2041)</b>	<b>4,657</b>

This analysis accounts for units accommodated through infill and redevelopment of land classified as “developed.” Results and assumptions are documented below.

- **Infill and Redevelopment.** Infill (which includes accessory dwelling units) and redevelopment is development that occurs on fully developed lots; the property owner may add additional units to the property or demolish the dwelling unit(s) that are already in place to build one or more units on the property. The McMinnville Project Advisory Committee recommended assumption for infill and redevelopment is 8%. For the 2021 to 2041 period, we assume 8% of new housing will be accommodated through infill and redevelopment. This results in 373 units that will be accommodated through infill and redevelopment.

**Over the 20-year period, McMinnville will accommodate 373 needed units through infill and redevelopment (approximately 19 units per year).**

**Exhibit 86. Forecast of Demand for Infill and Redevelopment, McMinnville UGB, 2021 to 2041**

Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)
New units accommodated through infill and redevelopment	373
<b>Subset of total new dwelling units (2021-2041)</b>	<b>373</b>

**Over the 20-year period, McMinnville will accommodate 373 needed new units through infill (including accessory dwelling units) and redevelopment. This results in McMinnville having demand for 4,284 new dwellings units on vacant or partially vacant land.**

**Exhibit 87. Forecast of Demand for New Dwelling Units on Vacant and Partially Vacant Lands, McMinnville UGB, 2021 to 2041**

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Needed Mix
<b>DUs Accommodated by Infill or Redevelopment</b>	
Single-family detached	37
Single-family attached	
<b>Multifamily</b>	<b>335</b>
<b>Total Units in Infill or Redevelopment</b>	<b>373</b>
<b>DUs Requiring Vacant / Partially Vacant Unconstrained Land</b>	
Single-family detached	2,524
Single-family attached	559
<b>Multifamily</b>	<b>1,202</b>
<b>Total DUs Requiring Vacant or Partially Vacant Land</b>	<b>4,284</b>

To summarize Exhibit 85, Exhibit 86, and Exhibit 87, McMinnville will have demand for 4,657 new dwelling units over the 20-year period. Of these 4,657 dwelling units, 2,561 dwelling units are forecast to be single-family detached housing and 1,537 are forecast to be multifamily housing (see Exhibit 85). After accounting for the 373 forecasted units accommodated by infill and redevelopment (Exhibit 86), McMinnville will have demand for 2,524 single-family detached units on vacant or partially vacant land and 1,202 multifamily units on vacant or partially vacant land (Exhibit 87). Exhibit 88 presents a summary.

# Exhibit 88. Summary of Resulting Mix of Units on Vacant and Partially Vacant Land, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Total Needed Dwelling Units			Dwelling Units Accomodated by Infill & Redevelopment On Developed Land			Dwelling Units Requiring Vacant / Partially Vacant Land		
Housing Type	#	%	#	% of Total Needed Units	% of Infill / Redeveloped Units	#	% of Total Needed Units	% of Units of V / PV Land
Single-Family Detached	2,561	55%	37	1%	10%	2,524	54%	59%
Single-Family Attached	559	12%	-	0%	0%	559	12%	13%
Multifamily	1,537	33%	335	7%	90%	1,202	26%	28%
Total	4,657	100%	373	8%	100%	4,284	92%	100%

Redevelopment typically involves the replacement of one or more units with a larger number of units. Multifamily is a reasonable assumption for redevelopment, as it matches historical redevelopment trends in McMinnville. Redevelopment has historically not occurred as single-family attached housing in McMinnville. Infill (which includes accessory dwelling units [ADUs]) may be attached or detached, but they have characteristics of multifamily housing. ADUs do not have separate fee simple ownership—ownership is not separate from the primary dwelling unit—similar to a duplex or other multifamily housing product. Single-family detached infill is likely to entail small partitions of small lots classified as developed with limited remaining capacity based on zoning.

The needed mix for new dwelling units is 55% single-family detached housing, 12% single-family attached housing, and 33% multifamily housing. However, once dwelling units that are accommodated by infill/redevelopment are removed, the adjusted housing mix for housing requiring vacant/partially vacant land is 59% single-family detached housing, 13% single-family attached housing, and 28% multifamily housing.

Exhibit 89 though Exhibit 91 replicate the forecast of demand for new dwelling units (including infill/redevelopment) for housing demand in the 5-, 10-, 20-, and 46-year planning horizons.



**Exhibit 89. Forecast of Demand for New Dwelling Units by Type in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Source: Calculations by ECONorthwest

Variable	New Dwelling Units by Type			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Needed new dwelling units	1,136	2,305	4,657	10,986
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	55%	55%	55%	55%
<i>equals</i> Total new single-family detached DU	625	1,268	2,561	6,042
Single-family attached				
Percent single-family attached DU	12%	12%	12%	12%
<i>equals</i> Total new single-family attached DU	136	277	559	1,318
Multifamily				
Percent multifamily	33%	33%	33%	33%
<i>Total new multifamily</i>	375	760	1,537	3,626
<b><i>equals</i> Total new dwelling units</b>	<b>1,136</b>	<b>2,305</b>	<b>4,657</b>	<b>10,986</b>

**Exhibit 90. Forecast of Demand for Infill and Redevelopment, in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Source: Calculations by ECONorthwest

Variable	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
New units accomodated through infill and redevelopment	91	184	373	879
<b>Subset of total new dwelling units</b>	<b>91</b>	<b>184</b>	<b>373</b>	<b>879</b>

**Exhibit 91. Forecast of Demand for New Dwelling Units by Type through Infill and Redevelopment and on Vacant and Partially Vacant Lands, in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Source: Calculations by ECONorthwest.

Variable	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
<b>DUs Accomodated by Infill or Redevelopment</b>				
Single-family detached	9	18	37	88
Single-family attached				
<b>Multifamily</b>	<b>82</b>	<b>166</b>	<b>335</b>	<b>791</b>
<b>Total Units in Infill or Redevelopment</b>	<b>91</b>	<b>184</b>	<b>373</b>	<b>879</b>
<b>DUs Requiring Vacant / Partially Vacant Unconstrained Land</b>				
Single-family detached	616	1,250	2,524	5,954
Single-family attached	136	277	559	1,318
<b>Multifamily</b>	<b>293</b>	<b>594</b>	<b>1,202</b>	<b>2,835</b>
<b>Total DUs Requiring Vacant or Partially Vacant Land</b>	<b>1,045</b>	<b>2,121</b>	<b>4,284</b>	<b>10,107</b>

McMinnville allows the following types of housing in zoning districts:

- **R-1 Single-Family Residential** will primarily accommodate new single-family detached housing, with some opportunities for single-family attached housing and duplexes on corner lots.
- **R-2 Single-Family Residential** will accommodate a mixture of new single-family detached and single-family attached housing, as well as duplexes on corner lots.
- **R-3 Two-Family Residential** will accommodate a mixture of new single-family detached and single-family attached housing, as well as duplexes.
- **R-4 Multifamily Residential** will accommodate single-family detached and attached housing, as well as duplexes and multifamily housing.
- **O-R Office/Residential** will accommodate single-family detached and attached housing, as well as duplexes and multifamily housing.
- **Residential Plan Designations with County Zoning**<sup>60</sup> will accommodate single-family detached and single-family attached units, duplexes, and multifamily units.
- **C-3 General Commercial** will accommodate multifamily housing.

This analysis assumes that housing types will locate in zones that permit the dwelling unit outright. The City of McMinnville will be implementing Great Neighborhood Principles, which may affect the location and distribution of the dwelling units. Current zoning practices separate dwelling units by type and zoning district. If the principles are implemented, the same average mix and average density could be achieved, but in a different configuration that is consistent with the principles.

## Needed Density

ORS 197.296(7) requires cities to “determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years.” This section describes historic residential densities and needed residential densities for McMinnville’s planning period. Appendix B presents the scenario model that was presented to the Project Advisory Committee, which informed their recommendation for needed residential densities.

Densities in this section are presented in net acres and converted to gross acres<sup>61</sup> to account for land needed for rights-of-way. Rights-of-way conversion factors are based on empirical analysis of existing rights-of-way by zone in McMinnville. For example, when developing a new area

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<sup>60</sup> Residential plan designations with county zoning are lands with the City’s residential plan designation and county rural zoning that will need to be rezoned to urban zones prior to development.

<sup>61</sup> OAR 660-024-0010(6) defines net buildable acre as land that “consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

such as a subdivision, it is necessary to account for land needed for roads, sidewalks, on-street parking, etc., which requires a gross density estimate. The conversion from net acres to gross acres in this analysis is based on the average amount of land in rights-of-way throughout the McMinnville UGB by zone.<sup>62</sup>

## Analysis of Historic Densities

ECONorthwest analyzed building permit data to determine historic densities. Exhibit 92 presents the assessment of historic densities for housing built in McMinnville over the 2000 to July 2018 period.

- **R-1 Single-Family Residential:** 4.1 dwelling units per net acre, with 24% of land used for rights-of-way, results in a gross density of 3.1 dwelling units per gross acre.
- **R-2 Single-Family Residential:** 5.8 dwelling units per net acre, with 26% of land used for rights-of-way, results in a gross density of 4.3 dwelling units per gross acre.
- **R-3 Two-Family Residential:** 6.8 dwelling units per net acre, with 29% of land used for rights-of-way, results in a gross density of 4.8 dwelling units per gross acre.
- **R-4 Multiple-Family Residential:** 7.9 dwelling units per net acre, with 23% of land used for rights-of-way, results in a gross density of 6.1 dwelling units per gross acre.
- **R-5 High Density:** McMinnville added the R-5 zone as part of the process of expanding its UGB in 2020. This analysis does not examine development densities in R-5 because the zone did not exist prior to 2020 and no land is zoned in R-5 currently.
- **O-R Office/Residential:** 7.6 dwelling units per net acre, with 17% of land used for rights-of-way, results in a gross density of 6.3 dwelling units per gross acre.
- **Residential Plan Designations with County Zoning:** an assumed 6.6 dwelling units per net acre (of which the basis is the overall average density achieved in 2000–2018), with 25% of land used for rights-of-way, results in a gross density of 4.3 dwelling units per gross acre. The 25% factor is an average of all other rights-of-way conversion factors from each zone.
- **C-3 General Commercial:** 31.2 dwelling units per net acre, with 30% of land used for rights-of-way, results in a gross density of 21.8 dwelling units per gross acre.

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<sup>62</sup> The assumptions about land needed for rights-of-way is based on the historical percentages of land needed for rights-of-way, from empirical analysis of the 2021 McMinnville Buildable Lands Inventory.

## Exhibit 92. Historical Densities and Land for Rights-of-Way by Zone for Housing Built in the McMinnville UGB, 2000 through July 2018

Source: Calculations by ECONorthwest. Note 1: DU is dwelling unit. Note 2: Density listed for county zoning is historic average.

Zoning Districts	Average Net Density (DU/Net Acre)	Percentage for Rights-of-Way	Average Gross Density (DU/Gross Acre)
R-1 Single Family Residential	4.1	24%	3.1
R-2 Single Family Residential	5.8	26%	4.3
R-3 Two Family Residential	6.8	29%	4.8
R-4 Multiple-Family Residential	7.9	23%	6.1
O-R Office/Residential	7.6	17%	6.3
C-3 General Commercial	31.2	30%	21.9
County Zoning	6.6	25%	4.9
<b>Average</b>	<b>6.6</b>	<b>25%</b>	<b>4.9</b>

## Exhibit 93. Historical Densities and Land for Rights-of-Way by Housing Type for Housing Built in the McMinnville UGB, 2000 through July 2018

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Housing Type	Average Net Density (DU/Net Acre)	Percentage for Rights-of-Way	Average Gross Density (DU/Gross Acre)
Single-Family Detached	4.8	25%	3.6
Single-Family Attached	12.3	25%	9.3
Multifamily	18.2	25%	13.7
<b>Total</b>	<b>6.6</b>	<b>25%</b>	<b>4.9</b>

The average density observed in the 2002 McMinnville Housing Needs Analysis was 5.9 dwelling units per net acre. The density analysis in the 2002 HNA was based on permit data between 1988 and 2000. The net density observed for the 2000 through 2018 period was 6.6 dwelling units per net acre—a 12% increase in actual density. This increase in land-use efficiency saved 55 net acres during the 2000–2018 period.

## Final Results: Needed Density

The assessment of needed densities was based on the five factors stated in ORS 197.296(5), discussed in greater detail in the previous subsection as well as McMinnville’s historical residential densities (2000 to July 2018).

Needed densities over the planning period will be driven by the recommended housing mix assumption. The PAC recommended a housing mix that increased the share of multifamily housing and single-family attached housing and decreased the share of single-family detached housing compared to the mix of new development that occurred between 2000 and 2018.

Exhibit 94 adds 3% to the Historical Densities in Exhibit 92 consistent with the density changes allowed for complying with HB 2001 (2019).<sup>63</sup> If single-family detached, single-family attached, and multifamily housing develop at densities consistent with historic average densities (5.05 dwelling units per gross acre), McMinnville's overall residential density will increase to 5.46 dwelling units per gross acre over the twenty-year planning period—an 11% increase in gross residential density.

#### **Exhibit 94. Needed Densities for Housing Built in the McMinnville UGB**

Source: Calculations by ECONorthwest. Note 1: DU is dwelling unit.

Zoning Districts	Average Gross Density (DU/Gross Acre)
R-1 Single Family Residential	3.19
R-2 Single Family Residential	4.43
R-3 Two Family Residential	4.94
R-4 Multiple-Family Residential	6.28
O-R Office/Residential	6.49
C-3 General Commercial	22.56
County Zoning	5.05
<b>Average</b>	<b>5.05</b>

Exhibit 95 adds 3% to the Historical Densities in Exhibit 93 consistent with the density changes allowed for complying with HB 2001 (2019).

#### **Exhibit 95. Needed Densities for by Housing Type Housing Built in the McMinnville UGB**

Source: Calculations by ECONorthwest. Note 1: DU is dwelling unit.

Housing Type	Average Gross Density (DU/Gross Acre)
Single-Family Detached	3.71
Single-Family Attached	9.58
Multifamily	14.11
<b>Total</b>	<b>5.05</b>

**This document is a baseline analysis. The density results are based on McMinnville's current zoning and land-use regulations, accounting for a 3% increase in historical densities to account for changes resulting from new middle housing regulations (HB 2001 (2019)). Efficiency measures enacted as part of the housing strategy could affect final density.**

<sup>63</sup> The City of McMinnville complied with the requirements of HB 2001 (2019) by adopting middle housing regulations in April 2022.



## Needed Housing by Income Level

The next step in the housing needs analysis is to develop an estimate of needed housing by income and housing type. This requires an estimate of the income distribution of current and future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

This analysis is based on American Community Survey data about income levels of existing households in McMinnville. Income is categorized into market segments using McMinnville's median household income (MHI) of \$50,300. The analysis uses current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

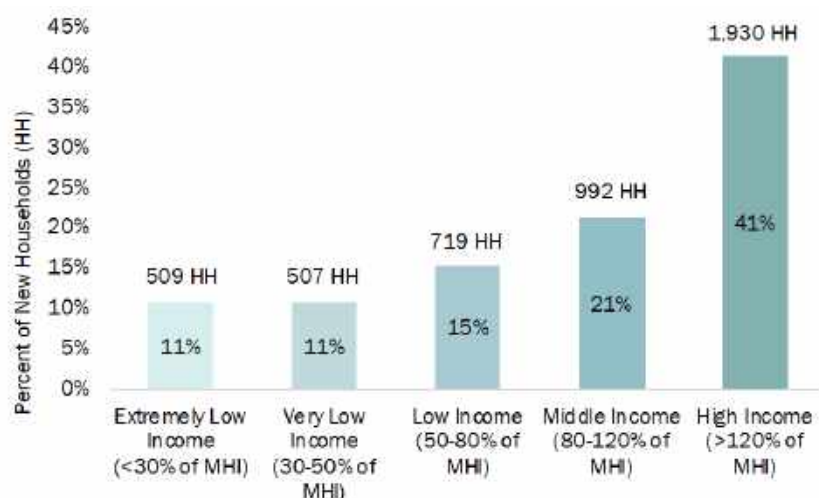
**Twenty-two percent of McMinnville's future households will have incomes at or below 50% of McMinnville's median household income (MHI).**

**Thirty-six percent will have incomes between 50% and 120% of McMinnville's MHI.**

Forty-one percent will have incomes greater than 120% of McMinnville's MHI.

**Exhibit 96. Future (New) Households, by Median Household Income (MHI) for McMinnville (\$50,300), McMinnville UGB, 2021 to 2041**

Source: US Department of Housing and Urban Development and US Census Bureau, 2012–2016 ACS Table 19001 and B25119.



**Exhibit 97. Future (New) Households in 5-, 10-, 20-, and 46-years, by Median Household Income (MHI) for McMinnville (\$50,300), McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Source: US Department of Housing and Urban Development and US Census Bureau, 2012–2016 ACS Table 19001 and B25119.

Market Segment by Income	New Households				% of Households
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)	
High Income (>120% of MFI)	471	955	1,930	4,552	41%
Middle Income (80-120% of MFI)	242	491	992	2,340	21%
Low Income (50-80% of MFI)	176	356	719	1,697	15%
Very Low Income (30-50% of MFI)	124	251	507	1,196	11%
Extremely Low Income (<30% of MFI)	124	253	509	1,200	11%
<b>Total New Households</b>	<b>1,137</b>	<b>2,306</b>	<b>4,657</b>	<b>10,985</b>	<b>100%</b>

# Need for Government-Subsidized, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-subsidized housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single-family detached, single-family attached, and multifamily). McMinnville allows development of government-assisted housing in all residential zones, with the same development standards for market-rate housing. This analysis assumes that McMinnville will continue to allow government housing in all of its residential zones. Because government-assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
  - Homelessness is a growing concern in McMinnville and Yamhill County. Between 2017 and 2018, homelessness grew by about 30% in Yamhill County. To alleviate this issue, government subsidized housing (including shelters) is needed for individuals and households earning 0% to 30% of McMinnville's median household income (less than \$15,000 per year). While a separate forecast for government-subsidized housing is not needed, the City may need to exert specialized effort in planning for shelters and other housing types that will meet the needs of those at risk of homelessness or who are experiencing homelessness.
- **Farmworker housing.** Farmworker housing can also apply to all housing types, and the City allows development of farmworker housing in all residential zones with the same development standards as market-rate housing. This analysis assumes that McMinnville will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** McMinnville allows manufactured homes on lots in the R-1 and R-2 zones, which are the zones where single-family detached housing is allowed. McMinnville also allows single-family detached housing in R-3, R-4, and O-R zones, but manufactured housing on lots are not permitted in those zones. McMinnville does not have special siting standards for manufactured homes on lots, so it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned, zoned, or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services Manufactured Dwelling

Park Directory,<sup>64</sup> McMinnville has twelve manufactured home parks within the UGB, with 1,014 spaces. One manufactured park (separate from manufactured housing subdivision) is within the O-R zone, two are within the C-3 zone, four are within the R-3 zone, and five are within the R-4 zone.

ORS 197.480(2) requires McMinnville to project need for mobile home or manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned, zoned, or generally used for commercial, industrial, or high-density residential development.

- The housing forecast showed that McMinnville will need 4,657 dwelling units over the 2021 to 2041 period.
- Analysis of housing affordability shows that about 22% of McMinnville's new households will be extremely low income or very low income, earning 50% or less of McMinnville's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in parks accounts for about 8% (about 1,014 dwelling units) of McMinnville's current housing stock.
- National, State, and regional trends since 2000 showed that manufactured housing parks were closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.

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<sup>64</sup> Oregon Housing and Community Services, "Oregon Manufactured Dwelling Park Directory." <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- Households most likely to live in manufactured homes in parks are those with incomes between about \$15,000 and \$25,150 (30% to 50% of McMinnville's median household income), which includes 11% of McMinnville's households. However, households in other income categories may also live in manufactured homes in parks.

Manufactured home park development is an allowed use in the R-3 and R-4 zone. The national and State trends of manufactured home park closures, and the fact that no new manufactured home parks have opened in Oregon in over the last fifteen years, demonstrate that development of new manufactured home parks in McMinnville is unlikely.

Our conclusion from this analysis is that development of new manufactured home parks in McMinnville over the 2021 to 2041 planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in McMinnville. The forecast of housing assumes that no new manufactured home parks will be opened in McMinnville over the 2021 to 2041 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next twenty years (or longer) one or more manufactured home parks may close in McMinnville as a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of manufactured home park closures designed to lessen the financial difficulties of this closure for park residents,<sup>65</sup> the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary role is to ensure that there is sufficient land zoned for new multifamily housing, or other housing meeting the same need, and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate-density housing (e.g., cottages or missing-middle housing types) in the R-1 and R-2 zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary

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<sup>65</sup> ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord give at least one year's notice of park closure and pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, in addition to not charging tenants for demolition costs of abandoned manufactured homes.

zoning policy, or partnering with a developer of government-subsidized affordable housing.

## Other Needs

This section includes needs for special housing, land to accommodate households before 2021, and other uses on residential land.

### Need for Special Housing

Need for special housing, such as transitional housing to provide services in conjunction with housing, is accounted for in total numbers; however, the housing strategy can discuss opportunities to ensure codes are responsive to planning that should address opportunities for providers of transitional housing and services within the broader planning context.

### Need for Households Locating in McMinnville before 2021

The projected growth before 2021 has been removed from this analysis, as the buildable lands inventory was updated to December 2021. This update accounted for actual growth that occurred through 2021.

### Need for Other Uses on Residential Land

The residential land needs analysis and capacity analysis accounts for land that will be needed for new streets within residential areas by applying a net-to-gross-buildable-acreage factor and density factor.

However, the housing needs analysis and residential land needs analysis don't account for other uses that will occur on lands planned and zoned for residential use. The City has initiated an urbanization study with a broader scope that will evaluate the capacity of the UGB to meet needs for all uses during the planning period. That analysis will identify forecast demand for other uses expected to occur on residential land. These can include uses such as schools, parks, public facilities, etc. Some of these have critical locational siting requirements in proximity to population as part of a public facilities system.

Once this portion of the urbanization study has been completed, the additional demand for residential land will be factored into the sufficiency determination to calculate the extent of deficit.

Because the need for other uses on residential land has not yet been determined, Chapter 6 addressed only the residential land need for housing before 2021.



## 6. Residential Land Sufficiency within McMinnville

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This chapter presents an evaluation of the sufficiency of vacant residential land in McMinnville to accommodate expected residential growth over the 2021 to 2041 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of McMinnville's ability to accommodate needed new housing units for the 2021 to 2041 period based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis. This section also presents the final land-sufficiency results for McMinnville for the 5-, 10-, and 46-year planning periods.

### Statutory Guidance

The language of Goal 10<sup>66</sup> and ORS 197.296<sup>67</sup> refers to housing need: it requires communities to provide needed housing types for households at all income levels. Goal 10's broad definition of need covers all households—from those with no home to those with second homes.

McMinnville is required to make a local housing needs projection<sup>68</sup> that determines the needed mix of housing types and densities that are (1) consistent with the financial capabilities of present and future area residents of all income levels during the planning period, (2) consistent with adopted housing standards, and (3) consistent with requirements of Goal 10, Goal 14<sup>69</sup>, OAR 660-008,<sup>70</sup> and ORS 197.296.

With a population over 25,000, McMinnville is subject to the provisions of ORS 197.296, which provide additional guidance on determining housing need. Specifically, ORS 197.296(5) requires that cities consider five factors in determining needed density and mix. These factors are discussed in detail in Chapter 5.

The final determination of needed mix and density was:

- **Needed Housing Mix:** 55% single-family detached housing, 12% single-family attached housing, and 33% multifamily housing
- **Needed Housing Density:** 5.46 dwelling units per gross acre (average overall, adding 3% to account for the City's compliance with HB 2001 (2019))

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<sup>66</sup> Goal 10: Housing, <https://www.oregon.gov/lcd/OP/Documents/goal10.pdf>

<sup>67</sup> ORS 197.296, [https://www.oregonlegislature.gov/bills\\_laws/ors/ors197.html](https://www.oregonlegislature.gov/bills_laws/ors/ors197.html)

<sup>68</sup> OAR 660-008-0005(4)

<sup>69</sup> Goal 14: Urbanization, <https://www.oregon.gov/lcd/OP/Pages/Goal-14.aspx>

<sup>70</sup> OAR 660-008, <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3058>

## Residential Capacity Analysis

The buildable lands inventory provides a supply analysis (buildable land by type), and the housing needs analysis provided a demand analysis (population growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to get estimates of supply and demand into common units of measurement so that they can be compared: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can all affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”<sup>71</sup> can be used to evaluate different ways that vacant residential land may build out by applying different assumptions. The process is to estimate capacity based on historic densities and then to evaluate land-use efficiency measures that would achieve housing needs.

### McMinnville Capacity Analysis Results

The capacity analysis estimates the development potential of vacant and partially vacant residential land to accommodate new housing. We base our analysis on several assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in the residential plan designations and residential zones. Buildable residential land includes land within the UGB intended for residential development, Exhibit 11. It excludes land brought into the UGB in 2020 for commercial, industrial, or public/semi-public uses that is currently in County zoning.
- **Water Zone 1 and Water Zone 2 land.** Land in Water Zone 1 is available to be serviced with water now. Based on discussions with McMinnville Water & Light, land in Water Zone 2 will likely not be serviced with water for approximately ten years.
- **Capacity in C-3.** Previous findings in McMinnville’s 2013 Economic Opportunities Analysis suggests a deficit of land in C-3 areas needed for commercial uses. For this reason, this analysis assumed no residential capacity on current C-3 areas after 2021. The average historic density calculations of 5.05 dwelling units per gross acre

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<sup>71</sup> There is ambiguity in the term “capacity analysis.” It would not be unreasonable for one to say that the capacity of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “Estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as capacity analysis, so we use that shorthand occasionally in this memorandum.

include the densities achieved in the C-3 zone, which could be achieved by rezoning county land to achieve average needed densities.

- **Residential demand in unincorporated areas with city residential plan designation and county rural zoning.** These lands are not available to develop at urban densities until they annex. For this reason, some of the analysis provides subtotals for city and county zoned lands separately in the calculations. This method allows ECONorthwest to calculate overall land needs (surpluses and deficits) under the assumption that these lands will be available once annexed over during the planning period.
  - **Small lots in county rural residential zoning.** OAR 660-024-0067(6) allows McMinnville to assume reduced development capacity on lots smaller than two acres for land that was brought into the UGB 14 years after the land was added to the UGB. The analysis in Exhibit 100 provides more detail about these small lots.

Excluding the 54 acres of land in the tax lots smaller than two acres, McMinnville has 816 gross buildable acres in County zoning.

- **Needed densities.**<sup>72</sup> The analysis models capacity at both historic and needed densities. The rationale and factual basis for the density assumptions is ORS 197.262(5), described in the previous section. In essence, the population is growing, and households are increasingly housing insecure due to rising housing costs and increased competition from wealthier households migrating into the jurisdiction. Since 2000, a majority of new housing developed in McMinnville has been single-family detached housing at prices that are unaffordable to many households in the region. In addition to these factors, as residents in McMinnville age, there will be more demand for smaller units. McMinnville will need a larger share of single-family attached and multifamily housing than the community had in the past, which will result in higher densities. The needed densities are those shown in Exhibit 94 and include a 3% increase over historic densities to account for complying with HB 2001 (2019).

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<sup>72</sup> This document is a baseline analysis. The density results are based on McMinnville's current zoning and land-use regulations. Efficiency measures enacted as part of the housing strategy could affect final density.

# **Exhibit 98. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1 and 2) with Baseline Capacity, McMinnville UGB, 2018**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (5.05 du/gross acre). Note 3: As stated above, no capacity was allocated to the C-3 zone.

\*The 54 acres of land for the small lots in rural zoning with reduced capacity was removed from the acres of land for "All other land in County zoning"

Zoning Districts	Total Unconstrained Buildable Acres (Water Zone 1 & 2)	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
R-1 Single Family Residential	108	3.19	345
R-2 Single Family Residential	113	4.43	499
R-3 Two Family Residential	11	4.94	53
R-4 Multiple-Family Residential	34	6.28	212
O-R Office/Residential	3	6.49	16
C-3 General Commercial	47	22.56	-
County Zoning			
Small lots in rural residential zoning with reduced capacity*			72
All other land in County zoning	394	5.05	1,986
<b>TOTAL</b>	<b>708</b>	<b>4.49</b>	<b>3,183</b>

Exhibit 98 shows that McMinnville has 708 acres of unconstrained buildable lands (excluding the 54 acres in small lots in rural zoning in Exhibit 100), (approx. 662 acres in residential zones are assigned residential capacity), with capacity for 3,183 dwelling units using densities in Exhibit 94 by zoning district. Exhibit 99 shows that McMinnville has 577 acres of unconstrained buildable lands in Zone 1,<sup>73</sup> with capacity for 2,608 dwelling units using densities in Exhibit 94 by zoning district).

<sup>73</sup> The analysis assumes that Zone 2 acreage is available within the 20-year period planning period, but not before the 10-year period.

## Exhibit 99. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1) with Baseline Capacity, McMinnville UGB, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (5.05 du/gross acre). Note 3: As stated above, no capacity was allocated to the C-3 zone.

\*The 54 acres of land for the small lots in rural zoning with reduced capacity was removed from the acres of land for "All other land in County zoning"

Zoning Districts	Total Unconstrained Buildable Acres (Water Zone 1)	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
R-1 Single Family Residential	75	3.19	238
R-2 Single Family Residential	68	4.43	300
R-3 Two Family Residential	11	4.94	53
R-4 Multiple-Family Residential	34	6.28	212
O-R Office/Residential	3	6.49	16
C-3 General Commercial	47	22.56	-
County Zoning			
Small lots in County zoning with reduced capacity*			72
All other land in County zoning	340	5.05	1,717
<b>TOTAL</b>	<b>577</b>	<b>4.52</b>	<b>2,608</b>

Exhibit 100 shows capacity of small tax lots in selected unincorporated areas. OAR 660-024-0067(6) allows McMinnville to assume reduced development capacity on lots smaller than two acres for land that was brought into the UGB 14 years after the land was added to the UGB. The three areas shown in Exhibit 100 are Fox Ridge Road, Redmond Hill Road, and Riverside South and where brought into the UGB in 2003, about 18 years before 2021.

These three areas include 47 tax lots with 54 acres. Consistent with OAR 660-024-0067(6), Exhibit 100 estimates 1 dwelling unit of capacity for tax lots 1 acre and smaller and 2 dwelling units of capacity for tax lots between 1 and 2 acres in size. acre

## Exhibit 100. Capacity of Small Tax Lots in Selected Unincorporated Areas, McMinnville UGB, 2021

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit.

Area	Tax lots less than 1 acre			Tax lots between 1 and 2 acres			Total Capacity (DU)
	Total Tax Lots	Capacity per tax lot (DU)	Capacity of Tax lots	Total Tax Lots	Capacity per tax lot (DU)	Capacity of Tax lots	
Fox Ridge Road	5	1.0	5	6	2.0	12	17
Redmond Hill Road	1	1.0	1	-	2.0	-	1
Riverside South	16	1.0	16	19	2.0	38	54
<b>Total</b>	<b>22</b>		<b>22</b>	<b>25</b>		<b>50</b>	<b>72</b>



## Residential Land Sufficiency in McMinnville

The next step in the analysis of the sufficiency of residential land within McMinnville's UGB is to compare the demand for housing with the capacity of land. This analysis is partially based on capacity of land by existing zoning and plan designations. It is a baseline analysis. Land-sufficiency results may change based on implementation of actions in the housing strategy, including implementation of McMinnville's Great Neighborhood Principles.

This section presents the land-sufficiency results for McMinnville for several periods:

- 5-year period (2021–2026)
- 10-year period (2021–2031)
- 20-year period (2021–2041)
- 46-year period (2021–2067)

Notes about the final results:

- Results reflect demand for new dwelling units which require vacant and partially vacant lands.<sup>74</sup>

These estimates provide context for consumption of McMinnville's remaining buildable residential lands. For the purpose of the UGB, only the 2021–2041 estimates are relevant.

Exhibit 101 shows the capacity for each planning period starting in 2021, with subtotals for capacity within Water Zones 1 and 2. It shows the number of new dwelling units needed on vacant and partially vacant lands, and the resulting surplus / deficit of dwelling units and acreage (with calculations for both historic and needed density).

As discussed above, these calculations are based on average densities. Rezoning land may be required to have sufficient lands zoned to achieve the specified capacity. Because zoning may change, or because a diverse housing zone may be implemented, capacity and acreage are calculated without assignment to specific zones.

Exhibit 101 shows that McMinnville has a deficit of capacity for 1,101 dwelling units for the 2021–2041 period, resulting in a land deficit of 218 gross acres (at a density of 5.05 du/gross acre) or 202 gross acres (at a density of 5.46 du/gross acre).

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<sup>74</sup> Forecasted demand for infill and redevelopment will not require vacant or partially vacant lands.

**Exhibit 101. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, McMinnville UGB, for the periods through 2026, 2031, 2041, and 2067**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note 2: The 3,183 DU capacity total includes 1,125 DUs in City Limits and 2,058 DUs in the county.

	Planning Period			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
<b>2021 Capacity (DUs)</b>				
Water Zone 1	2,608	2,608	2,608	2,608
Water Zone 2	NA	NA	575	575
<b>Total</b>	<b>2,608</b>	<b>2,608</b>	<b>3,183</b>	<b>3,183</b>
<b>Post-2021 Demand (DUs on buildable land)</b>				
Surplus/Deficit at Horizon Year (Dus)	1,563	487	(1,101)	(6,924)
Capacity Based on Land in Water Zone:	1	1	1&2	1&2
Surplus/Deficit @ 5.05 du/ac (hist +3%), gross acres	310	97	(218)	(1,372)
Surplus/Deficit @ 5.46 du/ac (need + 3%), gross acres	286	89	(202)	(1,268)
Difference, gross acres	23	7	(16)	(104)

## Conclusions

McMinnville's UGB is forecast to grow from 36,238 people in 2021 to 47,498 people in 2041, an increase of 11,260 people. This population growth will occur at an average annual growth rate of 1.36%. In addition to population growth, McMinnville's households have grown smaller on average. After considering a number of factors, including household size and residential vacancy rates, McMinnville will have demand for about 4,657 new dwelling units over the 20-year planning period (2021 to 2041). McMinnville will have demand for about 1,136 new dwelling units for the 5-year period between 2026 and 2031, about 2,305 new dwelling units for the 10-year period between 2021 and 2031, and about 10,986 new dwelling units for the 46-year period between 2021 and 2067.

McMinnville will need to accommodate an average development trajectory of 233 new dwelling units annually over the 20-year planning horizon. Over the 20-year planning period, McMinnville will accommodate 373 needed dwelling units through redevelopment and infill—these units will not require vacant or partially vacant lands. Accordingly, this will result in McMinnville needing to accommodate 4,284 needed new dwelling units on vacant and partially vacant buildable residential lands.

### Exhibit 102. Summary of New Dwelling Units, for the Periods through 2026, 2031, 2041, and 2067

Source: Calculations by ECONorthwest.

	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
<b>Total New D.U.s:</b>	1,136	2,305	4,657	10,986
<b>Less Infill/Redev (8%)</b>	(91)	(184)	(373)	(879)
<b>Equals D.U.s requiring Vacant/Partially Vacant Land</b>	1,045	2,121	4,284	10,107

In the future, McMinnville will plan for an increased share of single-family attached dwelling units and multifamily units to meet the City's housing needs. Currently, about 68% of McMinnville's housing stock is single-family detached housing, 9% is single-family attached housing, and 23% is multifamily housing. Based on Project Advisory Committee recommendations, McMinnville will plan for a different mix in new housing, which will result in a slight change to McMinnville's aggregate overall mix of existing and new housing. McMinnville will plan for a decrease in share of single-family detached housing (55% of new housing stock) to provide opportunities for more single-family attached housing (12% of new housing) and multifamily housing (33% of new housing).

McMinnville is planning for slightly higher overall average density than it has in the past. As McMinnville shifts toward more single-family attached housing and multifamily housing, McMinnville's average housing density (for new dwelling units) will increase from 4.9 dwelling units per gross acre (historic average density) to 5.46 dwelling units per gross acre (needed

average density, including an increase of 3% to account for compliance with HB 2001 (2021))—an 11% increase.<sup>75</sup>

McMinnville’s existing deficit of relatively affordable housing on both sides of the affordability spectrum indicates a need for a wider range of housing types for renters and homeowners. About 36% of McMinnville’s households are cost burdened (paying more than 30% of their income on housing), including a cost-burden rate of 52% for renter households. Without diversification of housing types, lack of affordability will continue to be a problem—possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions between 2021 and 2041, about:

- **1,016 of the forecasted new households will have incomes of \$25,150 or less.** These households often cannot afford market-rate housing without government subsidy.
- **1,711 new households will have incomes between \$25,150 and \$60,359.** These households will need access to relatively affordable housing, such as single-family detached housing (e.g., tiny homes, cottages, small-lot, and traditional), single-family attached housing (e.g., town homes), and multifamily products (particularly middle housing types such as duplexes, triplexes, quadplexes, and apartments/multifamily condominiums).
- **1,930 new households will have incomes over \$60,359.** These households will need higher-amenity housing types such as single-family detached housing, single-family attached housing, and higher-end multifamily products (particularly condominiums).

McMinnville’s UGB will not accommodate all of McMinnville’s housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,101 dwelling units. , which means the City has an approximate deficit of about 202 gross acres by 2041. Housing demand results for the 5-, 10-, 20-, and 46-year periods are summarized in **Error! Reference source not found..**

McMinnville added the R-5 zone as part of the 2020 UGB expansion. The zone is intended to provide areas for high-density residential dwelling units and other closely related uses in designated Neighborhood Activity Centers, the downtown, and other appropriate locations within the city, consistent with comprehensive plan policies. Residential densities within this zone are typically 14 to 26 dwelling units per acre. McMinnville expects to rezone about 36.7 acres of Urban Holding land to R-5. Depending on the development density and land needed for rights-of-way, land in the R-5 zone could accommodate about 400 to 700 dwelling units.

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<sup>75</sup> This calculation is based on average historical density by housing type. The existing analysis presented in Chapter 6 is calculated using average historical density by zone, including an increase of 3% to account for compliance with HB 2001.

# Appendix A. Residential Buildable Lands Inventory Methods

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The general structure of the residential buildable land (supply) inventory is generally based on the DLCD HB 2709 workbook *“Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,”* which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008.

ECONorthwest used 2018 and 2017 (assessor tax year) data for the 2019 version of the report.

In 2023, ECONorthwest updated the BLI from the 2019 *McMinnville Housing Needs Analysis* report to December 2021 to account for: land brought into the UGB through the 2020 Urban Growth Boundary (UGB) expansion; development that occurred between January 1, 2018 and December 31, 2021; and other changes such as changes in zoning or tax lot divisions. For this update, ECONorthwest used 2022 (assessor tax year) data.

The following provides an overview of the buildable lands inventory methodology.

## Overview of the Methodology

The McMinnville BLI includes all residential land designated in zones or plan designations within the McMinnville UGB. From a practical perspective, this means that all lands within tax lots identified by the Yamhill County Assessment and Taxation Department that fall within the UGB were inventoried. ECONorthwest used the most recent tax lot shapefile (that was available at the time of the analysis) and assessor’s roll data from Yamhill County for the analysis. The inventory then builds from the tax lot-level database to calculate estimates of buildable land by zone.

The buildable lands analysis was completed through several sequential steps.

**Step 1: Generate land base.** Per Goal 10, this involves selecting all of the tax lots in the McMinnville UGB with residential zones and “lands that may be used for a mix of residential and employment uses under the existing planning or zoning.”

ECONorthwest included the following zones in the residential inventory based on statutory requirements in ORS 197.296(4)(a):

- R-1 Single-Family Residential
- R-2 Single-Family Residential
- R-3 Two-Family Residential
- R-4 Multifamily Residential
- O-R Office/Residential
- C-3 General Commercial



Since McMinnville has a single residential plan designation, the land base includes these zones as well as any additional tax lots within the residential plan designation. For lands in the UGB that have the residential plan designation but still retain County zoning, properties within the residential plan designation were included in the BLI.

**Step 2: Classify lands by development status.** Next, the analysis classified each parcel into one of the following categories based on development status.

- Developed land
- Vacant land
- Partially vacant land
- Public or Exempt land

**Step 3: Identify constraints.** Consistent with the Division 8 rule, this includes floodways, floodplains (including lands in McMinnville’s floodplain zone), regulated wetlands, lands with slopes of 25% or greater, landslide hazards (including the DOGAMI SLIDO database and lands with high or very high susceptibility to landslides), and service constrained lands. All constraints were merged into a single constraint file, which was used to identify the area of each tax lot that is constrained. These areas were deducted from lands that were identified as vacant or partially vacant.

**Step 4: Verification.** ECONorthwest used a multistep verification process to ensure the accuracy of the BLI. The first verification step included a rapid visual assessment of land classifications using GIS and recent aerial photos to verify uses on the ground. The second round of verification involved City staff verifying the rapid visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of the City’s comments.

The 2023 update used building permits from 2019 to December 2021 to identify tax lots where new development has occurred. Tax lots that were previously designated as vacant in 2019 but currently have a building permit on them were generally re-designated as developed. As an additional step to maintain thoroughness, tax lots were again filtered through our development status classification scheme to identify any tax lots where the improvement value increased from \$0 to values over \$10,000. Beyond these changes, we used the 2019 BLI results unless there was a clear reason for doing otherwise.

The inventory was completed primarily using Geographic Information Systems (GIS) mapping technology. The output of this analysis is a database of land inventory information, which is summarized in both tabular and map format in Chapter 2. Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not present a parcel-level analysis of lot availability and suitability. The results of the inventory have been aggregated by zone (City limits) and plan designation (outside City limits and in UGB), consistent with State planning requirements.

Data used for the analysis was provided by the City of McMinnville and the Yamhill County Assessor and Taxation Department, as well as statewide and national data sets. Specific data that was used included City/urban growth boundaries, tax lots, zoning, the National Wetlands

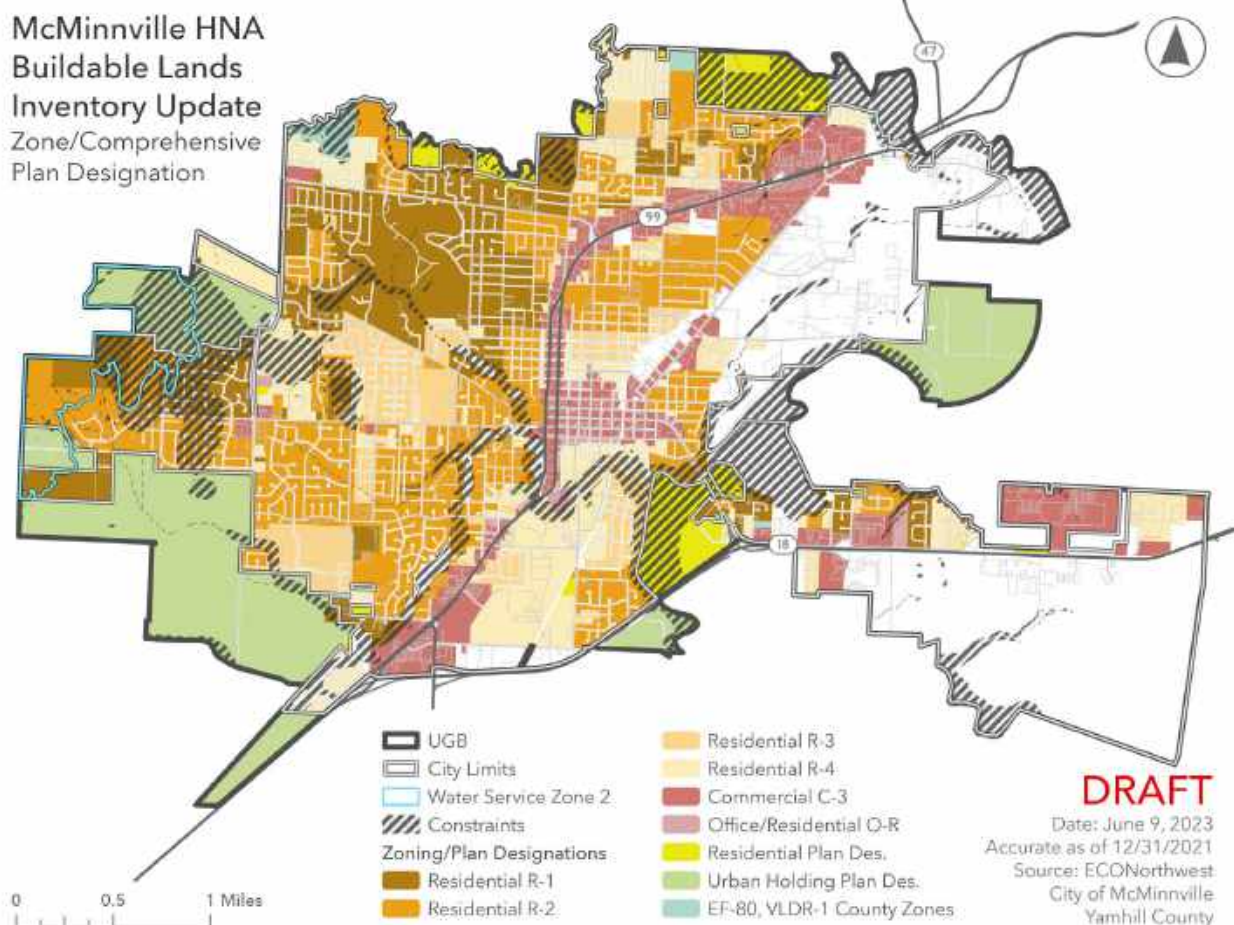
Inventory, DOGAMI landslide hazards and susceptibility, floodway and floodplains, conservation easements, and slopes. The tax lot data was current as of April 2023.

## Residential Land Base

Exhibit 103 (on the following page) shows the zones and plan designations included in the residential land base. This BLI includes lands in the R-1, R-2, R-3, R-4, O-R, and C-3 zones, as well as other land in the residential plan designation and urban holding plan designation. Tax lots with a residential use in the F-P zone or F-P plan designation were also included on a case-by-case basis based on proximity to other residential land or using property class data to determine if the tax lot has a residential use. Land in zones that do not allow residential use were not included. These tax lots were assigned a residential zone or plan designation based on proximity to other residential zones, since the floodplain zone was included as a constraint.

Land in the Zone 2 contour was also identified due to additional considerations for capacity. Using the Intersect tool in GIS, land in tax lots either completely within or partially within the Zone 2 were calculated separately from land in those tax lots in Zone 1.

**Exhibit 103. Residential Land Base by Zone and Plan Designation, McMinnville UGB, 2018**



# Appendix B. Scenario Modeling

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ECONorthwest developed scenario models to inform Project Advisory Committee discussions about needed housing mix and density. This appendix presents the models for reference.

The scenarios were developed as to support discussions during the Project Advisory Committee process at the December 18, 2018 meeting to support the Committee's discussions and provide a basis for recommendations. The scenarios were updated to the forecasts and land need presented in Chapters 5 and 6 of the report.

## Housing Forecast by Housing Type

This section documents the process in determining needed housing mix and density assumptions. To inform the Project Advisory Committee's recommendation for the housing mix assumption, ECONorthwest modeled four housing mix scenarios. ECONorthwest used the scenarios to illustrate how housing mix impacts capacity and land sufficiency. The four scenarios were:

- **Existing Mix (ACS 2013–2017):** 68% single-family detached, 9% single-family attached, and 23% multifamily
- **Historical Mix (Housing Permitted 2000 to 2018):** 62% single-family detached, 8% single-family attached, and 31% multifamily
- **Scenario 1 (Preliminary Needed Mix):** 60% single-family detached, 10% single-family attached, and 30% multifamily
- **Scenario 2 (Preliminary Needed Mix):** 55% single-family detached, 12% single-family attached, and 33% multifamily

Using the four scenarios, ECONorthwest forecasted needed housing in McMinnville by housing type. Exhibit 104 presents a 20-year forecast (using the four scenarios), and Exhibit 105 presents the 5-, 10-, 20-, and 46-year forecasts (using the historic mix scenario).

#### Exhibit 104. Scenario Model: Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest. Note: Baseline housing mix is McMinnville's existing housing mix per US Census, 2013–2017 ACS, Table B25024.

Variable	Existing Mix (ACS 2013- 2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
<b>Needed new dwelling units (2021-2041)</b>	4,424	4,424	4,424	4,424
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	68%	62%	60%	55%
<i>equals</i> total new single-family detached DU	3,009	2,733	2,654	2,433
Single-family attached				
Percent single-family attached DU	9%	8%	10%	12%
<i>equals</i> total new single-family attached DU	399	332	442	531
Multifamily				
Percent multifamily	23%	31%	30%	33%
<i>equals</i> total new multifamily	1,016	1,359	1,328	1,460
<b><i>equals</i> Total new dwelling units (2021-2041)</b>	<b>4,424</b>	<b>4,424</b>	<b>4,424</b>	<b>4,424</b>

#### Exhibit 105. Scenario Model: 5-, 10-, and 46-year Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2067

Source: Calculations by ECONorthwest. Note: This exhibit uses the historic mix scenario.

Variable	Baseline Forecast			
	2021 to 2026 (5-Year)	2021 to 2031 (10-Year)	2021 to 2041 (20-Year)	2021 to 2067 (46-year)
<b>Needed new dwelling units</b>	1,079	2,190	4,424	10,435
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	62%	62%	62%	62%
<i>equals</i> Total new single-family detached DU	667	1,353	2,733	6,447
Single-family attached				
Percent single-family attached DU	8%	8%	8%	8%
<i>equals</i> Total new single-family attached DU	81	164	332	783
Multifamily				
Percent multifamily	31%	31%	31%	31%
<i>Total new multifamily</i>	331	673	1,359	3,205
<b><i>equals</i> Total new dwelling units</b>	<b>1,079</b>	<b>2,190</b>	<b>4,424</b>	<b>10,435</b>

The housing mix determination over the 2021 to 2041 period will impact McMinnville's overall housing mix in 2041. Exhibit 106 displays what McMinnville's overall housing mix would be in 2041 based on each of the four scenarios. Exhibit 107 displays what McMinnville's overall housing mix would be at the end of McMinnville's various planning horizons (2026, 2031, 2041, and 2067)

**Exhibit 106. Scenario Model: Estimated Aggregate Future Housing Mix, McMinnville UGB, 2041**

Source: Calculations by ECONorthwest. Note: According to the US Census, McMinnville had 8,902 single-family detached units, 1,180 single-family attached units, and 3,007 multifamily units (totaling 13,089 dwelling units) in the 2013–2017 period. The 17,513 (total) is the 13,089 units, plus the 4,424 needed new units.

	Existing Mix (ACS 2013- 2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
Single-Family Detached				
Number	11,911	11,635	11,556	11,335
Percent	68%	66%	66%	65%
Single-Family Attached				
Number	1,579	1,512	1,622	1,711
Percent	9%	9%	9%	10%
Multifamily Units				
Number	4,023	4,366	4,335	4,467
Percent	23%	25%	25%	26%
<b>Total</b>	<b>17,513</b>	<b>17,513</b>	<b>17,513</b>	<b>17,513</b>



# **Exhibit 107. Scenario Model: Estimated Aggregate Future Housing Mix, McMinnville UGB, 2026, 2031, 2041, and 2067**

Source: Calculations by ECONorthwest. Note: According to the US Census, McMinnville had 8,902 single-family detached units, 1,180 single-family attached units, and 3,007 multifamily units (totaling 13,089 dwelling units) in the 2013–2017 period. The totals are 13,089 units, plus the number of units needed in 5, 10, 20, and 46 years.

	Single-Family Detached		Single-Family Attached		Multifamily Units		Total
	Number	Percent	Number	Percent	Number	Percent	
2026 (5-year)							
Existing Mix	9,636	68%	1,277	9%	3,255	23%	14,168
Baseline Historic Mix	9,570	68%	1,261	9%	3,338	24%	14,169
Scenario 1	9,549	67%	1,288	9%	3,331	24%	14,168
Scenario 2	9,495	67%	1,309	9%	3,363	24%	14,168
2031 (10-year)							
Existing Mix	10,391	68%	1,377	9%	3,510	23%	15,279
Baseline Historic Mix	10,255	67%	1,344	9%	3,680	24%	15,279
Scenario 1	10,216	67%	1,399	9%	3,664	24%	15,279
Scenario 2	10,107	66%	1,443	9%	3,730	24%	15,279
2041 (20-year)							
Existing Mix	11,911	68%	1,579	9%	4,023	23%	17,513
Baseline Historic Mix	11,635	66%	1,512	9%	4,366	25%	17,513
Scenario 1	11,556	66%	1,622	9%	4,335	25%	17,513
Scenario 2	11,335	65%	1,711	10%	4,467	26%	17,513
2067 (46-year)							
Existing Mix	15,999	68%	2,121	9%	5,404	23%	23,524
Baseline Historic Mix	15,349	65%	1,963	8%	6,212	26%	23,524
Scenario 1	15,163	64%	2,224	9%	6,138	26%	23,524
Scenario 2	14,641	62%	2,432	10%	6,451	27%	23,524

## Allocation of Needed Housing

ECONorthwest modeled allocation analyses for each of the four housing mix scenarios. The scenario models for the 20-year planning period are presented in Exhibit 108 through Exhibit 111 and do not reflect updated group quarters assumptions or account for units accommodated by infill or redevelopment. The revised methodology presented in the main report does not use this methodology, however. Thus, these tables are for reference into the process only.

The first step in the allocation analysis (presented here) is based on McMinnville's historic share of housing developed in each of McMinnville's existing zones between 2000 and 2018. For example, between 2000 and 2018, 16% of McMinnville's housing development occurred in R-1, 44% occurred in R-2, 6% in R-3, and 34% in R-4.

### Exhibit 108. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Existing Mix Scenario, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Zoning Designations	Residential Plan Designation					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,504	88	842	-	-	-	3,009
Single-family attached	44	89	44	222	-	-	-	399
<b>Multifamily</b>	68	391	115	442	-	-	-	1,016
<b>Total</b>	<b>687</b>	<b>1,984</b>	<b>247</b>	<b>1,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424</b>
Percent of Units								
Single-family detached	13%	34%	2%	19%	0%	0%	0%	68%
Single-family attached	1%	2%	1%	5%	0%	0%	0%	9%
<b>Multifamily</b>	<b>2%</b>	<b>9%</b>	<b>3%</b>	<b>10%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>23%</b>
<b>Total</b>	<b>16%</b>	<b>45%</b>	<b>6%</b>	<b>34%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

### Exhibit 109. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Historic Mix Scenario, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designation					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,406	88	664	-	-	-	2,733
Single-family attached	44	89	44	155	-	-	-	332
<b>Multifamily</b>	68	473	115	703	-	-	-	1,359
<b>Total</b>	<b>687</b>	<b>1,968</b>	<b>247</b>	<b>1,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424</b>
Percent of Units								
Single-family detached	13%	32%	2%	15%	0%	0%	0%	62%
Single-family attached	1%	2%	1%	4%	0%	0%	0%	8%
<b>Multifamily</b>	<b>2%</b>	<b>11%</b>	<b>3%</b>	<b>16%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>31%</b>
<b>Total</b>	<b>16%</b>	<b>44%</b>	<b>6%</b>	<b>34%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

**Exhibit 110. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Scenario 1, McMinnville UGB, 2021 to 2041**

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designations					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,416	88	575	-	-	-	2,654
Single-family attached	44	110	66	222	-	-	-	442
<b>Multifamily</b>	88	442	133	665	-	-	-	1,328
<b>Total</b>	<b>707</b>	<b>1,968</b>	<b>287</b>	<b>1,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424</b>
Percent of Units								
Single-family detached	13%	32%	2%	13%	0%	0%	0%	60%
Single-family attached	1%	2%	1%	5%	0%	0%	0%	10%
<b>Multifamily</b>	<b>2%</b>	<b>10%</b>	<b>3%</b>	<b>15%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>30%</b>
<b>Total</b>	<b>16%</b>	<b>44%</b>	<b>6%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

**Exhibit 111. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Scenario 2, McMinnville UGB, 2021 to 2041**

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designations					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	531	1,283	88	531	-	-	-	2,433
Single-family attached	44	221	44	222	-	-	-	531
<b>Multifamily</b>	<b>133</b>	<b>442</b>	<b>133</b>	<b>752</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,460</b>
<b>Total</b>	<b>708</b>	<b>1,946</b>	<b>265</b>	<b>1,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424</b>
Percent of Units								
Single-family detached	12%	29%	2%	12%	0%	0%	0%	55%
Single-family attached	1%	5%	1%	5%	0%	0%	0%	12%
<b>Multifamily</b>	<b>3%</b>	<b>10%</b>	<b>3%</b>	<b>17%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>33%</b>
<b>Total</b>	<b>16%</b>	<b>44%</b>	<b>6%</b>	<b>34%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

## Needed Densities

A city's average residential density is influenced by the its housing mix. Using the four housing mix scenarios and McMinnville's historic densities with 3% added to account for density changes related to complying with HB 2001 (2021) (Exhibit 95), ECONorthwest illustrated how average gross densities increase as the share of single-family detached housing decreases.

### Exhibit 112. Scenario Model: Estimated Aggregate Residential Densities, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Variable	Existing Mix (ACS 2013- 2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
Dwelling units by structure type				
Single-family detached	3,009	2,733	2,654	2,433
Average gross density SFD	3.6	3.6	3.6	3.6
<i>equals</i> gross acres needed for SFD	<b>836</b>	<b>759</b>	<b>737</b>	<b>676</b>
Single-family attached	399	332	442	531
Average gross density SFA	9.3	9.3	9.3	9.3
<i>equals</i> gross acres needed for SFA	<b>43</b>	<b>36</b>	<b>48</b>	<b>57</b>
Multifamily	1,016	1,359	1,328	1,460
Average gross density MF	13.7	13.7	13.7	13.7
<i>equals</i> gross acres needed for MF	<b>74</b>	<b>99</b>	<b>97</b>	<b>107</b>
<b>Total</b>				
Housing Units	4,424	4,424	4,424	4,424
Average Gross Density	4.6	4.9	5.0	5.3
<b>Gross Acres</b>	<b>953</b>	<b>894</b>	<b>882</b>	<b>839</b>

## Land Sufficiency Approximations for the 2021 to 2041 Planning Period

Exhibit 113, Exhibit 114, Exhibit 115, and Exhibit 116 show the residential land sufficiency results, modeled using each of the four housing mix scenarios. Notes about the models:

- Modeled results in this appendix do not reflect land needed to accommodate housing development before 2021, which is addressed in the main report.
- Modeled results in this appendix used a different methodology for group quarters, resulting in a different estimate for housing demand.
- Modeled results do not reflect assumptions for dwelling units accommodated through infill or redevelopment.

The scenario models show that McMinnville's 721 buildable acres (660 in residential zones) available for residential development has capacity for 2,921 dwelling units. Over the 2021 to 2041 planning period, McMinnville will have demand for 4,424 dwelling units. At densities observed between 2000 and 2018, this translates into a land deficit of (1) 321 gross acres in the existing mix scenario, (2) 320 gross acres in the historical mix scenario, (3) 325 gross acres in

scenario 1, and (4) 323 gross acres in scenario 2. Each scenario showed that McMinnville does not have sufficient capacity to accommodate needed new housing in R-1, R-2, R-3, and R-4 areas.

Note: Due to the way demand was allocated to zones in the allocation scenario models (see Exhibit 108, Exhibit 109, Exhibit 110, and Exhibit 111 as well as the corresponding basis), the approximate land surplus and deficit are relatively similar across models. Accordingly, the models allocate housing demand to zones comparably across models and at an average density applied on total units per zone.

**Exhibit 113. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Existing Mix, McMinnville UGB, 2021 to 2041**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	687	(238)	(77)
R-2 Single Family Residential	561	1984	(1,423)	(331)
R-3 Two Family Residential	28	247	(219)	(46)
R-4 Multiple-Family Residential	127	1506	(1,379)	(226)
O-R Office/Residential	3	0	3	0
C-3 General Commercial	-	0	0	0
County Zoning	1,753	0	1,753	358
<b>Total</b>	<b>2,921</b>	<b>4,424</b>	<b>(1,503)</b>	<b>(321)</b>

**Exhibit 114. Scenario Model, Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Historical Mix, McMinnville UGB, 2021 to 2041**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	687	(238)	(77)
R-2 Single Family Residential	561	1968	(1,407)	(327)
R-3 Two Family Residential	28	247	(219)	(46)
R-4 Multiple-Family Residential	127	1522	(1,395)	(229)
O-R Office/Residential	3	0	3	0
C-3 General Commercial	-	0	0	0
County Zoning	1,753	0	1,753	358
<b>Total</b>	<b>2,921</b>	<b>4,424</b>	<b>(1,503)</b>	<b>(320)</b>



**Exhibit 115. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Scenario 1, McMinnville UGB, 2021 to 2041**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	707	(258)	(83)
R-2 Single Family Residential	561	1,968	(1,407)	(327)
R-3 Two Family Residential	28	287	(259)	(54)
R-4 Multiple-Family Residential	127	1,462	(1,335)	(219)
O-R Office/Residential	3	-	3	0
C-3 General Commercial	-	-	0	0
County Zoning	1,753	-	1,753	358
<b>Total</b>	<b>2,921</b>	<b>4,424</b>	<b>(1,503)</b>	<b>(325)</b>

**Exhibit 116. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Scenario 2, McMinnville UGB, 2021 to 2041**

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	708	(259)	(84)
R-2 Single Family Residential	561	1,946	(1,385)	(322)
R-3 Two Family Residential	28	265	(237)	(49)
R-4 Multiple-Family Residential	127	1,505	(1,378)	(226)
O-R Office/Residential	3	-	3	0
C-3 General Commercial	-	-	0	0
County Zoning	1,753	-	1,753	358
<b>Total</b>	<b>2,921</b>	<b>4,424</b>	<b>(1,503)</b>	<b>(323)</b>

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# City of McMinnville Economic Opportunities Analysis

September 2023

Prepared for:  
City of McMinnville

**FINAL REPORT**



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# Acknowledgments

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

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# Executive Summary

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

## Background

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

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

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

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

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

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

## How much growth is McMinnville planning for?

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

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

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

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

Source: ECONorthwest

## How much employment land does McMinnville currently have?

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

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

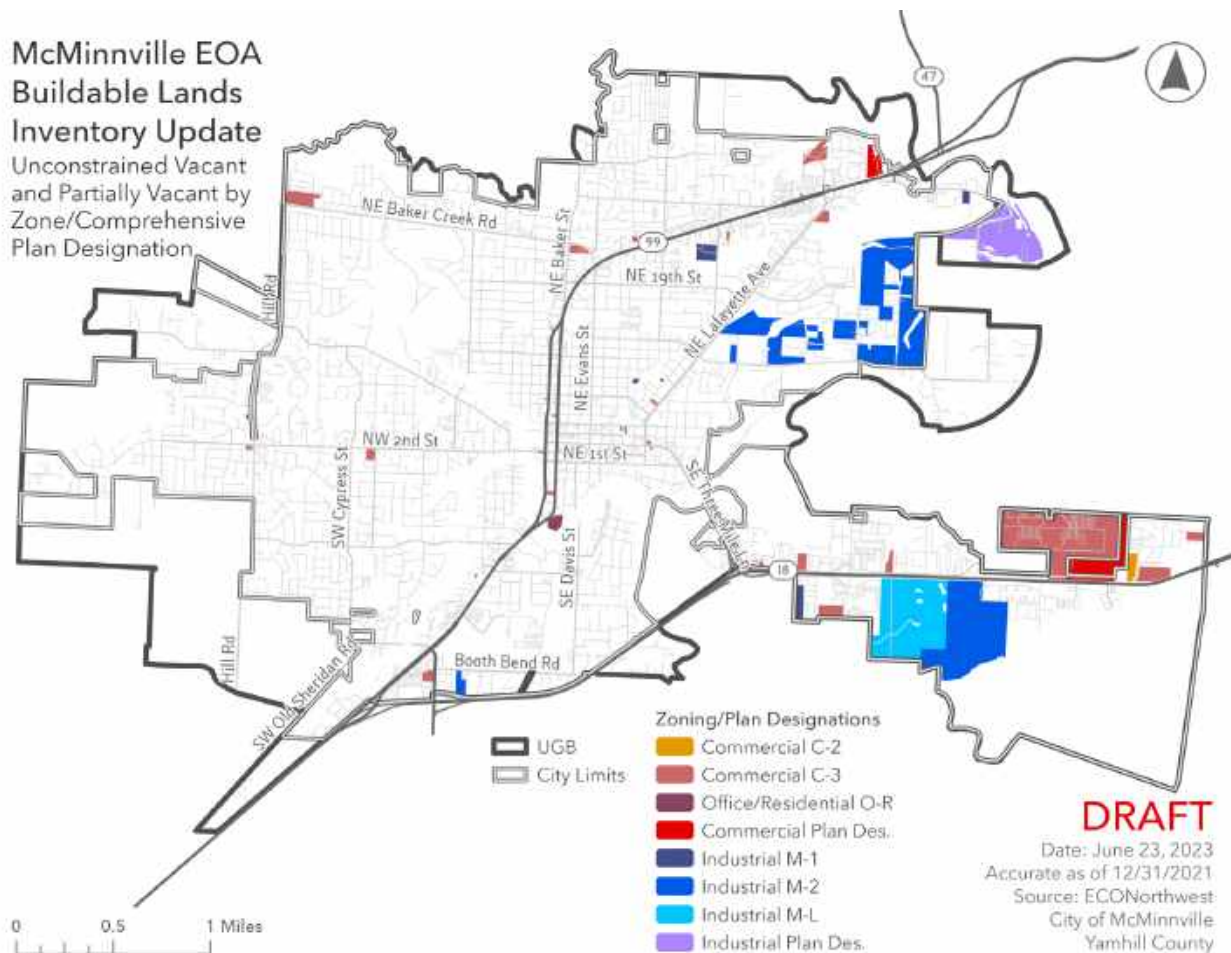
When the City amended its UGB in 2020 with the adoption of Ordinance No. 5089, 39.30 acres of future neighborhood serving commercial land was designated Urban Holding that will be specifically located as the Urban Holding designated land is area planned per the provisions of the McMinnville Growth Management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

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

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

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

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





# How much land will be required for employment?

## Context

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

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

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

## Demand

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

Demand was calculated in following components:

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

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

## Supply

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

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

## Sufficiency

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

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

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

Source: ECONorthwest.

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

Land needed for public or institutional use in McMinnville is shown in Exhibit 5. These needs are not addressed in the HNA or EOA documents but **are** included in the Urbanization Study report. (Appendix E. Public and Institutional Land Need provides the detailed results for public and institutional uses.) McMinnville will need an additional **477** acres in the 2021 to 2041 period and 780 acres in the 2021-2067 period.

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

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

The City expanded its UGB in 2020, including land for public and semi-public uses by 383 acres. Exhibit 6 compares the land need for Public and Institutional land needs through 2041 with the UGB expansion for Public and Semi-Public land needs for 2003-2023. Exhibit 6 shows that

McMinnville's UGB expansion added about 383 acres for public and semi-public uses, resulting in a remaining unmet public and semi-public land need.

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

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	254	392	(138)
Schools (McMinnville SD)	54	10	44
Private Schools (colleges)	2	0	2
Religious (churches)	48	38	9
Government (City, County, State, Federal)	1	16	(15)
Semi-public Services (Water & Light)	25	21	4
Total	383	477	(94)

# 1. Introduction

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

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

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

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

- Changes in the buildable lands inventory, including:
  - Accounting for land brought into the urban growth boundary in 2020
  - Development that occurred through December 31, 2021, as an update to the buildable lands inventory
- Update to the "Other Sites" needed in Exhibit 58 to remove sites that have been accommodated elsewhere.
- Update to the estimate of Land Needed to reflect the decrease in land needs for "Other Sites".



- Update the estimate of Land Sufficiency to reflect changes in the inventory of buildable land and the change in land need.
- Update to Appendix E to acknowledge acreage brought into the UGB to accommodate public and institutional land needs.

Other than these items, the City did not substantively update assumptions in the EOA, as they were thoroughly reviewed by the Project Advisory Committee in development of the EOA.

## Contents, Format, and Guiding Requirements

The EOA includes technical analysis to address a range of questions that McMinnville faces in managing its commercial and industrial land. For example, the EOA includes an employment forecast that describes how much growth McMinnville should plan for over the planning period and identifies the amount and type of employment land necessary to accommodate growth in McMinnville over that period. The EOA also includes an inventory of commercial and industrial land within McMinnville’s urban growth boundary (UGB) to provide information about the amount of land available to accommodate employment growth.

This EOA complies with the requirements of statewide planning Goal 9, the Goal 9 administrative rules (OAR 660 Division 9), and the court decisions that have interpreted them. Goal 9 requires cities to identify the characteristics of sites needed to accommodate industrial and other employment uses (OAR 660-009-0025(1)) over the 2021-2041 20-year planning period. This approach could be characterized as a *site-based* approach that projects land need based on the forecast for employment growth, the City’s economic development objectives, and the specific needs of target industries. This updated analysis is more comprehensive than the State requires, as it looks at the employment needs for a 5-, 10-, and 46-year period, in addition to the 20-year period. The shorter-term analyses are intended to identify immediate employment land needs and strategies given current land-need deficiencies, and the 46-year analysis can provide a basis for the establishment of urban reserve areas (URAs).

## Background

The City adopted an updated EOA in 2013. It provided the following history of work prior to the 2013 EOA update:

McMinnville’s Comprehensive Plan, as adopted in 1981, consists of three interrelated volumes:

- Volume I – covering background information for the plan process
- Volume II – listing adopted goals and policies
- Volume III – consisting of implementation ordinances and measures including the comprehensive plan and zoning maps, annexation, zoning and land division ordinances, and planned development overlays on areas of special significance

In 2001, the City of McMinnville completed an Economic Opportunities Analysis (EOA) aimed to “inventory all non-residential lands and conduct an analysis of its future commercial and

industrial land needs, consistent with the requirements of current Statewide Planning Goals, laws, and administrative rules.” The EOA identified a potential surplus of industrial land and a deficit of commercial land over what was then a 20-year forecast horizon of 2000-2020. The EOA was approved by the City Council in February 2002 and subsequently acknowledged by the State Land Conservation and Development Commission (LCDC).

In 2003, a McMinnville Growth Management and Urbanization Plan (MGMUP) was adopted as an element of the Comprehensive Plan. This document provided guiding principles and a development concept for future growth, including a proposed expansion of McMinnville’s Urban Growth Boundary (UGB).

In conjunction with this process, the City also updated the work of the 2001 EOA with respect to a revised Population and Employment Justification and a Revised Buildable Land Analysis, to bring these analyses current to the January 1, 2003 starting benchmark of the UGB review process. In effect, the 20-year planning horizon was shifted from 2000-2020 by three years to 2003-2023. In addition, the buildable lands analysis was updated to reflect changes that occurred between 2001 and 2003, and land need projections were adjusted accordingly.

The MGMUP documented the need for UGB expansion approaching 1,125 buildable acres (to meet needs for 2003-2023), with more than 90% of the need accounted by proposed expansion of land for residential, parks and related public uses. The remaining 9% represented land documented as needed for commercial development. The MGMUP was approved by LCDC, but then appealed by private parties to the Oregon Court of Appeals for issues related to prioritization of the types of agricultural land that can be added to the UGB. The Court eventually reversed and remanded LCDC’s approval; LCDC subsequently reversed and remanded their action to the City of McMinnville.

In 2020, the City finished the remanded portion of the work, adopted the revised McMinnville Growth Management and Urbanization Plan and its associated UGB amendment, and the state acknowledged the work in April 2021.

## 2013 EOA Update

The City of McMinnville last conducted a Goal 9-compliant analysis and evaluation of economic trends in the 2013 EOA update, which was based on 2010 Census and other employment data. The 2019 Economic Development Strategic Plan also included a Demographic and Economic profile of McMinnville.

The 2013 EOA acknowledged that due to the prior Court of Appeals decision, “a previously determined 106-acre deficiency of commercial land for McMinnville’s’ 20-year need has not been fully remedied. While the City of McMinnville is not pursuing any proposal to increase its UGB at this time, the need to address the potential imbalance of commercial and industrial land requirements has become more apparent due to the effects of a changing global, regional and local economy...”

The 2013 EOA stated, “As noted, while always an option for potential consideration, this EOA update assumes that McMinnville’s UGB will not be expanded during the updated 20-year forecast period for purposes of providing non-residential (or employment) land need; rather, any needs for added forecast employment growth are anticipated to be accommodated through efficiency or other measures as available to avoid UGB expansion.” The 2013 EOA found a 36-acre shortfall of commercial land for the 2013-2033 planning period, and a surplus of industrial land. This resulted in findings that led to subsequent rezoning of some of the surplus industrially-zoned acreage to commercially-zoned acreage in response to identified commercial land deficits.

One of the land-use efficiencies identified in the 2020 UGB amendment was to rezone 40 acres of industrial land to commercial land. This was adopted as a comprehensive plan policy and land-use efficiency but the comprehensive plan map and zoning map amendment have not yet been executed.

## Planning Area Definition

The EOA provides the data and analysis necessary to evaluate the sufficiency of McMinnville’s UGB to meet needs for the identified planning period. As such, it includes an evaluation of the buildable lands within McMinnville’s current UGB (as illustrated by the Comprehensive Plan map on the following page). This EOA also provides discussion of the Yamhill County, regional, statewide and national context within which local economic development opportunities are appropriately framed. The report provides information that will be needed to address UGB and Urban Reserve needs for any deficit of lands that isn’t met within the current UGB. It also provides information about site needs and characteristics that will assist with UGB an Urban Reserve alternatives analysis. The analysis area for alternatives analysis is articulated in state law and will be addressed in a separate step in this review.

## Community Economic Development Objectives

Current community objectives for economic development can be found as part of the following City documents:

### MAC-Town 2032 Strategic Plan (adopted 2019)

In 2019, McMinnville adopted the *MAC-Town 2032 Strategic Plan*, which includes new vision, mission, and values statements. It also includes goals for seven strategic priorities, and for each goal, there are identified objectives and priority actions. Additional actions are also identified.

#### **Vision, Mission, Values**

##### *Vision*

A collaborative and caring city inspiring an exceptional quality of life.

## *Mission*

The City of McMinnville delivers high-quality services in collaboration with partners for a prosperous, safe, and livable community.

## *Values*

- **Stewardship.** We are responsible caretakers of our shared public assets and resources. We do this to preserve the strong sense of community pride which is a McMinnville trademark.
- **Equity.** We are a compassionate and welcoming community for all – different points of view will be respected. Because not all members of our community are equally able to access our services or participate in public process, we commit ourselves to lowering these barriers.
- **Courage.** We are future-oriented, proactively embracing and planning for change that is good for our community and consistent with our values.
- **Accountability.** We believe healthy civil discourse is fostered through responsive service and clear, accurate, useful information.

**Strategic Priorities.** To move McMinnville toward its vision, the City believes it will need to make disproportionate investment in time and resources in these areas.

One of these strategic priorities is Economic Prosperity, with the following goal and objectives. Each objective also has associated priority actions.

- Goal: Provide economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors.
- Objectives:
  - Accelerate growth in living wage jobs across a balanced array of industry sectors
  - Improve systems for economic mobility and inclusion
  - Foster opportunity in technology and entrepreneurship
  - Be a leader in hospitality and place-based tourism
  - Locate higher job density activities in McMinnville
  - Encourage connections to the local food system and cultivate a community of exceptional restaurants

## MAC-Town 2032 Economic Development Strategic Plan (adopted 2019)

In 2019, McMinnville adopted the *MAC-Town 2032 Economic Development Strategic Plan*, which updated the City's mission and goals related to economic development, as a supplement to the goals and policies in the Strategic Plan and Comprehensive Plan. The mission in the Plan states:

“McMinnville provides economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors, from steel manufacturing to technology. Economic growth is collaborative, and inclusive of individuals from diverse backgrounds. Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville’s high quality of life. Our strong downtown serves residents and visitors alike, featuring unique shops and world-class restaurants that offer locally-produced food products and globally-renowned wine. As we evolve, we prize our small-town roots and we maintain McMinnville’s character.”

The “foundational goals and strategies” defined in the plan are:

1. Accelerate growth in living-wage jobs across a balanced array of industry sectors
2. Improve systems for economic mobility and inclusion
3. Maintain and enhance our high quality of life

The “target sector goals and strategies” defined in the plan are:

4. Sustain and innovate within traditional industry and advanced manufacturing
5. Foster opportunity in technology and entrepreneurship
6. Be a leader in hospitality and place-based tourism
7. Align and cultivate opportunities in craft beverages and food systems
8. Proactively assist growth in education, medicine, and other sciences

### Economic Opportunities Analysis (2013)

McMinnville last completed an EOA in 2013, as an update to the 2001/2003 EOA process. Section 6 of the EOA provided discussion and findings for each relevant goal in the Comprehensive Plan for community economic development objectives. Chapter 6 provides updated discussion of these Goals. The 2013 EOA also recommended updates to the list of cluster target industries to include Advanced Manufacturing and Healthcare/Traded Sector Services. A full discussion of these sectors is included in Chapter 4 of this EOA.

### Comprehensive Plan (Adopted 1981, and subsequently amended).

McMinnville’s Comprehensive Plan consists of three interrelated volumes.

- Volume I – covering background information for the plan process
- Volume II – listing adopted goals and policies
- Volume III – consisting of implementation ordinances and measures including the comprehensive plan and zoning maps, annexation, zoning and land division ordinances, and planned development overlays on areas of special significance



A more detailed statement of economic development goals is embodied by the Comprehensive Plan (Volume II Goals and Policies), Chapter IV – Economy of McMinnville (as amended)

General:

Goal IV 1: To encourage the continued growth and diversification of McMinnville's economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.

Commercial Development:

Goal IV 2: To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.

Goal IV 3: To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood and community serving commercial lands and discouraging strip development.

Goal IV 4: To promote the downtown as a cultural, administrative service, and retail center of McMinnville.

Industrial Development:

Goal IV 5: To continue the growth and diversification of McMinnville's industrial base through the provision of an adequate amount of properly designated lands.

Goal IV 6: To insure industrial development that maximizes efficiency of land uses, that is appropriately located in relation to surrounding land uses, and that meets necessary environmental standards.

Each goal has associated policies and proposals. The Comprehensive Plan includes a series of general, locational and design policies as "more precise and limited statements intended to further define the goals." Also included as part of the Economic Development element of the existing adopted plan are three proposals as "possible courses of action" to further implement the goals and policies.

The 2020 EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census. In addition to retaining all relevant information from the 2013 EOA, the EOA update also uses information from the Three Mile Lane market analysis, completed in March 2019.

## Statewide Planning Guidance

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input-based process in conjunction with state agencies.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

## Public Process

At the broadest level, the purpose of the project was to understand how McMinnville's employment has changed since the completion of the 2013 EOA, as well as update the city's employment land needs to align with planning periods used in the 2019 HNA. In 2019, the city

adopted an economic development strategy that provided a framework for policies and implementation actions for economic development. The update to the EOA requires a broad range of assumptions that influence the outcomes. Public engagement during the project was accomplished through facilitation of a Project Advisory Committee as described below.<sup>1</sup>

## Project Advisory Committee Meetings

The City of McMinnville and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met 5 times<sup>2</sup> to discuss project assumptions, results, and implications. The project relied on the Project Advisory Committee to:

- Review work products, advise on public involvement, and consider public input when making recommendations.
- Advise the project team on matters regarding employment needs and the buildable lands inventory in McMinnville.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Economic Opportunities Analysis.

A public lands work group was also established to review and make recommendation regarding unique land needs associated with employment and land uses for public and institutional organizations.

In 2023, a Project Advisory Committee met twice to discuss the changes to the EOA analysis described above and throughout the document, and a work session was conducted with the McMinnville City Council.

## Organization of this Report

This report is organized as follows:<sup>3</sup>

- **Chapter 2. The McMinnville Economy** – as a review of pertinent population, demographic and economic trends for McMinnville in the context of what is occurring throughout Yamhill County, a larger economic region, statewide and nationally.
- **Chapter 3. National, State & Regional Outlook** – covering recent economic experience and forecasts external to the community that could influence employment uses reasonably expected to locate or expand in the McMinnville UGB over the 5-, 10-, 20-, and 46-year planning horizons of this EOA.

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<sup>1</sup> In addition to Project Advisory Committee meetings, the City of McMinnville also maintained a project website and social media presence.

<sup>2</sup> Project Advisory Committee meeting dates: July 10, 2019; September 5, 2019; October 10, 2019; November 13, 2019; and January 21, 2020.

<sup>3</sup> The organization of the report is intended to align as closely as possible to the 2013 EOA. Some subsections may differ due to changes in methodology or alternative data sources.

- **Chapter 4. Economic Development Potential** – focused on factors that currently and prospectively affect economic development in McMinnville.
- **Chapter 5. Forecast Employment & Land Needs** – detailing an updated UGB employment forecast together with industrial/commercial buildable lands inventory and determination of long- and short- term needs, parcel size evaluation, site characteristics, and commercial/industrial policy options necessary to provide the land use foundation for the City’s economic development strategy.

This report also includes five appendices:

- **Appendix A, Buildable Lands Inventory Methodology**
- **Appendix B, Employment on Other Land and Employment Density**
- **Appendix C, Other Site Needs**
- **Appendix D, Site Need Letters**
- **Appendix E, Public and Institutional Land Need**

## 2. The McMinnville Economy

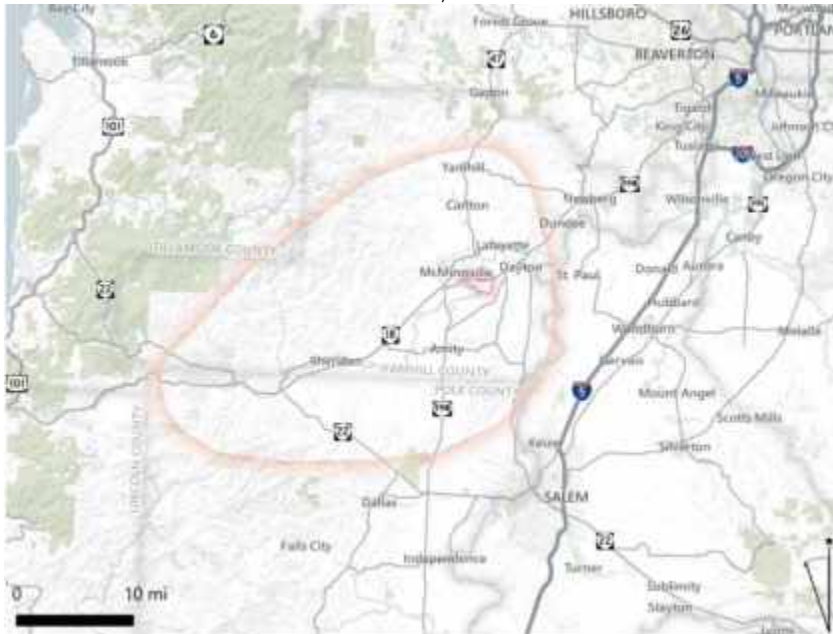
This chapter describes the factors affecting economic growth in McMinnville within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing and attracting businesses, which forms the basis for identifying potential growth industries in McMinnville.

McMinnville exists within the context of the county, market area, region, state, national, and international context and economies. OAR 660-009-0015 (1) requires a review of national, state, regional, county and local trends.

Regions are defined differently for different purposes. McMinnville exists as part of the economy of the following regions. Also included, as available, are pertinent comparable data for Yamhill County, the state of Oregon and United States.

- 10-County Economic Region. (used for 2013 EOA)
- 7-County Portland MSA (US Census Bureau-defined economically integrated region)
- 6-County North Valley Region (used in 2001/03 EOA, which also used "Willamette valley with three additional counties for some indicators)
- 4-County Mid-Valley Region (defined by the Oregon Employment Department and used in their reporting): Linn, Marion, Polk, Yamhill
- Market Area (relates predominantly to retail trade) (Exhibit 7). Market area will vary depending on the type of attractor. Larger regional shopping may have a larger market areas while neighborhood retail will have a smaller market area).

**Exhibit 7. McMinnville Market Area, 2019**



Source: McMinnville Three Mile Lane Area Plan: Market Analysis; TIGER, Leland Consulting Group.



## Employment Trends in McMinnville and Yamhill County

The economy of the nation changed substantially between 1980 and 2018. These changes affected the composition of Oregon's economy, including McMinnville's economy. At the national level, the most striking change was the shift from manufacturing employment to service-sector employment. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse economy, with the greatest employment in services. This section focuses on changes in the economy in Yamhill County since 2001 and in McMinnville since 2007.

Exhibit 8 shows covered employment<sup>4</sup> in Yamhill County for 2001 and 2018. Employment increased by 8,202 jobs, or 29%, over this period, which included the Great Recession and subsequent recovery. The sectors with the largest increases in numbers of employees were Arts, entertainment, and recreation; Healthcare and social assistance; Other services; Accommodation and food services; and Professional and business services.

The average wage for employment in Yamhill County in 2018 was about \$42,321. Employment in higher wage industries, such as Information and Transportation, Warehousing, and Utilities, decreased by 204 jobs over the 2001 to 2018 time period.

**Exhibit 8. Covered Employment by Industry, Yamhill County, 2001-2018**

Sector	2001	2018	Change 2001 to 2018		
			Difference	Percent	AAGR
Natural Resources and Mining	2,824	3,668	844	30%	1.6%
Construction	1,492	1,977	485	33%	1.7%
Manufacturing	5,584	6,901	1,317	24%	1.3%
Wholesale trade	560	629	69	12%	0.7%
Retail trade	3,157	3,728	571	18%	1.0%
Transportation, Warehousing and Utilities	645	468	-177	-27%	-1.9%
Information	269	242	-27	-10%	-0.6%
Financial Activities	972	1,007	35	4%	0.2%
Professional and Business Services	1,371	1,936	565	41%	2.1%
Educational Services	1,166	1,512	346	30%	1.5%
Health care and social assistance	2,792	4,881	2,089	75%	3.3%
Arts, entertainment, and recreation	172	350	178	103%	4.3%
Accommodation and food services	2,145	3,441	1,296	60%	2.8%
Other Services	852	1,378	526	62%	2.9%
Unclassified	19	10	-9	-47%	-3.7%
Government	4,090	4,184	94	2%	0.1%
<b>Total</b>	<b>28,110</b>	<b>36,312</b>	<b>8,202</b>	<b>29%</b>	<b>1.5%</b>

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2001-2018.

Exhibit 9 shows covered employment and average wage for the 10 largest employment industries in Yamhill County in 2018. Jobs in manufacturing account for about 19% of the county's covered employment and these jobs pay approximately 24% more than the county

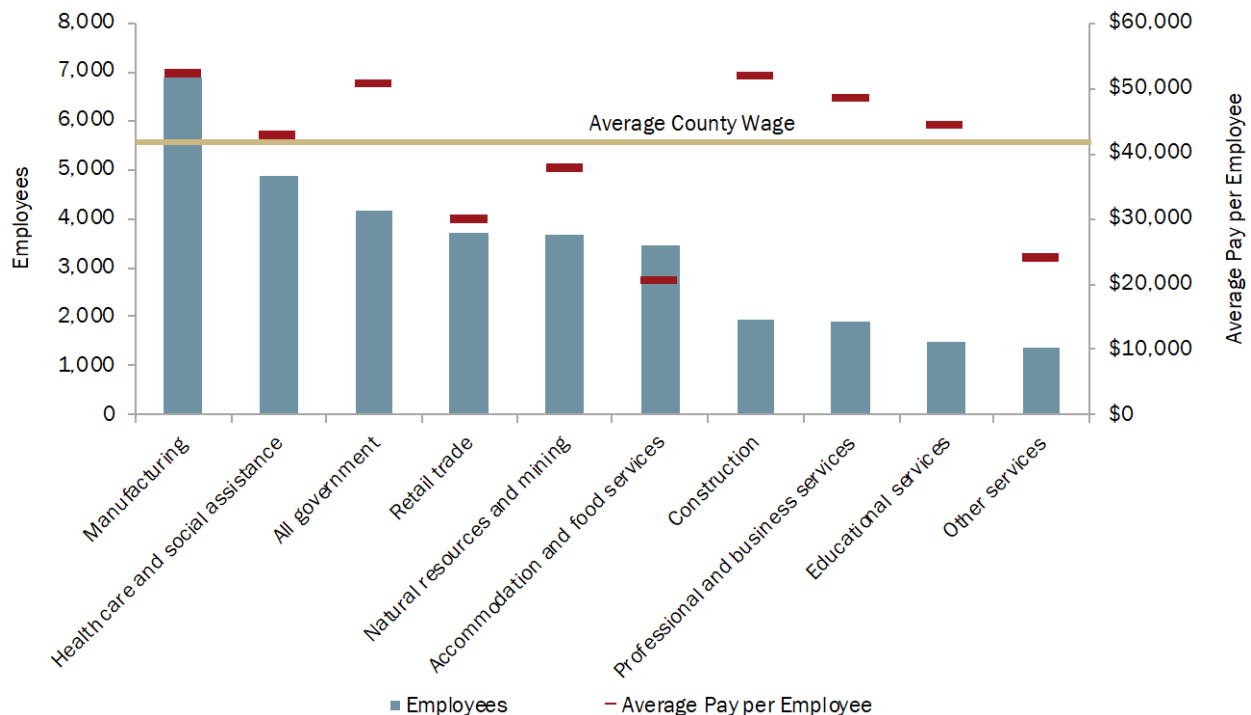
<sup>4</sup> **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

average wage (\$52,303 compared to \$42,321). Healthcare and social assistance jobs are the next largest employment sector, making up about 13% of Yamhill County’s covered employment. Wages in this industry are closer to the county average, paying employees an average of \$42,952. Government jobs account for 12% of the county’s covered employment. These jobs pay roughly 20% more than the county average (\$50,765 compared to \$42,321).

Though not shown in Exhibit 9 due to relatively low employment levels, wholesale trade, on average, pays employees \$62,411, 47% above the county average wage. This sector only makes up about 2% of Yamhill County’s total covered employment, though it pays the highest wages.

Additionally, jobs in construction (\$51,947), professional and business services (\$48,497), and educational services (\$44,398), pay more per year than the county average. However, these three sectors make up a smaller employment base than Retail trade, Natural resources and mining, and Accommodation and food services, which pay below the average county wage.

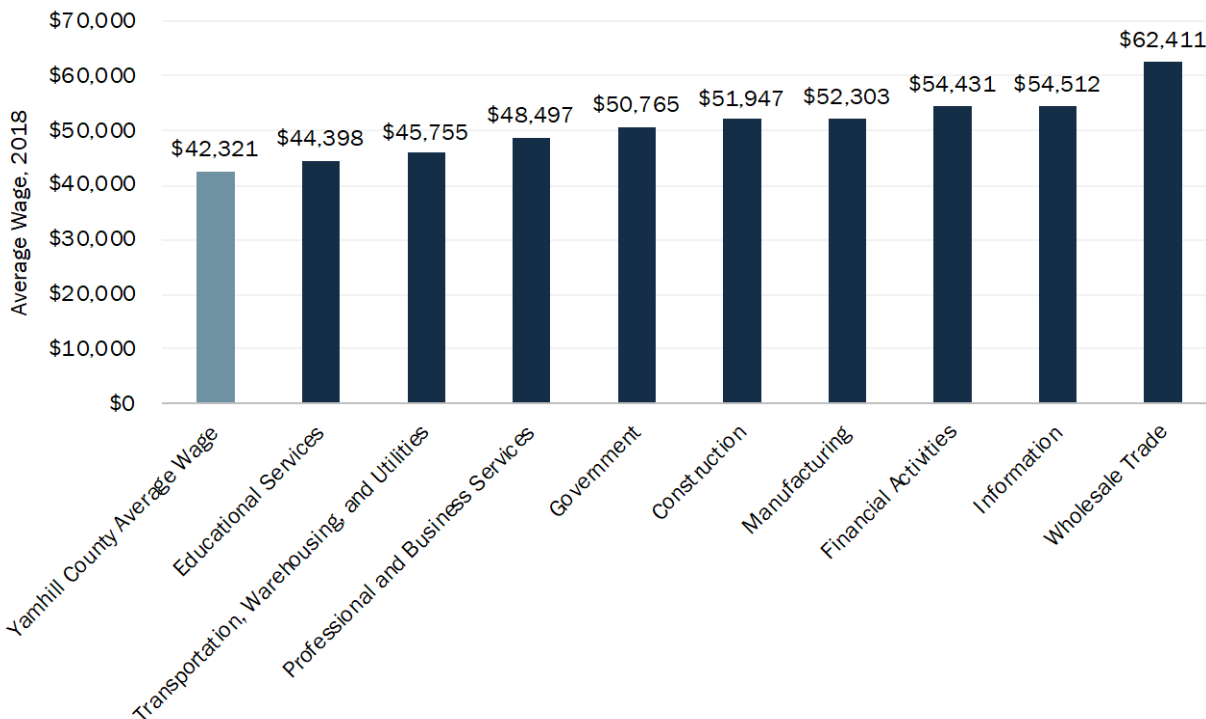
**Exhibit 9. Covered Employment and Average Pay by Sector, 10 Largest Employment Sectors Yamhill County, 2018**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018.

Exhibit 10 shows the sectors in Yamhill County that pay an annual average wage above the countywide average wage. Some of these sectors, such as wholesale trade and construction, are shown in Exhibit 9; however, other higher paying sectors include information (\$54,512), financial activities (\$54,431), and manufacturing (\$52,303).

**Exhibit 10. Highest Paying Sectors in Yamhill County, 2018**



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018.

Between 2007 and 2017, employment in McMinnville increased by about 1,123 employees (8%) at an annual average growth rate of 0.8%. Employment in Accommodation and food services and Retail trade increased by 372 employees and 309 employees respectively, while employment in Transportation and warehousing and Utilities decreased by about 229. (Exhibit 11).

**Exhibit 11. Change in Covered Employment, McMinnville UGB, 2007-2017**

Sector	Employment		Change in Employment	Percent	AAGR
	2007	2017			
Agriculture, Forestry, and Mining	244	356	112	46%	3.8%
Construction	634	585	(49)	-8%	-0.8%
Manufacturing	2,300	2,277	(23)	-1%	-0.1%
Wholesale Trade	264	127	(137)	-52%	-7.1%
Retail Trade	1,861	2,170	309	17%	1.5%
Transportation and Warehousing and Utilities	369	140	(229)	-62%	-9.2%
Information	136	127	(9)	-7%	-0.7%
Finance and Insurance	511	459	(52)	-10%	-1.1%
Real Estate and Rental and Leasing	138	113	(25)	-18%	-2.0%
Professional and Technical Services	265	367	102	38%	3.3%
Management of Companies	221	117	(104)	-47%	-6.2%
Admin. and Support/Waste Mgmt/Remediation Serv.	494	584	90	18%	1.7%
Health Care and Social Assistance; Private Education Serv.	2,564	3,159	595	23%	2.1%
Arts, Entertainment, and Recreation	134	168	34	25%	2.3%
Accommodation and Food Services	1,131	1,503	372	33%	2.9%
Other Services	417	630	213	51%	4.2%
Government	2,158	2,082	(76)	-4%	-0.4%
<b>Total</b>	<b>13,841</b>	<b>14,964</b>	<b>1,123</b>	<b>8%</b>	<b>0.8%</b>

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 and 2017.

Exhibit 12 shows a summary of covered employment data for the McMinnville UGB in 2017. The sectors with the greatest number of employees were Health care and social assistance and Private education (21%); Manufacturing (15%); and Retail trade (15%). Exhibit 13 shows employment in McMinnville in 2017 for detailed industries in the manufacturing sector. Employment in Food manufacturing and Beverage and tobacco product manufacturing accounted for about one quarter of McMinnville's manufacturing employment overall.

**Exhibit 12. Covered Employment and Average Pay by Sector, McMinnville UGB, 2017**

Sector	Establishments	Employees	Payroll	Average pay per employee
Agriculture, Forestry, and Mining	24	356	\$ 11,188,173	\$ 31,427
Construction	104	585	\$ 27,931,863	\$ 47,747
Manufacturing	71	2,277	\$ 113,267,986	\$ 49,744
Wholesale Trade	41	127	\$ 7,778,100	\$ 61,245
Retail Trade	141	2,170	\$ 62,991,136	\$ 29,028
Transportation and Warehousing and Utilities	20	140	\$ 4,582,386	\$ 32,731
Information	19	127	\$ 5,010,927	\$ 39,456
Finance and Insurance	51	459	\$ 29,183,634	\$ 63,581
Real Estate and Rental and Leasing	38	113	\$ 3,815,372	\$ 33,764
Professional and Technical Services	100	367	\$ 21,852,471	\$ 59,544
Management of Companies	9	117	\$ 7,033,600	\$ 60,116
Admin. and Support/Waste Mgmt/Remediation Serv.	49	584	\$ 14,681,454	\$ 25,139
Health Care and Social Assistance; Private Education :	173	3,159	\$ 144,631,456	\$ 45,784
Arts, Entertainment, and Recreation	9	168	\$ 3,128,546	\$ 18,622
Accommodation and Food Services	99	1,503	\$ 27,941,666	\$ 18,591
Other Services	218	630	\$ 13,857,430	\$ 21,996
Government	42	2,082	\$ 101,259,952	\$ 48,636
<b>Total</b>	<b>1,208</b>	<b>14,964</b>	<b>\$ 600,136,152</b>	<b>\$ 40,105</b>

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

**Exhibit 13. Covered Employment in Manufacturing Industries, McMinnville UGB, 2017**

Sector	Establishments	Employees
Food Manufacturing	14	448
Beverage and Tobacco Product Manufacturing	18	134
Wood, Plastic, and Chemical Product Manufacturing	18	536
Metal, Electronic, and Other Product Manufacturing	21	1,159
<b>Total</b>	<b>71</b>	<b>2,277</b>

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

The average size for a private business in McMinnville is 12 employees per business, compared to the State average of 11 employees per private business. Businesses with 50 or fewer employees account for 55% of private employment and 10 or fewer account for 19% of private employment. Exhibit 14 shows the distribution of establishments by size class (i.e., number of employees). Over 75% of the private (i.e., non-government) establishments are businesses with fewer than 10 employees.

**Exhibit 14. Covered Private Employment by Size Class, McMinnville UGB, 2017**

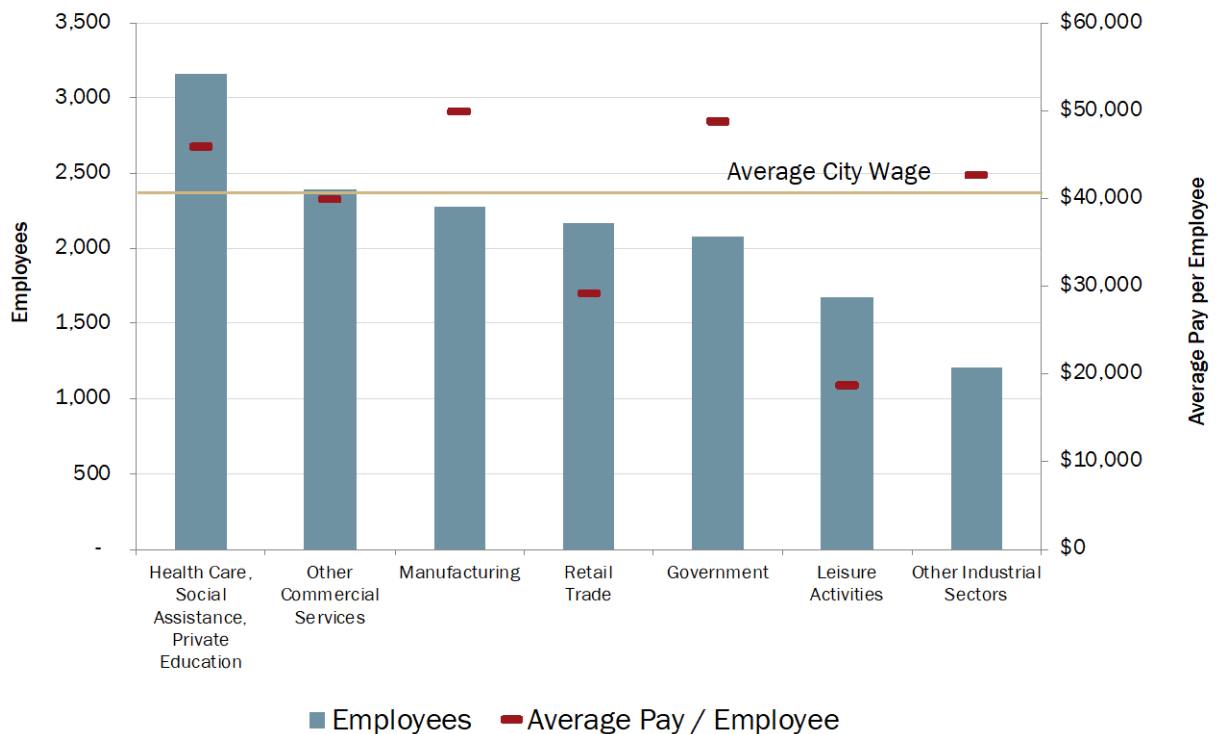
Establishment size (number of employees)	Number of establishments
0 to 4	682
5 to 9	211
10 to 19	141
20 to 49	87
50 to 99	27
100+	18
<b>Total</b>	<b>1,166</b>

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.



Exhibit 15 shows the employment and average pay per employee for sectors in McMinnville. Average pay for all employees (\$40,105) is shown as a light brown line across the graph and average pay for individual sectors as short red lines. The figure shows that Health care, social assistance, and Private education; Manufacturing; Government; and Other industrial sectors had above average wages. The lowest wages were in Retail trade and Leisure activities, which includes arts, entertainment, and recreation and accommodation and food services.

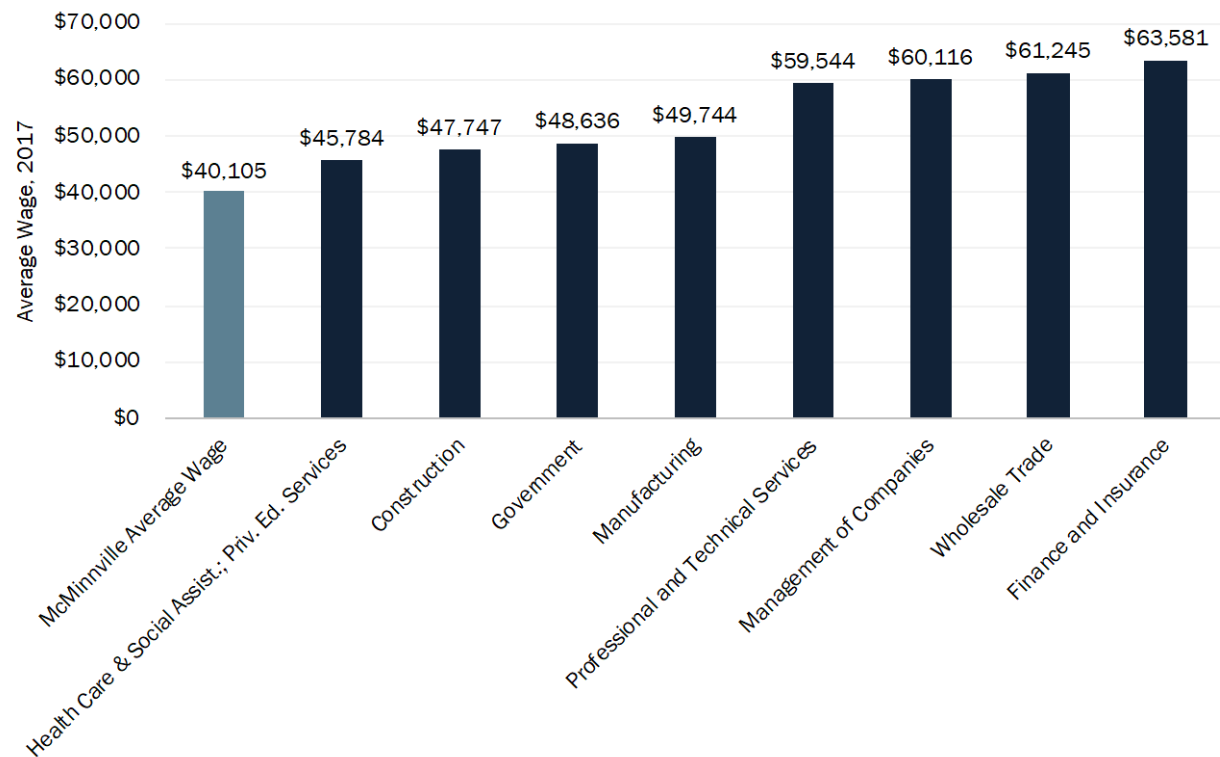
**Exhibit 15. Covered Employment and Average Pay by Sector, McMinnville UGB, 2017**



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Exhibit 16 shows the sectors with average annual wages that exceed the McMinnville City average. The three highest paying sectors, finance and insurance, wholesale trade, and management of companies, all paid over \$60,000 in 2017. Other higher paying sectors include professional and technical services, manufacturing, government, and construction.

**Exhibit 16. Highest Paying Sectors Exceeding Average Wage in McMinnville UGB, 2017**



Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

## Outlook for growth in Yamhill County

Exhibit 17 shows the Oregon Employment Department's forecast for employment growth by industry for the Mid-Valley Region (Linn, Marion, Polk, and Yamhill Counties) over the 2017 to 2027 period. Employment in the region is forecasted to grow at an average annual growth rate of 1.1%.

The sectors that will lead employment in the region for the 10-year period are: Private educational and health services (adding 8,100 jobs), Trade, transportation, and utilities (5,100), Government (3,500), Construction (3,000), Leisure and hospitality (3,000), and Manufacturing and Natural resources and mining (2,400 each). In sum, these sectors are expected to add 27,500 new jobs or about 88% of employment growth in the Mid-Valley Region. Yamhill County accounts for about 14% of employment in these four counties, and McMinnville accounts for about 42% of the County's employment.

**Exhibit 17. Regional Employment Projections, 2017-2027, Mid-Valley Region (Linn, Marion, Polk, and Yamhill Counties)**

Industry Sector	2017	2027	Change 2017 - 2027		
			Number	Percent	AAGR
Total private	208,800	236,400	27,600	13%	1.2%
Natural resources and mining	17,700	20,100	2,400	14%	1.3%
Mining and logging	1,200	1,300	100	8%	0.8%
Construction	14,700	17,700	3,000	20%	1.9%
Manufacturing	27,700	30,100	2,400	9%	0.8%
Durable goods	16,300	17,700	1,400	9%	0.8%
Nondurable goods	11,400	12,400	1,000	9%	0.8%
Trade, transportation, and utilities	42,500	47,600	5,100	12%	1.1%
Wholesale trade	6,200	6,900	700	11%	1.1%
Retail trade	27,800	30,200	2,400	9%	0.8%
Transportation, warehousing, and utilities	8,500	10,500	2,000	24%	2.1%
Information	1,800	1,900	100	6%	0.5%
Financial activities	9,200	9,700	500	5%	0.5%
Professional and business services	19,000	21,000	2,000	11%	1.0%
Private educational and health services	43,700	51,800	8,100	19%	1.7%
Health care and social assistance	35,300	42,500	7,200	20%	1.9%
Leisure and hospitality	22,400	25,400	3,000	13%	1.3%
Accommodation and food services	19,900	22,600	2,700	14%	1.3%
Other services and private households	10,100	11,100	1,000	10%	0.9%
Government	52,200	55,700	3,500	7%	0.7%
Federal government	2,100	2,100	0	0%	0.0%
State government	21,900	23,900	2,000	9%	0.9%
Local government	28,200	29,700	1,500	5%	0.5%
Local education	16,000	16,900	900	6%	0.5%
<b>Total payroll employment</b>	<b>261,000</b>	<b>292,100</b>	<b>31,100</b>	<b>12%</b>	<b>1.1%</b>

Source: Oregon Employment Department. Employment Projections by Industry 2017-2027.

### 3. National, State, and Regional Outlook

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Consistent with Oregon Administrative Rules (OAR 660), McMinnville's Economic Opportunities Analysis is set within the context of broader nationwide, state, and regional trends. Recent trends and conditions at a national and state level are considered first, followed by detailed information at a regional and local level.

#### National Trends

Economic development in McMinnville over the next 20 years will occur in the context of long-run national trends. The most important of these trends include:

- **Economic growth will continue at a moderate pace.** Analysis from the Congressional Budget Office (CBO) estimates after the 3.1% real GDP growth in 2018, real GDP will grow by approximately 2.3% in 2019. After 2019, the CBO forecasts the annual average growth of real GDP to slow and stabilize around 1.7% across the 2020 to 2029 period. The primary reason they provide for this slowing growth is that they expect the labor force to grow at a slower rate than historical trends.<sup>5</sup>

The unemployment rate is forecasted to decrease to 3.5% in the second-half of 2019, which is the rate's lowest point since the 1960s. After this year, the CBO predicts the unemployment rate will rise between 2020 and 2023 due to slower growth in economic output.<sup>6</sup>

- **The aging of the Baby Boomer generation, accompanied by increases in life expectancy.** As the Baby Boomer generation continues to retire, the number of Social Security recipients is expected to increase from 62.5 million in 2018 to over 87.0 million in 2040, a 39% increase. However, due to lower-birth rate replacement generations, the number of covered workers is only expected to increase 12% over the same time period, from 176.0 million to 196.4 million in 2040. Currently, there are 35 Social Security beneficiaries per 100 covered workers in 2018 but by 2040 there will be 44 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.<sup>7</sup>

Baby Boomers are expecting to work longer than previous generations. An increasing proportion of people in their early- to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with

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<sup>5</sup> Congressional Budget Office. *The Budget and Economic Outlook: 2019 to 2029*. January 2019. Retrieved from: <https://www.cbo.gov/system/files/2019-03/54918-Outlook-3.pdf>.

<sup>6</sup> *Ibid.*

<sup>7</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, *The 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 25, 2019. Retrieved from: <https://www.ssa.gov/OACT/TR/2019/tr2019.pdf>.

about 30% in 1992.<sup>8</sup> This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9% of the workforce in 2000 to 4.1% of the workforce in 2010. In 2017, this share reached 5.5%. Over the same eighteen-year period, the share of workers 45 to 64 years increased from 35% of all employed Oregonians in 2000 to 37% in 2017.<sup>9</sup>

- **Need for replacement workers.** The need for workers to replace retiring Baby Boomers will outpace job growth. According to the Bureau of Labor Statistics, total employment in the United States will grow by about 11.5 million jobs over 2016 to 2026. Annually, they estimate there will be 18.7 million occupational openings over the same period. This exhibits the need for employees over the next decade as the quantity of openings per year is large relative to expected employment growth. About 71% of annual job openings are in occupations that do not require postsecondary education.<sup>10</sup>
- **The importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average, they will yield higher incomes than occupations that do not require an academic degree. The fastest-growing occupations requiring an academic degree will be registered nurses, software developers, general and operations managers, accountants and auditors, market research analysts and marketing specialists, and management analysts. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for approximately 71% of all new jobs by 2026. These occupations typically have lower pay than occupations requiring an academic degree.<sup>11</sup>

The national median income for people over the age of 25 in 2018 was about \$48,464. Workers without a high school diploma earned \$19,708 less than the median income, and workers with a high school diploma earned \$10,504 less than the median income. Workers with some college earned \$6,760 less than median income, and workers with a bachelor's degree earned \$13,832 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.<sup>12</sup>

- **Increases in labor productivity.** Productivity, as measured by output per hour of labor input, increased in most sectors between 2000 and 2010, peaking in 2007. However, productivity increases were interrupted by the recession. After productivity decreases from 2007 to 2009, many industries saw large productivity increases from 2009 to 2010.

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<sup>8</sup> "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

<sup>9</sup> Analysis of 2000 Decennial Census data, 2010 U.S. Census American Community Survey, 1-Year Estimates, and 2017 U.S. Census American Community Survey, 1-Year Estimates, for the table Sex by Age by Employment Status for the Population 16 Years and Over.

<sup>10</sup> "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

<sup>11</sup> "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

<sup>12</sup> Bureau of Labor Statistics, Employment Projections, March 2019. <http://www.bls.gov/emp/epchart001.htm>.



Industries with the fastest productivity growth were Information Technology-related industries. These include wireless telecommunications carriers, computer and peripheral equipment manufacturing, electronics and appliance stores, and commercial equipment manufacturing wholesalers.<sup>13</sup>

Since the end of the recession (2010), labor productivity has increased across a handful of large sectors but has also decreased in others. In wholesale trade, productivity—measured in output per hour—increased by 19% over 2009 to 2017. Retail trade gained even more productivity over this period at 25%. Food services, however, have remained stagnant since 2009, fluctuating over the nine-year period and shrinking by 0.01% over this time frame. Additionally, the Bureau of Labor Statistics reports multifactor productivity in manufacturing has been slowing down 0.3% per year over the 2004 to 2016 period. Much of this, they note, is due to slowdown in semiconductors, other electrical component manufacturing, and computer and peripheral equipment manufacturing.<sup>14</sup>

- **The importance of entrepreneurship and growth in small businesses.** According to the U.S. Small Business Office of Advocacy, small businesses are those that have fewer than 500 employees. However, the Oregon Office of Small Business Advocacy defines small businesses as those with fewer than 100 employees. For consistency in our small business data comparisons, we will maintain the definition of small businesses to be those with fewer than 100 employees.

The U.S. Census Bureau's Statistics of U.S. Businesses (SUSB) shows in 2016 that about 98% of all firms in the United States had fewer than 100 employees. Their employees accounted for approximately 33% of American workers.<sup>15</sup> The National League of Cities suggests ways that local governments can attract entrepreneurs and increase the number of small businesses including strong leadership from elected officials; better communication with entrepreneurs, especially about the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.<sup>16</sup>

- **Increases in automation across sectors.** Automation is a long-running trend in employment, with increases in automation (and corresponding increases in productivity) over the last century and longer. The pace of automation is increasing, and the types of jobs likely to be automated over the next 20 years (or longer) is broadening.

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<sup>13</sup> Brill, Michael R. and Samuel T. Rowe, "Industry Labor Productivity Trends from 2000 to 2010." Bureau of Labor Statistics, *Spotlight on Statistics*, March 2013.

<sup>14</sup> Michael Brill, Brian Chanksy, and Jennifer Kim. "Multifactor productivity slowdown in U.S. manufacturing," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, July 2018. Retrieved from: <https://www.bls.gov/opub/mlr/2018/article/multifactor-productivity-slowdown-in-us-manufacturing.htm>.

<sup>15</sup> U.S. Census Bureau, Statistics of U.S. Businesses. Data by Enterprise Employment Size, 2016. Retrieved from: <https://www.census.gov/data/tables/2016/econ/susb/2016-susb-annual.html>

<sup>16</sup> National League of Cities "Supporting Entrepreneurs and Small Businesses" (2012). <https://www.nlc.org/supporting-entrepreneurs-and-small-business>.

Lower paying jobs are more likely to be automated, with potential for automation of more than 80% of jobs paying less than \$20 per hour over the next 20 years. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more are at risk of being automated over the next 20 years.<sup>17</sup>

Low- to middle-skilled jobs that require interpersonal interaction, flexibility, adaptability, and problem solving will likely persist into the future as will occupations in technologically lagging sectors (e.g. production of restaurant meals, cleaning services, hair care, security/protective services, and personal fitness).<sup>18</sup> This includes occupations such as (1) recreational therapists, (2) first-line supervisors of mechanics, installers, and repairers, (3) emergency management directors, (4) mental health and substance abuse social workers, (5) audiologists, (6) occupational therapists, (7) orthotists and prosthetists, (8) healthcare social workers, (9) oral and maxillofacial surgeons, and (10) first-line supervisors of firefighting and prevention workers. Occupations in the service and agricultural or manufacturing industry are most at-risk of automation because of the manual-task nature of the work.<sup>19,20,21</sup> This includes occupations such as (1) telemarketers, (2) title examiners, abstractors, and searchers, (3) hand sewers, (4) mathematical technicians, (5) insurance underwriters, (6) watch repairers, (7) cargo and freight agents, (8) tax preparers, (9) photographic process workers and processing machine operators, and (10) accounts clerks.<sup>22</sup>

- **Transformation of retail.** Historical shift in retail businesses, starting in the early 1960s, was the movement from one-off, ‘mom and pop shops’ toward superstores and the clustering of retail into centers or hubs. Notably, we still see this trend persist; for example, in 1997, the 50 largest retail firms accounted for about 26% of retail sales and by 2007, they accounted for about 33%.<sup>23</sup> The more recent shift began in the late 1990s, where technological advances have provided consumers the option to buy goods through e-commerce channels. The trend toward e-commerce has become increasingly preferential to millennials and Generation X, who are easier to reach online and are more responsive to digital ads than older generations.<sup>24</sup> Since 2000, e-commerce sales

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<sup>17</sup> Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.

<sup>18</sup> Autor, David H. (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. *Journal of Economic Perspectives*, Volume 29, Number 3, Summer 2015, Pages 3–30.

<sup>19</sup> Frey, Carl Benedikt and Osborne, Michael A. (2013). *The Future of Employment: How Susceptible Are Jobs to Computerisation?* Oxford Martin School, University of Oxford.

<sup>20</sup> Otekhile, Cathy-Austin and Zeleny, Milan. (2016). Self Service Technologies: A Cause of Unemployment. *International Journal of Entrepreneurial Knowledge*. Issue 1, Volume 4. DOI: 10.1515/ijek-2016-0005.

<sup>21</sup> PwC. (n.d.). Will robots really steal our jobs? An international analysis of the potential long-term impact of automation.

<sup>22</sup> Frey, Carl Benedikt and Osborne, Michael A. (2013). *The Future of Employment: How Susceptible Are Jobs to Computerisation?* Oxford Martin School, University of Oxford.

<sup>23</sup> Hortaçsu, Ali and Syverson, Chad. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. *Journal of Economic Perspectives*, Volume 29, Number 4, Fall 2015, Pages 89-112.

<sup>24</sup> Pew Research Center (2010b). *Generations 2010*. Retrieved Online at: <http://www.pewinternet.org/Reports/2010/Generations-2010.aspx>

grew from 0.9% of total retail sales to 9.7% (2018). Over 2000 to 2018, e-commerce retail sales have grown at a rate 18% per year.<sup>25</sup> It is reasonable to expect this trend to continue. While it is unclear what impact e-commerce will have on employment and brick and mortar retail, it seems probable that e-commerce sales will continue to grow, shifting business away from some types of retail. Over the next decades, communities must begin considering how to redevelop and reuse retail buildings in shopping centers, along corridors, and in urban centers.

The types of retail and related services that remain will likely be sales of goods that people prefer to purchase in person or that are difficult to ship and return (e.g., large furniture), specialty goods, groceries and personal goods that maybe needed immediately, restaurants, and experiences (e.g., entertainment or social experiences). According to the Urban Land Institute, in the post-disruption era of retail, new trends in this sector are beginning to emerge. These changes include the convergence of technology and shopping, as businesses focus on brand awareness and customer engagement via digital channels in the physical retail space.<sup>26</sup>

In addition to dynamics with e-commerce, other factors influencing changes in retail include the growth of big box stores, income inequality, and changing preferences. The New York Times reported that while Amazon had \$38 billion in sales between 2000 and 2013, Costco had about \$50 billion and Sam's Club had about \$32 billion.<sup>27</sup> The other factors influencing traditional retail—income inequality and emphasis on services over goods—result in either less consumer spending overall or changes in preferences of consumers who increasingly spend more on services or experiences.

This shift in the retail industry is also described in the *Three-Mile Lane Area Plan: Market Analysis*, which documents proactive steps to adapt to the changing retail landscape by "commissioning studies of the marketplace and developing new strategies to maintain and foster better retail environments."<sup>28</sup> It specifically describes the difference between "experiential consumerism" and other types of retail that are more likely to directly compete with e-commerce. Examples of "experiential consumerism" include dining, grocery, health and fitness clubs, etc.<sup>29</sup> These types of retail are typically located on main streets and neighborhood or commercial centers.

- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. High-quality natural resources continue to be important in some

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<sup>25</sup> U.S. Census Bureau, Monthly Retail Trade, Latest Quarterly E-Commerce Report. Retrieved online at: <https://www.census.gov/retail/index.html#ecommerce>

<sup>26</sup> Diane Hoskins. "Three Trends Shaping Retail's Great Transformation." *Urban Land Institute*, September 3, 2019. Retrieved from: <https://urbanland.uli.org/economy-markets-trends/three-trends-shaping-retails-great-transformation/>

<sup>27</sup> Austan Goolsbee. "Never Mind the internet. Here's What's Killing Malls." *The New York Times*. February 14, 2020 <https://www.nytimes.com/2020/02/13/business/not-internet-really-killing-malls.html>

<sup>28</sup> McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

<sup>29</sup> Ibid. pg 36.

states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.<sup>30</sup>

- **Continued increase in demand for energy.** Energy prices are forecasted to increase over the planning period. While energy use per capita is expected to decrease through 2050, total energy consumption will increase with rising population. Energy consumption is expected to grow primarily from industrial (0.7%) and, to a lesser extent, commercial users (0.2%). Residential and transportation consumption are forecasted to decrease (-0.2% for both). This decrease in energy consumption for transportation is primarily due to increased federal standards and increased technology for energy efficiency in vehicles. The unspecified sector, which is made up of consumption not attributed to residential, commercial, industrial, or transportation, is forecasted to increase consumption by 1.4% through 2050. Going forward through the projection period, potential changes in federal laws (such as decreases in car emissions) leave energy demand somewhat uncertain.

Energy consumption by type of fuel is expected to change over the planning period. By 2050, the U.S. will continue to shift from crude oil towards natural gas and renewables. For example, from 2018 to 2050, the Energy Information Administration projects that U.S. energy consumption of motor gasoline will average a 0.9% annual decrease, while consumption of renewable sources will grow at 1.6% per year and natural gases liquefied for exporting will grow 5.0% per year through 2050. With increases in energy efficiency, strong domestic production of energy, and relatively flat demand for energy by some industries, the U.S. will be able to be a net exporter of energy over the 2018 to 2050 period. Demand for electricity is expected to increase 0.2% per year annually over 2018 to 2050 as the population grows and economic activity increases.<sup>31</sup>

- **Impact of rising energy prices on commuting patterns.** As energy prices increase over the planning period, energy consumption for transportation will decrease. These increasing energy prices may decrease willingness to commute long distances, though with expected increases in fuel economy, it could be that people commute further while consuming less energy.<sup>32</sup> Over 2018 to 2038, the U.S. Energy Information Administration estimates in its forecast that the decline in transportation energy consumption is a result

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<sup>30</sup> For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

<sup>31</sup> Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019. <https://www.eia.gov/outlooks/aeo/pdf/AEO2019.pdf>. Note, the cited growth rates are shown in the Executive Summary and can be viewed here: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=1-AEO2019&cases=ref2019&sid=&sourcekey=0>.

<sup>32</sup> Energy Information Administration, 2019, *Annual Energy Outlook 2019 with Projections to 2050*, U.S. Department of Energy, January 2019.

of increasing fuel economy offsetting the total growth in vehicle miles traveled (VMT). VMT for passenger vehicles is forecasted to increase through 2050.

- **Potential impacts of global climate change.** The consensus among the scientific community that global climate change is occurring expounds important ecological, social, and economic consequences over the next decades and beyond.<sup>33</sup> Extensive research shows that Oregon and other western states already have experienced noticeable changes in climate and predicts that more change will occur in the future.<sup>34</sup>

In the Pacific Northwest, climate change is likely to (1) increase average annual temperatures, (2) increase the number and duration of heat waves, (3) increase the amount of precipitation falling as rain during the year, (4) increase the intensity of rainfall events, and 5) increase sea level. These changes are also likely to reduce winter snowpack and shift the timing of spring runoff earlier in the year.<sup>35</sup>

These anticipated changes point toward some of the ways that climate change is likely to impact ecological systems and the goods and services they provide. There is considerable uncertainty about how long it would take for some of the impacts to materialize and the magnitude of the associated economic consequences. Assuming climate change proceeds as today's models predict, however, some of the potential economic impacts of climate change in the Pacific Northwest will likely include:<sup>36</sup>

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<sup>33</sup> Karl, T.R., J.M. Melillo, and T.C. Peterson, eds. 2009. *Global Climate Change Impacts in the United States*. U.S. Global Change Research Program. June. Retrieved June 16, 2009, from [www.globalchange.gov/usimpacts](http://www.globalchange.gov/usimpacts); and Pachauri, R.K. and A. Reisinger, eds. 2007. *Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II, and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*.

<sup>34</sup> Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Upper Willamette River Basin of Western Oregon*. Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009, from <http://climlead.uoregon.edu/pdfs/willamettereport3.11FINAL.pdf> and Doppelt, B., R. Hamilton, C. Deacon Williams, et al. 2009. *Preparing for Climate Change in the Rogue River Basin of Southwest Oregon*. Climate Leadership Initiative, Institute for a Sustainable Environment, University of Oregon. March. Retrieved June 16, 2009 from <http://climlead.uoregon.edu/pdfs/ROGUE%20WSFINAL.pdf>

<sup>35</sup> Mote, P., E. Salathe, V. Duliere, and E. Jump. 2008. *Scenarios of Future Climate for the Pacific Northwest*. Climate Impacts Group, University of Washington. March. Retrieved June 16, 2009, from <http://cse.washington.edu/db/pdf/moteetal2008scenarios628.pdf>; Littell, J.S., M. McGuire Elsner, L.C. Whitely Binder, and A.K. Snover (eds). 2009. "The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate - Executive Summary." In *The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate*, Climate Impacts Group, University of Washington. Retrieved June 16, 2009, from [www.cse.washington.edu/db/pdf/wacciaexecsummary638.pdf](http://www.cse.washington.edu/db/pdf/wacciaexecsummary638.pdf); Madsen, T. and E. Figdor. 2007. *When it Rains, it Pours: Global Warming and the Rising Frequency of Extreme Precipitation in the United States*. Environment America Research & Policy Center and Frontier Group.; and Mote, P.W. 2006. "Climate-driven variability and trends in mountain snowpack in western North America." *Journal of Climate* 19(23): 6209-6220.

<sup>36</sup> The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.



- *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in growing season, temperature ranges, and water availability.<sup>37</sup> Climate change may impact Oregon's forestry through an increase in wildfires, a decrease in the rate of tree growth, a change in the mix of tree species, and increases in disease and pests that damage trees.<sup>38</sup>
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,<sup>39</sup> (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times, these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2008 and 2009 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn was decreases in employment related to the housing market, such as construction and real estate. As these industries recover, they will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

## State Trends

### Short-Term Trends

According to the Oregon Office of Economic Analysis (OEA), the Oregon economy "is on firmer ground today following a rocky start to the year...." They emphasize, however, that the economy continues to strike the "sweet spot" despite a rocky start to 2019.<sup>40</sup> The OEA also reports that although the Oregon economy has been slowing down over the last couple of years and is not outpacing the nation any longer, its "growth is strong enough to keep up with a growing population but also deliver economic and income gains to Oregonians."<sup>41</sup>

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<sup>37</sup> "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

<sup>38</sup> "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

<sup>39</sup> "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

<sup>40</sup> Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 2. Retrieved from: <https://www.oregon.gov/das/OEA/Documents/forecast0519.pdf>.

<sup>41</sup> *Ibid*, page 2.

Wages in Oregon continue to remain below the national average, but they continue to rise and remain strong, staying at their highest point relative to the state's mill closures in the 1980s.<sup>42</sup> By the end of 2019, the OEA forecasts 39,800 jobs will be added to Oregon's economy. This is an approximate 2.1% annual growth in total nonfarm employment relative to 2018 levels.<sup>43</sup> The health services, professional and business services, leisure and hospitality, retail trade, and manufacturing industries are forecasted to account for well over half of the total job growth in Oregon for 2019. Oregon continues to have an advantage in job growth compared to other states, due to its industrial sector and in-migration flow of young workers in search of jobs.

The housing market continues to recover as Oregon's economy improves, though new supply is not keeping up with demand. As a result, prices continue to rise to considerable levels and the OEA reports housing "(in)affordability is becoming a larger risk" to Oregon's economic outlook.<sup>44</sup> Oregon is seeing an increase in household formation rates, which is good for the housing market as this will "help drive up demand for new houses."<sup>45</sup> Though younger Oregonians are tending to live at home with their parents longer, the aging Millennial generation (from their early 20s to mid-to-late 30s) and the state's increase in migration will drive demand for homes in the coming years. Housing starts in 2019 are on track to reach 20,600 units and in 2020, starts are expected to increase to 21,800. Beyond 2020, the OEA forecasts an average growth of 24,000 units per year to satisfy the demand for Oregon's growing population and to make up for the under development of housing post-recession.<sup>46</sup>

The Oregon Index of Leading Indicators (OILI) continues to grow quite rapidly in 2019 despite a decrease in 2018. The leading indicators showing improvement are: air freight, consumer sentiment, and withholding. Indicators that are slowing down include: help wanted ads, housing permits, industrial production, initial claims, the manufacturing purchasing managers index (PMI), new incorporations, and the Oregon Dollar Index. The one indicator not improving at this point in time is semiconductor billings. Relative to their September 2018 forecast, many economic indicators in their May 2019 forecast have changed from *improving* to *slowing*, which further illustrates the slowing down of Oregon's economy after several years of extended growth.<sup>47</sup>

Oregon's economic health is dependent on export markets. The value of Oregon exports in 2018 was \$22.3 billion, a 2% growth from 2017. In 2018, Oregon's exports made up approximately 9.4% of its total 2018 GDP.<sup>48</sup> The countries that Oregon exports the most to are China (21.4% of total Oregon exports), Canada (14.4%), Japan (9.8%), South Korea (7.6%), Malaysia (6.6%), and

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<sup>42</sup> *Ibid*, page 6.

<sup>43</sup> *Ibid*, page 36.

<sup>44</sup> *Ibid*, page 13.

<sup>45</sup> *Ibid*, page 12.

<sup>46</sup> *Ibid*, page 12.

<sup>47</sup> *Ibid*, page 9.

<sup>48</sup> U.S. Bureau of Economic Analysis. Gross Domestic Product (GDP) by State (Millions of current dollars). Retrieved from: <https://apps.bea.gov/iTable/indexregional.cfm>

Vietnam (5.0%).<sup>49</sup> With the escalating trade war occurring overseas, specifically with China, Oregon exports are left potentially vulnerable, as China is a top destination for Oregon exports.<sup>50</sup> The OEA notes that it is too soon to assess the disruptiveness of the trade war on global supply chains, however, developments will be tracked as it continues. An economic slowdown across many parts of Asia will have a spillover effect on the Oregon economy.

## Long-term Trends

State, regional, and local trends will also affect economic development in McMinnville over the next 20 years. The most important of these trends includes: continued in-migration from other states, distribution of population and employment across the state, and change in the types of industries in Oregon.

- **Continued in-migration from other states.** Oregon will continue to experience in-migration (more people moving *to* Oregon than *from* Oregon) from other states, especially California and Washington. From 1990 to 2018, Oregon's population increased by about 1.35 million, 69% of which was from people moving into Oregon (net migration). The average annual increase in population from net migration over the same time period was approximately 32,000 persons. During the early- to mid-1990's, Oregon's net migration was highest, reaching over 60,000 in 1991, with another relatively high peak of 57,100 persons in 2017. Oregon has not seen negative net migration since the early- to mid-1980's.<sup>51</sup>
- **Forecast of job growth.** Total nonfarm employment is expected to increase from 1.95 million in 2019 to 2.04 million in 2022, an increase of 88,000 jobs. The industries with the largest growth are forecasted to be Government, Health Services, Professional and Business Services, Leisure and Hospitality, and Retail, accounting for 89% of employment growth.<sup>52</sup>
- **Continued importance of manufacturing to Oregon's economy.** Oregon's exports totaled \$19.4 billion in 2008, nearly doubling since 2000, and reached \$22.3 billion in 2018. The majority of Oregon exports go to countries along the Pacific Rim, with China, Canada, Japan, South Korea, Malaysia, and Vietnam as top destinations. Oregon's largest exports are tied to high tech and mining, as well as agricultural products.<sup>53</sup> Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.<sup>54</sup>

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<sup>49</sup> United States Census Bureau. State Exports from Oregon, 2015-2018. Retrieved from: <https://www.census.gov/foreign-trade/statistics/state/data/or.html>.

<sup>50</sup> Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 2.

<sup>51</sup> Portland State University Population Research Center. 2018 Annual Population Report Tables. April 2019. Retrieved from: <https://www.pdx.edu/prc/population-reports-estimates>.

<sup>52</sup> Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 36.

<sup>53</sup> United States Census Bureau. State Exports from Oregon, 2015-2018. Retrieved from: <https://www.census.gov/foreign-trade/statistics/state/data/or.html>.

<sup>54</sup> Oregon Employment Department. *Employment and Wages by Industry (QCEW)*. 2018 Geographic Profile, Manufacturing (31-33). Retrieved from: [qualityinfo.org](http://qualityinfo.org).

- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon’s manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing.<sup>55</sup>
- **Income.** Oregon’s income and wages are below that of a typical state. However, Oregon wages continue to grow and remain strong, and they are at their highest point relative to the mill closures resulting from the early 1980’s recession. In 2018, the average annual wage in Oregon was \$53,058, and in 2017, the median household income in Oregon was \$60,212 (compared to national average wages of \$57,265 in 2018, and national household income of \$60,336 in 2017).<sup>56</sup> Total personal income (all classes of income, minus Social Security contributions, adjusted for inflation) in Oregon is expected to increase by 22%, from \$219.5 billion in 2019 to \$267.6 billion in 2023.<sup>57</sup> Per capita income is expected to increase by 16% over the same time period, from \$51,700 (thousands of dollars) in 2019 to \$60,200 in 2023 (in nominal dollars).<sup>58</sup>
- **Small businesses continue to account for a large share of employment in Oregon.** While small firms played a large part in Oregon’s expansion between 2003 and 2007, they also suffered disproportionately in the recession and its aftermath (64% of the net jobs lost between 2008 and 2010 was from small businesses).

In 2016, small businesses (those with 100 or fewer employees) accounted for 95% of privately-owned businesses in Oregon. Said differently, most businesses in Oregon are small (in fact, 76% of all businesses have fewer than 10 employees), but the largest share of Oregon’s employees work for medium-to-large businesses (those with 100 or more employees).<sup>59</sup>

The average annualized payroll per employee for small businesses was \$37,958 in 2016, which is considerably less than that for large businesses (\$57,488) and the statewide average for all businesses (\$47,746).<sup>60</sup> Younger workers are important to continue growth of small businesses across the nation. More than one-third of Millennials (those born

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<sup>55</sup> Although Oregon’s economy has diversified since the 1970’s, natural resource-based manufacturing accounts for about 37% of employment in manufacturing in Oregon in 2018, with the most employment in Food Manufacturing (29,900) and Wood Product Manufacturing (23,400) (QCEW).

<sup>56</sup> Average annual wages are for “Total, all industries,” which includes private and public employers. Oregon Quarterly Census of Employment and Wages, 2018. Retrieved from: <https://www.qualityinfo.org>; Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2017; Total, U.S. Census American Community Survey 1-Year Estimates, 2017, Table B19013.

<sup>57</sup> Office of Economic Analysis. Oregon Economic and Revenue Forecast, May 2019. Vol. XXXIX, No. 2, page 36.

<sup>58</sup> *Ibid*, page 36.

<sup>59</sup> U.S. Census Bureau, 2016 Statistics of U.S. Businesses, Annual Data, Enterprise Employment Size, U.S and States.

<sup>60</sup> *Ibid*.

between 1980 - 1999) are self-employed, with approximately half to two-thirds interested in becoming an entrepreneur. Furthermore, in 2011, about 160,000 startup companies were created each month; 29% of these companies were founded by people between 20 to 34 years of age.<sup>61</sup> According to the Kauffman Indicators of Entrepreneurship, in 2018, about 79% of startups nationwide were still active after one year. On average, startups nationwide created approximately 5.2 jobs in their first year (when normalized by population).<sup>62</sup> However, it is typically the case that startups are important for job creation on a longer time horizon, well beyond their first year, as “fewer than half of all startups in America are still in business after five years.”<sup>63</sup>

- **Entrepreneurship in Oregon.** The creation of new businesses is vital to Oregon’s economy as their formations generate new jobs and advance new ideas and innovations into markets. They also can produce more efficient products and services to better serve local communities. The Kauffman Foundation reports several statistics at the state level related to entrepreneurship. They report: the rate of new entrepreneurs, the opportunity share of new entrepreneurs (new entrepreneurs who created a business by choice instead of necessity), startup early job creation (the average number of jobs created by startups in their first year, normalized by population), and startup early survival rate (the percent of startups that are still active after one year).

According to Kauffman’s indicators, Oregon’s opportunity share of new entrepreneurs is at its highest relative point post-recession, reaching approximately 80% in 2017, up from its post-recession low of 71% in 2012. Startup early job creation also continues to increase. In 2017, the average number of jobs created by startups in their first year reached 5.24, which is comparable to the national average of 5.27. Relative to Oregon’s post-recession low of 3.80 in 2010, the average number of startup jobs have increased approximately 38%. However, the two remaining entrepreneurial indicators, the rate of new entrepreneurs and startup early survival rate, are declining somewhat in Oregon. In 2017, the rate of new entrepreneurs decreased by 0.02 percentage points, from 0.34% in 2016 to 0.32% in 2017, though Oregon’s 2017 rate aligns closely with the national average of 0.33%. For Oregon’s startup early survival rate, it declined to 78.4% in 2017 from a post-recession peak of 80.1% in 2015. Though this decline is not substantially large, the downward trend suggests startups, on average, are not persisting as well as they used to relative to two years ago. Oregon’s startup early survival rate in 2017 is 1.4 percentage points below the national average of 79.8%.<sup>64</sup>

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<sup>61</sup> Cooper, Rich, Michael Hendrix, Andrea Bitely. (2012). "The Millennial Generation Research Review." Washington, DC: The National Chamber Foundation. Retrieved from:

<https://www.uschamberfoundation.org/sites/default/files/article/foundation/MillennialGeneration.pdf>.

<sup>62</sup> Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. Indicators: Startup Early Job Creation and Startup Early Survival Rate. Information retrieved on December 19, 2019 from: <https://indicators.kauffman.org/data-table>

<sup>63</sup> Nish Acharya. “Small Business Are Having A Bigger Impact on Job Creation Than Large Corporations.” *Forbes*, May 5, 2019. <https://www.forbes.com/sites/nishacharya/2019/05/05/who-is-creating-jobs-in-america/#5c74c156597d>

<sup>64</sup> Kauffman Foundation. *Kauffman Indicators of Entrepreneurship*. *State Profile: Oregon*. Retrieved from: <https://indicators.kauffman.org/state/oregon>



Moreover, in 2018, the Oregon OEA reports new business applications in Oregon are increasing. They do, however, simultaneously note startup businesses “are a smaller share of all firms than in the past.”<sup>65</sup> Though this measurement of economic activity does not constitute a full understanding of how well entrepreneurship is performing, it does provide an encouraging signal.

## Regional and Local Trends

Throughout this section and the report, McMinnville is compared to Yamhill County and the State of Oregon. These comparisons are to provide context for changes in McMinnville’s socioeconomic characteristics.

### Availability of Labor

The availability of trained workers in McMinnville will impact development of its economy over the planning period. A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in McMinnville over the next 20 years include its growth in its overall population, growth in the senior population, and commuting trends.

### Growing Population

Population growth in Oregon tends to follow economic cycles. Oregon’s population grew from 2.8 million people in 1990 to nearly 4.2 million people in 2018, an increase of over 1,350,000 people at an average annual growth rate of 1.4%. Oregon’s growth rate slowed to 1.1% annual growth between 2000 and 2018.

McMinnville’s population increased by 15,916 residents over 1990 to 2018, nearly doubling in size. This growth is reflected in its average annual growth rate (AAGR) of 2.3% (and notably, the growth rate used for the 2000-2020 period in the 2002 McMinnville Housing Needs Analysis), which is 0.9 percentage points higher than the State’s rate of 1.4%. Similar to McMinnville, Yamhill County’s population grew more rapidly than the State, averaging 1.8% growth year-over-year. The County added 41,864 residents over 1990 to 2018 and McMinnville accounts for about 38% of this growth.

**Exhibit 18. Population Growth, McMinnville, Yamhill County, and Oregon, 1990 – 2018**

Geography					Change, 1990 - 2018		
	1990	2000	2010	2018	Number	Percent	AAGR
McMinnville	17,894	26,499	32,930	33,810	15,916	89%	2.3%
Yamhill County	65,551	84,992	95,925	107,415	41,864	64%	1.8%
Oregon	2,842,337	3,421,399	3,844,195	4,195,300	1,352,963	48%	1.4%

Source: U.S. Census Bureau, 1990, 2000, and 2010. Portland State University Population Estimates, 2018.

<sup>65</sup> Lehner, Josh. (August 2018). “Start-Ups, R&D, and Productivity.” Salem, OR: Oregon Office of Economic Analysis. Retrieved from: <https://oregoneconomicanalysis.com/2015/03/13/start-ups-and-new-business-formation/>.

## Age Distribution

The number of people aged 65 and older in the U.S. is expected to increase by nearly three-quarters by 2050, while the number of people under age 65 will only grow by 16%. The economic effects of this demographic change include a slowing of the growth of the labor force, need for workers to replace retirees, aging of the workforce for seniors that continue working after age 65, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.<sup>66</sup>

Exhibit 19 through Exhibit 22 show the following trends:

- McMinnville's population is aging slightly faster than Yamhill County's population. Populations of both McMinnville and Yamhill County are aging faster than Oregon's population with respect to each region's growth in median age.
- Over the 2000 to 2013-2017 period, those in the age groups of 45 to 64 and 65 years and older in McMinnville increased by 59% and 48%, respectively. These age groups grew substantially more than all other age categories. This suggests that McMinnville may be retaining residents throughout their mid-to-late careers as they age and/or attracting more people in their mid-to-late careers.
- Yamhill County's population is expected to continue to age, with people 60 years and older increasing from 23% of the population in 2017 to 28% of the population in 2035. This is consistent with statewide trends. McMinnville and Yamhill County may continue to attract mid-life and older workers over the twenty-year planning period. While the share of retirees in these respective areas may increase over the next 20 years, availability of people nearing retirement (e.g., 55 to 70 years old) is likely to increase. People in this age group may provide sources of skilled labor, as people continue to work until later in life. These skilled workers may provide opportunities to support business growth in these areas.

### McMinnville's median age increased by about 4.6 years between 2000 and 2013-2017.

This change is slightly larger than Yamhill County's increase of 4.1 years. Median age increases for both regions exceeded Oregon's change of 2.8.

### Exhibit 19. Median Age, McMinnville, Yamhill County, and Oregon, 2000 to 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, Table P013; American Community Survey 2013-2017 5-year estimates, Table B01002.

2000	31.5 McMinnville	34.1 Yamhill County	36.3 Oregon
2013-17	36.1 McMinnville	38.2 Yamhill County	39.2 Oregon

<sup>66</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017, *The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, July 13, 2017. *The Budget and Economic Outlook: Fiscal Years 2018 to 2028*, April 2018.

**Over the 2000 to 2013-2017 period, McMinnville's largest population increase was for those 45 to 64 (59%) and those aged 65 and older (48%).**

This is consistent with statewide trends, where the aforementioned age categories increased the most relative to younger age categories. The Oregon population of those 45 to 64 years of age increased by 30% and those 65 and older increased by 50%.

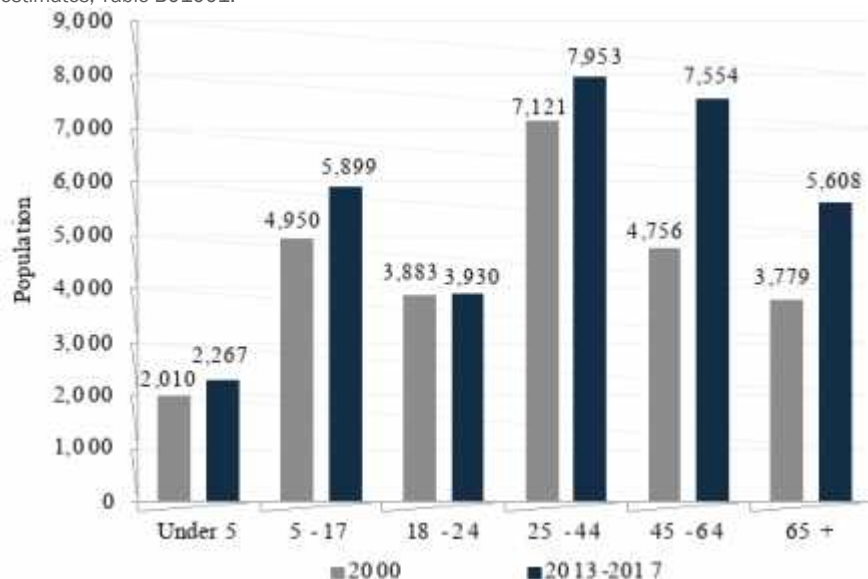
**During the 2013-2017 period, the age distribution of McMinnville residents was roughly even across each category, with a slightly smaller proportion of middle-to-older aged adults (40 and older) relative to those 39 years of age and younger.**

About 46% of McMinnville residents are 40 years and older and 54% are 39 and younger.

Additionally, the proportion of McMinnville residents under 20 years of age was four percentage points higher than Oregon.

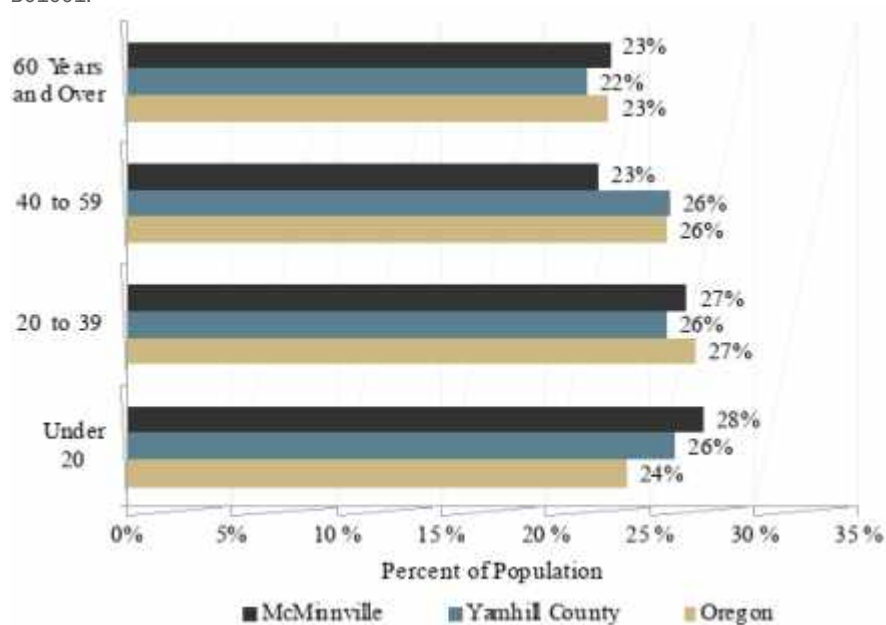
**Exhibit 20. McMinnville Population Change by Age Group, 2000 to 2013-2017**

Source: U.S. Census Bureau, 2000 Summary File; American Community Survey 2013-2017 5-year estimates, Table B01001.



**Exhibit 21. Population Distribution by Age, McMinnville, Yamhill County, and Oregon, 2013-2017**

Source: U.S. Census Bureau, American Community Survey, 2013-2017 5-year estimate, Table B01001.

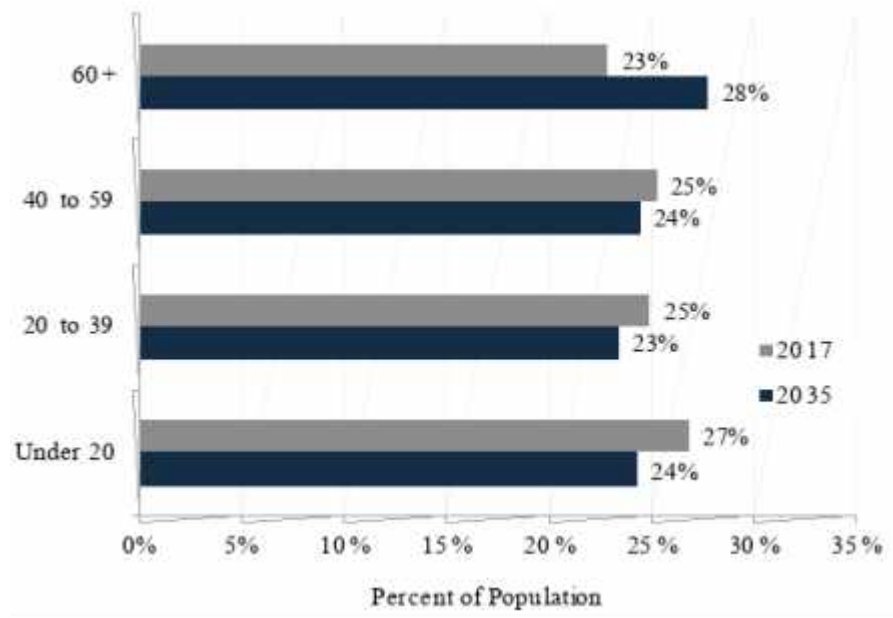


**By 2035, Yamhill County will have a larger share of residents older than 60 than it does today. The population forecast for all other age groups projects smaller County population shares by 2035.**

The share of residents aged 60 years and older will account for 28% of Yamhill County's population, compared to 23% in 2017.

**Exhibit 22. Population Growth by Age Group, Yamhill County, 2017 - 2035**

Source: Oregon Population Forecast, 2017.



## Income

Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. McMinnville's median household income (\$50,299) was below the County median (\$58,392) during the 2013-2017 period. Average wages at businesses in McMinnville (\$40,105) were lower than the County average (\$42,315).<sup>67</sup>

Between 2000 and 2018, Yamhill County's average wages increased as they also did in Oregon and the nation. When adjusted for inflation to 2018 dollars, average annual wages grew by 8% in Yamhill County, 11% in Oregon, and 11% in the nation.

<sup>67</sup> According to the Census, Household income includes the income of the householder and other income earners ages 15 or older, thus the mix of sources of income ranges in reporting of household income. Average wage is calculated using Quarterly Census of Employment and Wages data, based on payroll information and number of employees by establishment.

**From 2000 to 2018, average annual wages rose in Yamhill County, Oregon, and the nation.**

In 2018, average annual wages were \$42,321 in Yamhill County, \$53,058 in Oregon, and \$57,265 across the nation.

**Exhibit 23. Average Annual Wage, Covered Employment, Yamhill County, Oregon, and the U.S., 2000 to 2018, Inflation-adjusted 2018 Dollars**

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.  
Note: 2018 average annual pay estimates are preliminary, according to the BLS.



**Over the 2013-2017 period, the median household income in McMinnville was below that of Yamhill County and Oregon by 14% and 10%, respectively.**

**Exhibit 24. Median Household Income (MHI),<sup>68</sup> 2013-2017, Inflation-adjusted 2017 Dollars**

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19013.

<b>\$50,299</b>	<b>\$58,392</b>	<b>\$56,119</b>
McMinnville	Yamhill County	Oregon

<sup>68</sup> The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they are related or not.



**McMinnville median family income during the 2013-2017 period, similar to median household income, was below the median family income of both Yamhill County and Oregon by 12% and 15%, respectively.**

#### Exhibit 25. Median Family Income,<sup>69</sup> 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19113.

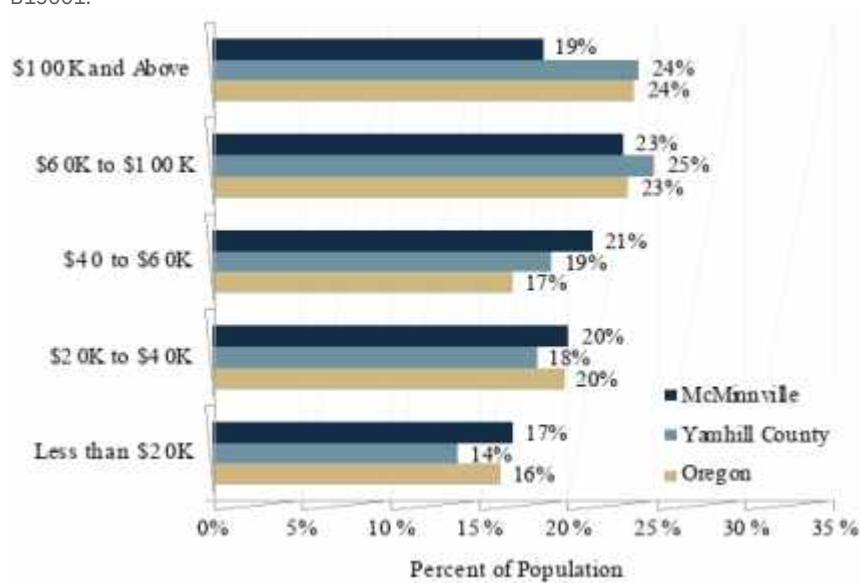
<b>\$58,620</b>	<b>\$66,732</b>	<b>\$69,031</b>
McMinnville	Yamhill County	Oregon

**During the 2013-2017 period, 37% of McMinnville households earned less than \$40,000 annually, compared to 32% of Yamhill County households and 36% of Oregon households.**

Over the same period, McMinnville households had a lower proportion of higher income earnings (\$100,000 and above) relative to Yamhill County and Oregon.

#### Exhibit 26. Household Income by Income Group, McMinnville, Yamhill County, and Oregon, 2013-2017, Inflation-adjusted 2017 Dollars

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19001.



<sup>69</sup> The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who are related to the head of household by birth, marriage, or adoption.

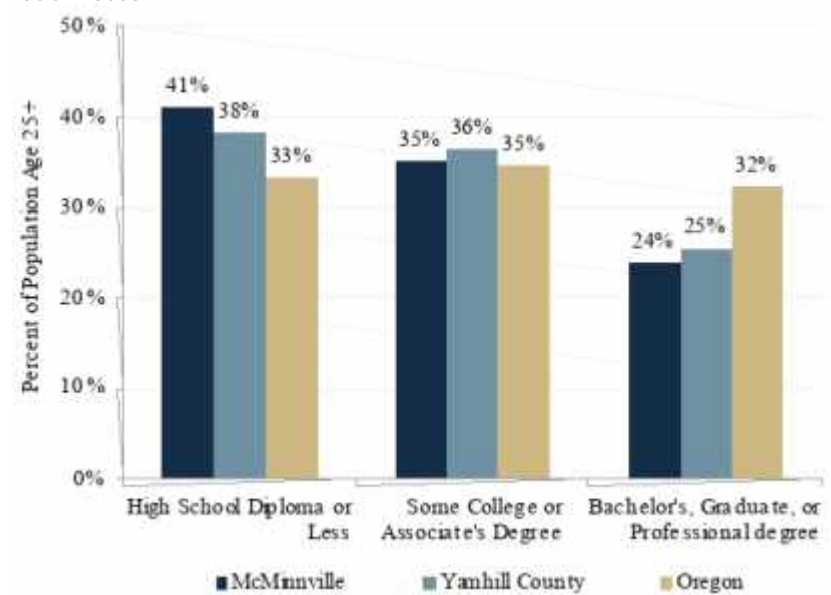
## Educational Attainment

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers.

**McMinnville's residents are consistent with residents statewide regarding their completion of some college or attainment of an Associate degree; however, attainment of a Bachelor's degree or a professional degree is lower for McMinnville's residents relative to statewide trends.**

**Exhibit 27. Educational Attainment for the Population 25 Years and Over, McMinnville, Yamhill County, and Oregon, 2013-2017**

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B15003.



## Labor Force Participation and Unemployment

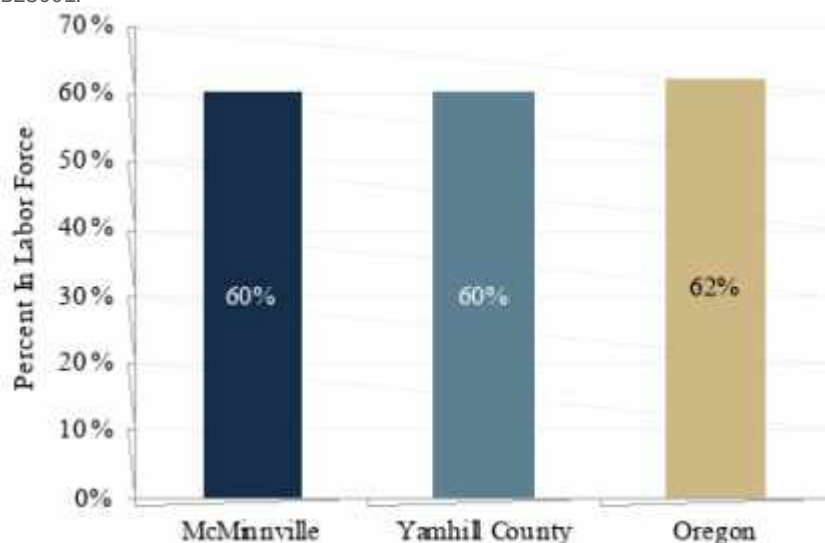
The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2013-2017 American Community Survey, Yamhill County had more than 49,000 people in its labor force during that period and McMinnville had close to 15,500 people in its labor force.

In 2017, the Oregon Office of Economic Analysis reported that 64% of job vacancies were difficult to fill. The most common reason for difficulty in filling jobs included a lack of applications (30% of employers' difficulties), lack of qualified candidates (17%), unfavorable working conditions (14%), a lack of soft skills (11%), and a lack of work experience (9%).<sup>70</sup> These statistics indicate a mismatch between the types of jobs that employers are demanding and the skills that potential employees can provide.

**McMinnville's labor force participation rate for the 2013-2017 period is comparable to Yamhill County.**

**Exhibit 28. Labor Force Participation Rate, McMinnville, Yamhill County, and Oregon, 2013-2017**

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B23001.



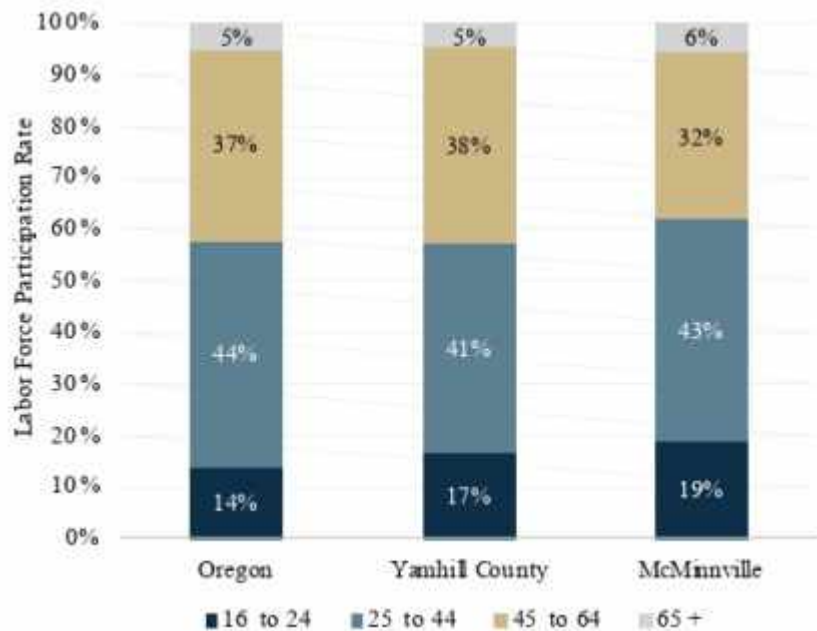
<sup>70</sup> Oregon's Current Workforce Gaps: Difficult-to-fill Job Openings, Oregon Job Vacancy Survey, Oregon Employment Department, June 2018.

**By age group, McMinnville has a larger share of residents aged 16 to 24 participating in the labor force relative to Yamhill County and Oregon.**

In contrast, McMinnville has a smaller share of residents aged 45 to 64 participating in the labor force compared to Yamhill County and Oregon.

**Exhibit 29. Labor Force Participation Rate, McMinnville, Yamhill County, and Oregon, 2013-2017**

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table S2301.

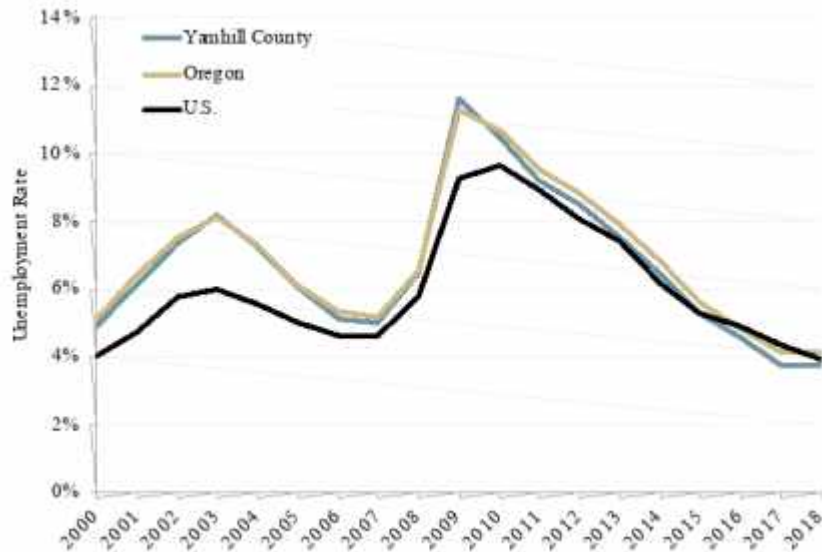


**The unemployment rates in Yamhill County, Oregon, and the nation have declined below their respective 2000 rates.**

Yamhill County closely follows Oregon's unemployment rate. In 2018, the unemployment rate in Yamhill County was 3.8%. In Oregon, the rate was 3.9%, and in the nation, 4.2%.

**Exhibit 30. Unemployment Rate, Yamhill County, Oregon, and the U.S., 2000 – 2018**

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Labor Force Statistics.



## Commuting Patterns

Commuting plays an important role in the McMinnville's economy because employers in these areas are able to access workers from people living in cities across Yamhill County and from the broader Mid-Willamette Valley Region.

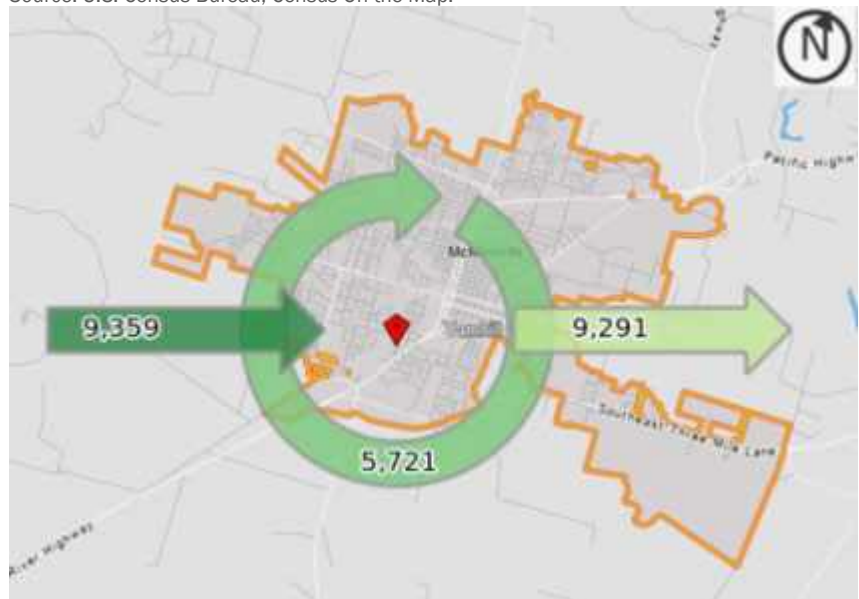
Exhibit 32 shows that 38% of people who work in McMinnville reside in McMinnville, 4% commute from Salem, 3% commute from Portland, and 3% from Newberg. The remaining workers commute from various other cities located across the Region.

### **McMinnville is part of an interconnected regional economy.**

Of the approximate 15,080 persons employed in McMinnville (as of 2017), 62% of workers commute to their jobs from outside of the City. The remaining 38% of workers both live and are employed in McMinnville.

### **Exhibit 31. Commuting Flows, McMinnville, 2017**

Source: U.S. Census Bureau, Census On the Map.



**As of 2017, about 38% of all people who work in McMinnville also live in McMinnville.**

**About 38% of residents who live in McMinnville also work in McMinnville.**

Six percent of McMinnville residents commute to Portland for work and another six percent commute to Salem.

#### Exhibit 32. Places Where McMinnville Workers Lived,<sup>71</sup> 2017

Source: U.S. Census Bureau, Census On the Map.

<b>38%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
McMinnville	Salem	Portland	Newberg	Sheridan

#### Exhibit 33. Places Where McMinnville Residents were Employed,<sup>72</sup> 2017

Source: U.S. Census Bureau, Census On the Map.

<b>38%</b>	<b>6%</b>	<b>6%</b>	<b>4%</b>	<b>3%</b>
McMinnville	Portland	Salem	Newberg	Hillsboro

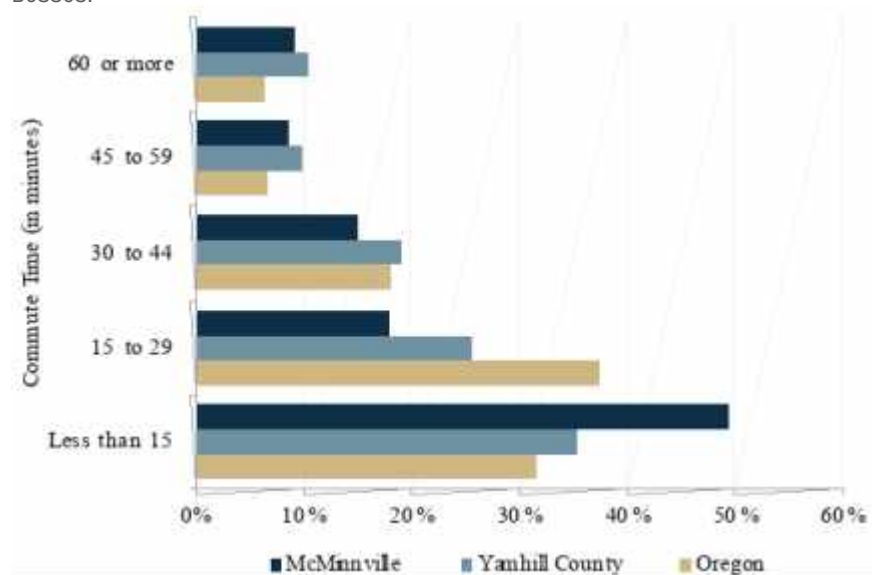
During the 2013-2017 period, about 49% of McMinnville workers had a commute of less than 15 minutes, compared to 35% of Yamhill County workers and 32% of Oregon workers.

**Relative to Yamhill County and Oregon workers, McMinnville workers tend to have shorter commute times.**

Where the majority (55%) of Oregon workers have commutes between 15 to 44 minutes, only 33% of McMinnville workers have commute times of that length. However, at the higher end of commuting times (45 minutes or more), almost one-fifth (18%) of McMinnville workers spend a sizable amount of time on the road.

#### Exhibit 34. Commute Time by Place of Residence, McMinnville, Yamhill County, and Oregon, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B08303.



<sup>71</sup> In 2017, 15,080 people worked at businesses in McMinnville, with 38% (5,721) people both employed and working in McMinnville.

<sup>72</sup> In 2017, 5,569 residents of McMinnville worked, with 38% of McMinnville residents (5,569 people) both living and employed in McMinnville.



## Tourism in the Willamette Valley Region and Yamhill County

Longwoods International provides regional statistics on travel. The following information is from Longwoods International's 2017 Regional Visitor Report for the Willamette Valley Region, which is defined as Benton, Lane (eastern, non-coastal region), Linn, Marion, Polk, and Yamhill counties.<sup>73</sup> Broadly, travelers to the Willamette Valley Region accounted for:<sup>74</sup>

- 5.5 million overnight trips in 2017, or 16% of all Oregon overnight travel that year.
- The primary market area for travelers over 2016 and 2017 were Oregon, California, and Washington:<sup>75</sup> 48% of Willamette Valley visitors came from Oregon, 19% came from California, and 14% came from Washington.
- About 53% of visitors stayed 2 or fewer nights over 2016 and 2017 in the Willamette Valley, 32% stayed 3 to 6 nights, and 15% stayed 7 or more nights. The average nights spent in the Willamette Valley Region was 4.3.
- The average per person expenditures on overnight trips in 2017 ranged from \$9 on recreation, sightseeing, and entertainment to \$35 per night on lodging.
- About 75% of visits to the Willamette Valley Region over 2016 and 2017 were via personally-owned automobiles/trucks, 18% were by rental car, and 13% were via an online taxi service (such as Lyft or Uber).
- Over 2016 and 2017, visitors tended to be middle-to-older aged adults, with the average age being about 48.7. Those aged 18 to 34 made up 24% of overnight visits, 34% were between 35 and 54, and 42% were 55 and older. About 56% of visitors graduated college or completed a post-graduate education. Additionally, 44% of visitors earned less than \$50,000 in household income, 37% earned between \$50,000 and \$99,999, and 19% earned more than \$100,000. The average household income for Willamette Valley visitors was about \$64,560.

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<sup>73</sup> Travel Oregon. "Oregon 2017: Regional Visitor Report, Willamette Valley Region," Longwoods International, October 2018. Retrieved from: <http://industry.traveloregon.com/research/archive/willamette-valley-oregon-overnight-travel-study-2017-longwoods-international/>.

<sup>74</sup> Longwoods International issues caution in interpreting these tourism estimates in the Willamette Valley Region as the sample size for the marketable trips this region is low. For this reason, the data reported is a combination of survey data from 2016 and 2017.

<sup>75</sup> The data reported in this bullet as well as other bullets noting years "2016 and 2017" are based on *marketable trips*. Longwoods International states marketable trips "are defined as those trip types that can be influenced by marketing efforts and include leisure and business-leisure trips."

**Yamhill County's direct travel spending increased 139% from 2000 to 2018.**

The Willamette Valley Region's direct travel spending increased by 100% over the same period.

**Exhibit 35. Direct Travel Spending (\$ millions), 2000 and 2018**

Source: Dean Runyan Associates, Oregon Travel Impacts, 1991-2018.

<b>2000</b>	<b>\$1,000</b> Willamette Valley Region	<b>\$56.7</b> Yamhill County
<b>2018</b>	<b>\$2,000</b> Willamette Valley Region	<b>\$135.7</b> Yamhill County

**Yamhill County's lodging tax receipts increased 653% over 2006 to 2018.**

**Exhibit 36. Lodging Tax Receipts (\$ millions), 2006 and 2018**

Source: Dean Runyan Associates, Oregon Travel Impacts, 1991-2018.

<b>2006</b>	<b>\$111.0</b> Yamhill County
<b>2018</b>	<b>\$835.8</b> Yamhill County

**Yamhill County's largest visitor spending for purchased commodities is accommodation and food services.**

**Exhibit 37. Largest Visitor Spending Categories (\$ millions), Yamhill County, 2018**

Source: Dean Runyan Associates, Oregon Travel Impacts.

<b>\$27.9</b>	<b>\$6.3</b>	<b>\$3.9</b>
Accommodations and Food Services	Arts, Entertainment, and Recreation	Retail

**Yamhill County's largest employment generated by travel spending is also in the accommodations and food services industry.**

**Exhibit 38. Largest Industry Employment Generated by Travel Spending (thousands), Yamhill County, 2018**

Source: Dean Runyan Associates, Oregon Travel Impacts.

<b>1.1 jobs</b>	<b>0.5 jobs</b>	<b>0.1 jobs</b>
Accommodations & Food Services	Arts, Entertainment, and Recreation	Retail

The number of person nights spent in Yamhill County increased from 1,706,000 in 2017 to 1,773,000 in 2018, an increase of 67,000 overnight stays, or 4%. Over the last nine years, from 2010 to 2018, person nights increased approximately 19%.

## 4. Economic Development Potential

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The fundamental purpose of Goal 9 is to make sure that a local government plans for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

“Economic development is the process of improving a community’s well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy.”<sup>76</sup>

That definition acknowledges that a community’s wellbeing depends in part on narrower measures of economic wellbeing (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From the municipal point of view, investment and resulting increases in property tax are important outcomes of economic development.
- The evaluation of tradeoffs and balancing of policies to decide whether such growth is likely to lead to overall gains in wellbeing (on average and across all citizens and businesses in a jurisdiction, and all aspects of wellbeing) is something that decision makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land-use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and the State. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development regarding economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Specifically, new, small businesses (those with fewer than 100 employees) are accounting for a larger share of the job growth in the United States.<sup>77</sup> This shift toward a focus on entrepreneurship, innovation, and small businesses presents additional options for local support for economic development

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<sup>76</sup> *An Economic Development Toolbox: Strategies and Methods*, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

<sup>77</sup> According to the 2018 Small Business Profile from the US Small Business Office of Advocacy, small businesses account for over 99 percent of total businesses in the United States, and their employees account for nearly 50% of American workers. <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>

beyond firm attraction and retention. Thus, a key question for economic development policy is: *What are the factors that influence business and job growth, and what is the relative importance of each?* Specifically, OAR 660-009-0015(4) requires that cities conduct an assessment of community economic development potential, as part of the EOA. This assessment considers: market factors, infrastructure and public facility availability and access, labor, proximity to suppliers and other necessary business services, regulations, and access to job training.

The local factors that form McMinnville's competitive advantage are summarized in the subsections below.

## Factors Affecting Community Economic Development Potential

OAR 660-009-0015(4) stipulates that relevant economic advantages and disadvantages considered with the EOA “may include but are not limited to” factors of: location, size and buying power of markets; availability of transportation facilities for access and freight mobility; public facilities and public services; labor market factors; access to suppliers and utilities; necessary support services; limits on development due to federal and state environmental protection laws; and educational and technical training programs.” This 2020 EOA update is organized to address these considerations together with other factors distinctive to economic development in McMinnville.

**Location, Size & Buying Power of Markets.** Location is an economic factor that is prominently mentioned in prior planning documents. The 2019 *MAC-Town 2032 Economic Development Strategic Plan* identifies both strengths and weaknesses related to McMinnville's location and associated transportation factors. Comparative advantages and disadvantages and their implications for economic opportunity in McMinnville are drawn from the 2013 EOA together with more recent MEDP, SEDCOR, and related industry analyses, summarized as follows.<sup>78</sup>

### *Advantages:*

- *Ease of access – with proximity to Portland, Salem & the Oregon coast.* McMinnville is only 40 miles from Portland, 27 miles from Salem, and 51 miles from Lincoln City on the Oregon coast.<sup>79</sup>
- *Central location to serve local community and regional employment and commercial service needs.* McMinnville is well situated to serve the employment and commercial needs of the local community and a larger market area of approximately 75,000 residents, according to the Three Mile Lane market analysis. The City's market area encompasses

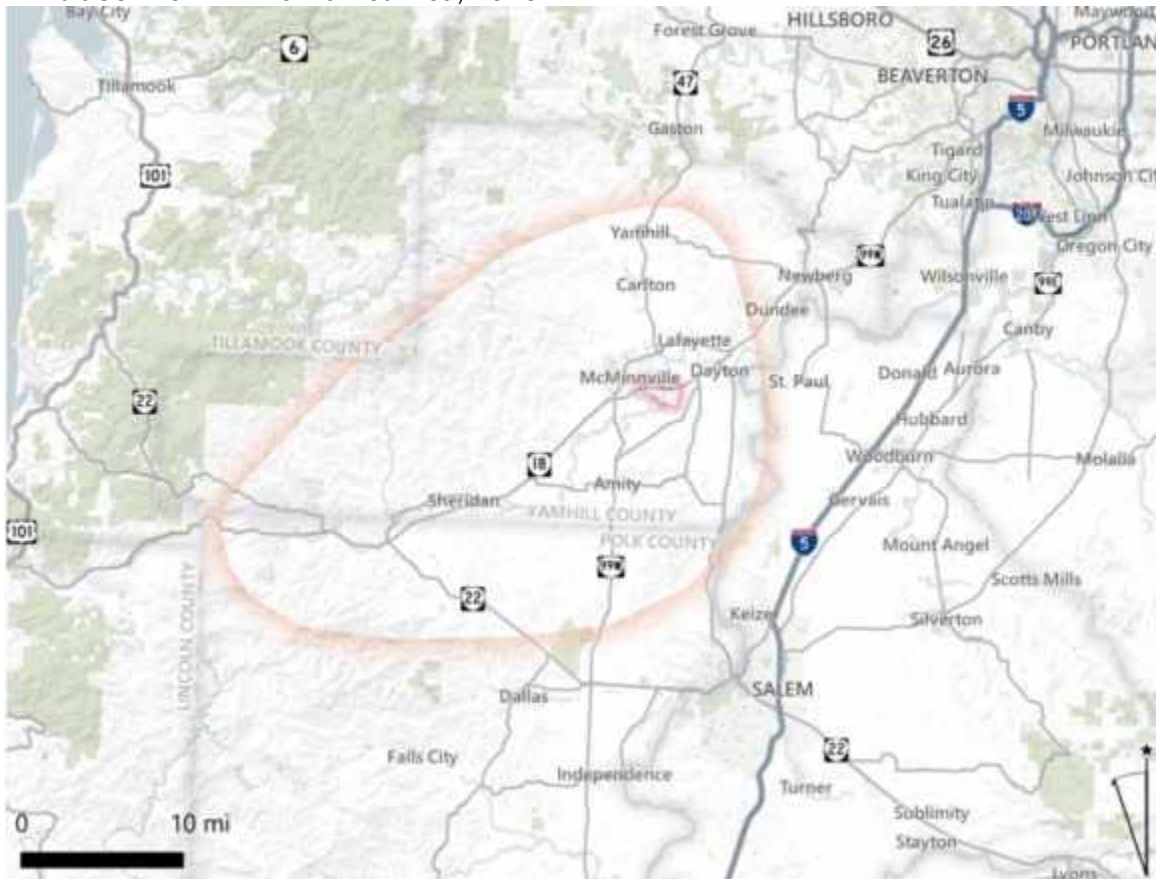
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<sup>78</sup> The 2020 EOA update provides updated information related to comparative advantages and disadvantages, while keeping the structure of the 2013 EOA. Factors that are no longer relevant to McMinnville were removed.

<sup>79</sup> Source is [www.maps.google.com](http://www.maps.google.com).

the majority of Yamhill County. For reference, a map of McMinnville's market area is provided in Exhibit 39.<sup>80</sup>

**Exhibit 39. McMinnville Market Area, 2019**



Source: McMinnville Three Mile Lane Area Plan: Market Analysis; TIGER, Leland Consulting Group.

McMinnville has a substantial population-to-jobs ratio of 2.2, compared to 2.5 in Newberg, and 3.0 in Yamhill County.<sup>81</sup> This is due in part to McMinnville's ability to attract workforce both locally and regionally. As noted by the 2007 MEDP, McMinnville offers potential for commercial retail uses that often require a substantial trade area base of 50,000-100,000 or more customers for market viability.<sup>82</sup> The competitive viability of service uses such as regional professional, business, financial and medical facilities also benefits from the ability to serve a market area extending beyond the immediate community. The 2019 Strategic Plan confirms opportunities for McMinnville to expand on both retail and non-retail commercial uses.

- *Proximity to regionally recognized destination attractions including Yamhill and Willamette Valley wineries, Evergreen Museum & downtown McMinnville as specialty destinations. The North Willamette Valley region—comprised of Yamhill-Carlton, Chehalem Mountains,*

<sup>80</sup> McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

<sup>81</sup> Based on analysis of 2017 covered employment data from OED and population data from PSU.

<sup>82</sup> Population standards for a regional center are included in sources such as the Urban Land Institute, *Shopping Center Development Handbook*, 1999. Minimum population size can vary by type of retail or service commercial business.

McMinnville, Ribbon Ridge, Dundee Hills, and Eola-Amity Hills – has been identified with 503 wineries and 20,279 acres of grapes as of 2018.

In addition to recognition as the leading production area for Oregon’s wine industry, Yamhill County agricultural production adds to both local and visitor appeal. The area is known for quality fresh-to-market products including berries, nuts, milk, eggs, fruits and vegetables – and increasingly for custom/organic livestock production. Nursery crops, grass and legume seeds, Christmas trees, grain and hay add to the diversity of Yamhill County agricultural production – as the 6<sup>th</sup> leading county in terms of value of production in Oregon in 2017.<sup>83</sup>

The Evergreen Air Museum attracted an estimated 88,400 visitors in 2018. With over 3 million annual visitors, the Spirit Mountain Casino located 24 miles from downtown McMinnville is widely cited as one of the top visitor draws in the state.<sup>84</sup>

McMinnville also is recognized statewide for its remarkable comeback and current vitality of its historic downtown core area. Promoted as “Oregon’s favorite main street,” the McMinnville Downtown Association characterizes the appeal of downtown in these terms:

“Quaint boutiques, unique shops, and local galleries abound. Music fills the air from our farmers’ market performers and outdoor concerts all summer long, and pours out of our restaurants and pubs on winter evenings.”<sup>85</sup>

#### Disadvantages:

- *Retail sales leakage occurring due to lack of major comparison retail.* As described by the Three Mile Lane market analysis, there is a considerable retail sales leakage of an estimated \$208 million annually throughout the McMinnville Market Area. Factoring in household growth projections, the market analysis forecasts demand for an additional 539,000 square feet of retail development in the McMinnville market area over the coming decade, with 150,000 square feet (or about 28%) being captured in the Three Mile Lane area.<sup>86</sup>

Sites in the McMinnville UGB offer the potential to serve a local and regional market extending to Sheridan/Willamina, Polk County and even some coastal communities – with improved opportunity to serve the Newberg-Dundee area as a result of the recently completed bypass construction. Centrally located sites with good highway access and street visibility can be instrumental to attract commercial businesses that may require market areas of 50,000-100,000+ population.

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<sup>83</sup> U.S. Census of Agriculture. Yamhill County Profile. 2017.

<sup>84</sup> As cited by Memorandum #2, Market Study Current Conditions, prepared as part of Northeast Gateway Plan by Leland Consulting Group for the City of McMinnville, May 23, 2011.

<sup>85</sup> As cited by [www.downtownmcminnville.com](http://www.downtownmcminnville.com), as of September 2012.

<sup>86</sup> McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.



- *Need for additional value-added opportunities for visitors.* A key challenge for the future is to provide more and better value-added opportunities for visitors to spend more time and money while visiting the McMinnville area.

Also, the 2019 *Willamette Valley Winery Association Visitor Profile Study* reported that about 53.8% of domestic visitors to the area are non-Oregon residents. Survey respondents noted difficulty of travel to the Willamette Valley as a key factor in not returning to the area. The study also stated that the typical Oregon resident wine tourist spends about \$151.63 per person per day, while the typical non-Oregon resident spends about \$416.43 per person per day.

**Note:** The 2013 EOA noted the following disadvantage at that time:

*“Limited duration of tourism visitation & low expenditure capture.* While the McMinnville area and Yamhill County can now boast some of the state’s top tourism attractions, visitor spending does not appear to match visitation. This is because visitors tend not to stay overnight (but are often day visitors) and do not appear to be making substantial expenditures while in the area.”

This has changed substantially. Visit McMinnville reports that visitor spending in Yamhill County has doubled in the last ten years. Lodging statistics in McMinnville are up across the board, including demand, rate, length of stay, occupancy, revenue, and number of properties & inventory of rooms.

**Availability of Transportation Facilities for Access & Mobility.** Location, size and buying power of markets are substantially affected by current and planned transportation facilities. This is particularly the case in Yamhill County which increasingly has experienced the negative economic development effects of highway congestion on the 99W corridor. However, completion of Phase 1 of the Newberg-Dundee Bypass in January of 2018 has partially reduced congestion, especially for local residents of the region.

Economic development opportunities may be substantially enhanced with further plans for transportation improvements—as with the second phase of the Newberg-Dundee bypass, which is currently in its design phase. A broader look at the role transportation plays in shaping McMinnville’s economic opportunities is outlined as follows.

*Advantages:*

- *Western & mid-valley cross-roads.* McMinnville is directly served by Highway 99W – as a historically significant central organizing spine to access commercial and industrial businesses throughout the community. Highway 18 has come to play an increasingly important role, not only as a by-pass route for through traffic traveling between the Oregon coast and the Portland metro area but also as a means of accessing more local and regional employment/institutional uses as well as the McMinnville airport. While not directly in McMinnville, Highway 22 (via 99W) provides access to Salem and to Interstate 5 (within approximately 30 miles).

- *Changing traffic patterns.* While serving as one indicator of overall economic activity, this is of particular importance for retail and service businesses as well as tourism oriented destinations reliant on high traffic counts. As of 2018, an estimated 22,900 vehicles per day traveled Highway 18 in the vicinity of the McMinnville airport – an increase of 44% over 2005 counts.<sup>87</sup>

On Highway 99W, up to an estimated 21,900 vehicles traveled daily through McMinnville in 2018, (representing an increase in 99W in-town traffic with 18,900 vehicles in 2013).<sup>88</sup>

- *Air and rail accessibility.* As a general aviation airport, McMinnville Municipal Airport has the capacity to handle corporate jet aircraft – together with availability of aircraft rentals, flight instruction, aircraft maintenance, and fuel. The Portland International Airport (PDX) is located 36 miles from McMinnville, offering daily direct flights with passenger and freight service to Asia, Europe, and Mexico as well as cities throughout the U.S.

The Willamette and Pacific Railroad maintains freight service to McMinnville industrial users. This short-line carrier connects to the Burlington Northern Santa Fe and Union Pacific carriers for transcontinental shipments to and from McMinnville.

#### *Disadvantages:*

- *Poor linkages to Interstate freeway access.* Congestion on the 99W corridor in the area of Dundee and further north is cited as a disincentive to business investment from existing and prospective new firms in documents including the 2019 *MAC-Town 2032 Economic Development Strategic Plan*. Of particular concern is the approximate 30-mile distance from McMinnville to the Interstate 5 corridor, exacerbated by substantial congestion affecting connecting routes during much of the business day, especially for the segment of the 99W corridor extending from the Highway 18 merge north of McMinnville through Newberg. The *MAC-Town 2032 Economic Development Strategic Plan* notes that the development of the Highway 99 bypass will likely “improve access to McMinnville.”
- *Challenging Air & Rail Service.* While the distance to PDX for scheduled air service is less than 50 miles, regional roadway congestion makes travel times unpredictable during business hours and about half this distance from McMinnville occurs on two-lane roadways. With increasing regional traffic congestion, access to Portland International Airport is ever more problematic both for freight shippers and employees who must travel for their jobs.

As described by the 2001 EOA, “lack of convenient and efficient access to Portland International Airport was one factor cited by Hewlett-Packard in its decision to leave McMinnville, and it may discourage other existing or prospective firms from expanding

<sup>87</sup> Annual Average Daily Traffic counts (point near McMinnville Airport). Oregon Department of Transportation. <https://gis.odot.state.or.us/transgis/>

<sup>88</sup> Annual Average Daily Traffic counts (point near McMinnville High School). Oregon Department of Transportation. <https://gis.odot.state.or.us/transgis/>

or locating in McMinnville.” Also noted is that rail traffic bound for Portland has been routed south, then north, due to the unsuitability of existing trackage north of McMinnville.

The Oregon Department of Transportation (ODOT) completed construction of Phase 1 of the Newberg-Dundee Bypass and has proceeded into the design phase for Phase 2, which will affect economic opportunities in the coming years. Per the fact sheet associated with Phase 1 of the Bypass project, congestion was reduced by approximately 20% in downtown Newberg and by 40% in downtown Dundee. Freight traffic was also reduced by approximately 45% in Newberg and 68% in Dundee. These congestion reductions have the added benefit of increasing safety on 99W and simultaneously diminishing travel time during peak commute periods.<sup>89</sup> The Phase 2 improvement (currently in a design phase) is expected to have the effect of further reducing travel times on the 99W corridor north of McMinnville to Newberg via an extension of the Phase 1 Bypass.

**Public-Private Facilities, Services & Environmental Factors.** This discussion combines related items of OAR 660-009-0015(4) as related to public facilities and public services, access to suppliers and utilities, necessary support services, and environmental limitations. This is due to the inter-connected roles of these factors in affecting overall economic activity for both industrial and commercial business activities.

The availability and cost of both public and private support services can affect the costs of living or doing business in McMinnville. Environmental factors can similarly serve to constrain or, in some cases, benefit economic development investments. A firm’s location decision may reflect consideration of the comparative value versus cost of doing business in McMinnville or other potentially viable locations in Oregon or elsewhere.

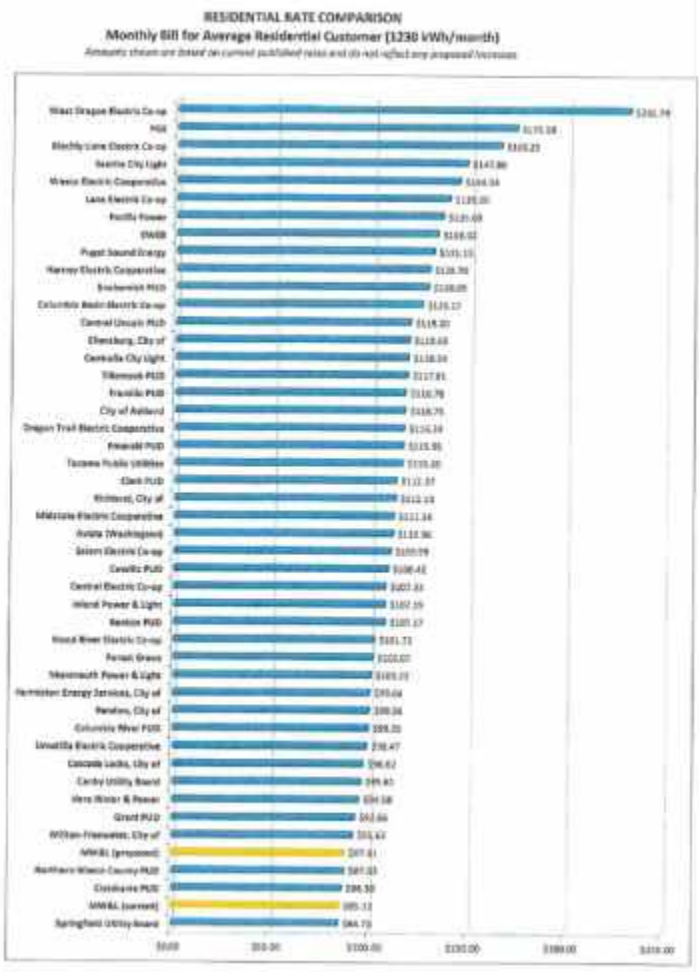
*Advantages:*

- *Low public utility rates.* McMinnville is recognized as offering low electricity and water rates compared with other public and private utilities region-wide and statewide (Exhibit 40). The public utility provider, McMinnville Water and Light (MW&L), was founded in 1889 and continues to provide low cost, reliable water and power services.

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<sup>89</sup> Oregon Department of Transportation. 2014. *Newberg-Dundee Bypass Project*. Retrieved from: <http://oregonjta.org/region2/files/highway99w/docs/overall-fact-sheet-for-web-dec-2014.pdf>

## Exhibit 40. Residential Rate Comparison for Oregon Utility Services



Source: McMinnville Water and Light.

- *Water & sewer capacity for growth.*
  - *Water supply and water rights.* Water supply is from the Yamhill and Nestucca River basins. In 2005, MW&L completed expansion of McGuire Reservoir, more than doubling reservoir capacity, providing ample water supply through at least 2025. Beyond 2025, MW&L has sufficient capacity for water rights and supply to meet needs through at least 2075. This will address needs for the City's 20-year planning horizon of 2041 and the longer 2067 planning horizon.
  - *Treatment capacity.* In 2010, MW&L completed expansion of the Water Treatment Plant (WTP). This increased capacity from 13 MGD to 22 MGD. The WTP can be expanded from the current 22 MGD to a maximum of 30 MGD. MW&L's 2010 master plan projects that this will provide treatment capacity through 2045. This addresses needs through the City's 20-year planning horizon through 2041, and MW&L can either expand treatment capacity at this location or supplement with new treatment capacity from the new intake on the Willamette to meet needs beyond 2045 through the 2067 planning horizon.

- *Long-Term Water Supply.* Previously noted as a disadvantage in the 2013 EOA, recent actions have turned long-term water supply into an advantage. While recent expansions to McGuire Reservoir are expected to provide ample supply through about 2025, actions are also being undertaken to address longer-term needs. A 2008 Yamhill County Water Supply Analysis concluded that most providers in Yamhill County have adequate water rights to meet projected maximum day demands to 2050; exceptions are noted for Dayton, Lafayette, McMinnville Water and Light (MWL), and Yamhill. As a result, MWL is partnering with the Cities of Carlton, Dayton and Lafayette in an application to the state to secure a water permit to the Willamette River as a potential second municipal source. In addition, this will provide McMinnville with a secondary source, as well as adequate supply and water rights through 2075.

In 2011, the Yamhill Regional Water Authority (YRWA) acquired a water right on the Willamette River with a 2011 priority date. In 2016, MW&L acquired an additional right with a priority date of 1982. In 2017, MW&L purchased a site on the Willamette River for a future intake and pump station. In 2018, MW&L procured the services of Carrollo Engineering to verify that the site would support facilities for a 50 MGD intake and pump station. In 2019, MW&L signed an agreement to supply water to the City of Lafayette. Engineering Design of the inter-tie is underway with construction in 2020. Tentative plans are to start supplying Lafayette with water in the summer of 2020. In 2020, MWL anticipates acquiring an additional senior water right from the Willamette for 4.8 MGD. For McMinnville, this means there will be adequate supply and water rights to meet needs through at least 2075.

- *Internet Services.* In the 2019 strategic plan, goal 1.4.3, which is to "identify and complete high-priority infrastructure projects that serve McMinnville's current and future business community," details a potential project where City staff will evaluate a 10GB fiber network with local Internet Service Provider, Online Northwest.
- *Local business entrepreneurship – with a record of technological innovation.* Focus groups conducted in 2007 for the MEDP strategic economic development plan coupled with interviews for the Marion-Polk-Yamhill County regional economic development strategy have pointed to this factor as a major distinctive strength of the mid-Willamette Valley region. The *MAC-Town 2032 Economic Development Strategic Plan* dedicates one of its target sector goals to foster opportunities in technology and entrepreneurship. This goal is comprised of four strategies, which include making McMinnville a location for small- and medium-sized technology firms to relocate and grow, provide co-working and other work arrangements enabled by telecommunications technology, incubate new businesses and start-ups, and create new talent pipelines for tech-related occupations.<sup>90</sup>

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<sup>90</sup> City of McMinnville. *MAC-Town 2032: Economic Development Strategic Plan*. Retrieved from: <https://www.mcminnvilleoregon.gov/sp/page/mac-town-2032-economic-development-strategic-plan>

Perhaps less readily recognized is the diversity of other small manufacturing and industrial companies that serve global markets through technological innovation and astute market positioning. Examples range from area aerospace and metals component manufacturers to technology companies to wineries.

- *Comparative property tax rates.* While the significance of property and other taxes to business investment decisions is debated nationally and regionally, there is no question that McMinnville’s relative tax burden has changed appreciably in a more favorable direction in recent years.
- *Economic development assistance.* A public services advantage noted with the 2001 EOA is the presence of the McMinnville Downtown Association, providing economic development assistance for businesses locating or expanding in the historic downtown. Since its formation in 1976, the association has been recognized for successful downtown revitalization and leadership among Oregon Main Street communities. Formed in 2006, the public-private organization, McMinnville Economic Development Partnership (MEDP), continues to serve as a single point of contact for economic development assistance for industrial and other firms throughout the McMinnville community. Further, the 2019 *MAC-Town 2032 Economic Development Strategic Plan* identified a “positive business climate perceptions and a sense of civic leadership” as a strength in McMinnville.

*Disadvantages:*

- *Environmental Effects on Land Supply.* The City of McMinnville has identified lands in steep slopes (of 15% or greater), floodplains, and wetlands identified in the National Wetlands Inventory (NWI) as environmental constraints. Lands with any of these characteristics are considered as constrained or unbuildable and have been deducted from lands identified as available whether vacant or partially vacant.

**Labor Market Factors (including Training).** This discussion combines two factors listed by OAR 660-009-0015(4) – notably items (d) labor market factors and (h) education and technical training programs – due to their mutual interdependence.

The availability of adequate, qualified labor is critical for economic development. This labor force is not limited to local McMinnville residents as local firms can draw workers from surrounding communities situated within a reasonable commute distance. Similarly, a portion of the McMinnville adult population may find employment in other communities – both nearby as well as extending into the Salem and Portland metro areas.

While direct information on the quality of the workforce is not always readily available, demographic characteristics that are typically used to indicate the quality of the labor force include age distribution, educational attainment, employment by occupation or industry, and race/ethnicity. Also of importance are opportunities for workforce training.



### *Advantages:*

- *Favorable workforce demographics.* As detailed with the comparative demographic and economic data in Chapters 2 and 3 of this EOA update, factors conducive to adequacy of abundant labor supply in McMinnville include above average population growth rates, low median age of population, and high proportion of McMinnville residents who are able to find work locally. A well-represented Latino population also offers advantages for businesses that benefit from greater cultural diversity in accessing customers in a more diverse marketplace both regionally and nationally.
- *Ability to access much larger metro area workforce pool.* With an in-city labor pool of over 15,000, McMinnville employers have ready access to a countywide labor market of nearly 50,000. For some specialty positions in which the local market may not have adequate depth, there is an even larger regional Mid-Valley labor pool on which to draw – much of which is located within a 20-40 mile drive from McMinnville. However, employers have noted the immediately available labor pool in McMinnville as an issue.
- *Moderate local & countywide unemployment.* The 2013 EOA noted that McMinnville unemployment in McMinnville (in 2010) was 9.3%—above the U.S. rate of 9.0% and below the statewide rate of 10.4%. Comparatively, unemployment has improved since the recession. In 2018, the unemployment rate in Yamhill County was 3.8%.
- *The Linfield/Chemeketa Community College connection.* As a top-ranked U.S. News & World Report college in the western U.S., Linfield College has established a west coast if not national reputation for academic excellence and value. In December 2019, Linfield was ranked #117 among national liberal arts colleges by the national magazine U.S. News & World Report.<sup>91</sup> A question for the future may be how best to leverage this reputation for greater community and economic benefit.

The Chemeketa Community College – Yamhill Campus offers increasing opportunity for linkages with economic development, particularly through workforce training targeted to the needs of local employers. Another example of a partnership opportunity would be the creation of an entrepreneurship program – marketed cooperatively to area businesses. The Yamhill Valley Campus was expanded to a new location directly adjacent to the Highway 18 corridor in 2011.

- *Workforce training resources.* Workforce recruitment programs are available through the McMinnville WorkSource Center (Oregon's public workforce system), Express Employment Professionals, and the Oregon Employment Department. For young professionals, career centers at Linfield College, Chemeketa Community College (Yamhill Valley Campus), George Fox University, Portland Community College (Newberg), and McMinnville High School, provide support for improving skills and connecting them with businesses in the broader Yamhill County region.<sup>92</sup> Additionally,

<sup>91</sup> U.S. News. *Best Colleges Rankings*. Linfield College, 900 S.E. Baker St., McMinnville, OR. Rank information retrieved on December 19, 2019 from: <https://www.usnews.com/best-colleges/linfield-college-3198>

<sup>92</sup> McMinnville Economic Development Partnership (MDEP), Find Your Workforce. <https://www.mcminnvillebusiness.com/workforce>

the MDEP operates a summer internship program named McMinnville WORKS, which assists in connecting local businesses with talented collegiate youth.<sup>93</sup>

*Disadvantages:*

- The most significant labor force disadvantage is indicated by relatively low rates of college graduates. Only 24% of McMinnville adults have college degrees, compared to 25% in Yamhill County and 32% in Oregon, according to 2013-2017 ACS 5-year estimates.
- A related disadvantage may lie with relatively high proportions of service workers – as compared with the entire county, Mid-Valley region, entire state and U.S. This is one reason that McMinnville household incomes are also below those of the comparison geographies.

However, in some cases this available labor force will constitute a comparative advantage for firms that depend on service occupations. This is especially the case if local work force skills can also be enhanced over time to allow for improved wages and career options.

**Other Factors.** In addition to the factors identified in conjunction with OAR 660-009-0015(4), there are other factors of importance specifically to the McMinnville community. These relate to local demographics and also land availability. Key advantages and disadvantages as noted from this and other similar analyses pertinent to McMinnville are outlined below.

*Advantages:*

- *Diverse industry mix.* McMinnville has a relatively diverse mix of industry for a community its size, a factor noted by the 2001 EOA. This diverse employment base is attributed, in part, to the actions of McMinnville Economic Development Partnership (MEDP). Also noted by the 2001 EOA, the 2007 MEDP Strategic Plan, and more recently in the 2019 *MAC-Town 2032 Economic Development Strategic Plan*), is that the local diversity of employment is due in part to the perceived quality of life in McMinnville. This factor is important to attracting businesses and entrepreneurs seeking quality communities for themselves and their employees.
- *A relatively young & diverse population – with increased Latino presence.* Median age of McMinnville residents is three years less than that of the entire state of Oregon. Higher proportions of residents are found locally for all age cohorts from childhood to young adults (to age 39). Companies looking for youthful workforce can find it in McMinnville.

McMinnville is at the leading edge of Oregon's population transformation. The community's Latino population increased from less than 15% of the city-wide total in 2000 to 22% in 2013-2017 (well above the statewide proportion of 13%). Throughout the entire mid-Willamette Valley region as well as statewide, the Hispanic/Latino

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<sup>93</sup> MDEP, The McMinnville WORKS Summer Internship Program.  
<https://www.mcminnvillebusiness.com/mcminnville-works-internship-program>

population is expected to represent an increasingly important component of the next generation of workers and of customers for commercial services. McMinnville has an opportunity to lead the way – providing new career options for Latino workers and business development options for Hispanic-owned businesses.

- *Small-town residential charm including a walkable downtown.* While quality of life is often considered difficult to quantitatively assess, perceptions of quality of life relative to other communities can affect business location and expansion decisions. This is especially the case for entrepreneurial and other individually owned, non-corporate enterprises.

The 2018 Economic Development Strategic Plan's mission states, "Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville's high quality of life... As we evolve, we prize our small-town roots and we maintain McMinnville's character."<sup>94</sup> As described by the website of the McMinnville Area Chamber of Commerce, "McMinnville is located in the western portion of Oregon's agriculturally rich Willamette Valley on U.S. Highway 99W."

The quiet, friendly city enjoys a central location to Pacific Ocean beaches (50 miles), the big city (Portland - 30 miles to the northeast), and the state capitol (Salem - 25 miles southeast), with an easy scenic drive to Mt. Hood and other ski areas. "McMinnville offers small-town charm in a full-service city."<sup>95</sup>

#### *Disadvantages:*

- *Restricted population growth.* Since 2000, population has been increasing somewhat more rapidly than the state, but at an approximate 1.4% per year average rate. In the past, City services have been able to match without experiencing major fiscal issues. However, continued population growth at a somewhat reduced coordinated population growth rate averaging about 1.2% per year is now forecast through 2067. Constrained land supply is restricting growth and the cost of services is increasing faster than increases in assessed values.
- *Vulnerability to eroding incomes & standard of living.* As of 2013-2017, median household incomes for McMinnville are 14% below Yamhill County and 10% below statewide medians. Average wages for the McMinnville UGB are comparable to Yamhill County but below comparable regional, statewide and national figures.

As is occurring statewide and nationally, wages are now accounting for less than a 50% share of total personal income. Yamhill County residents also are more dependent on transfer payments than is the case regionally or nationally.

Future prosperity may be jeopardized to the extent that non-wage sources of income are subject to changing federal policies and the status of national/global investment markets – combined with social service needs for those dependent on transfer payments.

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<sup>94</sup> MAC-Town 2032 Economic Development Strategic Plan. 2019. p.10.

<sup>95</sup> Cited from [www.mcminnville.org](http://www.mcminnville.org), as of September 2012.

Improving the ratio of wage to non-wage income will be influenced directly through the combination of providing more jobs and better paying job opportunities locally.

- *Tentative integration of Latino population into community & business leadership.* As noted with the 2007 MEDP Strategic Plan, in many communities with rapidly growing Hispanic populations, it has proven challenging to effectively draw Latinos into positions of community leadership and business ownership. The result can be lost opportunity for Latino business patronage and a more dynamic cultural environment that draws new blood, new ideas and new investment. A foundational strategy in the *MAC-Town 2032 Economic Development Strategic Plan* is to “improve systems for economic mobility and inclusion,” with emphasis on training, resources, and support for underrepresented entrepreneurs and workers.
- *Inadequacy of commercial and industrial buildable land.* The 2001/03 and 2013 EOA processes all concluded that the McMinnville UGB would experience a deficit of buildable commercial land over a 20-year time horizon. The 2013 EOA resulted in a 36-acre deficit of commercial land for the 2013 to 2033 planning period, and the results in Chapter 5 show deficits of both commercial and industrial land for the 2021-2041 planning period.

## McMinnville's Strengths, Weaknesses, Opportunities, and Threats

As part of the *MAC-Town 2032 Economic Development Strategic Plan*, McMinnville community members completed a SWOT analysis for economic development in McMinnville. It describes McMinnville's Strengths, Weaknesses, Opportunities, and Threats.

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• High quality of life to boast about and attract investment</li> <li>• Strong, widely-recognized downtown</li> <li>• Robust wine and tourism economy, as well as cultural (e.g. Air and Space Museum) and recreational amenities that bring visitors</li> <li>• Well known regionally and nationally as a destination for wine and food, with some supporting tourist assets</li> <li>• Balanced employment across industry sectors</li> <li>• Presence and involvement of postsecondary educational institutions (Linfield College and Chemeketa Community College)</li> <li>• Location advantages:</li> <li>• Good location in proximity to major metro area</li> <li>• High quality soils in surrounding areas, climate suited for agriculture</li> <li>• Natural environment assets nearby, including Yamhill River, access to the ocean and mountains</li> <li>• Inexpensive power and water, with sustainable sources</li> <li>• Major infrastructure assets: major highways, freight rail, airport</li> <li>• Various parks and recreational assets</li> <li>• Positive business climate perceptions and a sense of civic leadership</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Relatively low educational attainment</li> <li>• A limited labor pool for local companies and those looking to relocate</li> <li>• Difficult access to and from I-5 and no near-term possibility of a more direct connection</li> <li>• End-of -the-line location for wine country visitors coming from the Portland area</li> <li>• Lack of housing options</li> <li>• Low levels of professional and office office-using employment</li> <li>• Comparatively high poverty rates and low median household income</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Proximity to Portland allows McMinnville to capitalize on urban infrastructure and amenities</li> <li>• Local airport has comparative advantages over other regional airports</li> <li>• Highway 99 bypass : future completion will improve access to McMinnville</li> <li>• A stronger framework for regional collaboration , improved opportunity in surrounding communities</li> <li>• Opportunity sites for new downtown development</li> <li>• New housing development – higher density , diversity of types, live live-work units</li> <li>• Improved connections to the University of Oregon and Oregon State University</li> <li>• Stronger branding and improved gateways into McMinnville</li> <li>• Innovation in agriculture and food systems</li> <li>• Wine -oriented makerspace</li> <li>• Food hub</li> <li>• \$6M gift to Linfield College's wine program</li> <li>• Expanded culinary and craft beverage retail offerings</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Limited land availability for residential, commercial and industrial development</li> <li>• Regulatory challenges associated with UGB expansion</li> <li>• Worsening housing affordability</li> <li>• Brain drain due to local graduates leaving for other job markets</li> <li>• Absorption of projected growth without detrimental impacts to character, congestion, affordability</li> <li>• Future oversaturation of wine/tourism and increasing concentration of low-wage service industry jobs</li> <li>• Need to find a sustainable solution to homelessness</li> <li>• Future impacts of climate change on agriculture and related industries, including tourism</li> </ul>

## Target Industries

The characteristics of McMinnville will affect the types of businesses most likely to locate in the city. McMinnville's attributes that may attract firms are: McMinnville's access to land and resources; recreational opportunities; and quality of life.

### 2013 Updated Cluster Targets

The 2013 EOA recommended a short list of cluster target industries, described as:

- **Advanced Manufacturing.** Corresponds to an industry cluster pivotal to the Oregon Business Plan and Business Oregon (the Business Development Department). In McMinnville, this cluster is exemplified by major McMinnville employers including Cascade Steel, Meggitt Polymers and Composites, NW Unmanned Aerial Systems, Betty Lou's, Inc., and Freelin-Wade Co. Also included are agricultural producers ranging from employers in the emerging breweries to small boutique wineries as in the Granary district which also serve to complement the Yamhill County Agri-Business Economic and Community Development Plan.
- **Healthcare/Traded Sector Services.** Aimed to facilitate continued competitiveness and future expansion of non-manufacturing businesses that serve area residents plus customers located beyond the immediate McMinnville/Yamhill County community. Willamette Valley Medical Center and associated health care facilities can be expected to continue to experience employment growth in the years ahead. Examples of traded sector service activities are diverse, ranging from Linfield College to Evergreen International Airlines to Oregon Mutual Insurance. Also included is a significant component of small firms as the export-focused portion of McMinnville's fast growing and entrepreneurial service business sector such as Precision Analytical, Hurst Berry Farms Corporate Headquarters, and NW Rapid Manufacturing.

### MAC-Town 2032 Economic Development Strategic Plan Target Sectors

Furthermore, Goals 4-8 of the *MAC-Town 2032 Economic Development Strategic Plan* outline the "target sector goals and strategies," as well as potential tasks and projects, as follows:

- **4. Sustain and Innovate within Traditional Industry and Advanced Manufacturing**
  - 4.1 Ensure workforce availability in trades and other mid-skill positions.
    - Encourage expansion and allocate resources for middle, high school, and community and technical college programs that encourage career exploration and skills development in trades and mid-skill occupations
    - Convene a panel of business leaders from traditional industry and advanced manufacturing employers in McMinnville to pioneer a collaborative approach to expanding apprenticeships and volunteering employee time to teach in-demand skills to individuals evaluating trade-based careers.



- 4.2 Connect traditional industry and advanced manufacturing to innovation resources for sustainable growth.
  - Highlight industrial innovation in McMinnville through periodic events, posts and other marketing, connecting innovators through storytelling and innovation partnerships.
  - Plan and participate in an industrial innovation working group or recurring social event to facilitate idea sharing and cross-pollination among business leaders.
  - Connect business leaders with regional innovation resources through Business Oregon and other innovation-oriented organizations.
  - Consider an international sister city program to share innovative practices.
- 4.3 Expand and market land availability for industrial activities.
  - Promote and market the McMinnville Industrial Park as a target area for advanced manufacturing investment within Yamhill County.
  - Coordinate with McMinnville Industrial Promotion to ensure leadership succession and continued engagement.
- **5. Foster Opportunity in Technology and Entrepreneurship**
  - 5.1 Become a place where small and medium technology firms can relocate and grow.
    - Foster physical connections to existing tech and entrepreneurship hubs through low-cost air services.
    - Market McMinnville as a destination for young and aspiring employees to find opportunity in business, entrepreneurship, computer and software engineering and other programs in Oregon's post-secondary institutions.
    - Survey local "tech" employers to identify current regulatory shortcomings or infrastructural needs for business relocation and expansion.
    - Promote the concept of McMinnville's "tech terroir" to emphasize McMinnville's potential assets to entrepreneurs, business owners and others involved in tech-oriented occupations.
    - Explore opportunities to improve connections to and otherwise better leverage McMinnville's dark fiber ring for business use.
    - Hire an innovation officer and/or complete a comprehensive strategy around smart cities and innovation in urban sustainability.
    - Create an "Invest in the Future" grant program that is targeted towards private investment and business development with living wage job outcomes.
  - 5.2 Provide opportunities for co-working, teleworking, and other arrangements enabled by telecommunications technology.

- Collaborate to develop a coworking space to foster entrepreneurship, innovation and to enable convenient telecommuting to regional employers in Portland or elsewhere. Explore unique partnership opportunities for cooperative or pop-up telecommuting spaces.
  - 5.3 Incubate new businesses and start-ups.
    - Maintain a list of funding sources for start-up and expansion grants for locally-owned businesses.
    - Coordinate with partners to improve access to funding and resources available through local foundations, non-profits and other funders in McMinnville to empower local capacity-building efforts.
    - Study the feasibility of aggregators or cooperatives to efficiently distribute locally-made products from McMinnville businesses to larger metropolitan markets.
  - 5.4 Create new talent pipelines for tech-related occupations.
    - Connect business leaders with interested local educators to develop extracurricular activities and to improve current curricula and align education and training with emerging employer needs.
    - Cultivate relationships with post-secondary institutions to ensure awareness of job opportunities in McMinnville, and ensure that McMinnville job opportunities are represented on school job boards, in job fairs, and other promotional events.
- **6. Be a Leader in Hospitality and Place-Based Tourism**
  - 6.1 Make downtown the best it can be.
    - Evaluate current zoning, historical districts and designations, and existing land use patterns, including underutilized parcels, to ensure that key downtown parcels offer the highest and best use for their location.
    - Communicate with County officials to explore the potential for a purpose-built County facility, outside of downtown, that includes a courthouse, commissioners offices, and clerks office.
    - Continue to evaluate new downtown events to diversify downtown events and activities and publicize emerging retailers or other non-retail organizations.
    - Evaluate the feasibility of improving or expanding the provision of public restrooms in the downtown area.
  - 6.2 Become the preferred destination for wine-related tourism.
    - Collaborate to expand marketing of McMinnville and Yamhill Valley products and to improve national and international recognition of local wine.

- Connect hoteliers and other hospitality professionals in Oregon and elsewhere to local opportunities for high-quality additions to McMinnville’s current hospitality offerings.
- Collaborate with Travel Oregon to host a tourism workshop for McMinnville business owners to establish and leverage competitive advantages of over similar regional offerings.
- Leverage Linfield’s wine studies program to identify opportunities to increase visitation to the Willamette Valley region and to the viticultural areas immediately surrounding McMinnville
- 6.3 Diversify tourism destinations beyond wine.
  - Create branded itineraries for a range of activities and distribute online and in hard copy throughout McMinnville and at local and regional airports to offer pre-planned adventures for visitors.
  - Optimize social media performance by continuing and expanding the use of hash tags, branded icons, slogans, and other techniques to highlight and encourage sharing of McMinnville-based experiences.
  - Conduct a feasibility study to identify the potential costs and economic and fiscal impacts of building an indoor sports complex for local recreation and regional event use.
  - Engage the Wings and Waves water park to identify and pursue opportunities for growth and expansion.
  - Become a national destination for bicycle tourism and other recreational and leisure activities.
- 6.4 Market and promote McMinnville.
  - Develop and maintain robust relationships with Travel Oregon, and seek promotion opportunities accordingly.
  - Document and track the economic impact of tourism and outdoor recreation to Yamhill Valley communities.
  - Work with visit McMinnville and local hoteliers to identify gaps in available conference space and to establish a plan to expand McMinnville’s offerings for small and large conferences.
- **7. Align and Cultivate Opportunities in Craft Beverages and Food Systems**
  - 7.1 Maintain prominence in wine while looking for opportunities to innovate within supply chains, viticulture and production.
    - Convene a technical assistance panel to identify new opportunities in urban wine-making and distribution and to establish a framework for collaboration and innovation in wine-making that best leverages public and private resources and identifies critical public/private partnerships.

- Expand programming at IPNC to include a technical component for knowledge sharing between wine-makers and other professionals in viticulture and oenology.
  - Encourage collaborative research at Linfield and Chemeketa CC and facilitate connections between these schools and other viticulture programs nationally.
  - Proactively recruit beverage-makers that complement existing wineries and breweries, such as cideries and distilleries.
- 7.2 Locate higher job-density food and beverage activities within McMinnville.
    - Ensure the sufficiency of regulations in applicable zones to accommodate urban wine-making and other non-retail aspects of the wine industry, including transportation and distribution.
    - Encourage further clustering of wine-oriented business in the Granary/Alpine District.
    - Contact wineries throughout the region to identify growth-oriented operations needing new or larger space, and target marketing and recruitment efforts accordingly.
    - Recruit food processing and production companies that offer synergies with wineries, such as charcuterie and cheese companies.
    - Coordinate with educational institutions to anticipate needs and ensure that McMinnville remains a hub for wine education while expanding culinary education and training locally
    - Hire an Agriculture Coordinator or Resource Officer to connect producers with resources and coordinate efforts to innovate within wine and agriculture.
    - Convene a group of wine-makers and entrepreneurs to evaluate the feasibility of a wine maker-space or similarly collaborative wine-making space for small producers, experimental products, or research.
    - Conduct a feasibility study and potentially complete a business plan for an integrated food hub and permanent, year-round farmer's market.
    - In partnership with other Oregon cities and counties, commission a study of value-added industry successes and best practices related to agriculture in western U.S. and Canadian communities.
    - Liaise with researchers at OSU's Small Farms Program and other similar agricultural programs throughout the state and the region.
    - Invite educators in the region to conduct research and teaching based in the Yamhill Valley, including possible distance learning and online college course options.

- Explore opportunities for expanded agricultural production using hydroponics, aquaponics and other similar cultivation methods
- 7.4 Open new markets for local agricultural products.
  - Establish a branding and marketing program for local agricultural products, such as “Yamhill County Grown” or similar.
  - Develop and market a local Farm-to-Table program by connecting Yamhill Valley farmers with local restaurants.
  - Explore the potential for a cooperative distribution model to move McMinnville’s agricultural products to restaurants in the Portland metro.
- 7.5 Encourage a holistic approach to local food culture, improving connections to the local producers and cultivating a community of exceptional restaurants and culinary establishments.
  - Create a forum for local restaurateurs to connect with local agricultural producers and improve culinary offerings.
  - Work with stakeholders to establish a local demonstration or innovation kitchen that can be rented to test new recipes, host small events, or otherwise incubate local culinary endeavors.
  - Publicize local food offerings across all price levels through a branded guide to local cuisine, and distribute at and regional hotels, wineries, airports and other places frequented by travelers.
  - Partner on development of a “Farm-for-a-Day” agri-tourism program connecting local farming operations to paying guests.
  - Evaluate alignment of current food cart regulations with community goals.
- 7.6 Preserve natural assets while ensuring long-term stability in agricultural production.
  - Espouse an approach to environmental stewardship and encourage participation and support by local farmers for initiatives in keeping with this approach.
  - Establish and facilitate a business leadership group to identify solutions to sustainability challenges.
  - Establish local resiliency infrastructure and training through programs like FEMA’s Community Emergency Response Teams (CERT) or other community-based models
- **8. Proactively Assist Growth in Education, Medicine and Other Sciences**
  - 8.1 Leverage institutional land assets and support planning for institutional growth and clustering.

- Ensure that the Willamette Valley Medical Center can accommodate future growth through a master plan that includes supportive zoning, targeted capital improvements and other tools.
  - Use regulatory tools and constructive dialogue with businesses to encourage clustering of medical-professional uses near the Willamette Valley Medical Center and to create a regional anchor for health care.
  - Engage McMinnville’s large institutions in a dialogue about proactive planning for large and underutilized land assets.
  - Assess the desirability and potential feasibility of the creation of a “university district” or similar near one or more of McMinnville’s college campuses.
- 8.2 Assist in recruitment and training to fill specific workforce needs.
    - Identify and fill gaps in education and training opportunities at local educational institutions for in-demand skills in “Eds and Meds” occupations.
    - Connect employers in education and health care to national skilled workforce pools through branding, recruitment, relocation incentives and other tools.
    - Explore public-private and other partnerships to improve amenities for students and employees, potentially including an expanded supply of student housing or housing appropriate for students on or near Linfield and Chemeketa campuses, and improved transportation to campuses and other institutions.
  - 8.3 Support the expansion of programmatic offerings at local institutions.
    - Work with Linfield College and Chemeketa CC to assess demand for education and training in health care and related services and to expand programming accordingly.
    - Engage Chemeketa CC leadership in a dialogue to explore the creation an on-site culinary and hospitality program.
    - Collaborate with leadership at the school district and at Linfield and Chemeketa to better engage Oregon’s four-year public universities.
    - Connect local students with opportunities to work with OSU Extension, in labs or to participate in other UO and OSU programs prior to high school graduation.
    - Explore the creation of an aviation education program that leverages McMinnville’s existing infrastructure and workforce assets.
    - Identify opportunities to bring programming offered at other Chemeketa Community College campuses to McMinnville, particular when serving established local industries.



- Foster R&D opportunities for existing and emerging industries.
- 8.4 Improve and expand connections between key institutions and the City of McMinnville.
  - Create safer and more intuitive physical connections to McMinnville from Linfield and Chemeketa, including better sidewalks, lighting and public transportation, particularly along Davis Street.
  - Proactively engage students in community events to improve dialogue between permanent residents and college attendees.

## 5. Forecast Employment and Land Needs

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Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land need and site characteristics for McMinnville is based on expected employment growth and the types of businesses that are likely to locate in McMinnville over the 5-, 10-, 20-, and 46-year periods. This chapter presents the buildable land inventory, analysis of target industries that build from recent economic trends, an employment forecast and associated land needs, and other land needs that aren't accounted for by the employment forecast.

### EOA Update Process

The updated employment forecast and land needs estimates started with discussion of the assumptions used in the 2013 EOA. The project team conducted a detailed review of the 2013 assumptions and presented the assumptions, along with updated and new data to the Project Advisory Committee (PAC) for review and discussion during the September and October PAC meetings. The information generated considerable discussion at the PAC and ultimately resulted in PAC recommendations regarding the assumptions. The employment forecasts and land need estimates presented in this chapter reflect the PAC recommendations.

### Buildable Lands Inventory

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the McMinnville UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the McMinnville UGB. The results are based on analyses of Yamhill County GIS property data and State of Oregon GIS employment data by ECONorthwest and reviewed by City staff. The remainder of this chapter summarizes key findings of the draft buildable lands inventory.

The buildable lands inventory was updated to account for expansion of the McMinnville UGB in 2020 and development that occurred through December 31, 2021.

The general steps in the buildable lands inventory are:

1. Generate UGB “land base”
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all commercial and industrial tax lots in the UGB are classified into one of the following categories and based on a tax lot's status as of December 2021:

- *Vacant land.* Vacant land is defined as tax lots either (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements. This is consistent with OAR 660-009-005(14).
- *Vacant small lot.* The OAR 660-009-005(14) definition of vacant land does not include lots smaller than one half-acre. McMinnville has a meaningful number of developed sites with existing employment uses that are less than one half-acre. Remaining vacant lots (i.e., with no improvements) less than one half-acre are defined as vacant small lots.<sup>96</sup>
- *Partially vacant land.* Partially vacant land is defined as tax lots between one and five acres occupied by a use that could still be further developed based on the zoning. The final determination of partially vacant land was based on a visual assessment of aerial imagery and City staff verification.
- *Developed land.* OAR 660-009-0005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.” Lands not classified as vacant, partially-vacant, or public or exempt are considered developed.
- *Public or exempt land.* Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches, institutions, and other semi-public organizations, and properties with conservation easements. Public lands were identified using the Yamhill County Assessment property tax exemption codes and City staff verification.

The next section provides a summary of the results of the commercial and industrial buildable lands inventory for the McMinnville UGB in both tabular and map formats. Appendix A. Buildable Lands Inventory presents the detailed methodology for developing the inventory.

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<sup>96</sup> This development status classifications was added to the buildable lands inventory based on PAC recommendation at the February 27, 2020 meeting.

## Buildable Lands Inventory Results

Exhibit 41 summarizes all land included in the employment land base (e.g., lands with plan designations that allow employment) in the McMinnville UGB. ECONorthwest used this land base in the buildable lands inventory for McMinnville. The land base includes traditional employment designations within the McMinnville UGB, which includes about 1,494 acres in 983 tax lots in total.<sup>97</sup>

### Exhibit 41. Tax lots and total acres in employment land, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/ Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent (total acreage)
<b>Commercial</b>	718	73%	607	41%
Commercial C-1	1	0%	1	0%
Commercial C-2	1	0%	4	0%
Commercial C-3	652	66%	502	34%
Office/ Residential O-R	59	6%	19	1%
Commercial Plan Des.	5	1%	80	5%
<b>Industrial</b>	265	27%	888	59%
Industrial M-1	42	4%	81	5%
Industrial M-2	203	21%	596	40%
Industrial M-L	2	0%	115	8%
Industrial Plan Des.	18	2%	96	6%
	983	100%	1,494	100%

<sup>97</sup> Note: the 2013 EOA reported a total acreage that included land with a public or semi-public (i.e., institutional) use. Since the 2020 update accounted for public and institutional land need separately, the resulting total acreage of employment land is lower.

## Development Status

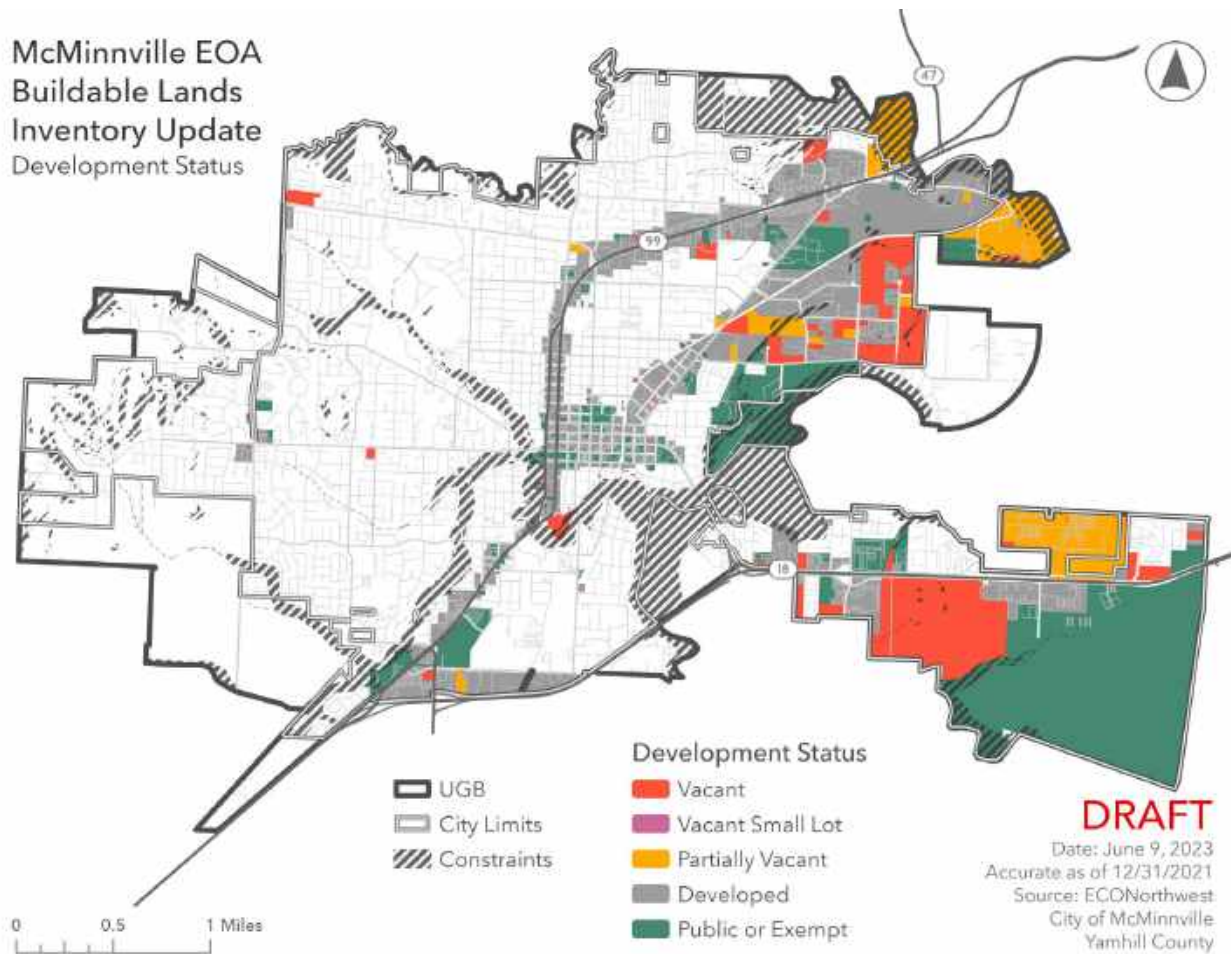
Exhibit 42 shows commercial and industrial land in McMinnville by development status. Of the 1,494 total acres, about 878 acres (59%) are in classifications with no development capacity (or, “committed acres”). Of the remaining 616 acres, 147 acres (10%) are constrained and 469 acres (31%) are buildable land with development capacity. Appendix A. Buildable Lands Inventory provides more detail about the constraints associated with employment land, as recommended by the PAC.

### Exhibit 42. Employment acres by classification and plan designation, McMinnville UGB, 2023

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
<b>Commercial</b>	<b>607</b>	<b>433</b>	<b>59</b>	<b>115</b>
Commercial C-1	1	1	0	-
Commercial C-2	4	-	-	4
Commercial C-3	502	418	6	79
Office/Residential O-R	19	11	5	3
Commercial Plan Des.	80	4	47	28
<b>Industrial</b>	<b>888</b>	<b>445</b>	<b>88</b>	<b>354</b>
Industrial M-1	81	55	11	15
Industrial M-2	596	354	26	215
Industrial M-L	115	24	3	88
Industrial Plan Des.	96	12	48	36
<b>Total</b>	<b>1,494</b>	<b>878</b>	<b>147</b>	<b>469</b>

**Exhibit 43. Employment land by classification with development constraints, McMinnville UGB, 2023**



## Vacant Buildable Land

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with service constraints, (3) areas with physical constraints (areas with wetlands, floodways, floodplain, and steep slopes as summarized in Appendix A).



**Exhibit 44. Employment land with unconstrained development capacity  
(vacant and partially vacant) by plan designation, McMinnville UGB, 2023**

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

Zone/ Plan Designation	Total Buildable Acres	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots
<b>Commercial</b>	<b>115</b>	<b>50</b>	<b>65</b>
Commercial C-1	-	-	-
Commercial C-2	4	4	-
Commercial C-3	79	43	36
Office/Residential O-R	3	3	-
Commercial Plan Des.	28	0	28
<b>Industrial</b>	<b>354</b>	<b>301</b>	<b>53</b>
Industrial M-1	15	13	2
Industrial M-2	215	200	15
Industrial M-L	88	88	-
Industrial Plan Des.	36	1	35
<b>Total</b>	<b>469</b>	<b>352</b>	<b>117</b>

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

Exhibit 45 summarizes the land buildable employment land within current zoning from Exhibit 44 and the additional 39 acres of land in Urban Holding for neighborhood serving commercial. It shows that McMinnville has 154 acres of land for commercial uses and 354 acres of land for industrial uses.

In McMinnville, it is common that development applications include approvals for “Planned Developments” which may modify the underlying zoning regulations, and may include an associated master plan for a property. Permitted uses in zoning districts may be amended to include other uses on a portion of the property, or certain uses otherwise permitted in the underlying zoning may be precluded by the Planned Development overlay regulations. For example, while the Evergreen property is zoned C-3 General Commercial, it is subject to a Planned Development overlay that restricts uses to certain tourism-related uses.

**Exhibit 45. Summary of employment land with unconstrained development capacity (vacant and partially vacant) by plan designation, McMinnville UGB, 2023**

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

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

The newly added 39 acres of land for neighborhood commercial services in the Urban Holding Plan Designation is not shown in Exhibit 46 or Exhibit 47 because it has not yet been zoned for commercial uses and is still designated as part of the Urban Holding Plan Designation (which is mapped in the buildable lands inventory of the *McMinnville Housing Needs Analysis* report). The City will zone specific land within the Urban Holding Plan Designation for neighborhood serving commercial land as part of future planning processes.

Exhibit 46 shows the size of lots by plan designations for buildable employment land. McMinnville has 23 lots less than 0.5 acre (5.9 acres of land); 20 lots between 0.5 and 1 acres (15.4 acres of land); 33 lots between 1 and 5 acres in size (79.9 acres of land); 11 lots between 5 and 10 acres in size (72.8 acres of land); 5 lots between 10 and 20 acres in size (69.6 acres); and 4 lots over 20 acres in size (225.4 acres of land).

#### Exhibit 46. Lot size by plan designation, buildable acres, McMinnville UGB, 2023

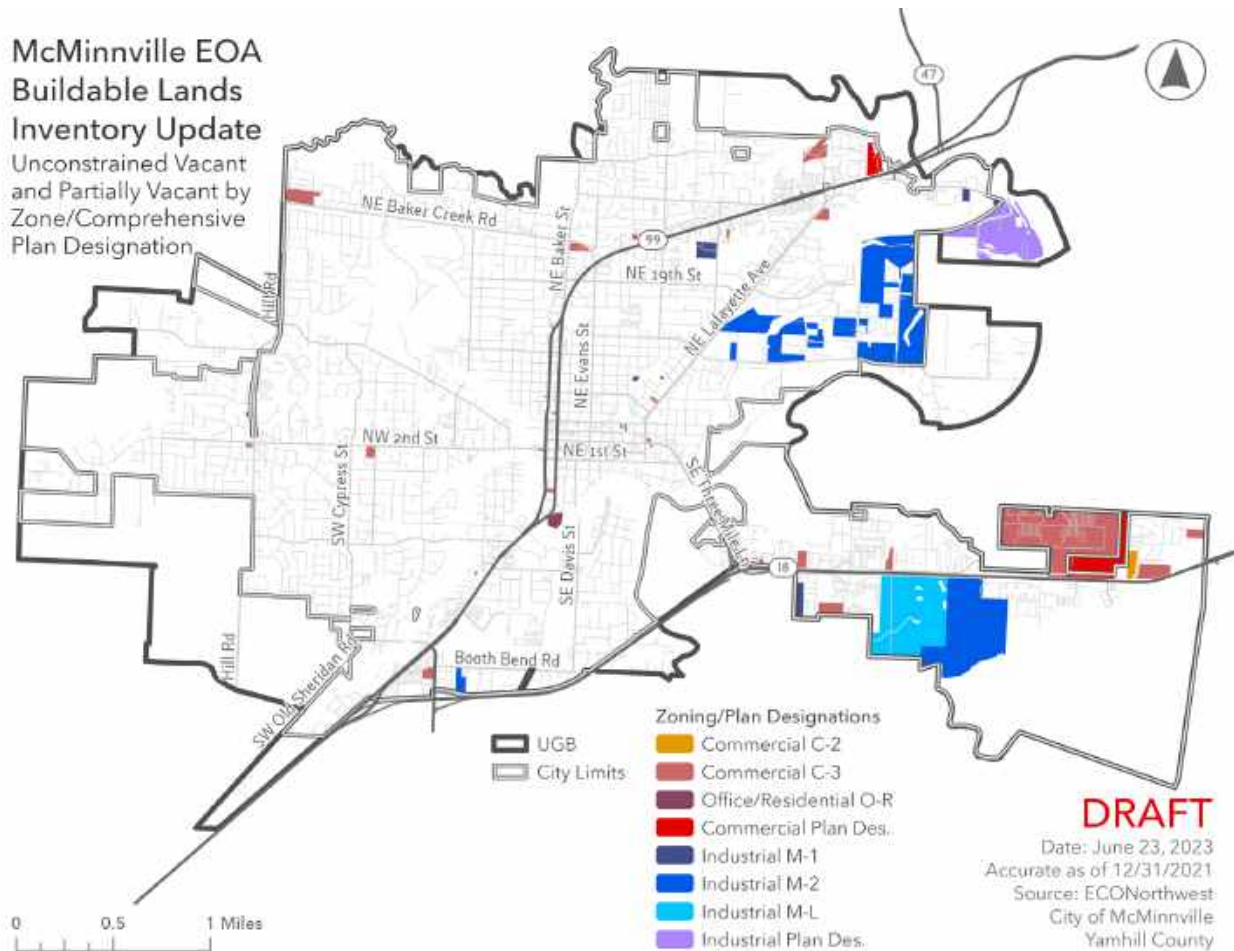
Note: This exhibit does not include the 39 acres of land in Urban Holding for future neighborhood serving commercial uses.

	Buildable Acres in Tax Lots									Total
	0.50 -	1.00 -	2.00 -	5.00 -	10.00 -	20.00 -	25.01 -	50.00+		
	< 0.50	0.99	1.99	4.99	9.99	19.99	25.00		49.99	
	Acre	Acres	Acres	Acres	Acres	Acres	Acres	Acres		
Buildable Acres on Partially Vacant Tax Lots										
Commercial	0.4	0.7	-	4.4	22.4	13.5	23.2	-	-	65
Commercial C-3	0.4	0.7	-	4.4	17.4	13.5	-	-	-	36
Commercial Plan Des.	-	-	-	-	5.0	-	23.2	-	-	28
Industrial	1.1	5.6	3.5	25.5	-	16.8	-	-	-	53
Industrial M-1	-	-	2.4	-	-	-	-	-	-	2
Industrial M-2	0.8	2.9	-	11.4	-	-	-	-	-	15
Industrial Plan Des.	0.4	2.7	1.2	14.1	-	16.8	-	-	-	35
Buildable Acres on Vacant Tax Lots										
Commercial	3.3	2.9	3.5	21.2	19.5	-	-	-	-	50
Commercial C-2	-	-	-	4.2	-	-	-	-	-	4
Commercial C-3	2.7	2.9	3.5	14.2	19.5	-	-	-	-	43
Office/Residential O-R	0.5	-	-	2.7	-	-	-	-	-	3
Commercial Plan Des.	0.0	-	-	-	-	-	-	-	-	0
Industrial	1.1	6.2	12.3	9.4	31.0	39.4	24.3	-	177.8	301
Industrial M-1	0.8	1.0	-	-	10.9	-	-	-	-	13
Industrial M-2	0.3	4.5	12.3	9.4	20.0	39.4	24.3	-	89.6	200
Industrial M-L	-	-	-	-	-	-	-	-	88.2	88
Industrial Plan Des.	-	0.8	-	-	-	-	-	-	-	1
Acreage Subtotal	5.9	15.4	19.4	60.5	72.8	69.6	47.5	-	177.8	469
Number of Partially Vacant Tax Lots with Buildable Acreage										
Commercial	1	1	-	1	3	1	1	-	-	8
Commercial C-3	1	1	-	1	2	1	-	-	-	6
Commercial Plan Des.	-	-	-	-	1	-	1	-	-	2
Industrial	3	8	3	7	-	1	-	-	-	22
Industrial M-1	-	-	2	-	-	-	-	-	-	2
Industrial M-2	2	4	-	3	-	-	-	-	-	9
Industrial Plan Des.	1	4	1	4	-	1	-	-	-	
Number of Vacant Tax Lots with Buildable Acreage										
Commercial	15	4	2	7	3	-	-	-	-	31
Commercial C-2	-	-	-	1	-	-	-	-	-	1
Commercial C-3	12	4	2	5	3	-	-	-	-	26
Office/Residential O-R	2	-	-	1	-	-	-	-	-	
Commercial Plan Des.	1	-	-	-	-	-	-	-	-	
Industrial	4	7	9	4	5	3	1	-	2	35
Industrial M-1	2	1	-	-	2	-	-	-	-	5
Industrial M-2	2	5	9	4	3	3	1	-	1	28
Industrial M-L	-	-	-	-	-	-	-	-	1	1
Industrial Plan Des.	-	1	-	-	-	-	-	-	-	
Lot Subtotal	23	20	14	19	11	5	2	-	2	96

Source: ECONorthwest analysis of data from Yamhill County and City of McMinnville.

## Exhibit 47. Buildable employment land by zone with development constraints, McMinnville UGB, 2023

Note: This exhibit does not show the 39 acres of land in Urban Holding for future neighborhood serving commercial uses. The *McMinnville Housing Needs Analysis* buildable lands inventory shows all land in Urban Holding, including the land that will be zoned for neighborhood commercial uses in the future.



## Forecast of Employment Growth and Commercial and Industrial Land Demand

Demand for industrial and commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in McMinnville. The employment projections in this section build off of McMinnville's existing employment base, assuming overall future growth is similar to Yamhill County's long-term historical employment growth rates.

The employment forecasts do not take into account a major change in employment that could result from the location (or relocation) of one or more large employers in the community during the planning period that would account for a substantial portion of the overall forecast. Such a major change in the community's employment would exceed the growth anticipated by the city's employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses). Major economic events, such as the successful recruitment of a very large employer, are difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

The 2013 EOA defined the process of projecting demand for industrial and commercial land as a series of 10 steps. The table below outlines these steps and identifies the recommendations, if applicable, decided by the PAC during meetings held between July and November of 2019. Generally, the PAC started with a discussion of the assumptions used in the 2013 EOA, and reviewed alternatives for the 2020 update.

**Exhibit 48. Steps to project demand for commercial and industrial land in McMinnville**

Step	Purpose	Options	Recommended Option
Step 1. Set Forecast Time Period	Establish the 20-year planning period; select a base year	2021-2041 with adjustments to account for 2019-21	The state requires a 20-year planning period; 2021-41 is used for consistency with the Housing Needs Analysis
Step 2. Population Forecast	The population forecast does not serve a direct purpose other than being the basis for one of the safe harbor employment forecast methods.	Use the required PSU forecast.	State policy allows no flexibility in this process.
Step 3. Evaluate UGB Employment Trend	Inform allocations of employment to land use types.	This is an analytical step and does not require assumptions.	
Step 4. Evaluate and Select Job Forecast	Develop a 20- and 46-year employment forecast.	Option 1 (low-growth, 1.13%): OED safe harbor method  Option 2 (medium-growth, 1.36%): PSU safe harbor population forecast  Option 3 (high-growth, 1.70%): Non-safe harbor method used as the baseline in the 2013 EOA.	Option 2
Step 5. Allocate Job Growth by Land Use Type Scenarios	Allocate jobs to land using land use types.	Option 1: 2013 EOA Method  Option 2: Four land use types (service commercial, retail, industrial, govt)  Option 3: Five land use types (the four above plus a tourism category).	Option 3
Step 6. Allocate Job Growth by Land Development Status	This step makes deductions for employment that will not require vacant land.	Option 1: 17% (per 2013 EOA) Option 2: Alternative assumption justified by PAC.	5% for all land use types
Step 7. Apply Job Density Factors	Analyze existing job densities to inform density factors (expressed in employees per acre – EPA)	Option 1: use factors from the 2013 EOA  Option 2: use modified factors based on analysis	11 employees per acre for industrial land use type 23 employees per acre for commercial land use types
Step 8. Estimate 20-Year Employment Land Demand	Apply all of the assumptions to the land demand model to estimate 20- and 46- year land demand.	No options – this is an analytical step	n/a
Step 9. Estimate Additional Land Need Not Determined in Forecast	This step accounts for other types of employment land need including other needed sites and retail leakage.	Option 1: Do not assume additional need  Option 2: Provide findings and analysis that supports additional land needs.	Option 2.
Step 10. Compare Land Demand to Supply	Compare land need to the supply as documented in the buildable land inventory. Conduct one further step of assessing land suitability.	No options – this is an analytical step	n/a
Step 11. Evaluate Policy Options and Objectives	This update will not include a top to bottom review of policy options and objectives – those were assessed in the 2013 EOA and in the 2019 EDSP. Some modifications may be required to reflect changing conditions.		



## Employment Base for Projection

*This section addresses Step 1: Set Forecast Time Period, Step 2: Population Forecast, and Step 3: Evaluate UGB Employment Trend.*

The purpose of the employment projection is to model future employment land need for general employment growth. The forecast of employment growth in McMinnville starts with a base of employment growth on which to build the forecast. Exhibit 49 shows ECONorthwest's estimate of total employment in McMinnville in 2017.

To develop the figures, ECONorthwest started with estimated covered employment in the McMinnville UGB from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, McMinnville had about 14,964 covered employees in 2017.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Yamhill County is only about 76% of *total* employment reported by the U.S. Department of Commerce.<sup>98</sup> We evaluated this ratio for each industrial sector for Yamhill County and used the resulting ratios to determine the number of non-covered employees. This allowed us to determine the total employment in McMinnville. Exhibit 49 shows McMinnville had an estimated 20,990 *total* employees within its UGB in 2017.

**The PAC approved the use of the covered to total employment ratios shown in Exhibit 49.**

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<sup>98</sup> **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as “1099 employees”), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Total employment includes all workers based on data from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other non-covered workers.

**Exhibit 49. Estimated total employment by sector, McMinnville UGB, 2017**

Sector	Generalized Land Use Type	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, and Mining	Industrial	356	356	100%
Construction	Industrial	585	852	69%
Manufacturing	Industrial	2,277	2,549	89%
Wholesale Trade	Industrial	127	180	71%
Retail Trade	Retail Commercial	2,170	2,842	76%
Transportation and Warehousing and Utilities	Industrial	140	250	56%
Information	Office & Commercial Services	127	211	60%
Finance and Insurance	Office & Commercial Services	459	912	50%
Real Estate and Rental and Leasing	Office & Commercial Services	113	867	13%
Professional and Technical Services	Office & Commercial Services	367	998	37%
Management of Companies	Office & Commercial Services	117	161	73%
Admin. and Support/Waste Mgmt./Remediation Serv.	Office & Commercial Services	584	1,044	56%
Health Care and Social Assistance; Private Education Serv.	Office & Commercial Services	3,159	4,457	71%
Arts, Entertainment, and Recreation	Tourism Services	168	458	37%
Accommodation and Food Services	Tourism Services	1,503	1,666	90%
Other Services	Office & Commercial Services	630	1,105	57%
Government	Government	2,082	2,082	100%
<b>Total Non-Farm Employment</b>		<b>14,964</b>	<b>20,990</b>	<b>76%</b>

Source: 2017 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

## Forecast growth rates

*This section addresses Step 4: Evaluate and Select Job Forecast.*

The employment forecast covers the 2021 to 2067 period, with increments of 5, 10, 20, and 46-years. This forecast requires an estimate of total employment for McMinnville in 2021. While there is no required method for employment forecasting, OAR 660-024-0040(9) sets out some optional “safe harbors”<sup>99</sup> that allow a city to determine employment land need. The PAC evaluated three options for the forecast, including use of two safe harbors from OAR 660-024.

- **Low-growth scenario (1.13%).** The low-growth option uses the safe harbor that allows a city to base their employment forecast on regional employment projections from the Oregon Employment Department (OED).<sup>100</sup> The regional employment projection for the

<sup>99</sup> A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as, “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way or necessarily the preferred way to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

<sup>100</sup> OAR 660-024-0040(9) states: “The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

(B) The population growth rate for the urban area in the appropriate 20-year coordinated population forecast determined under rules in OAR chapter 660, division 32.

Mid-Valley Area (Linn, Marion, Polk, and Yamhill Counties) for the 2017 to 2027 period shows that employment will grow at an average annual growth rate of 1.13%.

- **Medium-growth scenario (1.36%).** The medium-growth option is another safe harbor, based on the rate of growth from the current population projections from Portland State University.<sup>100</sup> The coordinated population forecast for the McMinnville UGB between 2021 and 2041 shows that population will grow at an average annual growth rate of 1.36%, and long-term average annual growth rate between 2021 and 2067 of 1.19%.
- **High-growth scenario (1.70%).** The high-growth option aligns with the moderate (referred to as “baseline”) forecast rate used in the 2013 EOA. The 2013 EOA evaluated low, moderate, and high growth alternative scenarios. At the time the 2013 EOA was completed, the OED forecast for the Mid-Valley region was the “low-growth” scenario at 1.5%, and the “high-growth” scenario of 1.9% was based on the OED forecast for the Portland metro area. This option does not conform to the safe harbors in OAR 660-024-0040(9) and would require substantial evidence as a factual basis for choosing a non-safe harbor growth rate. Examples of substantial evidence to justify a non-safe harbor growth rate include adopted and relevant economic development policies or site needs considerations.

Exhibit 50 shows employment growth in McMinnville between 2021 and 2041, as well as 2021 and 2067, based on the average annual growth rate of each forecast scenario. The estimated number of employees for the beginning of the planning period is extrapolated from the estimate of total employment in 2017 from Exhibit 49 (20,990 employees), using the appropriate forecast rate for each scenario.

For the 2021 to 2041 period, the low-growth scenario would result in an increase of 5,544 employees; an increase of 6,885 employees in the medium-growth scenario; and an increase of 9,003 employees in the high-growth scenario.

**Exhibit 50. Employment growth scenarios, total employment, McMinnville UGB, 2021–2067**

Year	Low-growth (based on OED forecast)	Medium-growth (based on PSU population forecast)	High-growth (based on 2013 EOA moderate forecast)
2021	21,957	22,157	22,454
2026	23,228	23,708	24,429
2031	24,573	25,367	26,577
2041	27,501	29,042	31,457
2067	36,853	38,158	48,759
<b>Change 2021 to 2041</b>			
Employees	5,544	6,885	9,003
Percent	25%	31%	40%
AAGR	1.13%	1.36%	1.70%
<b>Change 2021 to 2067</b>			
Employees	14,896	16,001	26,305
Percent	68%	72%	117%
AAGR	1.13%	1.19%	1.70%

Source: ECONorthwest

**The PAC recommended using the medium-growth option (1.36% AAGR) for the employment forecast for the 2021-2041 planning period. The results of the employment forecast presented in the EOA reflect this growth rate.**

## Allocation to land use types

*This section addresses Step 5: Allocate Job Growth by Land Use Type Scenario*

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in McMinnville will look for a variety of site characteristics, depending on the industry and specific circumstances. For example, small retail stores may look for an existing space in a shopping center in an area with high visibility for attracting customers, while a new food product manufacturer may need a mid-sized site of 5 to 10 acres in an area with direct access to a state highway.

**At direction from the PAC, ECONorthwest grouped employment into five broad proposed categories of land use based on North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, tourism services, and government.**<sup>101</sup> This approach differs from the 2013 EOA, which defined three land use types—commercial, industrial, and institutional. The primary difference in the proposed updated categories is a separation of different types of commercial land into retail, office, and tourism commercial. Some of these land use types might have different site needs considerations, and these land use types better align with the City’s economic development goals, such as a focus on tourism-related employment. This was based on identifying commercial sub-types associated with the target industries in the Economic Development Strategy, to assess whether land needs might differ for these commercial sub-types. ECONW informed the PAC that the sub-types

<sup>101</sup> The generalized land use type categories are defined by the NAICS sectors listed in Exhibit 49.

could ultimately be recombined at the end of the analysis if the differentiation didn't prove useful. Ultimately, the three commercial subtypes were recombined into a single commercial category, as the employment sectors didn't necessarily correlate to distinct land uses that would be differentiated through zoning. For example, the NAICS codes included in the tourism category included food and beverage, which are typically permitted in the same zones as retail commercial. Ultimately, the land uses almost exclusively related to destination tourism uses that weren't consistent with the employment density factors were instead addressed as other needed sites and that is addressed in more detail in the respective section in this chapter.

Exhibit 51 shows the expected share of employment by land-use type in 2021 and the forecast of employment growth by land-use type in 2041 in the McMinnville UGB, and Exhibit 52 shows employment growth for all growth increments. The PAC recommended the future share of land use types will align with both projections from the Oregon Employment Department (OED) for the Mid-Valley Area, as well as economic development goals and policies as stated in the *MAC-Town 2032 Economic Development Strategic Plan* and *Three Mile Lane Area Plan*.

OED projects that in the 2017 to 2027 period, the share of future employment in industrial sectors will increase; the share of retail commercial as well as government employment will decrease; and the share of office and commercial services and tourism services will increase.<sup>102</sup> These trends closely align with McMinnville's future economic development goals, though the *MAC-Town 2032 Economic Development Strategic Plan* estimates growth in office employment, as well as an emphasis on tourism-related services, advanced manufacturing (i.e., industrial), and food and beverage manufacturing target industries.

The values highlighted in green in Exhibit 51 show the future share of total new employment for each land use type in 2041, based on the information summarized above. **The green highlighted percentages in the 2041 “% of Total” column are assumptions recommended by the PAC.**

**Exhibit 51. Forecast of employment growth by land use type, McMinnville UGB, 2021–2041**

Land Use Type	2021		2041		Change 2021 to 2041
	Employment	% of Total	Employment	% of Total	
Industrial	4,431	20%	6,099	21%	1,667
Retail Commercial	3,102	14%	3,485	12%	383
Office & Commercial Services	10,192	46%	13,650	47%	3,458
Tourism Services	2,216	10%	3,485	12%	1,269
Government	2,216	10%	2,323	8%	108
<b>Total</b>	<b>22,157</b>	<b>100%</b>	<b>29,042</b>	<b>100%</b>	<b>6,885</b>

Source: ECONorthwest

<sup>102</sup> Oregon Employment Department Industry Employment Forecast 2017-2027, Mid-Valley Area (Linn, Marion, Polk, and Yamhill Counties). Published June 26, 2018.

**Exhibit 52. Forecast of employment growth by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Land Use Type	New Employment Growth			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	417	834	1,667	3,582
Retail Commercial	96	192	383	1,477
Office & Commercial Services	864	1,729	3,458	7,742
Tourism Services	317	635	1,269	2,363
Government	27	54	108	837
<b>Total</b>	<b>1,721</b>	<b>3,443</b>	<b>6,885</b>	<b>16,001</b>

Source: ECONorthwest

## Estimate of Demand for Commercial and Industrial Land

The next step in the employment forecast is to estimate the demand of commercial and industrial land.

The estimate of demand for commercial and industrial land included three components: (1) employment forecast and employment density assumptions, with deduction for employment that won't require vacant employment land, (2) recapture of existing retail leakage, and (3) other needed sites which are not accounted for in the average employment density factors; these are target industries and uses in the *MAC-Town 2032 Economic Development Strategic Plan*. In addition, employment for public/institutional uses was backed out of the employment forecast and land needs were calculated separately.

The employment forecast includes all new employment in the McMinnville UGB. Some of this employment, however, will not be located on vacant commercial or industrial land. Other lands that will accommodate new employment growth include residential land and redevelopment sites. Another factor in estimating the demand for commercial and industrial land is consideration for employment density, or employees per acre. Appendix B provides additional background information developed for the PAC to make recommendations for new employment on vacant commercial and industrial land, as well as employment density. Government employment was also backed out of the forecast because government land need was addressed as part of the public/institutional land need process.

The next section describes the approach for (1) estimating employment on vacant commercial and industrial land with considerations for employment on redevelopment sites, and (2) estimating employees per acre by land use type.<sup>103</sup>

<sup>103</sup> Note: the government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs. Deductions for private education were also made in the office and commercial services category, based on employment reported (IPEDS data) for Linfield College of 360 employees. Adjustments for future employment at Linfield assumed the share of Linfield employment would remain the same.



## Employment that does not require vacant commercial and industrial land

*This section addresses Step 6: Allocate Job Growth by Land Development Status*

Some employment growth in McMinnville will not require vacant (or partially vacant) employment land over the planning period. This includes redevelopment of areas with existing employment, where redevelopment increases the intensity of employment uses (i.e., more employees are accommodated on the same amount of land). The 2013 EOA assumed that 17% of employment for each land use type would not require vacant commercial or industrial land.<sup>104</sup>

**Based on the information presented in Appendix B, the PAC determined that a reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment.**

Exhibit 53 shows the estimate of employment on vacant commercial and industrial land by land use type for each scenario, using the 5% assumption for employment that will occur through redevelopment, refill, or on non-employment sites. The table (reading left to right) starts with the number of new employment growth calculated over the planning period; then calculates the amount of employment that does not require vacant employment land based on 5% of the new employment growth; and results in the amount of new employment growth on vacant industrial and commercial land. From this point in the analysis forward, the commercial land use types (i.e., retail commercial, office and commercial services, and tourism services) were combined as the land needs for these land use types overlap.

**Exhibit 53. Estimate of employment on vacant land by land use type, McMinnville UGB, 2021–2041**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	83	1,584
Commercial	4,998	249	4,749
<b>Total</b>	<b>6,665</b>	<b>332</b>	<b>6,333</b>

Source: ECONorthwest Note: As described above, government employment is calculated separately and is not included in Exhibits 45-48.

**Exhibit 54. Estimate of employment on vacant land by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Land Use Type	Employment on Vacant Land			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	396	792	1,584	3,403
Commercial	1,187	2,373	4,749	10,756
<b>Total</b>	<b>1,582</b>	<b>3,165</b>	<b>6,333</b>	<b>14,159</b>

Source: ECONorthwest

<sup>104</sup> The 2013 EOA used a 17% assumption, based on a PAC recommendation. The 2001/03 EOA assumed 14-17%, depending on the land use type. This EOA updated used 5% based on empirical analysis that showed refill and redevelopment rates didn't achieve employment densities that would be associated with 17% refill/redevelopment on employment land.

## Employment density

*This section addresses Step 7: Apply Job Density Factors and Step 8: Estimate 20-Year Employment Land Demand.*

This section shows the resulting demand for vacant (including partially vacant) land in McMinnville over the 20-year period, accounting for potential variations in employment density. The assumptions about employment density are based on the 2013 EOA, as stated in text excerpt below. Based on information provided in Appendix B, the PAC recommended using an employment density of 11 employees per acre for industrial employment and 23 employees per acre for commercial employment (i.e., retail commercial, office and commercial services, and tourism services). Further explanation of employment density and the conversion of net to gross acres is provided below.

- **Employment density.** Employees per acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses. Employment densities factor in all employment on a site, whether full or part time or different shifts in a workday. Thus, employment at a given site may overrepresent the number of employees at a site at a specific time. For example, retail service locations often have many part-time employees who work different shifts. Despite the potential for overestimating the number of employees on site at a given time, the data do provide a reasonable estimate of total employment on a site and therefore total employees per acre, and this is reflected in the analysis of historic employment density, too.
- **Conversion from net-to-gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way.<sup>105</sup> Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.<sup>106</sup> A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

**Based on empirical evaluation of McMinnville's existing net-to-gross ratios, ECONorthwest uses a net-to-gross conversion factor of 6% for industrial and 18% for commercial, retail, and tourism.**

Using these assumptions, the forecasted growth of 6,333 new employees between 2021 and 2041 will result in the following demand for vacant (and partially vacant) employment land: 153 gross acres of industrial land and 252 gross acres of commercial land (Exhibit 55). Exhibit 56

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<sup>105</sup> The 2013 EOA does not describe a method for converting net to gross acres.

<sup>106</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

shows the demand for vacant land to accommodate employment growth in the 5-, 10-, 20-, and 46-year planning periods.

**Exhibit 55. Demand for vacant land to accommodate employment growth, McMinnville UGB, 2021–2041**

Employees per				
	New Emp. on	Acre	Land Demand	Land Demand
Land Use Type	Vacant Land	(Net Acres)	(Net Acres)	(Gross Acres)
Industrial	1,584	11	144	153
Commercial	4,749	23	206	252
Total	6,333		351	405

Source: ECONorthwest

**Exhibit 56. Demand for vacant land to accommodate forecasted employment growth, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

Land Use Type	Land Demand (Gross Acres)			
	5-year (2021-2026)	10-year (2021-2031)	20-year (2021-2041)	46-year (2021-2067)
Industrial	38	77	153	329
Commercial	63	126	252	570
<b>Total</b>	<b>101</b>	<b>202</b>	<b>405</b>	<b>899</b>

Source: ECONorthwest

## Estimated Land Need 2019-2021

The projected growth for 2019 to 2021 has been removed from this analysis, as the buildable lands inventory was updated to December 2021. This update accounted for actual growth that occurred through 2021.

## Retail Leakage

In 2018, the city of McMinnville initiated development of a plan for the Three Mile Lane Area Plan (3MLAP). The project updates the 1981 Three Mile Lane Overlay District (amended in 1994) and the 1996 Highway 18 Corridor Refinement Plan. The 3MLAP will integrate a wide range of land uses and a multi-modal transportation system that serves both local and state transportation needs and provides active connectivity within the plan area as well as to the City’s downtown core. Leland Consulting Group performed the market analysis for the project.

The project analyzed a market area that represents the area from which the most demand for residential, commercial, and industrial uses will originate, and where most of the competitive development is located. The market area (shown in Exhibit 7 and Exhibit 39) is roughly bounded by the Willamette River to the east, Tillamook State Forest to the west, and Polk County to the south—although the market does extend into Polk County, there are few residents or jobs located in this area—and the City of Yamhill to the north. The study includes a

retail leakage analysis, with the express intent that the city would capture some of the retail spending that is occurring in the larger Salem, Portland, and I-5 corridor markets.<sup>107</sup>

Leland characterizes retail leakage as follows:

“Retail sectors in which household spending is not fully captured are called “leakage” categories, while retail categories in which sales are higher than estimated household demand generated by existing residents are called “surplus” categories. A retail sales surplus indicates that a community pulls consumers and retail dollars in from outside the trade area, thereby serving as a regional market. Conversely, when local demand for a specific product is not being met within a trade area, consumers are going elsewhere to shop, creating retail leakage.”<sup>108</sup>

The study reports overall demand for 529,000 square feet of retail space in the study area for a 10-year period (Table ES-3, pg 4). The study also shows a breakdown of the 10-year demand broken out by demand from household growth, leakage recapture, and replacement space (Figure 38, pg 51). Data provided by Leland show that the leakage recapture component of the 10-year demand is 131,808 square feet. This is an element of retail land need that is not reflected in the employment forecast.

Exhibit 57 shows an estimate of land needed to accommodate recapture of retail leakage. The analysis builds from the Leland estimates and assumes 470 square feet per employee. The square feet per employee assumption comes from Metro’s Employment Density Study (pg 17). Dividing recapturable existing leakage by square feet per employee provides an estimate of the amount of employment generated by the space; dividing that by the PAC approved assumption of 23 employees per acre yields the land need assumption. The results show that McMinnville needs an additional 12.2 acres of land to accommodate recapture of retail leakage.

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<sup>107</sup> Note: As discussed in Chapter 3, while retail environments are changing at a national level, the extent to which e-commerce will replace all types of retail is unclear and unlikely. The need for certain types of retail will persist both nationwide and in places like McMinnville.

<sup>108</sup> McMinnville Three Mile Lane Area Plan: Market Analysis, Leland Consulting Group, April 2019.

**Exhibit 57. Demand for Regional Commercial and Office Space**

Sector	Recapture- able Existing Leakage (s.f.)	SF/Emp	Employees (20 years)	Employees Per Acre (EPA)	Acres
Furniture & Home Furnishings	6,257	470	13	23	0.6
Electronics and Appliance	4,450	470	9	23	0.4
Building Material, Garden Equip	-	470	-	23	-
Food & Bev. (grocery)	0	470	-	23	-
Health & Personal Care	-	470	-	23	-
Clothing & Accessories	9,600	470	20	23	0.9
Sporting Gds, Hobby, Books, Music	6,076	470	13	23	0.6
General Merchandise	83,278	470	177	23	7.7
Misc. Store Retailers	-	470	-	23	-
Food & Drinking Places	21,611	470	46	23	2.0
Other (incl. cinema, prof./med office, banks)	538	470	1	23	0.0
<b>Totals</b>	<b>131,808</b>		<b>280</b>		<b>12.2</b>

Source: Demand estimates by Leland Consulting Group; sq ft per employee assumptions from the Metro Employment Density Study; EPA assumptions from EOA PAC

## Land Needs Not Addressed in the Average Employment Densities (Other Needed Sites)

*This section addresses Step 9: Estimate Additional Land Need Not Determined in Forecast*

Statewide planning Goal 9 requires cities to “Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”<sup>109</sup> McMinnville has identified several employment land needs that have other needed sites. These related to target industry sectors identified in the *MAC-Town 2032 Economic Development Strategic Plan*. These are addressed in the respective subsections below, describing these land needs and the factual basis for each need.

## Other Needed Sites Calculated Separately from Average Employment Densities

The City’s Economic Development Strategic Plan provides the City’s economic development opportunities, vision, and strategy. The City need not be bound by history and past trends, but can rather seek to achieve the community’s economic vision, supported by data, and realistically achievable given competitive advantage, as supported by data and emerging trends.

Statewide Planning Goal 9 states that comprehensive plans for urban areas shall: “Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.” This indicates that cities have some degree of flexibility in determining land needs as long as (1) they are consistent with plan policies, and (2) are justifiable. The land needs described in this section are all identified in existing city plans, but are not considered in the employment forecast.

<sup>109</sup> <https://www.oregon.gov/lcd/OP/Documents/goal9.pdf>

The needs analysis also needs to account for these other needed sites for uses anticipated as part of the Economic Development Strategy. Below are some examples of other needed sites in McMinnville and other Oregon communities:

- For example, when McMinnville's UGB was established in the early 1980s, it wasn't anticipated that there would be a need for a large site for the Evergreen Museum or water park. These facilities occupy approximately 70 acres of their sites. These have substantial economic benefits to the McMinnville economy. In 2018, they had over 88,000 visitors. They also require large sites, differ from traditional employment uses, don't fit neatly within an employment density assumptions, and they consume a significant amount of the land supply in the UGB.
- Another example of a needed site for tourism is the US Cellular Park in Medford. The park is 132 acres with 15 sports fields. The 2018 Annual Report shows that in 2018 it generated \$11.5 million estimated economic impact, surpassing \$100 million cumulative local economic impact since its inception in 2008, helping to sustain 110 jobs in the local economy based on the direct spending of visiting teams.<sup>110</sup>
- The City of Redmond is expanding its UGB to add nearly 949 acres for several employment uses. This allows the Deschutes County Fair and Expo Center to build out and become more of a regional player (with an additional 120 acres), while providing a new home for the Oregon National Guard's Redmond Armory (approximately 40 acres). It also provides nearly 700 acres for large industrial projects.<sup>111</sup>
- The Allison Inn and Spa in Newberg takes advantage of place-based tourism. It is on a 35 acre site in the City of Newberg. It is situated adjacent to rural land with surrounding views of wine country and farmland. It includes accommodations, restaurant and bar, spa and meeting and event center. This could be considered an adaptation of one of the prototypes described in the agri-tourism plan described below, but adapted for an urban location interfacing with a rural setting, rather than located in a rural location.
- Over a decade ago, a County-wide plan was undertaken related to agri-tourism. It identified six prototype projects, each with specific assumptions about characteristics. These were predominantly rural prototypes, but the opportunities for these prototypes haven't been realized.<sup>112</sup>

The Economic Development Strategic Plan identifies 57 items that potentially have site-related needs. Based on further review and discussions, we assume the approximately 47 other items not included in the list of ten site needs below would be addressed through traditional sites needs within the standard site needs and average employment density calculations. Exhibit 58

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<sup>110</sup> U.S. Cellular Community Park Annual Report. Medford Parks, Recreation & Facilities. 2018.

<https://www.sportsmedford.com/Assets/48/2018%20USCCP%20Annual%20Report.pdf>

<sup>111</sup> "Fairground expansion, armory and more coming to SE Redmond." Stephen Hamway. The Bulletin. Feb 3, 2019.

<https://www.bendbulletin.com/localstate/6884610-151/fairgrounds-expansion-armory-and-more-coming-to-se-redmond>

<sup>112</sup> Yamhill County Agri-Business Economic and Community Development Plan Summary Report. Barney & Worth, Inc. June 2009. [https://www.co.yamhill.or.us/sites/default/files/Summary\\_Report\\_-\\_Yamhill\\_County\\_Agri-Business.pdf](https://www.co.yamhill.or.us/sites/default/files/Summary_Report_-_Yamhill_County_Agri-Business.pdf)



summarizes the land needs for these other needed sites. (Appendix C. provides a detailed version of this table.)

The June 2023 update of the EOA removed the following items from Exhibit 58:

- See Ya Later Foundation Champions Center.
- Equestrian center with supporting commercial activity inside UGB, which located elsewhere (not within McMinnville).

These changes reduced the land needs in Exhibit 58 to 49 acres.

**Exhibit 58. Land needs identified in the MAC-Town 2032 Economic Development Strategic Plan (EDSP): Other needed sites not reflected in average employment density calculations**

Use	Description or Example*	Land Need	Total Employment Adjustment (Source)	EDSP or Other Reference
1. Community Center/Recreation Facility	Update, improve, expand and add recreational facilities that serve the community's needs (Community Center and Aquatic Center).	10 acres	22 employees (Source: Parks Director)	3.2.2
2. Outdoor Stage/ Amphitheater	Britt, Jacksonville Cuthbert, Eugene Bi-Mart, Central Point Les Schwab, Bend	5 acres plus parking	30 employees (Source: Britt Festival - 2,200 seating capacity)	3.2.1.
3. Arts and culture focused event center	Chehalem Cultural Center, Newberg)	3.5 acres	15 employees (Source: Chehalem Cultural Center)	3.3
4. Evergreen Aviation and Space Museum	Support existing facilities; based on facilities in master plan	27 acres	57 employees (Source: Evergreen Master Plan)	3.3
5. Wings and Waves	Opportunities for growth and expansion	Location-specific land need at existing partially vacant site	<i>Included in Evergreen Master Plan, see above</i>	6.3.
6. Conference Center:	40,000 sf conference space, accommodation, and parking:	5 acres	13 employees (Source: Feasibility Analysis)	6.4
7. Food hub and public market	Focused on local craft foods & beverages	3.5 acres	13 employees (Source: USDA Regional Food Hub Resource Guide)	3.2.2.
8. Makerspace/innovation hub/ fabrication center	Supports local innovation & entrepreneurial ecosystem	2 acres	3 employees (Source: Talent Maker City)	6.3.
<b>TOTAL</b>		<b>56 acres</b>	<b>153 employees</b> 153 employees @ 23 emp/acre = 7 acres 56 acres - 7 acres = <b><u>net increase of 49 acres</u></b>	

\*Additional examples are provided in the following narrative.

## 1. COMMUNITY CENTER/RECREATION FACILITY

Strategy 3.2.2 of the MAC-Town 2032 EDSP seeks to cultivate partnerships to develop and market McMinnville's recreation amenities. A specific action in that section is to add recreational facilities that serve the community's needs including a Community Center and Aquatic Center.

The McMinnville Parks Department is in the process of completing a feasibility analysis for a facility and is currently estimating demand of 10 acres. Further information is expected to be available in February 2020.

This is consistent with other examples reviewed by ECONorthwest. ECONorthwest reviewed characteristics of comparable community centers. These include two facilities run by the Salvation Army (Kroc centers in Salem and Coeur d'Alene), and three city-managed facilities in Eugene, Portland, and Federal Way Washington. Exhibit 59 provides a summary of the facilities.

**Exhibit 59. Community Center Characteristics**

Facility	Facility Size (sq ft)	Site Size (acres)	Description
Salem Kroc Center	91,500	22.0	LEED certified with a waterpark (including a Jr. Olympic competition pool, water slide, lazy river, hot tub, and splash pad), Fitness Center, Gymnasium, Game Room, Art Studio, Library/Media Center, Amphitheater, Chapel/Performing Arts Center, 4000 ft <sup>2</sup> of Event Space
Coeur d'Alene Kroc Center	132,000	12.0	Competition and leisure pools, health and wellness center, gym and climbing wall, game room, and classrooms
East Portland Community Center	45,000	5.7	Full-size gymnasium with retractable bleachers Transverse bouldering wall Fitness center with cardiovascular and circuit strength equipment Exercise studio with sprung wood floor and mirrors Multi-purpose, and poolside rooms Outdoor courtyard Indoor 4-lane Pool Indoor zero-depth entry leisure pool with current channel, waterslide, splashdown
Federal Way Community Center	72,000	10.0	Aquatics center, three gyms, fitness center, climbing pinnacle and Splash Café
Eugene Amazon Community Center	n/a	12.0	Outdoor pool, two community centers with many amenities, parking

**Based on information from the Parks Department, and consistent with review of comparable facilities, the land need for this use is assumed to be 10 acres.**

## 2. OUTDOOR STAGE/AMPHITHEATER

Strategy 3.2.1 of the MAC-Town 2032 EDSP seeks to update City Plans to evaluate and prioritize investments in recreation infrastructure. The strategy specifically identifies the desire to "add an outdoor stage or amphitheater to one of McMinnville's existing parks." The following list provides capacity and site sizes for amphitheaters in other Oregon cities.

- Les Schwab Amphitheater, Bend ~8,000 capacity ~5 acres plus parking (parking co-located with other uses)
- Bi-Mart Amphitheater, Central Point: ~6,000+ total capacity (~1985 fixed seats plus lawn), (parking co-located with other uses); ~5+ acres, plus parking & other support areas
- Britt Festival, Jacksonville: 2,200 total capacity (1,000 fixed seating plus lawn), parking co-located with other uses); Approximately 4 acres plus parking, (includes main stage, small stage, concession buildings, seating, staging area)
- Cuthbert Amphitheater, Eugene: 5,000 total capacity; parking co-located with Alton Baker Park; Approximately 4.3 acres without patron parking (includes main stage, seating, concession areas, and performer/equipment parking).

**Based on review of comparable facilities, the land need for this use is assumed to be 5 acres.** Assume shared parking, otherwise additional land will be needed for dedicated parking.

*Note:* This is calculated separate from the See Ya Later Foundation Champion Center. While that facility proposed an amphitheater. That site plan identified an amphitheater, but the concept is a different facility than what is identified in the Economic Development Strategic Plan. The Champion center would rely on use of two athletic fields for area comparable to above facilities ranging from 2,200-8,000 capacity (plus parking).

### 3. ARTS AND CULTURE FOCUSED EVENT CENTER

Strategy 3.3 (Leverage arts and culture amenities) of the MAC-Town 2032 EDSP identifies the desire for an arts and culture focused center. Specifically, the plan states “Initiate a conversation between local artists, arts organizations, philanthropies and other parties to identify the potential for an arts and culture-focused event center in McMinnville.” The strategy also includes the need for a community art space “Evaluate the feasibility of a public private partnership to create a community art space or collaborative studio and cooperative gallery.” Following is a summary of similar cultural centers:

Chehalem Cultural Center, Newberg – is located in a historic building and houses a fine arts gallery and exhibition hall, three multipurpose arts studio classrooms, a state-of-the-art clay studio, a recording studio with four music practice studios, meeting space, and a 5,200 square foot grand ballroom for public and private events.

**Based on review of comparable facilities, the land need for this use is assumed to be 3.5 acres.**

### 4. OPPORTUNITIES TO SUPPORT EVERGREEN AVIATION AND SPACE MUSEUM

This opportunity is identified as part of Strategy 3.3 – Leverage arts and culture amenities. Specifically, the project is to establish periodic, formal dialogue with the Evergreen Aviation and Space Museum to anticipate their needs and identify opportunities to provide support.

This expansion is consistent with the adopted Evergreen Master Plan and would build out about 27 additional buildable acres of the property (with constrained areas left intact –wetlands, ravine, etc.) The master plan also includes an adventure course and associated features that extend would outside the UGB. The use of the site is limited by the Planned Development Ordinance to the master plan unless the PD Ordinance is amended.

**This opportunity assumes expansion onto ownership of partially vacant land of 27 acres. This deduction is included as part of the other needed sites since a portion of the site (27 acres) was inventoried as vacant in the buildable lands inventory.**

## 5. WINGS AND WAVES OPPORTUNITIES FOR GROWTH AND EXPANSION

This opportunity is related to Strategy 3.3 and is part of McMinnville’s overall tourism strategy. The Waterpark was bought by The Falls Event Center in 2017, and is now run as a separate organization.

**This opportunity assumes expansion onto ownership of partially vacant land.**

## 6. CONFERENCE SPACE

This opportunity relates to Strategy 6.4 – Market and promote McMinnville. The plan includes a project to “Work with visit McMinnville and local hoteliers to identify gaps in available conference space and to establish a plan to expand McMinnville’s offerings for small and large conferences.” Towards that end, Visit McMinnville retained Johnson Consulting to complete a market analysis for conference facilities. The January 2018 report, titled *McMinnville Conference Center and Destination Analysis*, identifies need for a 40,000 sq ft conference space not including accommodations and parking. We looked at the following comparable facilities:

Washington County Event Center: 89,000 sf; ~8 acres with parking

Seaside: 25,000 sf, 10 meeting rooms; 4 acres with parking

Pendleton: 28,000 sf, 9 meeting rooms; 12.5 acres with parking

Blair County Convention Center, PA. 2 levels, ~50,000 sf; 11 acres with parking

Blue Water Convention Center, MI: ~40,000 sf; 12 acres

**Based on review of comparable facilities, the land need for this use is assumed to be 5 acres.**

## 7. CRAFT FOOD AND BEVERAGE FOOD HUB/FARMERS MARKET

McMinnville wants to develop an integrated food hub and year-round farmers market. Farmers markets are physical retail marketplaces intended to sell foods directly by farmers to consumers. Food hubs offer a combination of aggregation, distribution, and marketing services at an affordable price. Food hubs make it possible for many producers to gain entry into new larger-volume markets that boost their income and provide them with opportunities for scaling up production. Combining food hubs and farmers markets creates opportunities to better integrate local food value chains. Examples of farmers markets and food hubs include:

Olympia Farmers Market, Olympia WA - supports local sustainable agriculture by connecting the public with local farmers, artisans, and other producers in an economically viable marketplace, has over 100 vendors and an estimated 400,000 visitors per year; 4.7 acres

Bellingham Farmers Market, Bellingham WA – promotes and encourages the development of local, small scale agriculture and ensure a market balance for small, local growers and has over 100 vendors and is co-located at a transit station in downtown Bellingham; 1.5 acres

Fallon Food Hub Co-op, Fallon NV – has the mission of educate residents about the benefits of eating seasonally and healthfully in order to create a thriving and expanding local food scene resulting in increased opportunities for area producers; 2.2 acres

Catskills Food Hub, Sullivan County NY – a non-profit organization working to strengthen local agriculture, increase access to fresh food, and improve health outcomes for Sullivan County and the region; 2.7 acres

Puget Sound Food Hub, Mt. Vernon WA – supports the relationship between regional farmers and their customers, enabling a values-based supply chain for food safety and transparency; 3.2 acres

**Based on review of comparable facilities, the land need for this use is assumed to be 3.5 acres.**

## **8. MAKERSPACE/INNOVATION HUB/ FABRICATION CENTER**

Most industrial land demand is already reflected in the employment forecast. McMinnville wants to develop additional strategies to bolster the local maker community and the entrepreneurial ecosystems. Makerspace and fabrication laboratories are strategies that communities are pursuing. Makerspaces are community-operated, often nonprofit, workspaces where people with common interests, such as computers, machining, technology, science, digital art, or electronic art, can meet, socialize and collaborate. CraterWorks Makerspace, located in Central Point, also includes a commercial kitchen and market space. It is about 2 acres in size.

**Based on review of comparable facilities, the land need for this use is assumed to be 2 acres.**

## **Site Characteristics and Needed Sites**

OAR 660-009-0015(2) requires the EOA to “identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses.” The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

The rule, OAR 660-009-0015(2), states that “[i]ndustrial or other employment uses with compatible site characteristics may be grouped together into common site categories.” The rule suggests, but does not require, that the City “examine existing firms in the planning area to identify the types of sites that may be needed.” For example, site types can be described by: (1)



plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, McMinnville groups its future employment uses into three general categories based on land use types: (1) commercial (includes retail commercial, office & commercial services, and tourism services)<sup>113</sup>; (2) industrial; and (3) sites needed to meet specific economic development objectives (e.g., other land needs not addressed in the employment forecast as discussed above).

In short, in addition to estimating the acreage needed to accommodate current and future employment, it is necessary for the city to determine if it has sites with characteristics suitable for the development to address needs and opportunities. This includes site size, topography, access, utilities, and other characteristics such as location and proximity to other uses and amenities.

As a first step, ECONorthwest analyzed the size distribution of developed employment sites in McMinnville by land use type. Exhibit 60 shows the results. The majority of commercial lots are small – 88% of commercial lots are less than 1 acre, and 42% of the commercial land (in acres) is in lots less than 1 acre. No developed commercial lots are larger than 20 acres. (Some shopping centers include multiple tax lots).

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<sup>113</sup> At early stages of the EOA, McMinnville broke commercial out into separate land use categories, but found that many overlap and do not have distinct site needs from other commercial categories by NAICS sector.

Industrial sites show a different pattern. Seven industrial sites (about 2 percent of all industrial sites) are greater than 10 acres but account for 25% of all industrial land in acres. While McMinnville has 122 industrial sites less than 1 acre, those sites account for only 7% of developed industrial land (in acres). Some industrial users occupy multiple buildings and/or tax lots.

**Exhibit 60. Size distribution of developed employment sites by land use type, McMinnville UGB, 2019**

2019

	Developed acres size									
	<0.50	0.50-0.99	1.00-1.99	2.00-4.99	5.00-9.99	10.00- 19.99	20.00- 25.00	25.01- 49.99	50.00+	
Land Use Type	acre	acres	acres	acres	acres	acres	acres	acres	acres	Total
Commercial										
Acres	96	54	57	90	26	34	-	-	-	357
Percent of Acres	27%	15%	16%	25%	7%	9%	0%	0%	0%	100%
Tax Lots	509	80	41	30	4	3	-	-	-	667
Percent of Tax Lots	76%	12%	6%	4%	1%	0%	0%	0%	0%	100%
Industrial										
Acres	12	19	43	87	91	61	25	-	79	417
Percent of Acres	3%	4%	10%	21%	22%	15%	6%	0%	19%	100%
Tax Lots	96	26	32	29	13	5	1	-	1	203
Percent of Tax Lots	47%	13%	16%	14%	6%	2%	0%	0%	0%	100%

In addition to basic logistical considerations, there are workforce considerations for locating within a community. For example, in the Three Mile Lane study, it was found that employers located to the area because there were sites that had land needed for expansion; however, employees preferred to be in amenity-rich locations. Employers have had to adjust business practices to accommodate employees in these locations absent the presence of amenities, such as those which were available in prior locations before relocating to accommodate space needs. This largely illustrates the need for the city's growth management strategy of balanced land uses that provide for a nearby mix of uses and opportunities to reduce vehicle miles travelled.

For certain development types, there is a standardized taxonomy and these types have specific site characteristic needs. The City's economic development vision and strategy may deviate from some of these typical prototypes in order to promote an authentic place-based experience, but the real estate principles must still function properly. Exhibit 61 and Exhibit 62 show taxonomies for industrial and commercial categories. The site characteristics for commercial and industrial uses shown in the exhibits equate to characteristics that are both "necessary" and "typical" for the target industries identified in the City's MAC-Town 2032 Economic Development Strategic Plan.

It should be noted that certain development types need larger sites that must be planned and located all at one time, even if future phases within the development build out over time. Therefore, those sites need to be accounted for up-front, rather than incrementally. Other land uses have needs that don't fit into these broad categories but have other programmatic needs that define the site needs. Examples of these other needed sites apply to uses such as convention/ conference space, regional athletic facilities, etc. For those facilities identified in the Economic Development Strategy that have special sites needs that aren't sufficiently accounted for in the land needs calculated by the employment forecast and employment density, site characteristics have been separately described below.

# Exhibit 61. Shopping Center Taxonomy, ICSC



U.S. Shopping-Center Classification and Typical Characteristics*								
Type of Shopping Center	Concept	Typical GLA Range (Sq. Ft.)	Acres	# of Anchors	% Anchor GLA	Typical Number of Tenants	Typical Type of Anchors	Trade Area Size
<b>General-Purpose Centers</b>								
Super-Regional Mall	Similar in concept to regional malls, but offering more variety and assortment.	800,000+	60-120	3+	50-70%	N/A	Full-line department store, mass merchant, discount department store, fashion apparel store, mini-anchor, cineplex or other large-scale entertainment attraction, and food-and-beverage service cluster.	5-25 miles
Regional Mall	General merchandise or fashion-oriented offerings. Typically, enclosed with inward-facing slobs connected by a common walkway. Parking surrounds the outside perimeter.	400,000-800,000	40-100	2+	50-70%	40-80 stores	Full-line department store, mass merchant, discount department store, fashion apparel store, mini-anchor, cineplex or other large-scale entertainment attraction, and food-and-beverage service cluster.	5-15 miles
Community Center ("Large Neighborhood Center")	General merchandise or convenience-oriented offerings. Wider range of apparel and other soft goods offerings than neighborhood centers. The center is usually configured in a straight line as a strip, or may be laid out in an L- or U- shape, depending on the site and design.	125,000-400,000	10-40	2+	40-60%	15-40 stores	Discount store, supermarket, drug, large-specialty discount (toys, books, electronics, home improvement/burnings or sporting goods, etc.)	3-8 miles
Neighborhood Center	Convenience-oriented.	50,000-125,000	3-5	1+	30-50%	5-20 stores	Supermarket	3 miles
Strip/Convenience	Attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape. A convenience center is among the smallest of the centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area.	< 50,000	<3	Anchor-less or a small convenience-store anchor	N/A	N/A	Convenience store, such as a mini-mart	<1 mile
<b>Specialized-Purpose Centers</b>								
Power Center	Category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants.	250,000-600,000	25-80	3+	70-90%	N/A	Category killers, such as home improvement, discount department, warehouse club, and off-price stores.	5-10 miles
Lifestyle	Upscale national-chain specialty stores with dining and entertainment in an outdoor setting.	150,000-500,000	10-40	0-2	0-50%	N/A	Large-format upscale specialty	8-12 miles
Factory Outlet	Manufacturers' and retailers' outlet stores selling brand-name goods at a discount.	50,000-400,000	10-50	N/A	N/A	N/A	Manufacturers' and retailers' outlets.	25-75 miles
Theme/Festival	Leisure, tourist, retail and service-oriented offerings with entertainment as a unifying theme. Often in urban areas, they may be adapted from older—sometimes historic—buildings, and part of a mixed-use project.	80,000-350,000	5-30	Unspecified	N/A	N/A	Restaurants, entertainment	25-75 miles
<b>Limited-Purpose Property</b>								
Airport Retail	Consolidation of retail stores located within a commercial airport.	75,000-300,000	N/A	N/A	N/A	N/A	No anchors, retail includes specialty retail and restaurants.	N/A

\*Disclaimer: While every effort is made to ensure the accuracy and reliability of the information contained in this report, ICSC does not guarantee and is not responsible for the accuracy, completeness or reliability of the information contained in this report. Use of such information is voluntary, and reliance on it should only be undertaken after an independent review of its accuracy, completeness, efficiency, and timeliness. Criteria used in the definitions above are intended to be only typical of general features, rather than covering all situations.

# Exhibit 62. Industrial Development Profile Matrix, 2015

STATE OF OREGON - Infrastructure Finance Authority  
Industrial Development Competitiveness Matrix



PROFILE	Production/Manufacturing		Value-Added Manufacturing and Assembly		Light / High Industrial			Warehousing & Distribution		Specialized	
	A	B	C	D	E	F	G	H	I	J	K
CRITERIA	Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Automated Manufacturing & Assembly	General Manufacturing	Industrial to Diversified and High-Tech General	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	IT/ITC Manufacturing / Research	Other/Custom / Retail (Retail)
1. GENERAL REQUIREMENTS	Must be permitted outright, located in MRR or equivalent and outside flood plain, and site (MRR) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigated on plan(s) that can be implemented in 180 days or less.										
2. PHYSICAL SIZE											
3. TOTAL SITE SIZE**	Competition Average*	10 - 200+	5 - 100+	5 - 25+	5 - 25+	20 - 1,000+	5 - 25+	20 - 1,000+	10 - 25+	10 - 25+	10 - 25+
4. COMPENSATION SCORE:	Median Score	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%	0 to 9%
5. TRANSPORTATION											
6. TRUCK TRAILERAGE	Average Daily Trips per Acre	40 to 60 (MTR / acre)	40 to 60 (MTR / acre)	40 to 60 (MTR / acre)	40 to 60 (MTR / acre)	40 to 100 (MTR / acre)	100 to 100 (MTR / acre)	40 to 60 (MTR / acre)	40 to 60 (MTR / acre)	40 to 60 (MTR / acre)	20 to 40 (MTR / acre)
7. ACCESS TO INTERSTATE OR OTHER MAJOR ARTERIAL	Miles	u/ to 10	u/ to 10	u/ to 10	u/ to 10	N/A	N/A	u/ to 5 (only interstates or superhighways)	u/ to 5 (only interstates or superhighways)	N/A	u/ to 10
8. MAJOR ACCESS	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required
9. PROXIMITY TO MARINE PORT	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required
10. PROXIMITY TO BUSINESS COMMERCIAL AIRPORT	Dependency	Preferred	Competition	Preferred	Competition	Preferred	Not Required	Preferred	Preferred	Preferred	Competition
11. PROXIMITY TO INTERNATIONAL AIRPORT	Dependency	Preferred	Competition	Preferred	Competition	Preferred	Competition	Preferred	Preferred	Competition	Preferred
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99. PROXIMITY TO SEVERAL AIRPORTS	Dependency	Preferred	Competition	Preferred	Competition	Preferred	Competition	Preferred	Preferred	Competition	Preferred
100. PROXIMITY TO SEVERAL AIRPORTS	Dependency	Preferred	Competition	Preferred	Competition	Preferred	Competition	Preferred	Preferred	Competition	Preferred

<p><b>Terms:</b></p> <p><b>Most Critical</b></p> <p><b>Least Critical</b></p>		<p><b>* Required</b> factors are seen as mandatory in a vast majority of cases and have become industry standards.</p> <p><b>** Competitive</b> significantly increases marketability and is highly recommended by business owners. May also be linked to financing in order to enhance the potential return of the asset in case of default.</p> <p><b>Preferred</b> increases the desirability of the subject property and its future reuse. Other factors may, however, prove more critical.</p> <p><b>Competition</b> Average: Average that would meet the site selection requirements of the majority of industries in this sector.</p> <p><b>*** Total Site-Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.</b></p> <p><b>† Data Center Water Requirements:</b> Water requirement is reported in gallons per minute to more closely align with the Data Center Industry standard reporting of Water Usage (Gallons per Minute) (WUM).</p> <p><b>† Data Center Sewer Requirements:</b> Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.</p>
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MACKENZIE  
ECONOMICS

Current Revision Date: 6/23/2015

To meet the requirements of OAR 660-009-0015(2) to identify the number of needed sites by type, we analyzed the existing distribution of developed sites by size (Exhibit 60) and applied it to overall land need for the 2021-2041 period. Exhibit 63 summarizes needed sites by size class. Exhibit 64 allocates needed sites to target sizes within those size class ranges consistent with the methodology in the Industrial Sites Information memorandum distributed at the February 27, 2020 PAC meeting.<sup>114</sup> This was based on the range and distribution of site sizes for larger industrial sites described in the MEDP letter (Appendix D. Site Need Letters). These tables also include the estimates for the smaller site sizes of 0.5-2.0 acres discussed in the Employment Sites memo, consistent with the tables labeled “Need 2” in that memo, which was supported by the PAC. Exhibit 63 and Exhibit 64 now also incorporate smaller site sizes less than 0.5 acres, as described in the buildable lands inventory methodology.

#### Exhibit 63. Revised Employment Site Size Classes and Assignment of Needed Sites

Original Size Classes and Assignments			Revised Size Classes and Assignments		
Original Size Classes	Needed Sites	Ac Range	Revised Size Classes	Needed Sites	Ac Range
NA (By definition in OAR 660 Division 9, undeveloped sites less than ½ acre are not defined as vacant sites)	NA	NA	<0.5 acre	23	0-12
0.5-0.99 ac	10	5-10	0.5-0.99 ac	10	5-10
1.00-1.99	12	12-24	1.00-1.99	12	12-24
2.00-4.99	4	8-20	2.00-4.99	4	8-20
5.00-9.99	3	15-30	5.00-9.99	3	15-30
10.00-19.99	10	100-200	10.00-19.99	10	100-200
20.00-49.99	8	160-400	20.00-25.00	7	140-175
			25.01-49.99	1	25-50
50.00+	0	0	50.00+	0	0
<b>Total</b>	<b>47 sites</b>	<b>300-684 ac</b>	<b>Total</b>	<b>70 sites</b>	<b>305-521 ac</b>

### Needed Industrial Sites Provide for at Least an Adequate Supply

Goal 9 and ORS 197.712(2)(c) specify that Comprehensive Plans for urban areas shall:  
 ...“Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”

The employment forecast and employment density factors identified a need for 153 industrial acres. The needed sites identified above in Exhibit 64, appropriately located, would provide for at least an adequate supply of sites of suitable sizes for a variety of industrial uses consistent with plan policies, as required by Goal 9. To be competitive, this would assure there would be a supply of available of sites with a variety of sizes and characteristics to meet a variety of needs at any given time during the planning period.

<sup>114</sup> [https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/7-industrial\\_sites\\_narrative\\_summ\\_2-26-2020\\_letterhead.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/7-industrial_sites_narrative_summ_2-26-2020_letterhead.pdf)

**Exhibit 64. Needed sites, competitive supply and choice consistent with IFA criteria**

Site Size Class	Needed Sites By Class	Ac Range for Needed Sites	Needed Sites By Target Size	Ac for Needed Sites
<0.5	23	0-12	23@0.48 ac	11.0
0.5-0.99 ac	10	5-10	5@0.5 ac 5@ 1ac	2.5 5.0
1.00-1.99	12	12-24	6@1 ac 6@2 ac	6.0 12.0
2.00-4.99	4	8-20	2@2 ac 2@4 ac	4.0 8.0
5.00-9.99	3	15-30	3@5 ac	15.0
10.00-19.99	10	100-200	5@10 ac 5@15 ac	50.0 75.0
20.00-25.00	7	140-175	4@20 ac 3@25 ac	80.0 75.0
25.01-49.99	1	25-50	1@40ac	40.0
50.00+	0	0	0	0
<b>Total</b>	<b>70 sites</b>	<b>305-521 ac</b>	<b>70 sites</b>	<b>384 ac</b>

Note: MIP/MEDP Input re: Size Class Distribution – Size Assigned. Appendix D. Site Need Letters provides letters from MIP and MEDP stating needed site sizes.

Exhibit 65 provides a detailed summary of the needed sites between 5 and 50 acres listed in Exhibit 64. The sites listed in this table are identified based on industries listed in the IFA matrix (Exhibit 62) and the target sectors identified in McMinnville’s 2019 Economic Development Strategic Plan. The results of Exhibit 64 and Exhibit 65 show that McMinnville needs 384 acres for industrial land over the 20-year period.



**Exhibit 65. Needed industrial and traded sector employment sites**

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinn- ville	Needed Site Sizes	Size Class				
						5- 9.9	10- 14.9	15- 19.9	20- 25	25.1- 50

**Production  
Manufacturing**
**4:**

A. Heavy Industrial / Manufacturing (10-100+ ac)	EDSP: Traditional Ind.& Advanced Manuf.	A. Preferred	2	10-25 ac	(1) 15ac, (1) 25ac			1	1	
	2013 EOA: Advanced Manufacturing	B. Preferred	2	5-25 ac	(1) 10ac, (1) 25ac		1		1	
B. High Tech/Clean Tech Manufacturing (5-100+ ac)										

**Value-Added  
Manufacturing &  
Assembly**
**4:**

C. Food Processing (5- 25+ ac)	EDSP: Craft Beverages and Food Systems	C. Preferred	2	5-25 ac	(1) 5ac, (1) 10ac	1	1			
	EDSP: Traditional Ind. & Advanced Manuf.	D. Not Required	2	5-25 ac	(1) 15ac, (1) 20ac			1	1	
D. Advanced Manufacturing and Assembly (5-25+ ac)										

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinn- ville	Needed Site Sizes	Size Class				
						5- 9.9	10- 14.9	15- 19.9	20- 25	25.1- 50

#### Light/Flex Industrial

6:

E. General Manufacturing (5-15+ ac)	EDSP: Technology and Entrepreneurship	E. Preferred	3	5-15 ac	(1) 5ac, (1) 10ac, (1) 15ac	1	1	1		
			1	25-50 ac						1
F. Indust. Business Park and R&D Campus (20- 100+ ac)	EDSP: Education, Medicine and Other Sciences	F. Preferred	2	5-15 ac	(1) 40ac (Innovation Campus)	1	1			
G. Business / Admin Services (5-15+ ac)	2013 EOA: Healthcare/Traded Sector Services	G. Not Required			(1) 5ac, (1) 10ac					

#### Warehousing & Distribution

5:

H. Regional Warehouse / Distribution (20-100+ ac)	EDSP: Craft Beverages and Food Systems	H. Preferred	2	20-25 ac	(1) 20ac, (1) 25ac					2
			3	10-25 ac			1	1	1	
I. Local Warehouse / Distribution (10-25+ ac)	EDSP: Craft Beverages and Food Systems	I. Preferred			(1) 10ac, (1) 15ac, (1) 20ac					

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinn-ville	Needed Site Sizes	Size Class				
						5-9.9	10-14.9	15-19.9	20-25	25.1-50
<u>Specialized</u>			<u>2:</u>							
J. UAV Manufacturing / Research (10-25+ ac)	EDSP: Traditional Industry and Advanced Manuf.	J. Not Required	1	10-25 ac	(1) 15ac			1		
K. Data Center (10-25+ ac)	EDSP: Technology and Entrepreneurship	K. Avoid	1	10-25 ac	(1) 20ac				1	
		L. N/A	N/A	5-25 ac	N/A					
L. Rural Industrial (5-25+ ac)										
Total:			21 sites of 5-40 acres	SUM: 21 sites 5ac-40ac (335 ac.)		3	5	5	7	1
					(Rail Preferred for 14 sites)					

\*RP=Rail Preferred

## Land Sufficiency

*This section addresses Step 10: Compare Land Demand to Supply*

Exhibit 66 shows commercial and industrial land sufficiency within the McMinnville UGB. It shows:

- **Vacant or partially vacant unconstrained land** from within the UGB. Exhibit 66 shows that McMinnville has 354 gross acres of industrial land, and 154 gross acres of commercial land (see Exhibit 45).
- **Demand for commercial and industrial land** from Exhibit 55, which shows McMinnville will need a total of 153 gross acres for industrial uses and 252 gross acres for commercial uses over the 2021-2041 period based on portion of demand determined through the forecast.
- **Retail Leakage** Additional needs, addressed previously in this Chapter, include retail leakage that is current demand that predates the employment forecast associated with new population growth (12-acre demand over the 20-year period)
- **Demand for commercial land needs with other needed sites** not adequately accounted for in the average employment density calculations. Forecast commercial land includes land use types of retail commercial, office and commercial services, and tourism services. These uses for other needed sites for target sectors are identified in the Economic Development Strategic Plan (56-acre demand over the 20-year period), a net difference of 49 additional acres after adjusting for associated employment.
- **Needed site sizes** from Exhibit 64 shows that McMinnville has an overall need for 384 acres of industrial land in site sizes between less than 0.5 acres and up to 50 acres in size.

Exhibit 66 shows that McMinnville has:

- A 29-acre deficit of industrial land in 2041
- A 159-acre deficit of commercial land in 2041.

**Exhibit 66. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021-2041**

Land Use Type	Land Supply (Suitable Gross Acres)	Demand (Gross Acres)	Land Sufficiency (Deficit)
<b>Industrial</b>	<b>354</b>	<b>384</b>	<b>(29)</b>
<b>Commercial</b>	<b>154</b>	<b>313</b>	<b>(159)</b>
<i>Forecast</i>		252	
<i>Retail leakage</i>		12	
<i>Other needed sites</i>		49	
<b>Total</b>	<b>508</b>	<b>697</b>	<b>(189)</b>

Source: ECONorthwest

# Summary of Land Sufficiency for Employment Land in McMinnville

This section summarizes the analysis completed in Chapter 5 and the findings related to land sufficiency for employment land in McMinnville.

The current EOA update bring the 2013 document to the current 20-year planning period of 2021-2041, incorporating new trend and forecast data, and ensuring the City's land use planning documents provide the land use foundation to support the City's newly adopted economic development strategy, and ensure the Comprehensive Plan supports that strategy. It also considers a longer 46-year planning period. Since the City's economic development strategy is articulated in the new EDSP, this EOA update supports and references that work, but the scope didn't duplicate the work that was completed in the EDSP.

## Demand

**McMinnville will need about 697 gross acres (384 industrial and 313 commercial) for employment for the 2021 to 2041 period and 954 gross acres (384 industrial and 570 commercial) for the 2021 to 2067 period (Exhibit 67).**

Demand was calculated in following components:

- By developing an employment forecast and assigning employment density factors to determine associated land needs, Employment forecasts indicate that McMinnville will add 6,885 jobs between 2021 and 2041 and 16,001 jobs between 2021 and 2067. *For this component of the demand, McMinnville will need at least 405 gross acres (153 industrial and 252 commercial) for employment for the 2021 to 2041 period and 899 gross acres (329 industrial and 570 commercial) for the 2021 to 2067 period (Exhibit 56).*
- By removing the following employment from the employment forecast, and instead estimating land needs for these employers based on interviews with the respective entities: local government, K-12, and higher education. *These are discussed in the public and institutional land needs section of the Urbanization Summary report, and are not discussed in the land sufficiency analysis for commercial and industrial employment.*
- The City assumed 5% of new employment would be accommodated on sites that don't require new vacant land, through infill, redevelopment, and locations that don't require new employment land.
- By identifying the existing retail leakage identified in a market analysis, which identifies existing deficits in the base year which are not otherwise accounted for in the forecast of future employment from 2021-2041. *McMinnville will need about 12.2 acres to address existing retail leakage.*
- By estimating other needed sites which are not accounted for in the average density assumptions. The sites for these uses are unique and not accounted for in the standard employment density factors. These are target industries and uses in the MAC-Town 2032 Economic Development Strategic Plan. *McMinnville will need 56 acres for other*



*needed sites on commercial (e.g., land needs not accounted for in the employment projections) in the 2021 to 2041 period.* A net increase of 49 acres when adjusting the employment forecast to reflect these unique site needs and adjustments to average density assumptions for these sites and uses.

- Calculation of additional needed sites on industrial land, based on target industries identified in the EDSP, resulted in *overall demand for 384 acres of industrial land for the 2021-2041 period. This analysis does not estimate demand for industrial land for the 2041 – 2067 period.*

## Supply

In 2019, within the UGB, McMinnville has 508 buildable acres of employment land. This includes 154 buildable acres of commercial land and 354 buildable acres of industrial land.

- **Commercial.** Of the 154 buildable acres of commercial land, about 50 acres are in vacant lots, 65 acres are in partially-vacant lots, and 39 acres in the Urban Holding zone for future neighborhood commercial services. About 56 acres (approximately 36% of the buildable commercial land) is on the Evergreen property, which is subject to a Planned Development that limits uses to tourism-related uses consistent with the master plan. There are only 39 tax lots with buildable commercial acreage, and only some of these contiguous.
- **Industrial.** Of the 354 buildable acres of industrial land, about 301 acres are in vacant lots, and 53 acres are in partially-vacant lots. About 50% of the supply (177 acres) is in two tax lots over 50 acres, about 88 and 90 acres. McMinnville has one 24 acre site. The remaining sites are smaller than 15 buildable acres.

## Sufficiency

Exhibit 67 shows the capacity of unconstrained vacant land and the demand for employment land over the 5-, 10-, 20-, and 46-year planning periods.

**Exhibit 67. Comparison of the capacity of unconstrained vacant land with employment land demand by land use type, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067**

**Note:** The analysis did not forecast industrial growth for the 2041-2067 period.

Land Use Type	5-year (2021-2026)			10-year (2021-2031)			20-year (2021-2041)			46-year (2021-2067)		
	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)	Land Supply	Land Demand	Land Sufficiency (Deficit)
Industrial	354	38	316	354	77	277	354	384	(29)	Not forecast for 2041-2067		
Commercial	154	63	91	154	126	28	154	313	(159)	154	570	(416)

Source: ECONorthwest.

The next chapter provides a discussion of McMinnville's existing Comprehensive Plan goals and policies related to economic development. It suggests updates to policies that may not align

with the findings of this EOA or recent updates to supporting planning work including the MAC-Town 2032 Economic Development Strategic Plan.

## 6. Comprehensive Plan Policies

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OAR 660-009-0020 outlines requirements for industrial and other economic development policies.

Local comprehensive plans are to provide a commitment to provide a competitive short-term supply together with a commitment to provide adequate sites and facilities. With this EOA, also identified are fulfillment of community economic development objectives.

### Economic Development Goals and Policies

As noted at the outset of this EOA update report, the 2019 MAC-Town Economic Development Strategic Plan states the City of McMinnville's mission related to economic development:

"McMinnville provides economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors, from steel manufacturing to technology. Economic growth is collaborative, and inclusive of individuals from diverse backgrounds. Businesses leverage local and regional talent pipelines while attracting new employees and residents who value McMinnville's high quality of life. Our strong downtown serves residents and visitors alike, featuring unique shops and world-class restaurants that offer locally-produced food products and globally-renowned wine. As we evolve, we prize our small-town roots and we maintain McMinnville's character."

The currently adopted Comprehensive Plan also includes more detailed goal statements, and some goals include specific policies. This EOA update provides suggested changes to goals and policies that may not align with the city's current vision for economic development. The suggested changes are indicated with items to ~~remove~~ or items to consider **adding**.

**Goal IV 1: To encourage the continued growth and diversification of McMinnville's economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.**

**Goal IV 2: To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.**

*Policy:*

- 21.00 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the City. Such uses shall locate according to the goals and policies in the comprehensive plan.
- 21.01 The City shall periodically update its economic opportunities analysis to ensure that it has within its urban growth boundary (UGB) a 20-year supply of lands designated for commercial and industrial uses. The City shall provide an adequate

number of suitable, serviceable sites in appropriate locations within its UGB. If it should find that it does not have an adequate supply of lands designated for commercial or industrial use it shall take corrective actions which may include, but are not limited to, redesignation of lands for such purposes, or amending the UGB to include lands appropriate for industrial or commercial use. (Ord.4796, October 14, 2003)

- 21.02 The City shall encourage and support the start up, expansion or relocation of high-wage businesses to McMinnville.
  - 1. The City shall coordinate economic efforts with the Greater McMinnville Area Chamber of Commerce, McMinnville Industrial Promotions, McMinnville Downtown Association, Yamhill County, Oregon Economic and Community Development Department, and other appropriate groups.
  - 2. Economic development efforts shall identify specific high-wage target industries and ensure that adequately sized, serviced, and located sites exist within the McMinnville urban area for such industries. (Ord.4796, October 14, 2003)
- 21.03 The City shall support existing businesses and industries and the establishment of locally owned, managed, or controlled small businesses. (Ord.4796, October 14, 2003)
- 21.04 The City shall make infrastructure investments that support the economic development strategy a high priority, in order to attract high-wage employment. (Ord.4796, October 14, 2003)
- 21.05 Commercial uses and services which are not presently available to McMinnville residents will be encouraged to locate in the city. Such uses shall locate according to the goals and policies in the comprehensive plan. (Ord.4796, October 14, 2003)

**Goal IV 3: To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood and community serving commercial lands and discouraging strip development.**

*General Policies:*

- 22.00 The maximum and most efficient use of existing commercially designated lands will be encouraged as will the revitalization and reuse of existing commercial properties.
- 23.00 Areas which could in the future serve as commercial sites shall be protected from encroachment by incompatible uses.
- 24.00 The cluster development of commercial uses shall be encouraged rather than auto-oriented strip development. (Ord.4796, October 14, 2003)

*Locational Policies:*

- 24.50 The location, type, and amount of commercial activity within the urban growth boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord.4796, October 14, 2003)

- 25.00 Commercial uses will be located in areas where conflicts with adjacent land uses can be minimized and where city services commensurate with the scale of development are or can be made available prior to development.
- 26.00 The size of, scale of, and market for commercial uses shall guide their locations. Large-scale, regional shopping facilities, and heavy traffic-generating uses shall be located on arterials or in the central business district, and shall be located where sufficient land for internal traffic circulation systems is available (if warranted) and where adequate parking and service areas can be constructed.
- 27.00 Neighborhood commercial uses will be allowed in residential areas. These commercial uses will consist only of neighborhood oriented businesses and will be located on collector or arterial streets. More intensive, large commercial uses will not be considered compatible with or be allowed in neighborhood commercial centers.
- 28.00 A commercial planned development should be encouraged in the proximity of the intersection of Hill Road and West Second Street. Such a development should service the needs of people in western McMinnville. The development should be anchored by a grocery store.

*Design Policies:*

- 29.00 New direct access to arterials by large-scale commercial developments shall be granted only after consideration is given to the land uses and traffic patterns in the area of development as well as at the specific site. Internal circulation roads, acceleration/deceleration lanes, common access collection points, signalization, and other traffic improvements shall be required wherever necessary, through the use of planned development overlays.
- 30.00 Access locations for commercial developments shall be placed so that excessive traffic will not be routed through residential neighborhoods and the traffic-carrying capacity of all adjacent streets will not be exceeded.
- 31.00 Commercial developments shall be designed in a manner which minimizes bicycle/pedestrian conflicts and provides pedestrian connections to adjacent residential development through pathways, grid street systems, or other appropriate mechanisms. (Ord.4796, October 14, 2003)
- 32.00 Where necessary, landscaping and/or other visual and sound barriers shall be required to screen commercial activities from residential areas.
- 33.00 Encourage efficient use of land for parking; small parking lots and/or parking lots that are broken up with landscaping and pervious surfaces for water quality filtration areas. Large parking lots shall be minimized where possible. All parking lots shall be interspersed with landscaping islands to provide a visual break and to provide energy savings by lowering the air temperature outside commercial structures on hot days, thereby lessening the need for inside cooling. (Ord.4796, October 14, 2003)
- 34.00 The City of McMinnville shall develop and maintain guidelines concerning the size, placement, and type of signs in commercial areas.

- 35.00 The City of McMinnville shall encourage the development of a sign system that directs motorists to parking areas.

**Goal IV 4: To promote the downtown as a cultural, administrative service, and retail center of McMinnville.**

*Downtown Development Policies:*

- 36.00 The City of McMinnville shall encourage a land use pattern that:
  - 1. Integrates residential, commercial, and governmental activities in and around the core of the city;
  - 2. Provides expansion room for commercial establishments and allows dense residential development;
  - 3. Provides efficient use of land for adequate parking areas;
  - 4. Encourages vertical mixed commercial and residential uses; and,
  - 5. Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)
- 37.00 The City of McMinnville shall strongly support, through technical and financial assistance, the efforts of the McMinnville Downtown Steering Committee to implement those elements of Phase II of the “Downtown Improvement Plan” that are found proper, necessary, and feasible by the City. (Ord.4796, October 14, 2003)
- 38.00 The City of McMinnville shall encourage the renovation and rehabilitation of buildings in the downtown area, especially those of historical significance or unique design.
- 39.00 The City of McMinnville shall encourage and allow the development of pocket parks, landscaping, and other natural amenities to provide a visual contrast between streets and parking lots and buildings to enhance the general appearance of the downtown.
- 40.00 The City of McMinnville shall encourage and develop a policy of cooperation with federal, state, and local governments and agencies regarding the location of public administrative and service facilities in the downtown area and further encourage these same agencies to develop off-street parking opportunities and transportation alternatives for their employees.
- 41.00 The City of McMinnville shall encourage the expansion of retail and other commercial enterprises east of the railroad tracks and north and south of Third Street consistent with the adopted “Downtown Improvement Plan.” (Ord.4796, October 14, 2003)
- 42.00 The City of McMinnville shall continue to redesignate streets and traffic patterns in and around the downtown area to facilitate the movement of automobile traffic and provide for the safety and convenience of pedestrians.



- 43.00 The City of McMinnville shall allow the closing and/or vacating of streets to provide additional areas for off-street parking where such closure will not affect the ability of the police and fire departments, and public utilities to provide their designated service functions or where such closures will not negatively affect the overall traffic circulation in the downtown area.
- 44.00 The City of McMinnville shall encourage, but not require, private businesses downtown to provide off-street parking and on-site traffic circulation for their employees and customers.
- 45.00 The City of McMinnville shall study the feasibility of developing bicycle and pedestrian paths and/or lanes between residential areas and the activity centers in the downtown. (Ord.4961, January 8, 2013)
- 46.00 The City shall work to implement the recommendations of the adopted “McMinnville Downtown Improvement Plan.”
- 46.01 The City shall, through its Landscape Review Committee, develop a list of street trees acceptable for planting within the public rights-of-way, parks and open spaces, and downtown. In addition, the committee shall develop standards for the planting of these trees, particularly within the downtown area, such that sidewalk and tree root conflicts are minimized. This effort should be coordinated with McMinnville Water and Light in an effort to minimize conflicts with utility lines.
- 46.02 The City shall, as funding permits and generally in the following order, periodically inventory trees within its public rights-of-way, parks and open spaces, and downtown area in order to assess the overall health of the city’s urban forest and to determine those specific trees that may require maintenance, or removal and replacement. As a goal, the City seeks to maintain a diverse urban forest in terms of age and species.
- 46.03 The City shall take steps to minimize hardships to property owners situated adjacent to street trees that may have been found to be the cause of, but not limited to, the cracking or raising of a public sidewalk, or interfering with sewer lines that serve his/her property. In such cases, the City shall install root barriers, if practicable, or remove the offending tree(s). (Ord. 4816, December 14, 2004; Ord.4796, October 14, 2003)

#### Proposals:

- 6.00 A planned development overlay should be placed on the large cluster commercial development areas and the entrances to the City to allow for review of site design, on-site and off-site circulation, parking, and landscaping. The areas to be overlaid by this designation shall be noted on the zoning map and/or comprehensive plan map.
- 7.00 The City of McMinnville should study the feasibility of designating areas fronting Third Street east of the railroad tracks for retail commercial only, and designated areas on the fringes of the downtown as office residential.

- 8.00 The City of McMinnville should encourage the development of a commercial planned development center in the southwestern portion of the city large enough in scale to serve the needs of the area's population. The center should be in proximity of the intersection of Old Sheridan Road, U.S. Highway 99W, and Oregon Highway 18.

**Goal IV 5: To continue the growth and diversification of McMinnville's industrial base through the provision of an adequate amount of properly designated lands.**

**Goal IV 6: To insure industrial development that maximizes efficiency of land uses, that is appropriately located in relation to surrounding land uses, and that meets necessary environmental standards.**

*General Policies:*

- 47.00 Industries that locate in the community shall meet federal, state, and local environmental standards. These standards shall be given full weight in evaluating the desirability of the industry. Criteria for evaluation shall include, but not be limited by the effect the industry would have on:
  - 1. The natural environment, including air and water quality, natural drainage ways, and soil properties and other physical characteristics of the land including topography.
  - 2. The human environment, including the amount of noise and traffic generated and the ability of the housing industry to provide sufficient dwelling units with at least an adequate level of required urban services.
  - 3. The physical facilities of the community, including the ability of sanitary and storm sewer systems, water supply and distribution system, energy supply distribution systems, police and fire, and schools to provide designated services.
- 48.00 The City of McMinnville shall encourage the development of new industries and expansion of existing industries that provide jobs for the local (McMinnville and Yamhill County) labor pools.

*Locational Policies:*

- 49.00 The City of McMinnville shall use its zoning and other regulatory methods to prevent encroachment into industrial areas by incompatible land uses.
- 49.01 The City shall designate an adequate supply of suitable sites to meet identified needs for a variety of different parcel sizes at locations which have direct access to an arterial or collector street without having to pass through residential neighborhoods. (Ord. 4961, January 8, 2013)
- 49.02 The location, type, and amount of industrial activity within the Urban Growth Boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord. 4961, January 8, 2013)

- 49.03 In designating new industrial properties, and in redesignating properties to industrial zoning from other designations, the City shall work to provide employment opportunities in locations that are reasonably accessible to McMinnville residents, while minimizing the need to drive through existing or planned residential neighborhoods. (Ord. 4961, January 8, 2013)
- 50.00 The City of McMinnville shall encourage industrial uses to locate adjacent to the airport and south of Three Mile Lane, adjacent to the existing Riverside Drive industrial area, and in existing industrial areas through the proper designation of lands on the comprehensive plan and zoning maps. Comprehensive plan and/or zoning map changes to industrial designations in other areas may be granted if all the applicable goals and policies of the plan can be met.
  - *The City should consider updating this policy to reflect findings of the Three Mile Lane Area Plan, which discusses potential commercial uses in this area.*
- 51.00 The City of McMinnville shall encourage the location of airport-related industrial uses only on the industrial land which is adjacent to the airport. Those lands so reserved shall be designated in the planned development overlay covering this area.
  - *The City should consider updating this policy to reflect updated goals for the area near the airport.*
- ~~▪ 52.00 The City of McMinnville shall create a new "limited light industrial" zone which shall be placed on the industrial areas on the south side of Three Mile Lane in those areas where residential development is expected on the north side of the road. The new zone will allow only those types of industrial uses that will not conflict with the residential uses.~~
- ~~▪ 53.00 The City of McMinnville shall encourage the phased development of industrial land so that a moderate rate of growth occurs. A moderate rate of growth will be considered that rate which enables the City to provide urban services in a timely, orderly, and economic fashion, and which allows the private sector to provide for the needs of the new residents.~~
- 54.00 The City of McMinnville shall establish industrial planned development ordinances which shall be placed over the future industrial areas designated on the McMinnville Comprehensive Plan Map, the industrial reserve area, and certain existing industrially designated areas within the city limits. The overlay shall also be applied to any areas which are in the future designated for future industrial use through an amendment to the comprehensive plan map. The overlays shall provide standards to control the nuisance and negative environmental effects of industries. These controls shall cover, but not be limited to, the following areas:
  - 1. Landscaping and screening
  - 2. Noise suppression
  - 3. Light and heat suppression
  - 4. Pollution control for air, water, and land

- 5. Energy impacts
- 6. Traffic impacts
- 55.00 Deleted as per Ord. 4796, October 14, 2003.
- 56.00 Deleted as per Ord. 4796, October 14, 2003.
- 57.00 Agricultural activities shall be encouraged on industrially designated lands until such time as the lands are utilized for industrial purposes.

# Appendix A. Buildable Lands Inventory

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ECONorthwest prepared a Goal 10 compliant Economic Opportunities Analysis (EOA) for the City of McMinnville to assess whether the city has sufficient land within its Urban Growth Boundary (UGB) to accommodate population and employment growth forecast for the 20-year period between 2021 and 2041, as well as 5-, 10-, and 46-year planning periods. A key component of this study is the buildable lands inventory (BLI).

The legal requirements that govern the BLI for the City of McMinnville are defined in Statewide Planning Goal 10, OAR 660-009-0005, and OAR 660-009-0015(3). This Appendix summarizes the methods ECONorthwest used to conduct employment buildable lands inventory.

In 2023, ECONorthwest updated the BLI from the 2020 *McMinnville Economic Opportunities Analysis* report to December 2021 to account for: land brought into the UGB through the 2020 Urban Growth Boundary (UGB) expansion; development that occurred between January 1, 2018, and December 31, 2021; and other changes such as changes in zoning or tax lot divisions. For this update, ECONorthwest used 2022 (assessor tax year) data.

## Study Area

The Commercial and Industrial BLI for McMinnville includes all commercial and industrial land within the McMinnville UGB. From a practical perspective, this means that all lands within tax lots identified by the Yamhill County Assessment and Taxation Office that fall within a commercial or industrial plan designation were inventoried. Note that tax lots do not generally include road or railroad rights-of-way or water. ECONorthwest used an April 2023 tax lot shapefile (the same data used for the residential BLI) from the City of McMinnville for the analysis, as well as previous information used for the 2018 EOA. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

## Methods for Inventory of Commercial and Industrial Lands

For commercial and industrial land, the general structure is similar to the residential lands process with a few differences. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. Following are the administrative rules that provide guidance on the commercial and industrial BLI.

### OAR 660-009-0005:

(1) *"Developed Land" means non-vacant land that is likely to be redeveloped during the planning period.*

(2) *"Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to,*

*wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.*

*(11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.*

*(12) "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use.*

*(13) "Total Land Supply" means the supply of land estimated to be adequate to accommodate industrial and other employment uses for a 20-year planning period. Total land supply includes the short-term supply of land as well as the remaining supply of lands considered suitable and serviceable for the industrial or other employment uses identified in a comprehensive plan. Total land supply includes both vacant and developed land.*

*(14) "Vacant Land" means a lot or parcel:*

*(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or*

*(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.*

The 2023 update used building permits from 2019 to December 2021 to identify tax lots where new development has occurred. Tax lots that were previously designated as vacant in 2019 but had an associated building permit on them were re-designated as developed. As an additional step to maintain thoroughness, tax lots were again filtered through the development status classification scheme to identify any tax lots where the improvement value increased from \$0 to values over \$10,000. Beyond these changes, we used the 2019 BLI results unless there was a clear reason for doing otherwise.

Unlike with residential lands, the rules for employment lands include the concept of "suitability" which can be affected by factors other than the physical attributes of land. (See OAR 660-009-0005 (11) and (12) above.) The proposed BLI methods do not fully address the suitability factors, rather, they more narrowly assess whether a parcel is buildable based solely on attributes of the land. ECONorthwest had additional discussions with City staff about the assumptions embedded in the BLI as well as whether to apply additional suitability factors to employment lands, and if so, what factors to use.



## Inventory Steps

The steps in the inventory of commercial and industrial buildable lands are:

1. Generate UGB “land base”
2. Classify lands by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

### Step 1: Generate UGB “land base”

The commercial and industrial inventory used all of the tax lots in the McMinnville UGB with the appropriate plan designations. Specific designations that were used include:

- Commercial<sup>115</sup>
- Industrial

### Step 2: Classify lands

In this step, ECONorthwest classified each tax lot with a plan designation of Commercial or Industrial (based on the lot’s status as of **April 2023**) into one of five mutually exclusive categories based on development status:

- Developed land
- Vacant land
- **Vacant small lot land**
- Partially vacant land
- Public or exempt land

ECONorthwest initially identified buildable land and classify development status using a rule-based methodology. The rules are described below.

Development Status	Definition	Statutory Authority
Vacant Land	A tax lot: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements	OAR 660-009-005(14)

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<sup>115</sup> The inventory also includes the 39 acres of land that McMinnville brought into the UGB for neighborhood servicing commercial uses, per Ordinance No. 5098, the McMinnville Urban Growth Management Plan. This land is in the Urban Holding zone, as discussed in the *McMinnville Housing Needs Analysis* report.

Development Status	Definition	Statutory Authority
	For the purpose of criteria (a) above, lands with improvement values of \$0 were be considered vacant.	
Vacant Small Lot	Tax lot less than one half-acre without buildings or improvements.	No statutory definition. Included based on PAC recommendation at February 27, 2020 meeting.
Partially Vacant Land	Partially vacant tax lots are those between one and five acres occupied by a use that could still be further developed based on the zoning. This determination is based on a visual assessment and City staff verification.	No statutory definition
Public or Exempt Land	Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. Public lands are identified using the Yamhill County Assessment property tax exemption codes.	No statutory definition
Developed Land	OAR 660-009-005(1) defines developed land as “Non-vacant land that is likely to be redeveloped during the planning period.”  Lands not classified as vacant, partially-vacant, undevelopable, or public or exempt are considered developed.	OAR 660-009-005(1)

### Step 3: Identify constraints

The commercial and industrial inventory uses development constraints consistent with guidance in OAR 660-009-0005(2). Most of the development constraints are the same as those used for residential lands. (The exception is steep slopes, which are defined as 15% or greater for employment lands and 25% or greater for residential lands.) Note that the previous EOA in 2013 used the 25% threshold for steep slopes. In the 2020 update, the PAC recommended using 15% to better reflect needs for development of employment land.

Constraint	Statutory Authority	Threshold	File name
<b>Goal 5 Natural Resource Constraints</b>			
Regulated Wetlands	OAR 660-009-0005(2)	Within National Wetlands Inventory	NWI
<b>Natural Hazard Constraints</b>			
Floodways	OAR 660-009-0005(2)	Lands within FEMA FIRM identified floodway	Floodplains_and_Floodways
100 Year Floodplain	OAR 660-009-0005(2)	Lands within FEMA FIRM 100-year floodplain	Floodplains_and_Floodways
Steep Slopes	OAR 660-009-0005(2)	Slopes greater than 15%	TBD
Conservation Easements	OAR 660-009-0005(2)	Lands within conservation easements, as identified by City staff.	

These areas were treated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands that were identified as vacant or partially vacant.

#### Step 4: Verify inventory results

As with the residential BLI, ECONorthwest used a multi-step verification process. This included review of aerial imagery, discussion and verification with City staff, and review of 2013 EOA results.

#### Step 5: Tabulate and map results

The results of the commercial BLI are presented in tabular and map format in Chapter 5.

## Appendix B. Employment on Other Land and Employment Density

This appendix presents research and findings that ECONorthwest completed to provide rationale for employment density and “refill” and redevelopment assumptions for the 2020 update of the City of McMinnville’s EOA. It presents empirical analysis of existing employment densities in McMinnville and information on assumptions used for EOAs in comparison cities noted in *Exhibit 1*.

**Exhibit 1. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

In addition, with the 2013 EOA, the City also previously collected comparative data from other cities and the 2001/03 EOA for employment density and “refill” and redevelopment factors. That is summarized in Figure 40 of the 2013 EOA, which is also attached at the end of this document. It also includes guidelines from DLCD’s Goal 9 Guidebook. The City elected to add additional comparable cities to the analysis as three of the five cities in Figure 40 are metro cities with considerably different economic development opportunities and strategies.

### Employment on Other (Non-Vacant) Land

ECONorthwest compiled information from the comparison cities on assumptions used in each city’s EOA for employment that doesn’t require vacant commercial or industrial land. (This corresponds to step 6 in the EOA summary matrix.) The 2013 McMinnville EOA used an overall assumption for employment on non-vacant land of 17%. Exhibit 2 summarizes assumptions used in other Oregon comparison cities.

**Exhibit 2. Employment on other land assumptions for comparison cities**

City	Emp. on Other Land	Rationale/Approach	Date
Ashland	20%	Empirical analysis of capacity on redevelopable lands.	2007
Newberg	5% (retail only)	Empirical analysis. (See Figure 40 on pg. 85 of 2013 McMinnville EOA)	2006
Redmond	10%	Reasonable judgement. (pg. 5-29).	2005
Grants Pass	10%	Reasonable judgement based on comparison areas. (pg. 8-46)	2007
Albany	0%	Redevelopment was accounted for in the BLI, so they did not account for it again in the forecast. (pg. 11)	2005
Corvallis	Industrial: 11% Retail: 12% Office: 29%	Reasonable judgement based on available buildable land. (pg. 4-56)	2016
Bend		Note: Bend used a site-based approach for estimating land need. We do not recommend this approach.	2016

DLCD's Goal 9 workbook presented guidelines of 85-90% growth on vacant land, based on 10-15% refill and redevelopment cited as a rule of thumb.

The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands. Employment density is discussed further in the next section, but must be evaluated together with assumptions about refill and redevelopment. As discussed in the next section, the observed density of employment in commercial and industrial plan designations is currently about 10 employees/net acre in industrial plan designations (down slightly from the 2013 EOA) and 23 employees/net acre in commercial plan designations (up slightly from the 2013 EOA). Exhibits 3A-3C show the effective densities resulting from applying 17%, 10%, and 5% of new employment to developed commercial and industrial sites.

For industrial employment, this ranges from absorbing between 96 to 325 additional employees from present through 2041, and increasing to absorb between 191 to 650 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 10 employees/acre to between 11 to 12 employees/acre.

For commercial development, this ranges from absorbing between 295 to 1,003 additional employees from present through 2041, and increasing to absorb between 619 to 2,103 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 23 employees/acre to between 25 to 29 employees per acre.

**Exhibit 3A. Effective Employment Densities with 17% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc.	17% of Add'l	Total Emp. Exist Sites	Emp. Density Exist Sites	17% of Add'l	Total Emp. Exist Sites	Emp. Density Exist Sites	
				Emp. Density	Emp to 2041	by Plan Des. in 2041	with 17% of emp to 2041	Emp to 2067	by Plan Des. in 2067	with 17% of emp to 2067	
Industrial	3,422	4,485	428	10	325	4,810	11	650	5,135	12	
Commercial	6,245	8,184	357	23	1,003	9,187	26	2,103	10,287	29	

**Exhibit 3B. Effective Employment Densities with 10% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Plan Designation	Covered Employment	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc.	10% of Add'l	Total Emp. Exist Sites	Emp. Density Exist Sites	10% of Add'l	Total Emp. Exist Sites	Emp. Density Exist Sites	
				Emp. Density	Emp. to 2041	by Plan Des. in 2041	with 10% of emp. to 2041	Emp. to 2067	by Plan Des. in 2067	with 10% of emp. to 2067	
Industrial	3,422	4,485	428	10	191	4,676	11	383	4,868	11	
Commercial	6,245	8,184	357	23	590	8,774	25	1,237	9,421	26	

**Exhibit 3C. Effective Employment Densities with 5% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Effective Employment per Net Acre on Current Developed, Non-Vacant Sites											
Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc. Emp. Density	5% of Add'l Emp to 2041	Total Emp. Exist. Sites by Plan Des. in 2041	Emp. Density Exist. Sites with 5% of emp to 2041	5% of Add'l Emp to 2067	Total Emp. Exist. Sites by Plan Des. in 2067	Emp. Density Exist. Sites with 5% of emp to 2067	
Industrial	3,422	4,485	428	10	96	4,581	11	191	4,676	11	
Commercial	6,245	8,184	357	23	295	8,479	24	619	8,803	25	

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

The 2001/03 EOA used variable assumptions for refill/redevelopment, with 17% for industrial, 15% for commercial, and 13% for institutional, while the 2013 EOA increased these all to 17%.

Average employment densities don't appear to have increased consistent with those rates. Actual changes compared to assumptions about refill/redevelopment of the existing developed sites may be the result of:

- Refill/redevelopment has not occurred, or has occurred at lower rates than assumed in McMinnville's prior EOAs
- Employment densities of existing businesses may have declined, through reduction of employees or through expansion of facilities without commensurate increases in employment densities
- Increases in employment density in some cases may have been offset by reductions in employment density in other cases

Potential reasons may include:

- Increases in automation, where operations occupy the same space, but with fewer employees
- More new businesses/new land use of types with the same or lower employment densities than previous business' employment densities
  - Potential increases in area devoted to storage, cold storage, warehousing, and distribution, some of which may increase together with surrounding agricultural uses.
  - Potential increases in area devoted to indoor grow operations, potentially further increasing from the growth of industrial hemp production.<sup>116</sup>

The dynamics of new job creation should also be considered in evaluating refill and redevelopment.

- How strongly is job growth correlated with the size or age of a business? How much job growth is created through newer start-ups vs. long-term growth of more established businesses? How many smaller entrepreneurial businesses intend to grow to be larger businesses vs. remain smaller?
- While there may be capacity to add employees within established space for existing businesses, new businesses may need their own facilities that can't be located within the facilities of other businesses. Some existing businesses may retain partially vacant sites in the event they need to expand. Some businesses will require ownership of their land and facilities rather than leasing space on existing developed sites.

An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 emp/ac to about 11 emp/ac on existing developed sites. This is generally consistent with McMinnville's historic trends.

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<sup>116</sup> <https://www.forbes.com/sites/andrebourque/2019/01/31/how-hemp-is-moving-oregon-marijuana-to-an-indoor-grow-crop/#10ff80b960ed>



The empirical calculated density for commercial sites in the 2013 EOA was 22 emp/acre, but an aspirational policy of 26 emp/acre was adopted. Any of the three scenarios calculated above (5%, 10%, or 17%) for refill/redevelopment on *currently* developed sites would result in an increase in density on these sites that would exceed currently observed densities, ranging from 24 to 26 emp/acre by 2041. Carrying over the 17% assumption from the 2013 EOA would mean an assumed employment density of 29 emp/acre on these sites by 2067, compared to the current 23 emp/acre, and exceeding even the aspirational overall assumption of 26 emp/acre used in the 2013 EOA. An assumption of 5% commercial refill/redevelopment would result in an increase in employment density from 23 emp/ac to 25 emp/ac on these sites in 2067.

## Recommended approach and assumptions

This update could simply carry forward the 17% refill/redevelopment assumption from the 2013 EOA for all categories, but the analysis of empirical data, calculations of effective density, and comparisons with other cities and the DLCDC Goal 9 Guidebook suggest that assumption is high, and that McMinnville hasn't achieved this historically. Further, even if that level of refill/redevelopment had been achieved historically, carrying over an assumption for each planning period would have a compounding effect of assuming unlimited, successively higher capacity of the same existing developed sites to absorb more employment each time. This would push the employment density for those developed lands up each planning cycle, where infill and redevelopment would have already theoretically occurred and increased in each previous planning cycle.

*A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend.* This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.

The assumed 17% refill/redevelopment rate from the 2013 EOA would be an aspirational assumption that exceeds the empirical densities and exceeds the aspirational density from the 2013 EOA. It is an estimate that we don't anticipate will be achieved, and is higher than most comparisons. The 2001/03 EOA refill/redevelopment assumption of 17% for industrial and 15% for commercial is another aspirational assumption that hasn't been observed historically.

The tables below show the result of the 5%, 10%, and 17% refill/redevelopment assumptions for comparison for the 2021-2041 period.

*The government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs.*

**Exhibit 4a. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (17% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	283	1,384
Retail Commercial	383	65	318
Office & Commercial Services	3,346	569	2,777
Tourism Services	1,269	216	1,053
<b>Total</b>	<b>6,665</b>	<b>1,133</b>	<b>5,532</b>

**Exhibit 4b. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (10% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	167	1,500
Retail Commercial	383	38	345
Office & Commercial Services	3,346	335	3,011
Tourism Services	1,269	127	1,142
<b>Total</b>	<b>6,665</b>	<b>667</b>	<b>5,998</b>

**Exhibit 4c. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (5% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	83	1,584
Retail Commercial	383	19	364
Office & Commercial Services	3,346	167	3,179
Tourism Services	1,269	63	1,206
<b>Total</b>	<b>6,665</b>	<b>332</b>	<b>6,333</b>

## Employment Density

ECONorthwest completed an empirical analysis of the overall employment density in commercial and industrial areas, as well as in sample areas for the following land use types included in the employment forecast—industrial, office commercial, and retail commercial.<sup>117</sup> The 2013 McMinnville EOA used the following assumptions for employment density:

- **Industrial:** 11 employees per acre
- **Commercial:** 26 employees per acre

The 2013 EOA included an empirical analysis of employment density. The 11 employee/acre industrial density was the empirical calculated density. The empirical commercial employment density was 22 employees per acre. The 26 employee/acre density was an aspirational, policy-based assumption.

In the PAC materials provided for the meeting on September 5, 2019, we completed a sensitivity analysis for employment density based on the 2013 EOA assumptions. The analysis shows the effect of a 10% increase and 10% decrease of the 2013 employment density assumptions and the range of resulting needed acreage. The PAC requested further research based on existing employment density in McMinnville. The results of that analysis are provided in this section.

### Overall employment density for existing employment in McMinnville

The analysis of overall employment density for commercial and industrial areas included lots identified as “developed” in the buildable lands inventory (BLI) and summarized the employment per acre on these sites by plan designation (commercial or industrial land only). Land in wetlands was removed from the acreage calculation to better account for land used for employment. We calculated employment density, expressed here as total employees per acre, by dividing the number of employees on developed sites in commercial and industrial plan designations by the acreage (less wetlands) of those developed sites. The results of this calculation were:

- **Industrial:** 10 employees per acre
- **Commercial:** 23 employees per acre

Exhibit 5 shows the results of applying these employment density assumptions for the remaining land use types.

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<sup>117</sup> The other land use types—tourism services and government—were excluded from the sample area analysis. The PAC will be discussing site characteristics. The sites needed for tourism services are typically similar to the needs for retail commercial. Thus, it is reasonable to assume the same employment density for both tourism services and retail commercial. Government employment will not require vacant commercial and industrial land, so we did not analyze employment density for this land use type.

**Exhibit 5a. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,467	10	147	156
Retail Commercial	337	23	15	18
Office & Commercial Services	2,945	23	128	156
Tourism Services	1,117	23	49	59
<b>Total</b>	<b>5,866</b>		<b>338</b>	<b>389</b>

**Exhibit 5b. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	10	150	160
Retail Commercial	345	23	15	18
Office & Commercial Services	3,011	23	131	160
Tourism Services	1,142	23	50	61
<b>Total</b>	<b>5,998</b>		<b>346</b>	<b>398</b>

**Exhibit 5c. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	10	158	169
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>365</b>	<b>420</b>

While this approach provides a reasonable indication of employment densities in McMinnville, the mix of types of employment on sites may affect the overall result (i.e., not all employment in industrial areas is classified as industrial employment). However, these results align with comparable areas and previous guidelines for calculating employment density, and are therefore reasonable assumptions for the purposes of the EOA.

## Sample area employment density for existing employment in McMinnville

ECONorthwest also analyzed sample areas representative of employment in McMinnville by land use type. City staff assisted in choosing these areas for further analysis based on local knowledge as well as requirements for data confidentiality. Again, we calculated the employment density by dividing the number of total employees in each sample area by the total acreage of the sample area site. The results by land use type were:

- **Industrial:** 11 employees per acre
- **Office commercial:** 29 employees per acre
- **Retail commercial:** 19 employees per acre

Similar to the first approach to calculate overall employment density, a sample area approach also has limitations. Sample areas, by definition, do not provide information on employment density across McMinnville. However, these areas were chosen based on a representation of typical employment areas in McMinnville. Limitations in data availability, reporting, and confidentiality also present limitations in results.

The results of both approaches align with results from other studies in comparable cities, as well as the guidelines in DLCD's *Industrial and Other Employment Lands Analysis—Basic Guidebook*, which states:

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

The next section provides background information on employment density assumptions used in cities that are comparable to McMinnville.

Exhibit 6 shows the results of applying these employment density assumptions for the remaining land use types.

**Exhibit 6a. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,384	11	126	134
Retail Commercial	318	19	17	20
Office & Commercial Services	2,777	29	96	117
Tourism Services	1,053	19	55	68
<b>Total</b>	<b>5,532</b>		<b>294</b>	<b>339</b>

**Exhibit 6b. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	11	136	145
Retail Commercial	345	19	18	22
Office & Commercial Services	3,011	29	104	127
Tourism Services	1,142	19	60	73
<b>Total</b>	<b>5,998</b>		<b>319</b>	<b>367</b>

**Exhibit 6c. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	19	19	23
Office & Commercial Services	3,179	29	110	134
Tourism Services	1,206	19	63	77
<b>Total</b>	<b>6,333</b>		<b>336</b>	<b>388</b>



## Employment density comparison

City of McMinnville staff provided ECONorthwest with a list of cities typically used for comparison purposes. The cities and their population are listed in Exhibit 7.

**Exhibit 7. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

Each city listed above has completed an EOA between 2005 and 2016. Methodologies for each EOA varied, and information related to employment density assumptions was not consistently reported. The assumptions document in each EOA are listed in Exhibit 8, along with a description of the rationale or approach used for arriving at the employment density numbers, if available. These approaches generally fell into two categories, either (1) a reasonable judgement based on comparable cities or (2) an empirical analysis of existing employment density or other metric.

**Exhibit 8. Employment densities for comparison cities**

City	Employment Density (employees per acre)			Rationale/Approach	Date
	Industrial	Commercial	Retail		
Ashland	12	17	--	Reasonable judgement/comparison (pg. C-6)	2007
Newberg	11	21	21	Empirical analysis (pg. 84 McMinnville 2013 EOA)	2010
Redmond	5 (low) – 12 (high)	12 (low) – 20 (high)	--	Empirical analysis/comparison (pg. 5-29)	2005
Grants Pass	10	17	17	Reasonable judgement/comparison (pg.8-47)	
Albany	12	--	20	Reasonable judgement/comparison (pg 11)	2007
Corvallis	10	35	25	Empirical analysis (pg 4-60)	2016
Bend	--	--	--	<i>Note: Bend did not use an EPA approach for the 2016 EOA.</i>	2016

## Recommended assumptions and approach

The results of the empirical analysis are within reasonable ranges for employment densities. Exhibit 9 shows the recommended approach of 11 employees per acre for industrial and 23 employees per acre for all other land use types. It would also be possible to use the commercial density as a total control for the commercial subcategories and allocate a proportion of the total acreage to each subcategory based on the share from the sampled employment densities if preferred, but we believe this method is reasonable.

**Exhibit 9. Estimate of future land demand for new employment (recommended approach), McMinnville UGB, 2021 to 2041, after 5% refill/redevelopment deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>351</b>	<b>405</b>

*These calculations do not include the government land needs, which are calculated separately.*

During discussion of site characteristics, a portion of the commercial uses will be split out and assigned to neighborhood-serving commercial and services to be located in neighborhood areas.

**Figure 40. Comparative Employment Density & Redevelopment Factors**

Reference	Employment Density (Jobs per Acre)	% of Job Growth on Vacant Employment Land
<b>2001 McMinnville EOA</b>	11 industrial 22 commercial 35 institutional	83% industrial 85% commercial 87% institutional (based on factors including 1-5% requires no non-res built space or land, 5-7% on existing developed land, and 5% vacancy rate)
<b>DLCD Goal 9 Guidebook (2005)</b>	8-12 industrial 14-20 commercial 6-10 institutional & other (demand for net acres; also noted is that each acre can accommodate 10-15 jobs for general commercial and office-park industrial, 20 for offices in non-metro downtowns & suburban settings)	85-90% job growth on vacant land (based on 10- 15% use of vacant or redeveloped buildings cited as general rule of thumb)
<b>Salem-Keizer Metro Area Regional EOA 2012-2032 (May 2011)</b>	Forecast densities @: 20 light industrial (above 12-15 current) 36 general office (reflecting current average with range from 27 in retail areas to 73 in Salem central business area) Retail/personal service uses forecast not by jobs per acre (but @ 0.30 FAR)	95% industrial 83% general office (based on assumption that 5% of industrial and 17% of office new employment will locate in existing space or sites not requiring new land; EOA also notes that "there is no study that quantifies how much employment is commonly accommodated in existing built space over a 20-year period in a city.")
<b>Albany EOA Update (2007)</b>	12 industrial 20 commercial retail/services 10 government	100% job growth on vacant land (was at 90% with 2000 EOA @ 10% refill rate but adjusted to 0% rate as the updated 2007 BUI already accounted for infill and redevelopment on supply side of analysis)
<b>Newberg EOA (2010)</b>	11 industrial (including 10% increase in density as efficiency measure) 21 commercial retail & office (overall average with office calculated @ 40% FAR & avg 201 sf/job; retail estimated @ 14.8 net buildable acres per 1,000 new households)	See density for industrial Office appears to assume 100% development on vacant land Retail assumes 95% use of vacant land (with 5% assumed for infill & redevelopment)
<b>City of Beaverton Final Draft EOA (2010)</b>	18 general industrial 10 warehouse 23 flex/business park 58 office 30 retail 38 institutional (@ Metro method of jobs/bldg sf & FAR for densities)	94.2% industrial 92.7% commercial (calculated for excess vacancy above 6% target normalized rate with excess figures at 5.8% industrial, 7.3% commercial)
<b>Metro Urban Growth Report (2009)</b>	6 general industrial & warehouse 23 flex/business park 46 office 27 retail 27 institutional (Calculated using jobs/bldg sf & FAR for densities; @ low end of spectrum for outer ring suburbs)	80-90% general industrial, warehouse & flex/business park (10-20% refill) 70% office (30% refill) 40-70% retail (or 30-60% refill with most (generally @ lower end of refill rates) 60-65% institutional (or 35-40% refill) (Range for outer ring suburbs, 2015-30 time period)

Sources: From documents prepared by ECONorthwest, Johnson-Gardner and E. D. Hovee & Company, LLC.

## Appendix C. Other Site Needs

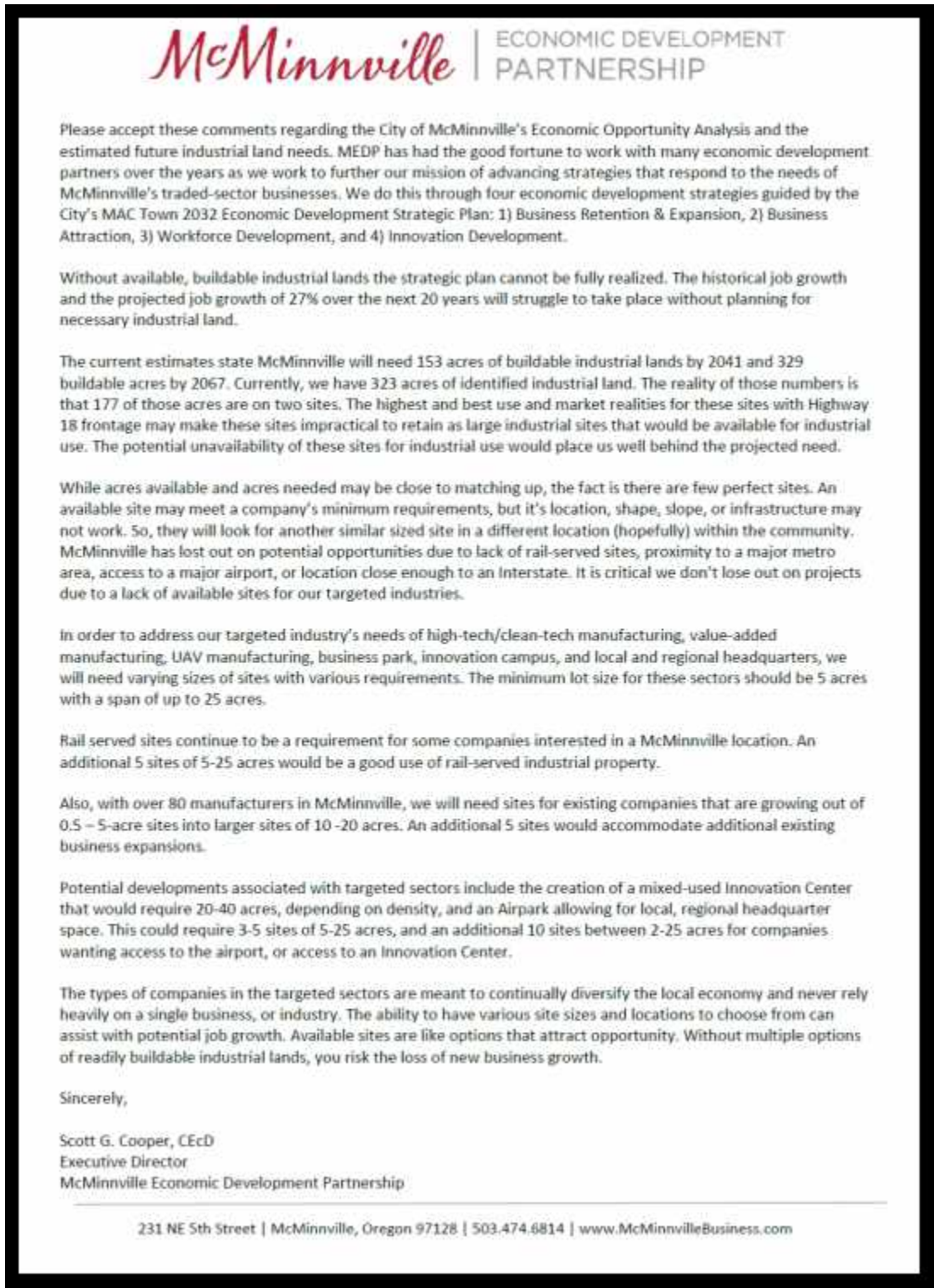
Use	Description or Example*	Land Need	EDSP Reference or Other Reference	Employment/Acreage Adjustment	Notes
1. Community Center/ Recreation Facility	Update, improve, expand and add recreational facilities that serve the community's needs including a Community Center and Aquatic Center.	10 acres	3.2.2	<b>22 Employees</b> net increase for additional programs (In addition to assuming no net change with transfer of existing FTE from old to new location). <i>Source: Parks Director</i>	<p>The description in the EDSP wasn't explicit regarding a public or private facility. Therefore, for purposes of the EOA, this wasn't initially assigned to public land. The City's feasibility analysis work is now underway, and this is calculated as a public facility.</p> <p>The Parks LOS of 14 acres/1000 population is for neighborhood parks, community parks, and greenways, and doesn't include this type of special use facility.</p> <p>For City of McMinnville non-park needs, the assumption was 7 additional acres for 2021-2041, including 4.5 acres for fire stations, plus 0.26 acres per 1,000 population. There is a need for 10 acres for a community center and aquatic center, which alone would exceed the total additional need already identified for the 20-year period, unless it could be sited on land already owned by the City. The feasibility analysis has not yet progressed to the siting criteria / site selection phase, so there hasn't been a determination about location.</p> <p>Therefore, at this time, the proposal retains an assumption of an additional 10 acre land need. If it is later determined the facility can be sited on property already owned by the city, then the additional 10 acres could be removed from this category, and accordingly, no further deduction of employment would be made for calculating the land need associated with the use, as it wouldn't be separately classified as an 'other needed site.'</p>

2. Outdoor Stage/ Amphitheater	<b>Examples:</b> Britt, Jacksonville Cuthbert, Eugene Bi-Mart, Central Point Les Schwab, Bend	5 acres plus parking (Assume parking is co-located and shared with other use)	3.2.1	15 Full Time, 45 Seasonal, (60 total payroll June-September). <b>30 Employees.</b> Tot Adj for Annual Average.  <i>Source: Britt Festival (2,200 seating capacity)</i>	If an amphitheater is to serve a tourism-driving economic development function that would attract artists on a tour circuit, it would need to be sized to meet the minimum criteria for seating capacity necessary to reflect the realities of ticket sales. Of the four such examples evaluated for facility size, Britt was at the low end of seating capacity, at 2,200. Several of these are located in public parks and operated by separate operators. The location within a park helps allow for shared parking facilities. Therefore, the size estimate is just for the amphitheater, and not for the additional land needed for venue parking.
3. Arts and culture focused event center	<b>Example:</b> Chehalem Cultural Center, Newberg	3.5 acres	3.3	7 Full Time + 2 FTE estimated as 8 Part-Time = <b>15 Employees</b>  <i>Source: Chehalem Cultural Center</i>	This item combines items which are separately identified in the EDSP (community art space, collaborative studio, cooperative gallery, arts and culture-focused event center).
4. Evergreen Aviation and Space Museum	Support existing facilities  Based on facilities in master plan for site	27 acres	(3.3)	<b>Master Plan Facilities:</b> Adventure Park (50 person capacity): 6 Lodge (96 rooms) 45 Other: Admin Building, Restoration Building, <u>Support Building,</u> <u>Student Housing): 6</u> <b>Sum: 57 Employees</b>	In the EDSP, a single strategy discusses assisting efforts of uses including Evergreen and the Yamhill County Heritage Museum. However, since the EOA effort is focused on the UGB, the language used in the EOA related to this item has been revised to discuss only the Evergreen property which is in the UGB, to clarify the land-use aspects of this item pertaining to the UGB focus on Evergreen and not the Heritage Museum, which is not in the UGB. The employment estimate relates to the master plan for the property.
5. Wings and Waves	Opportunities for growth and expansion	Location- specific land need at existing partially vacant site. See above.	6.3	See above.	For purposes land needs discussion, this is discussed in the context of the overall larger Evergreen properties, without separately discussing site needs separately for Evergreen and Wings & Waves. Therefore, the needs discussed for “Evergreen” above are inclusive of the property for Wings & Waves.
6. Conference Center	40,000 sf conference space, accommodation, and parking:	5 acres	6.4	<b>13 Employees</b>  <i>Source: Feasibility Analysis</i>	

7. Food hub and public market	Focused on local craft foods & beverages	3.5 acres	3.2.2	<b>13 Employees</b> <i>Source: USDA "Regional Food Hub Resource Guide"</i>	The referenced resource guide indicates that the average number of employees created by a food hub is 13 employees.
8. Makerspace/ innovation hub/ fabrication center	Supports local innovation & entrepreneurial ecosystem	2 acres	6.3	<b>3 Employees + Contracted Services</b> <i>Source: Talent Maker City</i>	Talent Maker City is a nonprofit organization that operates a makerspace in Talent, Oregon, in the heart of their downtown. They have two full-time employees and one part-time employee. They also contract with independent contractors, including retired teachers and specialists in their fields to conduct classes and workshops.
<b>TOTAL</b>		<b>56 acres (total)</b>		<b><u>Average Annual Employment:</u></b> Community Center: 22 (net) Amphitheater: 30 Arts & Culture Center: 15 Evergreen + Wings & Waves: 57 Conference Center: 13 Food Hub: 13 Makerspace: 3 <b>Sum: 153 Employees</b>  153 Employees @ 23 emp/acre = 7 acres  56 acres - 11 acres = <b><u>net increase of 49 acres</u></b> for other needed sites, over acres calculated from average employees/acre	



## Appendix D. Site Need Letters



# *McMinnville Industrial Promotions, Inc.*

P.O. Box 328  
McMinnville, Oregon 97128

To Whom It May Concern:

McMinnville Industrial Promotions, Inc. ("MIP") appreciates the opportunity to present its written comments related to the City of McMinnville's Economic Opportunities Analysis and Urbanization Report (Phase 2) as coordinated with the City's MAC-Town 2032 Economic Development Strategic Plan. MIP specifically addresses its remarks regarding future industrial land needs and sufficiency of the City's Urban Growth Boundary to ensure a reasonable estimate of industrial land inventory necessary to support good jobs and amenities in the future that create a high quality of life for McMinnville residents.

MIP advocates for a robust industrial lands inventory that accomplishes the City's Strategic Plan priorities by providing enough flexibility to foster an attractive business climate, positioning McMinnville's businesses for modern development and investment, and utilizing the City's strengths to encourage a sustainable economy for future generations.

MIP was incorporated in 1953 in response to the closure of two large manufacturers in the area, a devastating loss at the time of approximately 350 jobs. Also facing a slowdown in the timber industry, a local group of business and professional leaders pledged their own money to attract new businesses to McMinnville and diversify its economic base. In 1955, the corporation was expanded to a community corporation, and ultimately it progressed to a for-profit corporation a year later. Regardless of its structure, MIP has never lost sight of its initial mission and special corporate purpose- to foster, encourage, promote, and improve the industrial, commercial, and physical development of the City of McMinnville. MIP seeks to support the continuation of present businesses, but also attract new industries that strengthen the community as a whole, provide long term economic stability to the area, and which provide living wage opportunities to residents. Over the last 67 years, MIP has invested and assisted in growing industrial businesses. Notable accomplishments of MIP include being the first industrial development company in the Pacific Northwest to qualify for Small Business Administration funds, which was recognized when nine different industrial projects broke ground in McMinnville in 1969. In addition, MIP formed a unique partnership with the City of McMinnville to acquire and develop the major industrial park infrastructure in 1983. MIP has and continues to play a unique role in business and industrial real estate development in the City.

There is no denying that McMinnville is uniquely situated. While the City is disadvantaged due to its relatively far location from a major metropolitan area and its airport (PDX) (approximately 60 miles away), it has developed into an economic hub nonetheless. The availability of ample water and electricity at a low price continues to make the City attractive for businesses to locate to a more rural area and provides occupational opportunities to McMinnville and the surrounding communities. Encouraging vibrant and diverse businesses has created economic collaboration and resiliency, which should be prioritized and maintained if McMinnville is to continue to be an economic engine in Yamhill County. As such, MIP is a proponent of protecting currently industrially zoned properties and supports the future planning for expansion of the industrial zone.

The availability of shovel-ready industrial employment lands is critical to expanding and attracting businesses that provide high-wage jobs. The City has forecasted that employment in the industrial area will grow by approximately 27% over the next 20 years. In that analysis, it is determined that approximately 153 buildable acres are needed to account for and service this growth by 2041, and upwards of 329 buildable acres are needed by year 2067. Currently, 323 acres are part of the overall identified inventory.

The foregoing indicates that McMinnville has just barely enough gross industrial lands inventory for its needs over the next 40 years. However, simply looking at the gross numbers provides an inaccurate and incomplete picture of the location and suitability of the currently zoned industrial sites and does not account for the various development costs associated with many of those acres. 177 of those buildable acres are concentrated in two large tax lots located on the Three Mile Lane corridor, 89.6 and 87.5 acres respectively. There are significant and very costly barriers to the development of this land. First and foremost, ODOT has been fiercely protective of preserving the Hwy 18 McMinnville bypass, and costs of developing the public improvements to accommodate ODOT's requirements would be substantial (and not possible for most buyers). Other hurdles to overcome include actual acquisition of the property, time for site readiness, site planning, and additional infrastructure and improvement changes. The costs associated with the 177 acres has impeded industrial development of this property and will likely continue for the foreseeable future.

Also, due to the fact that the majority of growth and development in the industrial sector has occurred, and continues to occur, on parcels between 0.5 and 10 acres in McMinnville (and on 25 acres or less statewide), having more than half of the industrially zoned lands tied up on two parcels has made it impractical for business placement or relocation to the Three Mile Lane area. As such, growth is constrained with available parcels located in the industrial park unless a second industrial area is constructed with the needed infrastructure, which is unlikely at this time.

Finally, it is also very possible that owners or developers of either or both of these large parcels will ultimately seek rezoning to respond to the current severe deficit of lands available for residential development or commercial requirements located within the Urban Growth Boundary.

As such, only 146 acres are reasonably and realistically available for development in the core industrial area. If the type and character of available sites are taken into consideration, McMinnville actually has a large deficit of available and buildable industrial lands that will not meet its needs even in the next 20 years. With this, McMinnville risks local businesses leaving, or the encroachment of industry into other neighborhoods, resulting in safety and other nuisance concerns.

It has been the collective experience of MIP's leadership that the majority of companies looking to locate here in McMinnville need small parcels (0.5-5 acres in size) for development. In fact, MIP has partitioned many of its larger holdings for sale to businesses looking to build on smaller parcels. MIP has seen this type of development crucial to its mission. Industries in close proximity cultivate a vibrant manufacturing sector by offering differentiated as well as supportive services and products. Additionally, a mixture of locally owned businesses allow for the community to weather ups and downs throughout the business cycle, and not be dependent on a few large employers. If readily and economically developable industrial lands hit a ceiling, McMinnville is in danger of losing businesses that would otherwise integrate into and diversify the economic base. Not only would business opportunities be stifled, but would also consequentially result in lost or lower wage jobs.



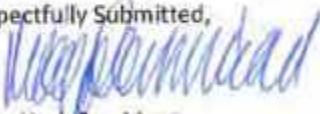
Recently, MIP has negotiated transactions that proposed developing between 20-30 acres of property. While there is not a tremendous immediate need for sites between 10-30 acres, MIP sees the importance for these options to be included as part of the overall land inventory to accommodate and attract various future developments. After reviewing the State of Oregon Industrial Development Competitive Matrix, it is clear that to be competitive in all fields of manufacturing (including high tech), light industrial uses, warehousing and distribution, and other specialized uses, the most common requested site size is between 5-25 acres. As such, in order to stay competitive with the rest of the state, McMinnville will need to have a variety of industrial sites that are readily and economically developable.

McMinnville needs a sufficient industrial land inventory with a larger variety of different-sized parcels to continue to cultivate business growth and infrastructure development. This can only be done by steadfastly preserving the current zoning of industrial properties, and by the City expanding its Urban Growth Boundary to increase industrial acreage.

Further, if the City considers rezoning the Three Mile Lane parcels for a use that could justify the significant costs of infrastructure, the City must first increase the number of readily buildable industrial lands in its Urban Growth Boundary to accommodate industrial needs over the next 40 years, ensuring there is no net loss of lands available for industrial uses.

Thank you for your consideration.

Respectfully Submitted,



Doug Hurl, President

# Appendix E. Public and Institutional Land Need

*Public and Institutional Land Needs were developed by a special work group (Public Lands Work Group) in 2019 that then presented their recommendations to the Project Advisory Committee for approval. The Public Lands Work Group solicited data and concurrence from the City of McMinnville, McMinnville Water and Light, Chemeketa Community College, Linfield College, McMinnville School District and Yamhill County.*

*Below is the content of a memorandum dated November 13, 2019, that was presented to the Project Advisory Committee. Where identified, this memorandum was updated to reflect the 2023 update.*

## Summary

Public and institutional land needs calculated separately from the employment forecast are summarized in *Figure 1* below, and more detailed information follows.

**Figure 1. Estimated Public and Institutional Land Needs**

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

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

Note 2: Needs for 2021-2041 include current deficit

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

The City expanded its UGB in 2020, including land for public and semi-public uses. *Figure 2* shows the need for housing and public and semi-public land needs from City of McMinnville based on the report *Growing McMinnville Mindfully – McMinnville Growth Management and Urbanization Plan 2003-2023*.

**Figure 2. Total additional residential acres needed in the McMinnville UGB, 2003-2023 Phase 2 after land-use efficiencies are applied.**

Source: City of McMinnville, *Growing McMinnville Mindfully – McMinnville Growth Management and Urbanization Plan 2003-2023*

Category of Land Need	Phase 2 Land Brought into UGB
New Housing	222. 0
Parks	254. 0
Schools	54. 0
Private Schools	1. 5
Religious	47. 6
Government	0. 9
Semi-public Services	22. 5
Infrastructure	2. 6
<b>Total</b>	<b>605. 1</b>

*Figure 3* compares the land need for Public and Institutional land needs through 2041 in *Figure 1* with the UGB expansion for Public and Semi-Public land needs for 2003-2023. *Figure 3* shows that McMinnville’s UGB expansion added about 383 acres for public and semi-public uses, resulting in a remaining unmet public and semi-public land need.

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

Category of Land Need	UGB Expansion for 2003-2023 Phase 2	Need through 2041	Surplus or (Deficit)
Parks	254. 0	392. 0	(138. 0)
Schools (McMinnville SD)	54. 0	10. 0	44. 0
Private Schools (colleges)	1. 5	0. 0	1. 5
Religious (churches)	47. 6	38. 4	9. 2
Government (City, County, State, Federal)	0. 9	15. 5	(14. 6)
Semi-public Services (Water & Light)	25. 1	21. 0	4. 1
<b>Total</b>	<b>383. 1</b>	<b>476. 9</b>	<b>(93. 8)</b>

## **Background**

Certain land uses don’t lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. At a previous meeting, information was presented about public and institutional organizations and lands. Preliminary data was presented about calculations using a ratio of acreage per 1,000 population that can be used to forecast site needs. However, this method isn’t always applicable to each of these entities.



Following the September 5, 2019 PAC Meeting #2, staff held meetings with representatives of public and institutional organizations to discuss land needs and methods. This memo summarizes the results of the meetings and summarizes some information discussed at the last PAC meeting.

### City of McMinnville

- **General, Misc. City Departments: (Administration, Office, Police, Public Works, Fleet, Library, Recreation Buildings, etc.).**
  - Planning staff met with representatives from respective City departments to discuss land needed by the City of McMinnville. Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning periods.
  - The City Manager indicated that a ratio of current acreage per 1,000 population would likely over-estimate the City's future land needs. Given existing facilities and site arrangements, there are opportunities to consolidate facilities, redevelop/expand onto existing city sites, use land more efficiently, grow into more recent expansions that retain capacity, etc.
  - With a forecast population of about 48,000 in 2014 and 63,000 in 2067, it is not expected that the City would grow to a size that would necessitate substantial branch facilities or satellite locations during the planning period (such as a library branch etc.).
  - The City Manager and Engineering Staff suggested that base year acres/1,000 population data from cities of approximately 48,000 population and 63,000 population corresponding to the future planning horizon year population for McMinnville might help inform ratios associated with McMinnville's future land needs.
  - Data for cities of approximately 48,000 and 63,000 population was analyzed for comparison. *Figure 4* shows a summary of data for comparison cities – including cities for which data was not available. As noted above, the City Manager and Engineering Staff suggested that a straight-line ratio of acres per 1,000 population might overestimate needs. Therefore, staff used only the portion of City lands with facilities exclusive of the airport, floodplain, and utility sites for estimating additional City land needs. (Parks were calculated separately). Approximately 18 acres of the 83.1 City acres is non-utility facilities. Only that portion was used for calculating future needs. That portion had a 0.51 ac/1000 population ratio. Since it was assumed a straight-line extension would overestimate needs, staff used half of that ratio (0.25 ac/1000 population), and the specific information for fire station sites noted below was added to that estimate.

**Figure 4. Ratio Information Available from Other Cities**

City	Ratio (acres per 1,000 pop)
Redmond 2005 (total)	110 ac/1000 (calculated) 10 ac/1000 (assumed need)
McMinnville 2019 (less parks, airport, floodplain)	2.38/1000
McMinnville, 2019 (less parks, airport, floodplain, utility sites)	0.51/1000
Corvallis	No additional land need identified, didn't list ratio
Albany	Not readily available
Springfield	Not readily available
Medford (less parks)	1.5/1000

- **Fire:**
  - The Fire Department anticipates transition from a single downtown station to three satellite stations at approximately 1.5 acres each: (1) Baker Creek/Hill Road area, (2) Airport area, (3) Northeast area. The estimated need would be about **4.5 acres for three substations**. There could be opportunities to co-locate police substations at sites. There is potential that they could be co-located on sites with other uses. The NE station may be within the current UGB or may be further to the northeast. There is potential for the current station to be re-used for other municipal or other uses.
- **Police:**
  - **No specific plans for new facilities.** Their needs can be accounted for as part of the overall City need using the same methods.
- **Airport:**
  - **No additional land needs identified.**
- **Sewer:**
  - **Treatment: No additional land needs anticipated.** The City owns 5 tax lots with approximately 70 acres east of the UGB where the sewer treatment plant is sited. No additional land need is anticipated. There is capacity to expand the treatment plan on the existing site. If there is a UGB expansion to east which includes this area, these properties won't be available for buildable land for other uses.

- **Collection System:** No significant additional land demand is assumed outside of the public right-of-way, so no calculation has been added or assumed for this de minimus need. Minimal needs for future pump stations may be needed for new development. Site needs for small pump stations are similar to or smaller than a residential lot. The land needs for these facilities are relatively small and no additional acres are proposed. Depending on direction of growth, there could be needs for larger pumping facilities.
- **Parks:**
  - The Comprehensive Plan includes the following policies:
    - **159.00.** The City of McMinnville’s Parks, Recreation, and Open Space Master Plan shall serve to identify future needs of the community, available resources, funding alternatives, and priority projects
    - **163.05.** The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain
    - **170.05.** For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used
  - The Master Plan level of service (LOS) standard is 14 acres/1,000 persons.
  - The 2017 UGB population was 34,293.
  - The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres.
  - The 2017 need was approximately 480 acres; there’s a deficit of approximately 207 acres of developed park land.
  - Need for 665 total acres by 2041 (an additional need of 185 ac, or total of 392 ac with the current deficit)
  - Need for 879 total acres by 2067 (an additional need of 399 ac, or total of 606 ac with the current deficit.
  - Absent joint use agreements with other entities for public use of facilities consistent with the needs identified in the Park Master Plan, park sites and recreational facilities that aren’t city-owned aren’t assumed to meet the LOS for developed park needs. If there are separate standards for open space, that may be evaluated.

*Note: Mark Davis, a member of the Project Advisory Committee wrote a memo for the committee to consider on park land need, which is attached at the end of this appendix.*

- **Other (stormwater):** While no specific need was identified, there was a sense that stormwater detention and water quality standards would likely increase the amount of land that will need to be dedicated for on-site stormwater management (detention and treatment) as best practices seek to manage stormwater close to “where the rain hits the ground” to reduce peaking of down stream flows and conveyance of sediment and/or contaminants in runoff. These sites may be privately or publicly owned and maintained, but should be accounted for.
- **Other (transit related):** There was a sense that, as the community grows and the transit system expands and matures, it expected that there will be a more robust transit system with some additional land needs.

**Planning Staff met with representatives of the following organizations regarding their future land needs.**

**McMinnville Water & Light (MWL):**

**Estimated need of 21-24 acres for the 20- and 46-year periods, plus additional location/development specific needs**

- General: It is estimated that in addition to sites already owned by MWL, they will need approximately 21 additional acres for power and water, and may have additional needs that are dependent on specific growth characteristics and developments. Some users require an on-site substation that requires a site and land. If growth occurs to the west further upslope into the west hills, that might include the 3-acre reservoir site needed to serve water pressure Zone 2, and could necessitate an additional reservoir/site if growth continues far enough upslope to result in a Zone 3 service area.
- The additional 21-acre need includes 16 acres for a treatment plant and pumping facilities which could co-locate with a power substation in the easterly portion of the UGB; an additional 2 acres in the easterly UGB area for power, and an additional 3 acres in the westerly UGB for additional storage for fire flow.

**Yamhill County**

- Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning periods.
- The acreage per 1,000 population estimate is a reasonable method, first deducting the fairgrounds property before calculating the ratios. The Fairgrounds is approximately 36 acres of a 44-acre site.

- Current county-owned sites don't allow for much incremental on-site expansion, so additional capacity would likely require redevelopment or expansion onto additional land.
- Transit may have a need for expanded bus parking/storage area that doesn't require new structures
- Locational analysis: The County Parks Master Plan identifies potential lands for parks at key locations in proximity to McMinnville near confluence areas shown on vision map in the Master Plan)
- The County owns approximately 44 acres in the UGB, including the Fairgrounds. The 36-acre Fairgrounds site includes other uses including County Public Works, which occupies about 7 acres. Therefore, approximately 29 acres of County-owned land was deducted for the Fairgrounds before calculating the ratio of acres per 1,000 population, leaving 16 acres remaining, which is approximately 0.5 acre/1000 population.

### **Chemeketa Community College**

**No new land needs.** Chemeketa Community College sold the property they previously owned, the former campus site, on Hill Road. Their McMinnville campus on Norton Lane houses their facilities as well as commercial and office tenants. For planning purposes, Chemeketa doesn't anticipate new land needs beyond their current ownership, and doesn't anticipate displacement of tenants.

### **Linfield College**

**No new land needs.** Linfield College doesn't anticipate new land needs beyond their current ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

### **McMinnville School District**

In addition to existing schools, the School District owns three reserve sites for future schools. Below is a summary of needs in addition to existing schools and reserve sites. In addition to these sites, the School District estimates it will need 40 additional acres for future school sites, with 10 of those additional acres needed between 2021 and 2041, and 30 of those acres needed between 2041 and 2067. *See Attachment 1.*

#### **2021-2041**

- The need is for one additional 10-acre early learning center site.

#### **2041-2067**

- The need includes one additional 12-acre elementary school site.

- The need includes an additional 18 acres for a new high school, in addition to the 42-acre site on Hill Road, whether that site could be added to for a total of 60 acres or whether that site would be sold and a new 60-acre site acquired.

### **Other Land Needs**

Other public and semi-public land needs presented in *Figure 1* which aren't part of the employment forecast were calculated using the ratios in *Figure 5*.

**Figure 5. Other Existing Ratios for McMinnville, 2019**

<b>Public/Semi-Public Use</b>	<b>Tax Lots</b>	<b>Acres</b>	<b>Acres/1000 persons</b>	<b>Percent of Acres</b>
<b>State</b>	<b>4</b>	<b>2.92</b>	<b>0.08</b>	<b>0%</b>
State	4	2.92	0.08	0%
<b>Federal</b>	<b>5</b>	<b>4.96</b>	<b>0.14</b>	<b>0%</b>
Federal	5	4.96	0.14	0%
<b>Religious/Cemetery</b>	<b>76</b>	<b>104.23</b>	<b>2.98</b>	<b>6%</b>
Church	64	100.53	2.88	6%



## Memo

Date: October 28, 2019

To: Public/Semi-Public Lands Work Group

From: Mark Davis

Subject: Park Land Needs

McMinnville is in the process of projecting its future land needs. These plans must have an adequate factual basis. The projections must be supported by evidence that establishes some likelihood that the projections will be realized and that the plans will be implemented.

At the last meeting I raised objections to the proposed addition of 392 acres of land for City parks over the next 20 years because there was no plan for funding or implementation. The acreage calculation is based on a recommendation in the outdated Parks Plan that the City should have 14 acres of parks per thousand residents, a number we failed to reach by 1999, so in addition to building parks for new residents we were supposed to have built additional parks over the last 20 years to erase this deficit. Due to the chaotic nature of the discussion that followed my comments and the fact that not all members of the Work Group were present, I would like to clarify the points I was trying to make at that time.

**The Parks Plan:** The McMinnville Parks, Recreation and Open Space Master Plan (commonly referred to as the Parks Plan) was adopted in 1999. It explicitly covered a 20-year period that ended in 2019 and therefore cannot be relied upon to justify land needs through either 2041 or 2067. At the public gathering that preceded its adoption, where citizens were asked to brainstorm their ideas for the Parks Plan and put dots next to the ones they liked, several persons asked, “How is this going to be paid for?” We were repeatedly told that we did not need to worry about cost because the City Council had the job of figuring out how to pay for it. As a result the so-called “plan” reads more like a “wish list.” It carried an estimated price tag in 1999 dollars of over \$52 million. The actual park funding over the past 20 years came from a \$9 million bond measure and a relatively small amount of SDC dollars.

**What Got Built:** Since 1999, the city added only about 50 acres of parks.<sup>1</sup> About 10,000 persons were added to the City’s population in the last 20 years. Per the Parks Plan 14 acres per

---

<sup>1</sup> The 1999 Plan showed 273.66 acres of existing parks in Tables A-1 and A-2. The total acreage today as shown on the staff memo dated 10/10/19 is 348.57 acres, suggesting that we added about 75 acres in parks. However, it appears that some corrections were made to the 1999 data, as City Park then was 13 acres but today is shown as 16.79 acres, and Joe Dancer Park was formerly 85.38 acres but now counts as 107.62 acres. Correcting for these changes implies about 50 acres were added, and when we look at what was actually developed (Discovery Meadows, Riverside Dog Park, Chegwyn Farms, Heather Hollow, Jay Pearson, Thompson and West Hills), those new parks total about 45 acres, suggesting 50 acres is about right.

thousand standard, we should have added 140 acres of parks. We achieved only about one-third of the goal, to say nothing of making up the deficit because we were far under the 14 acres/1000 for the existing residents and were proposing to make up that deficit also. So, when we look at the 392 acres proposed this time, only about 180 acres is for the projected population increase. The balance is to make up a purported deficit that grows every year. Based on the evidence of what actually happened in the past 20 years, there is no reasonable basis to expect that the additional 392 acres the city proposes to urbanize will actually develop as parks over the planning period.

**How the Schools Fit In:** Table A-3 in the Parks Plan is a Facility Inventory: School Facilities. The Plan repeatedly calls for creating joint use agreements with the School District to share lands, thus reducing the need for the City to develop more park land. The School District representative at our meeting acknowledged that they do not lock their facilities and accept public use of the school grounds when school activities are not ongoing. This is not a complete solution to the clear need for more park land, but even without a formal joint use agreement (a high priority 20 years ago that never got done) it is obvious that some portion of school grounds will be used for park-type activities, much like it has for the past 50 years. This needs to be accounted for in the city's projection.

**The Comp Plan Policies:** All three of the Comprehensive Plan Policies cited in the 10/10/19 staff memo regarding the need for park land were adopted after I made similar objections to the unrealistic park land projections in the last UGB expansion attempt. At this point declaring a Parks Plan that has expired and was not implemented as the basis for an even bigger ask for park land makes no logical sense. Further, policy 163.05 excluding waterways that may flood from any community or neighborhood park would preclude including a creek in the park like we now have at City Park and Wortman Park. Is it really good park planning policy to keep all water features out of our bigger parks? Sure, we don't want our bathrooms and permanent park facilities to get flooded, but having a mixture of natural features surely makes a park more inviting.

**Financial Reality:** At present the City is considering building a new combined Aquatic/Community Center at a price tag that could exceed \$50 million based on a recent consultant's report to the City Council. The reason the Council is considering the new facility is that making repairs to the existing pool and community center buildings cost almost as much as a new facility. So, regardless of how this process works out over the next few years, the Parks and Recreation Department is looking at tens of millions of expenditures on facilities. Looking at the estimates in the Parks Plan and adjusting them for current costs suggests that adding 392 acres of parks is going to cost over \$100 million.

McMinnville voters are responsive to reasonable requests for public facilities and voted for a 20-year, \$9 million parks bond that has financed most of the improvements in park lands we have seen since 2000. Based on the Council conversation it appears that when the parks bond expires

in 2021 the City will be considering using that bonding capacity for the new Aquatic/Community Center. If so, where is the money going to come from to develop 392 acres of parks, to say nothing of paying for the ongoing maintenance of that much land?

**City Responsibility:** This park land figure is the one area in the upcoming UGB expansion proposal that the City actually controls. We can make our best estimate of how many housing units, commercial buildings and industrial sites we need over 20 years, but there is no way to know how the private sector will respond. On parks the people finally approving the UGB expansion (i.e. the City Council) are also the body that will authorize the development of all City parks, presumably after getting public approval of a bond measure. Our history with the expired Parks Plan does not suggest that passing the buck to the future will result in the parks getting built. We need a realistic plan for funding also.

**Conclusion:** I am not opposed to adding lands for parks. I support that goal. However, it takes more than simply increasing the number of acres of land inside the UGB or pointing to an aspirational standard. It takes a real plan that describes the types of parks to be built including their cost and the sources of funding to get that many acres of park land developed. I do oppose an unrealistic increase in overall land need based on a purely aspirational projection of park land that lacks any historical evidence.

I also want to make clear that my statements are not a criticism of Susan Muir, Jay Pearson or any of the hardworking park staff members. I am confident that were the financial resources made available to develop more parks that our Parks and Recreation Department would eagerly expand our inventory of parks.



# McMinnville School District No. 40

800 NE Lafayette Avenue McMinnville, Oregon 97128 Phone: (503) 565-4000 Fax: (503) 565-4030

## MEMO

DATE: November 14, 2019  
TO: City of McMinnville Public Lands Work Group  
From: Susan Escure, McMinnville School District Finance Director  
Subject: Land Needs Assessment - Public Schools

### Introduction

Currently the District does not have an adopted plan for school facility needs for the periods going out the 50 years needed by the urbanization study. The District is in the process of updating our Long-Range Facilities Plan which will not be formally adopted until next year. In 2017, The District contracted with Flo Analytics to prepare a 5 year and 10 year enrollment forecast with a more in depth study of enrollment within our elementary boundaries. This study provided information for our most recent boundary changes adopted for the 2019-20 school year. The following land needs assessment is based upon a combination of the demographer report, our internal enrollment projections and decisions made as part of our 2016 capital bond project.

### Flo Analytics Enrollment Forecast

Our demographer's forecast was limited to 10 years. However, it did take into account planned developments within the District. The District is projected to capture 84.4% of the District population of all school-age children. Overall average student yield factors applied to new housing development are 0.45 students/Single Family Unit and 0.20 students per Multi-family Unit. The following is a summary of their 5-year and 10-year forecast:

October 1	2017	2022	2027
Elementary	3,047	2,969	3,103
Middle School	1,541	1,587	1,550
High School	2,176	2,347	2,159
<b>Total</b>	<b>6,764</b>	<b>6,902</b>	<b>6,813</b>
% increase over 2017		2.0%	.7%

### Internal Projections

The District uses a 3 year or 8 year average cohort survival rate to forecast increases in enrollment for grades 1-12. The increase in these grades are due to in-migration and enrollment of students from private schools and home school as they age. This cohort survival rate across all grades = 2% increase in enrollment annually. Kindergarten enrollment is based on a historic average capture rate of 40% of the county births five years prior. For 2025 and after, the kindergarten enrollment increase is projected at 1%. Student enrollment counts are attendance-based not residence-based. Enrollment includes intra-district transfers from neighboring districts. Additionally, the enrollment projection includes attendance of all District students, not just those located within the City of McMinnville.



#### Land Needs Assessment - Public Schools (continued)

October 1 Enrollment Projection	2017	2019	2021	2041	2067
Elementary	3,047	2,885	2,883	3,281	4,252
Middle School	1,541	1,686	1,596	1,650	2,138
High School	2,176	2,130	2,251	2,263	2,934
<b>Total</b>	<b>6,764</b>	<b>6,701</b>	<b>6,730</b>	<b>7,194</b>	<b>9,324</b>
(Decrease) Increase over 2017		(63)	(34)	430	2,560
% (decrease) increase over 2017		(0.9%)	(0.5%)	6.4%	37.8%
Average Annual Growth Rate		(0.5%)	(0.1%)	0.3%	0.8%

#### Capacity

The following capacity estimates are based on current class size and programs. If future funding allows the District to substantially decrease class size or increase programs, these capacities would be less. Additionally, classroom modulars are used at some school sites and they are included in the calculation of our current capacity. The District foresees the need to add on to the current school sites to increase classroom space for additional programs and replacement of classroom modular before adding schools for enrollment growth, especially at the elementary level.

#### Property held for future school sites:

Hill Road & Cottonwood Drive	11 acres	Future Elementary Site
McDonald Lane, next to Grandhaven	26 acres	Future Middle School Site
Hill Road property	42 acres	Future High School Site

#### Elementary School Capacity

Elementary schools are configured for grades K through 5 with a capacity of 600 each. Currently there are six elementary schools which totals a maximum capacity of 3,600. For purposes of this land needs assessment, we are assuming a per school capacity ranging from 550 to 600 to account for pre-school and/or additional program needs.

Elementary school sites are on average 10 to 12 acres. The District currently holds property at Cottonwood and Hill Road for a future elementary site. The District would need to purchase one more 8-10 acre site by end of 2067 according to this projection.

#### Middle School Capacity

We currently have two middle schools with a maximum capacity of 900 each configured for grades 6-8 for a total capacity of 1,800. There is a wave of larger cohort classes in middle school currently, however, future cohorts entering middle school are expected to decrease and remain lower until 2041 – 2067.

The desired middle school is approximately 20 acres. The District currently holds 26 acres on McDonald Lane adjacent to Grandhaven Elementary for a future middle school site. No additional acreage is needed for a middle school site before 2067.

## Land Needs Assessment - Public Schools (continued)

### High School Capacity

Our current high school configuration after the 2019 Addition has a maximum capacity of 2,800 students. Approximately 160 students are served off site at the alternative program at Cook School and the online program at Adams Campus. Based on this projection, the high school would not reach maximum capacity until 2060-65.

In 2015, the Long Range Facilities Task Force recommended to the School Board to continue the High School Master Plan proposed in 2006 to the voters which included a plan to rebuild the high school at the current site over three phases. The first phase was completed in 2010, the second phase was just completed in 2019 with the addition of a Career Technical Center. Although many constituents desire two small high school versus one large high school, current school funding does not cover the cost of operating two high schools. (Operating costs include costs such as: utilities, maintenance, administration and support staff). The high school enrollment would need to grow to almost 3,000 in order for the District to afford the operation costs of two comprehensive high schools (1,500 each).

During this planning period, the committee also looked at building a new high school at the Hill Road location and repurposing the current high school property. The committee decided against this for several reasons: 1) the District would need to ask voters for a significant increase over the current school capital bond rate, 2) the Hill Road site is only large enough for a high school of 2,300-2,500, which could be outgrown before the District could afford a second high school, and 3) the Committee felt that the District should continue with the plan that the voters had already approved in 2006.

The District currently holds 42 acres on Hill Road as a future high school site. A larger site of closer to 60 acres may be more desirable in order to include additional space for career technical programs. In addition, satellite sites may be needed for increased professional technical classes such as home construction or HVAC certification.

### Summary

Based on our enrollment projections as described, the District projects the need for the following additional school buildings during the periods 2021-41 and 2041-2067.

Number of Schools	Current	2021-2041	2041-2067
Elementary & Early Learning Center	6	+1	+ 2
Middle School	2	0	+ 1
High School	1	0	+ 1
<b>Total</b>	<b>9</b>	<b>+1</b>	<b>+ 4</b>

After taking into account current property held for future use, the District projects the following land needs:

- An additional site of 10 – 12 acres for an Elementary School.
- A larger 60 acre high school site for a second high school.
- An additional 8-10 acre site for an Early Learning Center.





Vice President for Finance & Administration  
900 SE Baker Street  
McMinnville, OR 97128-6894  
503.883.2458 / 503.883.2630

January 16, 2020

To: Tom Schauer

Subject: Land Needs Summary Memorandum Dated November 13, 2019

As requested per your email January 16, 2020, this memo confirms the information below which summarizes Linfield College's response per the Land Needs Summary Memorandum dated November 13, 2019.

***No new land needs.*** Linfield College doesn't anticipate new land needs beyond their current ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

*MA Rodriguez*

Mary Ann Rodriguez  
Vice President of Finance & Administration/CFO



COMMUNITY DEVELOPMENT

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## MEMORANDUM

DATE: October 3, 2023  
TO: McMinnville City Council  
FROM: Heather Richards, Community Development Director  
SUBJECT: G 1-20, G 3-20, Public Testimony and City Rebuttal

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Please find attached the following items making up the public record for the written public testimony provided for the consideration of Dockets G 1-20 and G 3-20, as well as the city response.

Please note that presentations provided at the September 7 and September 21, 2023 Planning Commission public hearings can be found on the project website at: [G 1-20, G 2-20 & G 3-20 Project Materials \(BLI/HNA/HS\) | McMinnville Oregon](#)

- September 20, 2023 - Friends of Yamhill County / Thousand Friends of Oregon Response to City Response of their August 30, 2023 written public testimony
- September 18, 2023 - City Response (including memorandums from Bill Kabeiseman, Bateman Seidel, and Beth Goodman, ECONorthwest) to written public testimony provided by Friends of Yamhill County / Thousand Friends of Oregon dated August 30, 2023, and Mark Davis, dated September 5 and September 7, 2023.
- September 7, 2023, Letter from Mark Davis
- September 5, 2023, Letter from Mark Davis
- August 30, 2023, Letter from Friends of Yamhill County and Thousand Friends of Oregon



P.O. Box 1083  
McMinnville, Oregon 97128



133 SW 2nd Ave, Ste 201  
Portland, Oregon 97204

September 20, 2023

McMinnville Planning Commission  
Heather Richards, Planning Director  
230 NE Second Street  
McMinnville, OR 97128

Re: Housing Needs Analysis and Economic Opportunities Analysis

Dear Planning Commissioners and Staff,

1000 Friends of Oregon is a non-profit, charitable organization dedicated to working with Oregonians to support livable communities. Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents.

We have reviewed the staff memorandum submitted yesterday morning and appreciate this opportunity to provide additional comment on the city's draft *Housing Needs Analysis* (HNA) and *Economic Opportunities Analysis* (EOA). We have not commented on the draft *McMinnville Urbanization Report* since, as we understand it, that document is not proposed for formal adoption.

Given the very short turnaround time, we are unable to respond to every issue raised in 87 pages of material in, and attached, to that memorandum, but we do offer the following:

We note and appreciate the staff-recommended changes in the memorandum to "other needed employment sites", retail leakage", and the error in parkland calculations identified by Mark Davis. We continue to have concerns regarding the other issues raised in our letter dated August 30, including but not limited to the following:

**Residential Density for Needed Housing**

Our August 30 letter (pp. 3-4) points out that, compared to the city's 2020 UGB expansion, the draft HNA is actually based on a lower density: 5.46 units per acre down from 5.7. We do not believe that the city's housing need will be better met through a reduction in planned density and we questioned the assumption.

The September 18 response memo from staff states, “The draft 2023 HNA is based on a historic development density plus the 3% adjustment per HB 2001 (2019 Legislative Session) of 5.46 units/acre” (p. 2) and “the 2019 Missing Middle Housing legislation allowed cities to increase that historic density calculation for the purpose of housing needs analysis calculation by up to 3% if it chose to do so” (p. 5).

The HNA misconstrues the law. The response memo accurately quotes the current statute that is relevant to completion of the housing capacity analysis in the HNA (p. 5). Without repeating it all here, the relevant factors include:

- Data on historic development
- Trends in density and the mix of housing types
- Market factors that will influence future development

The HNA’s analysis includes only the first of these. It includes *discussion* of the other factors (pp. 89-94), but does not translate trends or market factors into needed density. It just concludes that “considerable variation exists in residential density from year to year” (p. 91) and “these findings suggest that McMinnville’s needed housing mix is for a broader range of housing types than are currently available in McMinnville’s housing stock, both for ownership and rent, as well as across the affordability spectrum” (p. 93), and “Yamhill County and McMinnville will be affected by these state [economic] trends, which will result in continued demand for new houses” (p. 94).

Instead of analyzing needs, the HNA simply assumes a three-percent increase in density because HB 2001 says so. But that is not what the legislation says. The three-percent provision has been codified in ORS 197.296(6)(b), which applies to the next step in the city’s process – efficiency measures – not to the HNA and determination of needed mix and density. It applies only to increased density from allowing middle housing and does not replace the analysis required for an HNA for all needed housing.

We do not suggest that the density safe harbor supplies the “correct” density number for the city, but it is an allowable, achievable way to calculate density in the absence of the analysis required by ORS 197.296(5).

### **Minimum Lot Sizes**

As we previously testified, McMinnville’s minimum lot sizes are significantly larger than similar Willamette Valley cities. The City readily acknowledges the shortfall in housing at price points that are affordable to many of its residents, both present and future. But as the chart below illustrates, McMinnville is something of an outlier – both in its larger minimum lot sizes and in its low planned future density.



### Minimum Lot Sizes for single-family detached houses

City	R-1 or lowest density zone	R-2 or next lowest density	R-3 or next lowest	Planned (Needed) density (du/acre)	Maximum lot area or Minimum density standards
McMinnville	9,000 sq. ft.	7,000 sq. ft.	6,000 sq. ft.	5.46	No
Lafayette	7,500 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	?	No
Sheridan	7,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	?	Yes (R-2 and R-3)
Woodburn	6,000 sq. ft.	4,000 sq. ft.	3,600 sq. ft.	7.8 -9.0	Yes
Newberg	5,000 sq. ft.	3,000 sq. ft.	2,500 sq. ft.	7.4 (draft)	Yes
Corvallis	5,000 sq. ft.	3,630 sq. ft.	2,178 sq. ft.	6.5	Yes
Dallas	5,000 sq. ft.	4,000 sq. ft.	3,000 sq. ft.	?	Yes
Keizer	4,000 sq. ft.	4,000 sq. ft.	4,000 sq. ft.	6.8	Yes

Many other cities, including Forest Grove and Independence also have smaller minimum lot sizes, but their zoning schemes don't readily translate to standardized zones.

McMinnville's larger minimum lot sizes increase housing costs, increase costs to provide infrastructure, and increase pressure to expand on to farmland. In addition, many cities have adopted maximum lot area or minimum density standards to help ensure that the densities it needs to meet housing needs are achieved. McMinnville has not. This is not just a land capacity issue, or an efficiency measure to be addressed in the future. The large minimum lot sizes affect McMinnville's ability to provide housing at price points that are commensurate with the financial capabilities of present and future residents.

### **Assumed Reduction in Commercial Jobs Per Acre**

As noted in our prior comments, the new EOA is based on a reduction in the number of assumed commercial jobs per acre assumptions – 23 jobs per acre, down from 26 in the 2013 EOA. This not only moves the city in the wrong direction; we believe the analysis in the EOA supports continued use of the 26 jobs per acre assumption.

The analysis (Table 6c of Appendix B) forecasts that the preponderance of new commercial jobs (two-thirds) over the planning period will be in the office and commercial services sector, dwarfing the number of new jobs in retail and tourism services. It also shows that those jobs occur at an average of 29 jobs per acre, as opposed to 19 jobs per acre. That is illustrated in the draft EOA, Appendix B, Exhibit 6c,<sup>1</sup> reproduced below:

<sup>1</sup> See p. 44 of 87 in the staff memorandum distributed on September 19.

**Exhibit 6c. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	19	19	23
Office & Commercial Services	3,179	29	110	134
Tourism Services	1,206	19	63	77
<b>Total</b>	<b>6,333</b>		<b>336</b>	<b>388</b>

Rather than use this more-detailed analysis the EOA uses the consultant-recommended average of 23 employees per acre for all commercial land.

If the city does want to use a simpler, single average number of jobs per acre for all commercial sectors, that number should reflect a properly weighted average for the anticipated new jobs. That weighted average is about 26 jobs per acre, the same as the 26 jobs per acre used in the 2013 EOA.<sup>2</sup>

**Refill, Redevelopment and Employment on Non-employment Land**

Our August 30 letter accurately states that the EOA refill and redevelopment rate of five percent fails to adequately account for employment that will occur on non-employment land (primarily residential land).

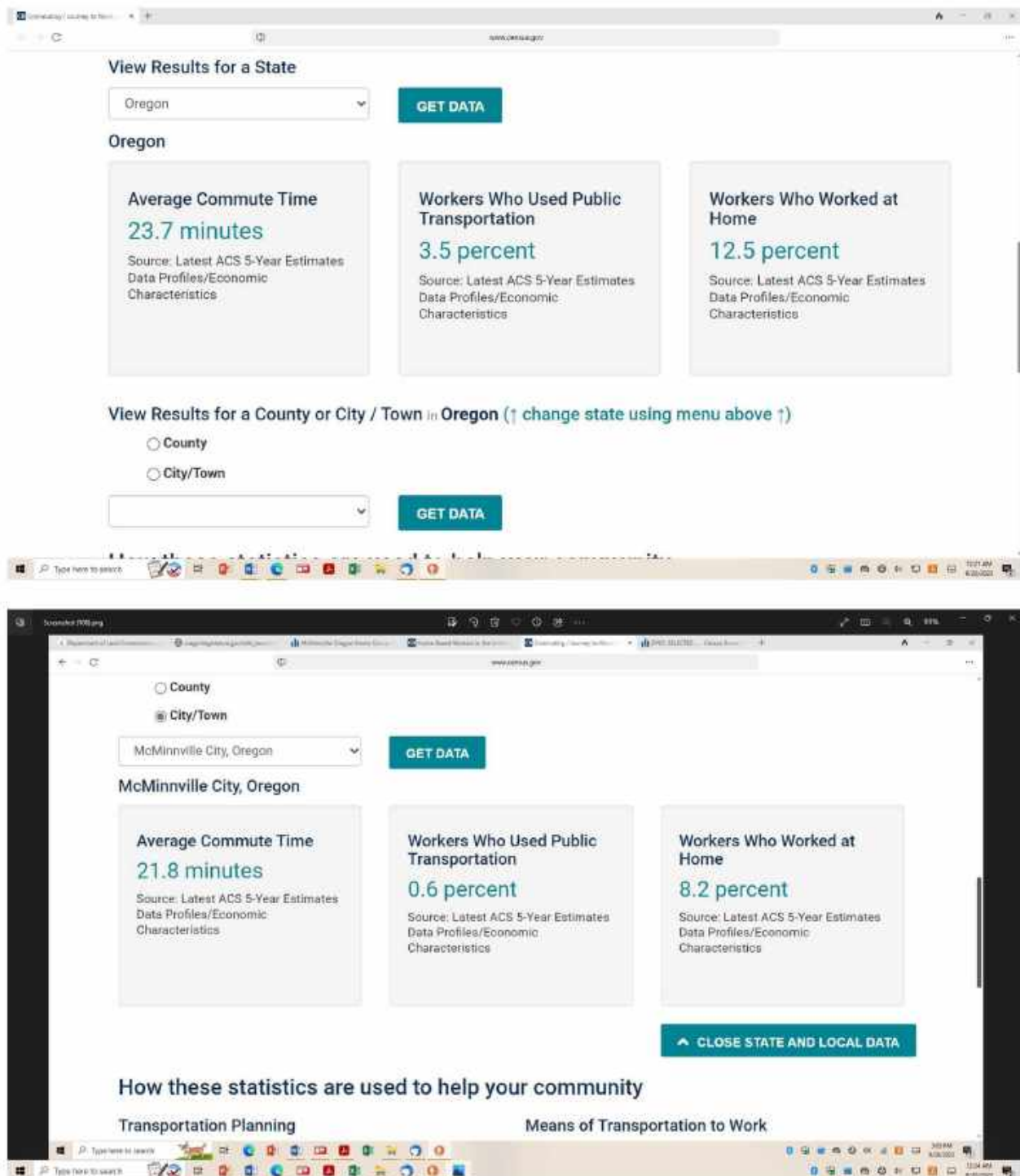
The analysis in Appendix B that the staff response points to (pp. 10-11) only addresses refill and redevelopment on employment land. It does not address the considerable amount of employment that occurs on residential land: in home occupations, in assisted living facilities, in day care centers, and people who work remotely.<sup>3</sup>

The staff response asserts that home occupations were part of the data used to support the five percent calculation. A review of Appendix B does not support this assertion. Readily available data from the census bureau shows that home occupations alone account for far more than the five percent rate used in the EOA:

<sup>2</sup> The calculation is as follows:  $(364 \text{ retail jobs} \times 19 + 3179 \text{ office jobs} \times 29 + 1206 \times 19) \div (364 + 3179 + 1206) = 25.69$

<sup>3</sup> With respect the last of these, the staff response points to the lack of data on the number of people who work remotely. The lack of data does not mean it is not occurring.





The staff response correctly points out that job openings at McMinnville's many assisted living facilities are not necessarily indicative of overall net new jobs. However, the job openings corroborate the extent of employment on residential land and are also consistent with the trends in the HNA that we cited in our August 30 letter:

*Population in McMinnville is aging, and the cohort aged 60+ in Yamhill County will increase by about 56% by 2041. (HNA, p. 91)*

And:

*Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted-living facilities or age-restricted developments... or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. (HNA, p. 92)*

### **Capacity of Lands Designated Urban Holding and Projection of Future Park Needs**

In our oral presentation at your September 7 hearing, we showed a slide depicting Figure 2 from Appendix E from the Buildable Lands Inventory; reproduced below:

## Parkland assumptions are not reasonable

From EOA Appendix E:

Figure 2. Total additional residential acres needed in the McMinnville UGB, 2003-2023 Phase 2 after land-use efficiencies are applied.  
Source: City of McMinnville, *Growing McMinnville Mindfully – McMinnville Growth Management and Urbanization Plan 2003-2023*

Category of Land Need	Phase 2 Land Brought into UGB
New Housing	222.0
Parks	254.0
Schools	54.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-public Services	22.5
Infrastructure	2.6
Total	605.1

As we accurately stated at the hearing, it shows an assumption that roughly half of the buildable residential land added to the UGB in the Phase 2 expansion in 2020 will be consumed by parks and churches, with over 300 acres for parks and churches and only 220 acres for new housing.<sup>4</sup>

On September 11, staff emailed a “correction for the record” that took issue with our slide and testimony. Appendix E of the EOA and Figure 2 say what they say. Staff is not proposing an amendment to the EOA. The “correction” depicts and describes something else: the acreage and land use assumptions for all land added to the UGB in 2003 and land added to the UGB in 2020 that has been placed in an urban holding zone.<sup>5</sup> It shows an assumption that nearly 40 percent of the buildable 765 acres of buildable residential land added to the UGB in 2003 and 2020 will be

<sup>4</sup> The net acreage of land available for housing is further reduced by the city’s large right-of-way assumption, leaving only 176 net acres available for housing

<sup>5</sup> The acreage total of 804 acres in the staff “correction” differs from the 792 acre total in Exhibit 10 of the HNA (p. 17)

consumed by parks and churches, with over 300 acres for parks and churches and 393 acres for new housing.<sup>6</sup>

The exhibit from the EOA and the staff “correction” table measure different things, but they both show the unreasonableness of the city’s assumptions. Neither half the buildable land (or every other block) nor forty percent (more than every third block) of the buildable land will be a park or church.

Our August 30 letter used a poor choice of words in describing the parks master plan as “expired.” We are unsure as to whether the parks master plan was adopted as an element of the city’s comprehensive plan. Regardless, its purpose and effect is the same as it was at the time it was adopted – to describe how the city will strive to provide parks, etc. for the 20 years following its drafting and adoption; that is, through 2017 or 2019. It never purported to describe the city’s park needs beyond that time frame.

We believe that the city cannot merely carry old assumptions forward without justification. As part of this plan amendment process, the city should, and is obligated to, reexamine old assumptions from prior planning periods to determine whether they are still valid and justified. There is no evidentiary justification provided for the assumptions described above nor is there any evidence that the city can acquire a third or a half of the buildable residential land added to the UGB for parks.

### **HNA Safe Harbors**

Our August 30 letter questioned the use of stale household size and vacancy rate data for purposes of the safe harbor provisions in law. At least one planning commissioner expressed interest in using current information. The September 15 memorandum from EcoNorthwest states, “To do this work would take 1 hour and \$220.”<sup>7</sup>

### **Capacity of C-3 Land to Provide High-Density Housing**

The record clearly shows that high-density multi-family housing continues to be constructed on land zoned C-3. This will continue to happen so long as apartments and upper-story residential remain an outright permitted use on the zone. The argument that it merely changes land need from residential to commercial is not justification for ignoring the impact and correcting the land allocations.

Beyond that, however, there is housing being constructed in C-3 zones that requires no use of buildable land that should also be included in the analysis – namely, housing constructed over commercial spaces. This was common on Third Street, though much of that housing has been converted to short-term rentals for tourists. The Village Quarter project constructed 15 years ago

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<sup>6</sup> The city’s large right-of-way assumption further reduces the acreage of land available for housing, leaving only 314 net acres available for housing.

<sup>7</sup> See page 66 of 87 in the staff memorandum distributed on September 19. Unfortunately, the staff misstates the consultant cost as a full day and \$1750 (see p. 10 of staff memorandum).



added 50 units of this type of upper-floor housing and the same model is proposed for 72 units of housing above commercial space at the intersection Baker Creek and Hill Roads.

### **Removal of vacant and partially vacant land based on ownership**

Our August 30 letter questioned the exclusion of all vacant and partially vacant land that is owned by tax-exempt institutions from the Buildable Lands Inventory (BLI), even though the land is not publicly owned. These are principally a 57-acre site owned by Linfield University and approximately 26 acres of vacant and partially vacant land owned by churches.

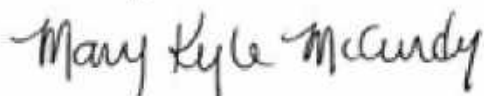
The staff response misses the point of our testimony. We do not necessarily disagree with the staff conclusion that these lands are unlikely to be leveraged for other purposes. We do not contend that the Linfield land will necessarily be “surplussed” and sold (although 2067 is a long time from now). Linfield has stated that they intend to develop the 57 vacant acres to support their programs, which means the land will accommodate some combination of population (student housing) and employment (classrooms, offices, etc.).

Likewise, we do not contend that the church land will be used for affordable housing partnerships. We do contend that the religious institutions that own this vacant and partially vacant land will either use it to meet some of the identified need for religious institutional land, or may, in some cases sell it.

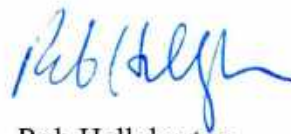
### **VI. Conclusion**

We hope these comments are helpful. Please include them in the official record of this proceeding and provide us with notice of your decision in this matter.

Sincerely,



Mary Kyle McCurdy  
Deputy Director  
1000 Friends of Oregon



Rob Hallyburton  
Vice President  
Friends of Yamhill County

Cc: Kevin Young and Melissa Ahrens, DLCD



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# MEMORANDUM

**DATE:** September 18, 2023  
**TO:** McMinnville Planning Commission  
**FROM:** Heather Richards, Community Development Director  
**SUBJECT:** G 1-20, G 3-20, September 7 Public Testimony Response

The City of McMinnville is currently considering the adoption of a Housing Needs Analysis and Economic Opportunity Analysis for the planning horizon of 2021-2041 and a population forecast of 47,498 people as part of its obligation to plan for growth per the Oregon land use system. This planning process also includes a needs analysis for housing, employment, and public land need for a planning horizon of 2041 – 2067 and a population forecast of 62,803 in preparation for an urban reserve area.

For the September 7, 2023, Planning Commission public hearing, the City received public testimony from 1000 Friends of Oregon/Friends of Yamhill County (FRIENDS) on August 30, 2023, and Mark Davis (DAVIS) on September 5 and September 7, 2023.

Since the public testimony had allegations of legal non-compliance and challenges about the data used by the consultant, the City asked Bill Kabeiseman of Bateman Seidel, (contracted legal counsel for the City of McMinnville for land use matters) and Beth Goodman of ECONorthwest to provide memorandums with their respective responses to the public testimony received. (Attached to this memorandum)

This memorandum attempts to synthesize those comments and provide options for the Planning Commission to consider.

We have tried to identify those issues that are legally not compliant with state land use laws, those issues that have errors in the data, and those issues that FRIENDS and DAVIS just do not agree with the Project Advisory Committee's recommendation and are providing their own argument to persuade the Planning Commission to choose a different assumption.

There were over 50 people who volunteered to sit on three different Project Advisory Committees (Housing Needs Analysis, Economic Opportunity Analysis, and Public Land Needs) that met thirteen times over 20 months (2018 – 2020) and a Project Advisory Committee that met twice in 2023 to update the documents.

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There were also two work sessions with City Council for feedback, one joint work session with City Council and the Yamhill County Board of County Commissioners, as well as three public open houses. The Project Advisory Committee volunteers reviewed memorandums provided by the consultant and city staff as well as input gathered from the City Council and public open houses.

Much of the FRIENDS' persuasive arguments center around encouraging the City to use the "safe harbors" in the laws. Safe Harbors are presumably not appealable in a challenge to the analysis. However, the laws also allow cities to make assumptions based on the best available data relative to the local conditions in their communities to ensure that future land need is meeting community values and needs. Both the safe harbors and local data scenarios were provided to the Project Advisory Committee for consideration. In most cases, the PACs chose to use local data for their recommendations.

FRIENDS has concerns about the data used by the PAC to make their recommendations. However, as you will see from both the Bateman Seidel memorandum and the ECONorthwest memorandum, the data used by the PAC is legally legitimate, and the best data available to them at the time.

Per OAR 660-024-0040(1), *The 20-year need determinations are estimates which, although based on the best available information and methodologies, **should not be held to an unreasonably high level of precision.*** (Emphasis added)

If the Planning Commission would like to amend any of the data or assumptions based on the public testimony received, we have tried to provide a timeline and cost associated with that direction to help with your decision-making.

## **FRIENDS TESTIMONY, AUGUST 30, 2023**

### **II. GENERAL COMMENTS**

- FRIENDS asserts that McMinnville's lot sizes are "significantly larger than similar Willamette Valley cities." We are not sure what cities FRIENDS is comparing McMinnville to, or how that assertion is relevant to the needs analysis, unless it pertains to the historic density of development in McMinnville, which is used to calculate land need in the needs analysis. Regardless, state law does not require all cities to have the same density requirements in their land-use program. However, it does require the needs analysis to establish a baseline based on factual data of historic density of development in the community.

The draft 2023 HNA is based on a historic development density plus the 3% adjustment per HB 2001 (2019 Legislative Session) of 5.46 units/acre. The recent McMinnville Growth Management and Urbanization Plan (MGMUP) that was adopted in 2020 and acknowledged by the state in 2021 after no appeals, was originally developed in 2000 and was based on historic density of development prior to 2000 plus the land-use efficiencies adopted in the plan that aspired to mandate



development at 5.7 units/acre. Unfortunately, since it took 20 years to adopt the MGMUP, much of the land within the city limits was developed at a lesser density than was planned for in the MGMUP. And per ORS, the City needs to use the development horizon since the last acknowledged needs analysis for the new needs analysis, which in this case was development permits for 2000 – 2018.

- FRIENDS asserts that the park land need is based on a parks master plan that was not achieved and is expired. The McMinnville Parks, Recreation and Open Space Master Plan has not expired and the City has adopted Comprehensive Plan Policies that direct the City to use the Parks, Recreation and Open Space Master Plan to identify park land need.
- FRIENDS asserts that the City cannot use the population forecast that it is using from June 30, 2017, as a new forecast was issued June 30, 2020. Per OAR 660-032-0020(5), “If a local government outside the Metro boundary initiates a periodic review or any other legislative review of its comprehensive plan that concerns an urban growth boundary or other matter authorized by [OAR 660-032-0040 \(Interim Forecasts\)](#)(2) after the Portland State University Population Research Center issues a final population forecast for the local government, but prior to the issuance of a final forecast by PRC in the subsequent forecasting cycle described in OAR 577-050-0040(7), the local government may continue its review using the forecast issued in PRC’s previous forecasting cycle.”

## II. HOUSING NEEDS ANALYSIS

### ***1. Capacity of lands designated Urban Holding and project of future park needs.***

FRIENDS argues that the City cannot use its MGMUP or its Parks Recreation and Open Space Master Plan for land need assumptions and that the City should use a safe harbor instead for public land need (parks, public right-of-way and schools), OAR 660-024-0040(10).

As provided in the legal memorandum from Bateman Seidel, this is not a legal issue of non-compliance. The City can rely on its comprehensive plan to guide this process and in fact, per case law it should. The MGMUP was adopted as an amendment to the McMinnville Comprehensive Plan and Comprehensive Plan Policy #170.05, directs the City to use the Parks, Recreation and Open Space Master Plan to determine land need for projecting future park and open space needs.

There was a subcommittee of the Economic Opportunity Analysis Project Advisory Committee that was dedicated to evaluating the park land and other institutional land need. This subcommittee was comprised of representatives from the City’s Park and Recreation Department as well as the McMinnville School District, Linfield College, and local churches. After evaluating the data, this subcommittee voted on a recommendation to the Economic

Opportunity Analysis Project Advisory Committee who then voted to accept the recommendation. (November 13, 2019).

Additionally, the Housing Needs Analysis Project Advisory Committee reviewed data that ECONorthwest provided that did a sample study of public right-of-way land need in McMinnville's zoning districts, and elected to use that data for the public right-of-way land need assumptions. (That is covered in more depth later in this memorandum).

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor for public land need. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Use “safe harbor” instead of Comp Plan policy direction and local data.	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The Comprehensive Plan policies are adopted to reflect the community's values. The issue of park land need was challenged during the MGMUP process in 2003 and at that time the City adopted the comprehensive plan policies to reinforce the community's values. Local data is more reflective of McMinnville's comprehensive plan policies and resulting development.*

## **2. Residential Density.**

FRIENDS argues that the City cannot use 5.46 units/acre for its density calculations and suggests that the City should use a safe harbor for density provided in OAR 660-0040(8)(f).

However, as provided in the legal memorandum from Bateman Seidel, if the City does not use the safe harbor provided, it must use data based on development that has occurred in the UGB since the last Housing Needs Analysis.

ORS 197.296(5) states:

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

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- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Market factors that may substantially impact future urban residential development; **and**
- (D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

In this case, the last Housing Needs Analysis calculated building permits up until 2000. This Housing Needs Analysis calculated building permits from 2000 -2018. The Housing Needs Analysis Project Advisory Committee chose to go with the local data for its baseline. (Please see attached Bateman Seidel and ECONorthwest memorandums).

The 2019 Missing Middle Housing legislation allowed cities to increase that historic density calculation for the purpose of housing needs analysis calculation by up to 3% if it chose to do so.

The Project Advisory Committee reviewing the updated documents chose to enact that increase which led to the 5.46 units/acre.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor suggested by FRIENDS. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Use “safe harbor” instead of local data.	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The land use process is meant to reflect local community values. Local data is more reflective of McMinnville’s comprehensive plan policies and resulting development.*

### **3. Housing needs for all city residents.**

FRIENDS argues that the City did not adequately account for all housing needs, inferring current households struggling with affordable housing were not accounted for in the analysis and that the City should use the safe harbor for housing density provided in OAR 660-0040(8)(f).

As provided in both the legal memorandum from Bateman Seidel and the analysis memorandum from ECONorthwest, this is not an exercise of this planning analysis but rather the next housing planning document that the City needs to provide the state by December 31, 2024, the Housing Production Strategy.

OAR 660-008-0005(7) and (8) describe what a Housing Production Strategy is and when it should be adopted. Please see below.

(7) "Housing Production Strategy" means a specific tool, action, policy, or measure a city will implement to meet the housing needs described in a Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.

(8) "Housing Production Strategy Report" means the report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.

*Staff Recommendation: This issue will be addressed with the Housing Production Strategy process.*

#### **4. Capacity of C3 lands to provide high density housing.**

FRIENDS argues that the PAC did not assign new housing capacity to vacant C3 commercial lands, and that if assigned, the C3 vacant commercial lands would host a higher density of housing units than the R1, R2, R3 and R4 zones per the historical data, thus reducing the need for additional land for housing.

However, this would then increase the deficit of land for commercial needs, and the City was already showing a deficit of commercial land per the 2013 EOA that was adopted.

The PAC discussed housing on C3 lands in two different perspective: 1) what has occurred in terms of density and housing units developed on C3 lands; and 2) what would occur in the future on C3 land relative to housing.

The PAC concluded that since the 2013 EOA showed a deficit of commercial land need that had not been accommodated by any reclassification of land to commercial zoning since the EOA was adopted, any assumption about future housing development on C3 zoned land would only exacerbate that deficit at a greater level. They elected to rely on the overall density of 5.46 units/acre for a capacity analysis and then to rely on future land-use efficiencies to identify opportunities for application of the R5 zone (which mimics the C3 zone for higher density residential development, but does not also allow general commercial development) on existing land in the UGB beyond what is already planned in the MGMUP. This approach would then preserve the commercial land for the commercial land deficit.

There are two different issues: identification of future need (demand) and inventory of current capacity (supply). **"Needed density"** (planned density) is used to calculate future need (demand), not to calculate current capacity (supply) of buildable lands with City zoning, which is an inventory of current conditions. Any plan to address future needs and address

the identified deficit will need to achieve average needed density. “Needed density” reflects the “needed housing mix” as well as the average density that occurred for all housing types and all zones, including the higher multi-family density that occurred in the C-3 zone.

As noted throughout the HNA report, the current report is a baseline analysis: it identifies the capacity of buildable lands in the UGB based on current zoning. If the City makes changes to that zoning as part of its land-use efficiency analysis it could have an effect on **capacity** of those lands, with more guarantee that it would develop as high-density housing.

For example, if the City updates infrastructure plans to enable capacity for higher-density housing in the city center and then rezones some of the R4 land to R5, a new high-density zone that allows higher densities without the lower-density housing currently allowed in the R4 zone. Then additional capacity could be assigned to those lands in an area where higher-density housing can be supported with services. However, that would occur during the evaluation of land-use efficiencies and resulting implementing measures, and wouldn't be reflected in the baseline analysis.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and assign housing capacity to vacant commercial land within the existing UGB. ECONorthwest has provided a scenario that they feel would be supported with the data – 10% of new housing would be developed in the C3 zone, consistent with historical development trends in McMinnville between 2000 and 2018 (see Exhibit 22 in the HNA). If the Planning Commission would like to assign 10% of new housing to the C3 zone, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Assign 10% of future housing to C3 zoned land.	1 day	\$1,750	4 Hours

*Staff Recommendation:* The city has had a lot of conversations recently about the lack of neighborhood amenities for high-density housing locating in the C3 General Commercial zone, and how difficult it is to achieve the Great Neighborhood Principles within those conditions. The C3 zone is located to support general commercial development primarily, which is focused on voluminous vehicular access and not neighborhood amenities. Rezoning land into a high-density residential zone that is ideally located for residential development would be a preferred methodology for locating high-density residential development. Since both housing and commercial land need are showing a deficit of supply the sum net effect for expansion needs is the same.

## **5. Group Quarters.**

FRIENDS argues that the HNA does not adequately address Group Quarters (Linfield College, Jail and Assisted Living Facilities) and that an earlier draft version did (March, 2019). They provide data from the 2020 Census and suggest that McMinnville should use that data to calculate group quarters population housing needs.

The March 2019 HNA draft did have a discussion and assignment of housing for group quarters in the narrative (approximately 5%. Then, at the March Housing Needs Analysis Project Advisory Committee meeting, some of the members challenged the 5% assumption.

Staff visited with members of the PSU Population Research Center to learn how they addressed group quarters in the McMinnville Population Forecast since it was not called out independently and learned that PSU incorporated the group quarters population into the overall population forecast due to lack of growth in group quarters different than the overall population growth.

Staff put together a memorandum for the HNA PAC dated May 29, 2019 (Please see attached memorandum dated May 29, 2019) and asked for the PAC feedback. This memorandum explained the result of staff research and conversation with PSU and provided three scenarios for the PAC to choose from. The PAC choose scenario #3 after receiving that data and that is what is reflected in the current HNA draft.

As indicated in the legal memorandum from Bateman Seidel, the City does not need to do anything about Group Quarters that differs from the PSU Population Forecast. And as provided in the ECONorthwest memorandum, the PAC was provided with three scenarios to choose from and the PAC chose the scenario that reflected the PSU population forecast based on local data.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest to evaluate alternative data, but the data would need to be within the same timeframe as the data in the report.

*Staff Recommendation:* Keep the Project Advisory Committee recommendations. This is not an issue of safe harbor versus local data, but rather agreement with the data used. The PAC reviewed three different scenarios after an in-depth analysis and conversation with the PSU Population Research Center staff who developed the Population Forecast, and elected a scenario that reflects the same approach as the PSU Population Forecast for Group Quarters assignments in McMinnville.

## **6. Right-of-Way.**

FRIENDS contends that the City does not have any factual evidence to support the right-of-way calculations (25%) used for streets and roads in the HNA and suggests that the City use the safe harbor provided for public land need in the law which is 25% for parks, public right-of-way and schools, OAR 660-024-0040(10)



ECONorthwest describes the empirical process that they utilized to analyze the current public right-of-way land needs in McMinnville per zoning district. Per the description in the HNA, a sample of developed lots was evaluated. Recently, Mark Davis requested the background data for this sampling, and ECONorthwest with staff turnover was not able to locate the GIS data set used, so they analyzed another sample of developed land in McMinnville that is described in the memo dated September 14, 2023, and entitled “McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” provided as part of this memorandum. The result was the same 25% of the land was needed for public right-of-way development. These results and the methodology are described in more depth in the ECONorthwest response to the FRIENDS testimony.

The safe harbor suggested by FRIENDS allows for a 25% allocation of land for public right-of-way, parks and schools. This safe harbor would not be representative of the built environment in McMinnville, as just the public right-of-way is 25% of the public land need.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor suggested by FRIENDS. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Reject the local data and use the “safe harbor”	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The land use process is meant to reflect local community values. Local data is more reflective of McMinnville’s comprehensive plan policies and resulting development.*

## **7. HNA Safe Harbors**

In this instance, the Project Advisory Committee chose to use the safe harbor for household size and vacancy rates. FRIENDS argues that the City cannot use this safe harbor as the data relied upon is too old. As is reflected in the legal memorandum provided by Bateman Seidel, was the best available date when the analysis was being developed and drafted. If the City needed to update the data every year when new data was released, it would not be able to actually get to a finish draft product.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest to evaluate alternative data, but the data would need to be within the same timeframe as the data in the report.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Reject the PAC recommendation of a safe harbor is deemed legal and look for other data sources from the same time period for which to make a decision. ”	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. This is not a legal issue, and the City is allowed to use the safe harbor.*

### III. ECONOMIC OPPORTUNITY ANALYSIS

#### **1. Refill, Redevelopment and Employment on Non-Employment Lands.**

FRIENDS argues that the 5% assumption that the PAC recommended for employment that would occur as a factor of refill, redevelopment and employment on non-employment lands is too low – ie 5% of McMinnville’s future employment will be based on redevelopment, employment on non-employment lands and refill).

Appendix B of the EOA provides the detailed analysis that the PAC used to arrive at their recommendation. McMinnville’s job base is medical, manufacturing, government and retail. All four industries are working on lean efficiencies to reduce labor costs through automation or reduced program delivery. They are not actually adding more jobs for existing services. The PAC talked about the previous EOA’s assumption of 17% and felt that it was too high and aspirational, and not reflective of the reality in McMinnville.

The employment densities for industrial and commercial lands have remained almost unchanged since the 2001/03 EOA. Industrial job densities have decreased from 11 jobs per acre to 10 jobs per acre, and commercial job densities have increased from 22 jobs/acre to 23 jobs/acre. This is demonstrative that the past 17% assumption of refill and redevelopment was unrealistic for McMinnville.

FRIENDS argues that there are a lot of job openings currently advertised for assisted living facilities in McMinnville on non-employment land. Job advertisements are not indicative of overall net new jobs being created but reflective of an industry with a significant turnover of employees.

FRIENDS also argues that the 5% assumption does not take into account remote workforce. Remote workforce (when not an individual home occupation which is part of the data used for the 5% calculation by the PAC) in exurban environments is typically reflective of office employment that is in a hybrid work environment, meaning a percentage of time working remotely and at the office. There is no data to indicate how much of that remote workforce is captured in McMinnville as new jobs on non-employment land and how many jobs that have been lost in McMinnville due to remote work opportunities. Recently two large companies have indicated that the majority of their workforce moved from McMinnville when the opportunity for remote work presented itself. This is a phenomenon that needs more data to understand more fully the ramifications to a community like McMinnville.

FRIENDS also argues that the assumption used by the PAC is significantly lower than other communities. Which is true for the communities illustrated. However, there are also some communities that recently went through a data analysis and lowered their assumptions for refill and redevelopment potential. The City of Bend's assumption for refill and redevelopment was challenged when they submitted their EOA in 2008. Their assumption was 10%. It was remanded back to them. To respond to the remand, the City of Bend chose to do an analysis of actual occurrences in Bend for refill and redevelopment during the past data horizon of their EOA and through that process learned that the actual percentage of new jobs created through refill and redevelopment was 5.9%, lower than the original 10% assumed.

The EOA PAC reviewed a significant amount of data and scenarios at their meeting on October 10, 2019 (please see attached EOA PAC meeting packet, October 10, 2019). The data, scenarios and conclusion of the PAC are described in Appendix B of the EOA, and discussed further in the memorandum provided by ECONorthwest and attached to this memorandum.

*Planning Commission Options:* The Planning Commission will need to decide if the data is adequate for the 5% recommendation by the EOA PAC or if there is other data from the same time period that would lead to a different conclusion and then provide the basis for that conclusion.

*Staff Recommendation:* Retain PAC recommendations unless other data is presented. The assumption of 17% is not supported by any of McMinnville's data.

## **2. Other needed employment sites.**

Goal 9 requires that the City consider land supply needs to support its adopted economic development strategy, and stresses that the economic opportunity analysis should be focused on local visions for economic development based upon a thoughtful evaluation of strengths, weaknesses and opportunities and the goals of the community for economic development. The City of McMinnville spent two years researching, evaluating and engaging the public on the MAC Town 2032 Economic Development Strategic Plan (Plan). The PAC for the EOA spent two meetings (January 20, 2020 and February 27, 2020) reviewing that plan and all of the projects and programs identified in it to ensure that the EOA would support it. The plan has 8 goals and 57 strategies, with approximately 180

potential tasks or projects, 57 of which have land-use or site-related needs. Of those it was determined that 47 could be met within the employment forecast and 10 would have additional unique land needs to be implemented. These were then researched with the local economic development agencies and similar projects were reviewed in other communities for land-use needs and job capacity. That list was reduced to 8 projects with the 2023 update.

FRIENDS argues that all of the projects should be met within the existing employment forecast, although admitting that they represent different types of economic projects than what is categorized in the economic forecast. They also argue about the viability and impact of the projects on the community's existing economy.

The viability of the projects is not the question for this planning effort but rather whether or not the EOA supports the successful implementation of the Plan. The Plan has already been vetted and adopted and is currently being implemented by the McMinnville Chamber of Commerce, McMinnville Downtown Association, Visit McMinnville, McMinnville Economic Development Partnership, and the McMinnville Economic Vitality Leadership Council. Members from those economic development groups participated in the PAC for the EOA. Opposition to this approach was conveyed at the PAC by Sid Friedman as a member of the PAC representing Friends of Yamhill County and the PAC elected to still move forward with including this exhibit and calculation in the EOA.

*Planning Commission Options:* In the Bateman Seidel memorandum from legal counsel, it is noted that this type of approach, although utilized by others, has not been challenged and does not have a history of case law and judicial interpretations. The Planning Commission will need to decide if it is worth the legal risk of opposition from 1000 Friends and Friends of Yamhill County to include this list of projects in the EOA.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Remove Exhibit 58 from the EOA and modify the land need calculations.	1 day	\$1,750	4 Hours

*Staff Recommendation:* It is unfortunate that one special interest group can question the community's vision and approach for its economic development program relative to land need, but the lack of historical precedent and interpretation in the judicial system could create a considerable delay for the adoption of the document if challenged. The Planning Commission will need to make a policy decision based on what is best for the City moving forward.

### **3. Retail Leakage.**

McMinnville has demonstrative significant retail leakage and commercial land deficit. The EOA strives to respond to the retail leakage with a land need analysis. FRIENDS argues that this is additive to the safe harbor that the City elects to take for the calculation of land need based on commercial employment needs. The EOA concludes that the city needs an additional 12 acres of commercial land to accommodate this retail leakage in addition to its other commercial land needs.

This is a new approach for EOAs and as the legal memorandum from Bateman Seidel states it has not been subject to review by LCDC, LUBA or the Court of Appeals.

*Planning Commission Options:* The Planning Commission will need to decide if it is worth the legal risk of opposition from 1000 Friends and Friends of Yamhill County to include the additive acreage of commercial land need attributed to retail leakage in the EOA.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Remove retail leakage calculations from the EOA.	1 day	\$1,750	4 Hours

*Staff Recommendation:* What is interesting about the Oregon land use system relative to retail and commercial land needs – it is based on employment formulas to calculate for land need and not services – ie retail leakage. McMinnville has a history of not addressing its commercial land need which has led to the retail leakage that currently exists in the community where households need to leave town to access general merchandise. This contributes to additional costs for households in terms of gas and travel time as well as gas emissions. However, since this is untested in Oregon, staff is recommending removing this calculation from the EOA.

## **IV. BUILDABLE LANDS INVENTORY**

### **1. Removal of Vacant and Partially Vacant Land Based on Ownership.**

Traditionally land owned by government, schools, and churches have been identified as committed land on buildable lands inventory due to the specialty assignment of the land. FRIENDS argues that the City cannot show these sites as committed and must show them as vacant for residential or commercial uses depending upon their underlying zone.

Appendix E of the EOA has a letter on the record from Linfield College and the McMinnville School District identifying the fact that they will be retaining ownership of their land to support their programs, and will not be surplussing them for residential or commercial

opportunities. As identified by the legal memorandum from Bateman Seidel, it is appropriate for McMinnville to exclude them from the buildable lands inventory.

In terms of churches, FRIENDS argues that the vacant or partially vacant land owned by existing churches should fulfill the land need for future churches identified in Appendix E of the EOA. This is a new approach to the assignment of future church land need that has not been utilized by many other communities as it assumes shared future land opportunities for what has been historically independent uses.

In 2017, McMinnville's Affordable Housing Committee met with all of the churches in McMinnville that had vacant or partially vacant land to see if they would partner on affordable housing projects. All eventually indicated that their congregations were not interested in leveraging the land for that purpose. (Please see attached database of church-owned land and maps). This information was shared with the PAC when it was discussed whether or not the City should consider church-owned property for housing.

*Planning Commission Options:* The Planning Commission can decide to retain the PAC's recommendations to exclude these types of properties from the buildable lands inventory or to amend the buildable lands inventory per the recommendation of FRIENDS.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Add Linfield and church property to the BLI.	2 days	\$2,950	8 Hours

*Staff Recommendation:* The record is clear that these lands will not be leveraged for anything other than the purpose they currently serve.

## **2. The Buildable Lands Inventory in the EOA Fails to Meet Legal Standards**

Per the legal memorandum from Bateman Seidel and the memorandum from ECONorthwest this argument has very little legal basis.

## **3. Population Forecast**

FRIENDS argues that the City should use the updated population forecast that was published June 30, 2020 after the City noticed the first evidentiary hearing for the HNA and EOA in May, 2020.

Per OAR 660-032-0020(5), Population Forecasts for Land Use Planning, "If a local government outside the Metro boundary initiates a periodic review or any other legislative review of its comprehensive plan that concerns an urban growth boundary or other matter authorized by [OAR 660-032-0040 \(Interim Forecasts\)](#)(2) after the Portland



State University Population Research Center issues a final population forecast for the local government, but prior to the issuance of a final forecast by PRC in the subsequent forecasting cycle described in OAR 577-050-0040(7), the local government may continue its review using the forecast issued in PRC's previous forecasting cycle."

*Planning Commission Options:* The City is legally justified in using the population forecast that it first used to draft the HNA and EOA. However if the Planning Commission would like to update the population forecast it would need to update all of the other data sources in the HNA and EOA. ECONorthwest could provide these updates per the following.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Update population forecast and data sources in the HNA and EOA.	120 – 180 days	\$150,000	\$50,000

*Staff Recommendation:* This is an unnecessary expense for the City.

#### **DAVIS TESTIMONY, SEPTEMBER 5, 2023**

In his letter dated September 5, 2023, Mark Davis contends that the Parks Master Plan has expired and was never seriously implemented so it should not be used as a means of projecting future land use need for parks.

However, the 1999 McMinnville Parks Recreation and Open Space Master Plan has never been repealed and is still in effect. And more importantly, per Comprehensive Plan Policy 170.05, *"For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used. (Ord. 4796, October 14, 2003)"*

The 1999 McMinnville Parks Recreation and Open Space Master Plan is the currently adopted plan that should be used. Table 2 of the Plan establishes the following standards for future land use needs for parks.

#### **Parks Master Plan , Recommended Levels of Service, (Table 2, Page 11)**

2.00 Acres / Neighborhood Park per 1000 capita

6.00 Acres / Community Park per 1000 capita

6.00 Acres / Greenways and Open Spaces per 1000 capita

14.00 Acres per 1000 capita

Per Comprehensive Plan Policy #163.05, neighborhood parks and community parks needed to be located outside of the flood plain.

And Comprehensive Plan Policy #164.00 states that *“The City of McMinnville shall continue to acquire floodplain lands through the provisions of Chapter 17.53 (Land Division Standards) of the zoning ordinance and other available means, for future use as natural areas, open spaces, and/or parks.”*

This policy does not direct the city to locate all other parks in the floodplains but directs the city to acquire floodplain lands for future use as natural areas, open spaces, and/or parks.

When the City goes through a land-use efficiency process it should identify locationally based on the attributes described in the Parks, Recreation, and Open Space Master Plan where the greenway and open space should be located.

Table 2  
PARK STANDARDS AND ANTICIPATED NEED

Facility	Existing Standards	Recommended Standards	Anticipated Need 2017 pop 38,000
Mini-Parks/Playlots	0.10 - 0.30 acres/1000	ns	
Neighborhood Parks	2.00 acres/1000	2.0 acres/1000	76
Community Parks	5.00 - 8.00 acres/1000	6.0 acres/1000	104
Linear Parks	ns	ns	
Special Use Parks	ns	ns	
Greenspace/Greenways/ Natural Areas	ns	6.0 acres/1000	116
Trails and Connectors	ns	1 system	
Total	7.1-10.3 acres/1000	14.0 acres/1000	295.54 acres

#### **DAVIS TESTIMONY, SEPTEMBER 7, 2023**

In his letter dated September 7, 2023, Mark Davis contends that there is an addition factor in the calculation of park land need attributable to not including the 60 acres of land that was brought into the UGB with the MGMUP UGB amendment in 2021 for Joe Dancer Park, and a 34% reduction of buildable land used for greenspaces and greenways in the MGMUP park findings.

Staff agrees that there is an error in the calculation of park land that was brought into the UGB with the 2021 UGB amendment (tax lot R4421 00400, 61.37 acres). The park land calculations

for the Phase 2 UGB Expansion, 2003 – 2023, should be 315.37 acres and not 254.00 acres, resulting in an overall park land deficit of 76.63 acres and not 138.0 acres. ***This would reduce the overall land need for public and semi-public land to 32.00 acres.***

The 34% reduction of buildable land used for greenspaces and greenways is a finding in the MGMUP for existing parks, but is not a comprehensive plan policy or level of service for future land need projections. Greenways and open spaces should be located to serve the functionality identified in the Parks Open Space and Recreation Master Plan, and as the city goes through an evaluation of land-use efficiencies, it should review greenways and open spaces from that perspective to identify how much should be on buildable acreage and how much should be on unbuildable acreage.

*Staff Recommendation: Amend the park land need to reflect the addition of 61.37 acres to the 254.00 acres of park land that was added to the McMinnville UGB with phase 2 of the MGMUP adoption. This would reduce the overall park land need to 76.63 acres and the overall land need for public and semi-public land to 32.00 acres.*

#### **ATTACHMENTS:**

- Memorandum to HNA Project Advisory Committee re Group Quarters Assumptions, May 29, 2019
- McMinnville Group Quarters Data, 2010 – 2018
- EOA Project Advisory Committee Meeting Packet, October 10, 2019
- Church Database and Church Owned Property Maps, May, 2017
- ECONorthwest Memorandum, Response to 1000 Friends / Friends of Yamhill County Public Testimony, dated September 15, 2023
- ECONorthwest Memorandum, McMinnville HNA: Percentage of Land in Rights-of-Way Assumption, dated September 14, 2023.
- Bateman Seidel Memorandum, Response to 1000 Friends / Friends of Yamhill County Public Testimony, dated September 18, 2023



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## MEMORANDUM

**DATE:** May 29, 2019  
**TO:** Housing Project Advisory Committee (PAC)  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Direction Needed on Group Quarters Assumptions by End of Day Thursday, May 30

### Dear Housing PAC Members:

As discussed at the May 21 PAC meeting, interested PAC members were invited to meet on the morning of Thursday, May 23 to review questions and comments related to the new content in the Housing Needs Report, which was based on direction provided by the PAC at the March meeting. We met and had a productive meeting. Many of the comments and questions were answered. Resolution of issues could generally be classified as one of the following:

- The question was answered, and no further action is needed.
- The question was answered, and additional clarifying / explanatory narrative will be included in the report.
- The issue was previously discussed at a PAC meeting, and the PAC already provided direction on the issue. The issue reflects the minority position on a previous PAC vote that provided direction on this issue. Therefore, no further change is proposed.
- **The issue relates to incorporation of new information based on previous PAC direction, but the new information may reflect additional assumptions not previously discussed by the PAC. The item needs direction from the PAC.**

Assumptions regarding group quarters falls into the last category, needing direction from the PAC.

### PAC Direction Needed:

**PAC direction is needed regarding methods and assumptions related to group quarters. If you can provide your feedback to staff by e-mail before end of day Thursday, May 30, we believe we can make any necessary revisions to the Housing Needs document before the June 13 PAC meeting and send out both redlined and clean documents by June 6, without the need for an additional PAC meeting before then.**

### Staff Recommendation:

Based on staff research and McMinnville-specific data gathered after the May 23 meeting, staff recommends that a different McMinnville-specific method be used for how population is assigned to new residential units vs. group quarters. The basis for the recommendation is detailed below.

In short, staff recommends that **Option 3** presented at the end of this report be used. This is based on data about McMinnville's group quarters population and assumptions in PSU's official population forecast for McMinnville, described in more detail below. This would reduce the share of forecast population assigned to group quarters. The current, more general assumption that current share of population in group quarters be applied to forecast population growth in the future is more likely to over-allocate population to group quarters. Instead, staff recommends a method in which current population in group quarters is assumed to be generally constant, and that land needs for new net population growth be assigned to residential units.

### **Background:**

There is no direction, simplified method, or "safe harbor" in the statutes or administrative rules for assumptions about land needs for the portion of forecast population assigned to group quarters. The methodology in DLCD's "Planning for Residential Growth" workbook specifies that before calculating housing needs, a portion of the forecast population should be subtracted from the total forecast population and assigned to group quarters rather than residential housing. However, once deducted, there is no direction, requirement, or safe harbor for how to assign land need for that portion of the forecast population assumed to reside in group quarters.

Even the optional "simplified" 14-Year UGB analysis method in OAR 660-038-0030 provides a method for deducting population assigned to group quarters from residential needs, but doesn't provide a method for adding that population back into the land needs:

(3) The city must subtract from the forecast population growth the number of persons projected to live in group quarters in the UGB during the planning period. The city shall determine this number by calculating the percentage of the city's population living in group quarters at the last decennial United States Census and subtracting the same percentage from projected population growth. For the purpose of this rule, "group quarters," as defined by the United States Census, are places where people live or stay, in a group living arrangement, which is owned or managed by an entity or organization providing housing or services for the residents.

Many cities use the method described in OAR 660-038-0030(3), or a similar method, for deducting population assigned to group quarters before calculating housing needs for the remainder of the population assigned to housing. However, unsurprisingly, without specific direction in statute or administrative rule to assign land needs to group quarters, there is no single method cities have used to calculate land needs for population assigned to group quarters. Rather, cities have used different approaches. Further, some cities have completed the population deductions for group quarters to determine residential land needs as described above, but never re-assigned land needs back into the calculations to account for the portion of the forecast population that was deducted and assigned to group quarters. (Examples include smaller cities with relatively small population numbers in group quarters, such as Phoenix and Talent in Southern Oregon). Further, the Census Bureau doesn't publish data for group quarters analogous to average household size that could be used as safe harbors

### **Assumptions Used in the May Draft Report**

The May draft of the Housing Needs Analysis included a forecast for future population assigned to group quarters based on the current share of population in group quarters compared to current total population, using Census data. Land needs for group quarters were then calculated by assigning one person per group quarter unit and applying land needs for group quarters at the same density factor used for multi-family residential units.

This is the same method that has been used by other cities including Grants Pass, Redmond, and Newberg.

### **Comments Received**

After distribution of the May draft of the Housing Needs Report, staff received comments from some PAC members. One comment was about the assumptions used to assign land needs to group quarters. This was further discussed during the May 23 meeting. There was a comment in disagreement about the portion of the methodology that assigned one person per group quarter. There was not concern with the method for assigning a share of population to group quarters or for applying the multi-family density factor to group quarters. The comment included a request that more than one person be assigned to a group quarter unit before applying the density factor to calculate land needs. Examples were provided of cities that had used this approach (Woodburn, Bend, and McMinnville's 2003 Housing Needs Analysis).

During the May 23 meeting, there was also discussion about local conditions and context pertaining to group quarters. This included questions about what share of group quarters population should be assumed to occur at Linfield, which makes up a majority of the group quarters population, and additional discussion about McMinnville's group quarters.

***The details of the methodology for assigning land needs to group quarters hadn't been previously discussed by the PAC, so we noted that direction from the full PAC would be needed for this direction and decision.***

### **Need for Additional Research and Analysis:**

The discussion prompted me to conduct additional research into McMinnville's specific group quarters population to provide further background to assist the PAC with deliberations.

This led to the following fundamental questions about group quarters assumptions:

***Is the current methodology for allocating a portion of the forecast population to group quarters the best assumption for McMinnville? Should McMinnville retain the assumption that the future year group quarters population will be the same share of McMinnville's population as the current share?***

These questions should be addressed before any further discussion about the methodology for how much land need should be assigned to the group quarters population.

### **Results of Additional Research and Analysis:**

**First, I obtained the 2010-2018 data for the annual group quarters population estimates from PSU's Population Research Center.**

- The group quarters annual reporting for McMinnville provided to PSU (who reports to the Census Bureau) shows very little change in new group quarters or population in group quarters between 2010 and 2018. (Linfield data was missing from the 2010 data, and no data was reported in 2011).
- The report shows that the total Group Quarters population estimate in 2018 was 1,262, as follows:



Page 4

- About 58% of Group Quarters was at Linfield (738 people)
  - About 15% was Jail Population (191 people)
  - About 26% was Other (mostly skilled nursing, assisted living, etc.) (333 people)
- These totals and distributions have remained fairly stable from 2010-2018. There has been year to year fluctuation, but not a consistent trend.
  - In 2018, 58% of group quarters population was at Linfield. While Linfield expects to be transitioning to a growth period after declining enrollment, we would not expect year over year growth in student enrollment at Linfield that would keep pace with McMinnville's forecast population growth. We could expect the group quarters facilities and population at Linfield to remain relatively stable. As student enrollment turns over, the group quarters would be occupied by new students. Some graduating students will remain in McMinnville and occupy housing as part of the "general population", and some will leave the community, not requiring housing in McMinnville.
  - In 2018, 15% of group quarters population was in jail population. That population fluctuated between 2012 and 2018. While it is possible that the jail population could grow proportionally with overall population, there is no clear trend. If jail capacity remains relatively constant, then released population will consume housing.
  - In 2018, 24% of group quarters population was in other group living and/or group care types of facilities. This is less than 1% of McMinnville's current population. This is the segment of group quarters most likely to experience increased growth as population grows, although not necessarily in direct proportion to population growth. Further, group quarters capacity isn't always added in small increments. Development of large new facility might accommodate increased demand in larger, less frequent increments. However, 2010-2018 data doesn't show new group quarters facilities or a consistent trend to new group quarters construction. While an aging population may place additional demand on this type of group quarters, it is also recognized that the age of residents in these group quarters is disproportionately older, with a higher mortality rate, relative to the general population, which means the demand for new group quarters units is less likely to keep pace with other population and housing. There is also desire for aging in place at home and with extended family, reflected in trends including design for visitability, accessibility, and home health care services. Therefore, it is reasonable to assume a decreasing share in "other" new group quarters relative to growth of the general population.
- This raised the following question: Given the flat trend data, would it be reasonable to assume all of the net new forecast population growth was assigned to dwelling units instead of assigning a portion to group quarters? The current population numbers assigned to group quarters would be assumed to remain constant (assuming existing units would also experience refill). This is consistent with assumptions that have already been discussed by the PAC, with a portion of the older population assumed to live in multi-family housing (also substitutable with group quarters with the same effective land need characteristics), extended family living situations, co-housing, cottage clusters, aging in place in existing homes, downsizing, etc.

**Next, after reviewing this data and noting the observations above, I asked PSU's Population Research Center about assumptions for Linfield College and the jail used to develop**

**McMinnville's official population forecast, upon which housing needs must be based.** I found that the observations noted above regarding group quarters turned out to be very similar to key assumptions PSU used in developing McMinnville's official population forecast:

- Based on local data, PSU's official population forecast for McMinnville assumes constant population (no change from current population) for Linfield or the jail.

(Note: This is also consistent with Linfield's current campus master plan on file with the Planning Department, which doesn't include plans for additional dormitories).

- Therefore, it would be inconsistent with McMinnville's official population forecast to assign any new growth to the Linfield campus or jail, or consequently to assume any demand for new group quarters at Linfield or the jail.
- Therefore, all of the total forecast population growth would be forecast to reside in residential units or "other" group quarters such as nursing homes, etc., with no population growth or associated demand for group quarters (or housing), assigned to Linfield or the jail.
- Based on this local information, which is reflected in PSU's official population forecast for McMinnville, it is reasonable to conclude that a different assumption could be used regarding the share of future population that would reside in group quarters.

**NOTE:** *Communities might benefit from one or more safe harbors or simplified methods in the OARs relating to population assigned to group quarters which address associated land needs, including an option based on the same general population assumptions used in PSU's forecasting.*

### **Conclusions:**

- **Would it be reasonable to use a different assumption for future group quarters share of population? Yes.** Based on the data presented above, it would be reasonable to use a different assumption about the share of future population assigned to group quarters. It would be reasonable to assume more of the net new population growth should be assigned to residential units.
- **Would it be reasonable to assign all of the net new population growth to residential units, rather than deducting a share for group quarters? Yes.** Based on the historic trend data about group quarters specific to McMinnville, which also provides the basis for PSU's official population forecast for McMinnville, a different assumption would be reasonable. It might be more reasonable to assume the current population in group quarters will generally remain constant, and assign all new population growth to residential units using the same assumptions for household size, vacancy rates, and housing mix, and density already used for new housing in the Housing Needs report. This still recognizes that a portion of that net growth could be in "other" group quarters; however, for calculating land needs, it isn't critical to determine with specificity whether that need will be met in multi-family housing or group quarters with effectively the same land needs, and that also means no separate methodology is required to calculate land needs for group quarters.

**Options:**

**Option 1: Use the “Share Method,”** then assign one person per group quarter, and assign group quarters to land need at the same density as multi-family development. This method has been used by other cities. ***This is the methodology used in the current draft.*** (Note: *this methodology didn’t apply a vacancy rate assumption as used for the housing needs calculations*).

**Option 2a: Use the “Share Method,”** then assign an analogous “household size”, then apply that to land population and calculate land needs. *This method was requested instead of Option 1 by two PAC members at the May 23 meeting. This method has been used by other cities.* See also note above about vacancy rate assumptions.

**Option 2b: Use the “Share Method,”** then assign a direct group quarters population per acre estimate. This directly assigns population density for group quarters rather than use an interim assignment step analogous to “household size.” There is no practical difference from 2b in the substantive results.

**Option 3: Don’t use the “Share Method.”** Instead, use the following assumptions and methods, based on the data above regarding McMinnville-specific group quarters data and PSU’s official population forecast for McMinnville. *This method is recommended by staff based on the research that followed the May 23 meeting discussed in this memo.*

- **Assign all new net population growth to housing units.** This assumes population in group quarters at Linfield and the jail will remain relatively constant. Population in other group quarters represents less than 1% of current population. It has also remained relatively constant and hasn’t experienced a consistent increasing trend in recent years. Growth in this population segment would represent a declining share of overall net population growth. Further, housing for this population would be assumed to be met as described above; however, some of that would have land needs which are essentially interchangeable whether multi-family-family residential or group quarters.

**McMinnville Group Quarters Population Summary 2010-2018:**

Summarized GQ Pop by Class	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number Linfield	Missing	No Data	813	803	829	816	883	783	738
Percent Linfield	Missing	No Data	60%	61%	66%	62%	64%	61%	58%
Number Jail	238	No Data	208	168	183	178	209	195	191
Percent Jail		No Data	15%	13%	15%	14%	15%	15%	15%
Number Other	327	No Data	323	340	245	321	292	309	333
Percent Other		No Data	24%	26%	19%	24%	21%	24%	26%
<b>Number Total</b>	<b>565</b>	<b>No Data</b>	<b>1,344</b>	<b>1,311</b>	<b>1,257</b>	<b>1,315</b>	<b>1,384</b>	<b>1,287</b>	<b>1,262</b>
<b>Percent Total</b>		<b>No Data</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Group Quarters Data, 2010 - 2018

GQ_FACILITY_NAME	MAIN_CODE_DESC_PRC	ALT_CODE_PRC	GQ_ADDRESS	GQ10	GQ11	GQ12	GQ13	GQ14	GQ15	GQ16	GQ17	GQ18	PRC_SURVEY_SOURCE
Alterra - Wynwood	Nursing facilities/skilled-nursing facilities		?	55		33	53	54	57	56	60		
Brookdale of McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	721 NE 27th Street									66	Survey from McMinnville
Fircrest	Nursing facilities/skilled-nursing facilities		213 NE Fircrest Dr	37		75	76		75	69	69	79	Survey from McMinnville
Hillside Retirement Community	Nursing facilities/skilled-nursing facilities		900 NW Hill Rd	37		36	36	36	33	30	34	37	Survey from McMinnville
Life Care Center - McMinnville	Nursing facilities/skilled-nursing facilities	Type 3: Nursing Facilities/Skilled-Nursing Facilities	1309 NE 27th St	62		52	63	60	54	54	53	54	Survey from McMinnville
Linfield College (dorm and fraternity)	College/university student housing		900 SW Baker St			813	803	829	816	883	783	738	Survey from McMinnville
Mid-Valley Rehabilitation	Other noninstitutional facilities		319 NE 5th St	33		34	24	24	25	5	25	24	Survey from McMinnville
Oakwood Care Center	Nursing facilities/skilled-nursing facilities		?	67		56	56	46	43	43	34		
Osprey Court	Nursing facilities/skilled-nursing facilities		?	36		37	32	25	34	35	34		
Pacifica Senior Living in McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	320 SW Hill Rd									39	Survey from McMinnville
Prestige Care of McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	421 S Evans St									34	Survey from McMinnville
Yamhill County Jail	Correctional facilities for adults		535 NE 5th St	238		208	168	183	178	209	195		
Yamhill County Jail - Adult		Type 1: Correctional Facilities for Adults	525 NE 5th Street									179	Survey from McMinnville
Yamhill County Jail -Juvenile		Type 1: Correctional Facilities for Adults	525 NE 5th Street									12	Survey from McMinnville
SUM				565	-	1,344	1,311	1,257	1,315	1,384	1,287	1,262	
			Summarized GQ Pop by Class	2010	2011	2012	2013	2014	2015	2016	2017	2018	
			Number Linfield	Missing	No Data	813	803	829	816	883	783	738	Number Linfield
			Percent Linfield	Missing	No Data	60%	61%	66%	62%	64%	61%	58%	Percent Linfield
			Number Jail	238	No Data	208	168	183	178	209	195	191	Number Jail
			Percent Jail		No Data	15%	13%	15%	14%	15%	15%	15%	Percent Jail
			Number Other	327	No Data	323	340	245	321	292	309	333	Number Other
			Percent Other		No Data	24%	26%	19%	24%	21%	24%	26%	Percent Other
			Number Total	565	No Data	1,344	1,311	1,257	1,315	1,384	1,287	1,262	
			Percent Total		No Data	100%	100%	100%	100%	100%	100%	100%	Percent



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## Economic Opportunities Analysis (EOA) and Urbanization Study

### Project Advisory Committee

#### Meeting #3: Agenda

Thursday, October 10, 2019, 4:30pm-6:30pm

Police Department Training Room, 121 SW Adams Street

Committee Members	Time	Agenda Items
<b><u>Citizen Advisory Committee (CAC):</u></b>		
Kellie Menke	4:30pm	1. Call to Order/Introductions
Roger Lizut	4:40pm	2. General: PAC Meeting #3- <b>Exhibit 1: Cover Memo</b>
Susan Dirks		a. Summary of PAC Meeting #2 (September 5, 2019)
Sid Friedman		b. Summary of PAC Meeting #3 Materials & PAC Guidance
Mark Davis		c. Assumptions Matrix
Paul Davis	4:55pm	3. Economic Opportunities Analysis -
Andrew Burton		a. Employment Density and Redevelopment- <b>Exhibit 2: Appendix B</b>
Beth Caster	5:25pm	4. Urbanization Study –
Michael Jester		a. Public/Institutional Land Needs- <b>Exhibit 3: Public Lands Memo</b>
Robert J. Banagay	5:55pm	5. Introduce Site Characteristics/Needs Discussion
Amanda Perron	6:20pm	6. Next Steps
Matt Deppe	6:25pm	7. Comments
Patty O'Leary	6:30pm	8. Adjournment
Doug Hurl		
Scott Cooper		
Alan Amerson		
Kelly McDonald		
Mike Morris		
Jeff Knapp		
Gioia Goodrum		
Ed Gormley		
Kyle Faulk		
Jody Christensen		
John Dietz		
<b><u>Technical Advisory Committee (TAC):</u></b>		
Tom Schauer - Lead		
Heather Richards		
Chuck Darnell		
Jamie Fleckenstein		
Mike Bisset		
Susan Muir (Parks Director)		
Angela Carnahan (DLCD)		
Stephanie Armstrong (Yamhill County)		



DATE: October 7, 2019  
 TO: McMinnville Economic Opportunities Analysis Project Advisory Committee  
 CC: Heather Richards and Tom Schauer, City of McMinnville  
 FROM: Bob Parker and Margaret Raimann, ECONorthwest  
 SUBJECT: COVER MEMO - PAC MEETING 3

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The third meeting of the City of McMinnville's Economic Opportunities Analysis (EOA) Project Advisory Committee (PAC) is scheduled to occur on October 10, 2019 from 4:30 to 6:30 p.m. The purpose of this memo is to outline the key decisions and discussion points from the second PAC meeting on September 5, 2019, as well as provide a summary of the materials included in the packet for PAC meeting #3.

Key decision points for PAC #3 include:

- Infill and redevelopment rate
- Employee per acre assumptions
- Incorporation of public/institutional land needs which are based on site needs rather than employment forecast and employment density calculations

## Summary of Previous Meeting

PAC meeting #2 occurred on September 5, 2019 from 4:30 to 6:30 p.m. The purpose of the meeting was to review the preliminary employment forecast and the options for each assumption included in the forecast. A summary of key decisions and PAC recommendations is provided below. Detailed notes of the discussion that occurred at the meeting is provided in the summary notes document.

**Growth rate.** PAC members discussed the three growth rate options and the implications of choosing a higher growth rate. The low and mid-growth options presented are safe harbors, while the high-growth option would need substantial evidence (findings) to support. After this discussion, *the PAC recommended using the medium-growth rate of 1.36% (1.2% for the 46-year period) based on the growth rates in the PSU population forecast.*

**Land use types.** PAC members discussed the distribution of employment across five land use types (Industrial, Retail Commercial, Office Commercial, Tourism Services, and Government.) They agreed on the definition of the five categories, and discussed the distribution of the share of employment of each land use type. *The PAC recommended adjustments to future year share, resulting in the following: 21% Industrial, 12% Retail Commercial, 47% Office & Commercial Services, 12% Tourism Services, and 8% Government.*

**Employment on non-vacant commercial or industrial land.** The PAC discussed the assumption for *new* employment that will not require vacant commercial or industrial land. The preliminary forecast used 17%, an assumption carried over from the 2013 EOA. PAC members did not make



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a recommendation during this meeting, instead requesting more information to make an informed decision.

**Employment density and net to gross conversion.** The PAC did not have sufficient time remaining in the meeting to discuss assumptions on employment density. ECONorthwest and city staff had already planned to bring more information on these assumptions to the next meeting. PAC members agreed that they need more context and data to make an informed decision.

## Summary of Meeting #3 Materials and PAC Guidance

This section summarizes the key decisions for the PAC to decide during meeting #3. Supplemental materials provided to assist PAC members in making recommendations for this portion of the analysis include:

- **Appendix B. Employment on Other Land and Employment Density.** The discussion at PAC meeting #3 will be based on the information presented in this document. It will ultimately be included as Appendix B in the final EOA document. It is intended to provide the background information needed for the PAC to make the remaining recommendations related to assumptions of employment density and employment on other land, including infill and redevelopment rates.

A key focus of the October 10 PAC meeting will be getting PAC input on remaining assumptions related to the employment land need calculations. ECONorthwest started this discussion at the July and September meetings and have done considerable research based on the EOA methods and PAC input to inform the discussion. Consistent with the 2013 EOA, land need is estimated using a 10-step process. The attached table on the following page outlines the steps, explains the purpose of each step, and describes potential options.

This table also provides recommendations for steps that require a PAC decision. For steps where the PAC has made a decision, the final recommendation is stated. For steps that still require a PAC decision in meeting #3, we have provided *preliminary* recommendations. These preliminary recommendations are based on ECONorthwest's review and analysis of relevant information and vetted by city staff.

- **Summary of Public and Institutional Land Needs Data.** This discussion will be based on the information presented in a memo summarizing the results of conversations with public and institutional organizations.

At the prior meetings, data was presented about the method of calculating public and institutional land needs using a ratio of acres per 1,000 population for those uses where the site needs don't lend themselves to calculations based on the employment forecast and associated employment density. Since PAC Meeting #2, staff has outreached to City and County government, Linfield, Chemeketa, and the McMinnville School District to review methods for estimating land needs and obtain feedback. That information will be shared and vetted with the public lands work group and presented to the PAC.

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## Land Use & Siting Characteristics

At PAC Meeting #3, we will introduce the discussion of site characteristics needed for the identified land use categories (industrial, retail commercial, office commercial, tourism services, and government). This will have a bearing on locational determinations in the next phase of work, and may inform whether new zoning districts should be established for these land use categories. A portion of the commercial use will need to be designated for sites to provide neighborhood services and commercial uses consistent with the Great Neighborhood Principles. In addition, public and government uses may be assigned to a new public facilities and uses zone, and/or may be assigned to existing plan designations and zones.

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
1	Planning Period	No decision needed	N/A	N/A	N/A	N/A	Pre-2021 (2017) – 2021 2021-2041 2041-2067	Already established.
2	Population Forecast	No decision needed	N/A	June 2019 Housing Needs Analysis, Exhibits 29 and 30.	N/A	N/A	<b>Total Population:</b> 2021: 36,238 2041: 47,498 2067: 62,803  <b>Population Change:</b>  <b>Consecutive Periods:</b> 2017-2021: 1,480 2021-2041: 11,260 2041-2067: 15,305  <b>Cumulative from 2017:</b> 2017-2041: 12,740 2017-2067: 28,045  <b>Cumulative from 2021:</b> 2021-2041: 11,260 2021-2067: 26,565	Must use PSU forecast.
3	UGB Employment Trend	No decision needed	N/A	PAC 9/5/19 Packet: Attachment 3: 8/29/19 Employment Trends Memo  Additional data to be presented in EOA	N/A	N/A	N/A	This is data only.
4	Employment Forecast (Total Number)	Decision made	1.-OED Safe Harbor (low) 2.-PSU Safe Harbor (med) 3.-2013 EOA (high) 4.-Other?	PAC 9/5/19 Packet: Attachment 2: 8/29/19 Employment Forecast Memo, Exhibit 2.  PAC 10/10/19 Packet: Meeting #2 Notes: Employment Forecast Scenarios-Growth rate		PSU Population Forecast Safe Harbor (9/5/2019 Meeting)	<b>Total:</b> Pre-2021 (as of 2017): 20,907 2021: 22,157 2041: 29,042 2067: 38,158  <b>Change:</b> <b>Consecutive Periods:</b> 2017-2021: 1.36% (+1,163) 2021-2041: 1.36% (+6,885) 2041-2067: 1.06% (+9,116)  <b>Cumulative from 2017:</b> 2017-2041: 1.36% (+8,048) 2017-2067: 1.19% (+17,164)  <b>Cumulative from 2021:</b> 2021-2041: 1.36% (+6,885) 2021-2067: 1.19% (+16,001)	The 2013 EOA had three forecasts and used the midpoint forecast derived from the 2012 population forecast. That was higher than either of the safe harbors (including the current population forecast), and carrying the 2013 forecast forward didn't currently appear justified based on the latest forecast and trend data.

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5a	Select Land Use Categories	Decision made	<b>2001/03 &amp; 2013 EOAs:</b> -3 Land Use Types (commercial, industrial, institutional)  <b>ECO Recommendation:</b> -4 Land Use Types: (industrial, retail commercial, office commercial, government)  <b>PAC Recommendation:</b> -5 Land Use Types: (industrial, retail commercial, office commercial, tourism services, government)	PAC 7/16/19 Packet: 7/12/19 Summary Memo  PAC 9/5/19 packet: Attachment 1, 8/29/19 Cover Memo, Summary of Previous Meeting		Five Categories (7/16/2019 and 9/5/19 meetings)	<b>Five categories:</b> Industrial Retail Commercial Office Commercial Tourism Services Government	Using these categories now allows the option to later compress them into commercial and industrial land use categories if needed, but provides opportunity to analyze potential differences in employment density and site characteristics separately before deciding whether to keep them separate or combine them. This could potentially lead to new land use categories and/or spatial planning options.
-	Assign employment sectors to land use categories	Decision made		PAC 9/5/19 Packet: Attachment 2, 8/29/19 Employment Forecast Memo, Exhibit 1.		Assignment to five categories as presented in Exhibit 1.	18 employment sectors assigned to 5 land use categories per Exhibit 1.	See Note 1.
-	Assign Land Use Categories to Plan Designations	Concurrence needed			As presented		<b>Industrial Plan Designation:</b> -Industrial  <b>Commercial Plan Designation:</b> -Retail Commercial -Office Commercial -Tourism Services  -Government – See Notes.	Some government, public, and institutional land needs will either be assigned to a new “Public” plan designation to be created, or to the appropriate commercial, industrial, or residential plan designation appropriate to the type of use.  Some public and institutional uses will be analyzed for site needs rather than estimating needs based on employment forecast and employment density.  If needed, new plan designations or zones could be created for the land use sub-types assigned to the commercial plan designation. Otherwise these land use subcategories will be used together with site needs and siting characteristics to calculate commercial plan designation and zoning acreages needed for these categories.

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5b	Assign Employment Forecast to Land Use Categories	<b>Decision made</b>	<div>-Keep Base Year Mix as Future Year Mix</div> <div>-Keep Base Year Mix with Policy-Based Adjustments</div> <div>-Change Future Year Mix by Extending Employment Forecast Trend</div>	<div>PAC 9/5/19 packet: Attachment 2, 8/29/19 Forecast Memo, Exhibits 3-6</div> <div>PAC 10/10/19 Packet, Meeting #2 Notes, Employment Forecast Scenarios-Land use types</div>		<div>Use base year mix with policy-based adjustments for future years: (21/12/47/12/8)</div> <div>(9/5/2019 Meeting)</div>	<div><b>Total Employment:</b> <b>(adjusted from covered employment)</b></div> <div><b>2017:</b> Industrial: 20% (4,187) Retail Commercial: 14% (2,842) Office &amp; Commercial Services: 46% (9,755) Tourism Services: 10% (2,124) Government: 10% (2,082) <b>SUM: 20,990</b></div> <div><b>2021:</b> Industrial: 20% (4,431) Retail Commercial: 14% (3,102) Office &amp; Comm. Services: 46% (10,192)) Tourism Services: 10% (2,216) Government: 10% (2,216) <b>SUM: 22,157</b></div> <div><b>2041:</b> Industrial: 21% (6,099) Retail Commercial: 12% (3,485) Office &amp; Comm. Services: 47% (13,650) Tourism Services: 12% (3,485) Government: 8% (2,323) <b>SUM: 29,042</b></div> <div><b>2067:</b> Industrial: 21% (8,013) Retail Commercial: 12% (4,579) Office &amp; Comm. Services: 47% (17,934) Tourism Services: 12% (4,579) Government: 8% (3,053) <b>SUM: 38,158</b></div>	A portion of “retail commercial” and “office & commercial services” will need to be allocated to neighborhood-based sites/locations for neighborhood serving commercial and services

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5c	Deduct Employment to be Calculated by Site Needs Rather than Employment Forecast and Employment Density	Calculation Only – No Decision Needed					<p><b>2021 estimate of distribution of gov’t/institutional emp (% is share of total gov’t or institutional emp number)</b></p> <p><b>Government:</b> City Parks (1%): 29 City Other (12%): 267 County (24%): 525 State (6%): 126 Federal (2%): 44 Other local emp (3%): 71 SUM: 1,061 (in 2021)</p> <p><b>Education (52%): 1,154</b> MSD: XX acres Chemeketa: 0 acres Linfield: 0 acres</p> <p><b>SUM:</b> 2,216 (in 2021)</p>	
5d	Determine Portion of Employment with Land Needs to be Calculated Using Employment Forecast and Employment Density	Calculation Only – No Decision Needed			For purposes of forecasting employment that will be based on employment density, deduct the following from base year employment before forecasting. Land needs for these orgs will be based on separate site needs analysis rather than employment forecast:  -City Govt -City Parks -County Govt -Mac School District -Chemeketa -Linfield		<p><b><u>Portion of Total Employment Subject to Employment Density Calculations:</u></b></p> <p><b>2021:</b> Industrial: 4,431 Retail Commercial: 3,102 Office &amp; Commercial Services: 9,382 (10,192, less 360 Linfield employees) Tourism Services: 2,216 Government: 0</p> <p><b>2041:</b> Industrial: 21% Retail Commercial: 12% Office &amp; Commercial Services: 45% (adj. for Linfield) Tourism Services: 12% Government:</p> <p><b>2067:</b> Industrial: 21% Retail Commercial: 12% Office &amp; Commercial Services: 45% (adj. for Linfield) Tourism Services: 12% Government: 0%</p>	



Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5e	Estimate Site and Land Needs for Organizations/Uses that were Deducted from Employment Forecast	Concurrence needed	Based on Meetings/Interviews with Key Personnel for the Following Organizations:  -City of McMinnville -McMinnville Water & Light -Yamhill County -McMinnville School District -Chemeketa CC -Linfield College	See attached 10/10 public land needs memo summarizing meetings and results.	Use results from meetings and interviews		See 10/10/2019 memo. Some results are forthcoming	
6	Allocate Employment to Land Development Status  (Percent of employment that won't consume vacant employment land).	Decision needed		<u>2001/03 EOA:</u> Commercial: 15% Industrial: 17% Institutional: 13%  <u>2013 EOA:</u> Commercial: 17% Industrial: 17% Institutional: 17%  <u>PAC 10/10/19 Packet:</u> <u>Employment Density Memo:</u>  <u>Comparison Cities:</u> See 10/7/2019 Memo  <u>Comparative Data from 2013 EOA</u> See 10/7/2019 Memo  <u>Effective Density Resulting from Interaction of Density and Refill Assumptions:</u> See 10/7/2019 Memo	5% for commercial and industrial.		See 10/7/19 memo (Appendix B) for results based on recommendation:  5% commercial 5% industrial	See discussion in 10/7/2019 memo.  Assumptions about the % of employment that doesn't require other land effectively assumes higher employment densities will be achieved on existing developed sites. This needs to be considered together with assumptions about employment density.  On commercial and industrial sites, in cases of refill vs. redevelopment, that typically means this would occur through existing businesses adding jobs, but new businesses would still need sites if existing sites are occupied by existing businesses.

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
7a	Apply Job Density Factors (Commercial/Industrial)	<b>Decision needed</b>	<b>Previously Presented:</b>  -2001/03 EOA -2013 EOA -2013 EOA with Sensitivity Analysis, +/- 10%  <b>Newly Presented:</b>  -Empirical Calcs. By Plan Designation  -Sample Area Calcs.  -Calcs by Plan Designation as Control, Commercial Subcategory Allocation by Sample Area Data	<b><u>PAC 7/16/19 Packet: 7/12/19 Summary Memo, Figure 21:</u></b> <b><u>2001/03 EOA:</u></b> -Commercial: 22 emp/ net ac -Industrial: 11 emp/ net ac -Institutional: 35 emp/ net ac  <b><u>2013 EOA:</u></b> -Commercial: 26 emp/net c -Industrial: 11 emp/net ac -Institutional: 35 emp/net ac  <b><u>PAC 9/5/19 Packet: Attachment 2, 8/29/19 Forecast Memo:</u></b> Employment Density section and Appendix A-Employment Density Sensitivity Analysis (+/- 10% from 2013 EOA Densities))  <b><u>PAC 10/10/19 Packet: Employment Density Memo:</u></b> -Mac. Empirical Calcs by Plan Designation -Sample area calcs -Comparative Data from 2013 EOA (Figure 40) -Comparison City Data -DLCD Goal 9 Workbook Ranges	Per 10/7/19 memo:  Industrial: 11 emp/ac  Commercial: 23 emp/ac  Government : Needs based on meetings/interviews		Commercial: 23 emp/ net acre Industrial: 11 emp/ net acre <b><i>See 10/7/2019 memo for results</i></b>  Government and institutional based on data in 10/10 public land needs memo. <b><i>Results pending for some agencies</i></b>	See 10/7 memo re employment density.  The 2013 EOA used an empirical method to calculate commercial density of 22 emp/ac and made a policy decision to increase the assumed density to 26 emp/ac. and assume refill on top of that. This has not occurred.  This is denser than the guidelines in the DLCD Goal 9 Guidebook of 14-20 jobs/ac for commercial uses.  The 2013 EOA used the 2001/03 EOA assumptions for industrial at 11 emp/ac and institutional at 35 emp/ac.
7b	Apply Job Density Factors to Land Use Sub-Types	<b>Decision needed</b>	Apply 11 emp/ac to industrial  And either:  Apply 23 emp/ac for each commercial subtype, or  Apply sample area data to commercial subtypes, or  Use 23 emp/ac as control total and proportion using sample data	<b><u>PAC 10/1019 Packet: Employment Density Memo:</u></b>  Calculations provided in tables  <b><u>By Plan Des:</u></b> <b><u>Industrial:</u></b> -Industrial: 10 employees per acre  <b><u>Commercial:</u></b> -Retail Commercial: 23 emp/ac -Office & Comm. Svc: 23 emp/ac -Tourism Services: 23 emp/ac  <b><u>By Sample Areas:</u></b> <b><u>Industrial:</u></b> -Industrial: 11 employees per acre  <b><u>Commercial:</u></b> -Retail Commercial: 19 -Office & Comm Svc: 29 -Tourism Services: *Assume 19	Use 11 emp/ac for industrial  Use 23 emp/ac for comm – for each subtype or as a control and allocate by sample data		See 10/7/2019 memo for results	

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
-	Net to Gross Conversion Factor	<b>Calculation Only- No decision needed</b>	Empirical evaluation	PAC 9/5/19 packet: Attachment 2, 8/29/19 Forecast Memo	Empirical evaluation		6% for Industrial 18% for commercial (retail commercial, office commercial, and tourism services) 18% for government	
8a	Land Demand-Based on Employment Density	<b>N/A Subtot. Only</b>						
8b	Land Demand- Based on Site Needs	<b>N/A Subtot. Only</b>						
8c	Total Land Demand	<b>N/A Total Only</b>						
	BLI-Land Supply	<b>Forthcoming</b>		<b>Forthcoming</b>				
	BLI-Constraints	<b>Decision Made</b>	<b>Slope Constraints:</b> -2013 EOA 25% slope -Update to 15% slope	PAC 9/5/19 Packet: Attachment 1, 8/29/19 Cover Memo		Update to 15% slope constraint	15% slope constraint	
9	Sufficiency (supply vs. demand)	<b>N/A Calc. Only</b>		<b>Forthcoming</b>				In some cases (including school district), site needs and existing acres may differ slightly if currently owned sites don't exactly match acreage associated with needed sites, where remnant acreage on one site can't be applied to meet needs for sites at other locations.
10	Policy Options and Objectives	<b>Forthcoming</b>						
10a.	Site Characteristics for Land Use Types	<b>Direction Needed</b>	Introduce at 10/10 meeting					

**Note 1: Employment Sectors Assigned to Land Use Categories**

**Exhibit 1. Estimated total employment by sector, McMinnville UGB, 2017**

Sector	Generalized Land Use Type	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, and Mining	Industrial	356	356	100%
Construction	Industrial	585	852	69%
Manufacturing	Industrial	2,277	2,549	89%
Wholesale Trade	Industrial	127	180	71%
Retail Trade	Retail Commercial	2,170	2,842	76%
Transportation and Warehousing and Utilities	Industrial	140	250	56%
Information	Office & Commercial Services	127	211	60%
Finance and Insurance	Office & Commercial Services	459	912	50%
Real Estate and Rental and Leasing	Office & Commercial Services	113	867	13%
Professional and Technical Services	Office & Commercial Services	367	998	37%
Management of Companies	Office & Commercial Services	117	161	73%
Admin. and Support/Waste Mgmt/Remediation Serv.	Office & Commercial Services	584	1,044	56%
Health Care and Social Assistance; Private Education Serv.	Office & Commercial Services	3,159	4,457	71%
Arts, Entertainment, and Recreation	Tourism Services	168	458	37%
Accommodation and Food Services	Tourism Services	1,503	1,666	90%
Other Services	Office & Commercial Services	630	1,105	57%
Government	Government	2,082	2,082	100%
<b>Total Non-Farm Employment</b>		<b>14,964</b>	<b>20,990</b>	<b>76%</b>

Source: 2017 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

**Note 2: Employment Density Analysis Calculations**

*By Land Use Type*

Plan designation	Covered emp	Total emp	Total acres	Wetland acres	Unconstrained acres	Emp density (using unconstrained acres)
Industrial	3,422	4,485	442	13	428	10
Commercial	6,245	8,184	359	2	357	23

*By Sample Areas*

Land use type	Covered emp	Total emp	Acres	Emp density
Industrial	1,410	1,848	170	11.0
Retail Commercial	241	316	16	19.0
Office Commercial	59	77	3	29.0

## Appendix B. Employment on Other Land and Employment Density

This appendix presents research and findings that ECONorthwest completed to provide rationale for employment density and “refill” and redevelopment assumptions for the 2019 update of the City of McMinnville’s EOA. It presents empirical analysis of existing employment densities in McMinnville and information on assumptions used for EOAs in comparison cities noted in *Exhibit 1*.

**Exhibit 1. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

In addition, with the 2013 EOA, the City also previously collected comparative data from other cities and the 2001/03 EOA for employment density and “refill” and redevelopment factors. That is summarized in Figure 40 of the 2013 EOA, which is also attached at the end of this document. It also includes guidelines from DLCD’s Goal 9 Guidebook. The City elected to add additional comparable cities to the analysis as three of the five cities in Figure 40 are metro cities with considerably different economic development opportunities and strategies.

### Employment on Other (Non-Vacant) Land

ECONorthwest compiled information from the comparison cities on assumptions used in each city’s EOA for employment that doesn’t require vacant commercial or industrial land. (This corresponds to step 6 in the EOA summary matrix.) The 2013 McMinnville EOA used an overall assumption for employment on non-vacant land of 17%. Exhibit 2 summarizes assumptions used in other Oregon comparison cities.

**Exhibit 2. Employment on other land assumptions for comparison cities**

City	Emp. on Other Land	Rationale/Approach	Date
Ashland	20%	Empirical analysis of capacity on redevelopable lands.	2007
Newberg	5% (retail only)	Empirical analysis. (See Figure 40 on pg. 85 of 2013 McMinnville EOA)	2006
Redmond	10%	Reasonable judgement. (pg. 5-29).	2005
Grants Pass	10%	Reasonable judgement based on comparison areas. (pg. 8-46)	2007
Albany	0%	Redevelopment was accounted for in the BLI, so they did not account for it again in the forecast. (pg. 11)	2005
Corvallis	Industrial: 11% Retail: 12% Office: 29%	Reasonable judgement based on available buildable land. (pg. 4-56)	2016
Bend		Note: Bend used a site-based approach for estimating land need. We do not recommend this approach.	2016

DLCD’s Goal 9 workbook presented guidelines of 85-90% growth on vacant land, based on 10-15% refill and redevelopment cited as a rule of thumb.



The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands. Employment density is discussed further in the next section, but must be evaluated together with assumptions about refill and redevelopment. As discussed in the next section, the observed density of employment in commercial and industrial plan designations is currently about 10 employees/net acre in industrial plan designations (down slightly from the 2013 EOA) and 23 employees/net acre in commercial plan designations (up slightly from the 2013 EOA). Exhibits 3A-3C show the effective densities resulting from applying 17%, 10%, and 5% of new employment to developed commercial and industrial sites.

For industrial employment, this ranges from absorbing between 96 to 325 additional employees from present through 2041, and increasing to absorb between 191 to 650 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 10 employees/acre to between 11 to 12 employees/acre.

For commercial development, this ranges from absorbing between 295 to 1,003 additional employees from present through 2041, and increasing to absorb between 619 to 2,103 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 23 employees/acre to between 25 to 29 employees per acre.

**Exhibit 3A. Effective Employment Densities with 17% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Exhibit 5A: Effective Employment Densities with 17% Reim/Redevelopment Assumption on Current Developed Commercial and Industrial Sites										
Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	17% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 17% of emp to 2041	17% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. in 2067	Emp. Density Exist Sites with 17% of emp to 2067
Industrial	3,422	4,485	428	10	325	4,810	11	650	5,135	12
Commercial	6,245	8,184	357	23	1,003	9,187	26	2,103	10,287	29

**Exhibit 3B. Effective Employment Densities with 10% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Exhibit D-1: Effective Employment Densities with 10% Reim/Redevelopment Assumption on Current Developed Commercial and Industrial Sites										
Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	10% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 10% of emp to 2041	10% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. in 2067	Emp. Density Exist Sites with 10% of emp to 2067
Industrial	3,422	4,485	428	10	191	4,676	11	383	4,868	11
Commercial	6,245	8,184	357	23	590	8,774	25	1,237	9,421	26

**Exhibit 3C. Effective Employment Densities with 5% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Exhibit 3C: Effective Employment Densities with 5% Reim/Redevelopment Assumption on Current Developed Commercial and Industrial Sites										
Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites						
				Current Calc Emp Density	5% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 5% of emp to 2041	5% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. in 2067	Emp. Density Exist Sites with 5% of emp to 2067
Industrial	3,422	4,485	428	10	96	4,581	11	191	4,676	11
Commercial	6,245	8,184	357	23	295	8,479	24	619	8,803	25

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

The 2001/03 EOA used variable assumptions for refill/redevelopment, with 17% for industrial, 15% for commercial, and 13% for institutional, while the 2013 EOA increased these all to 17%.



Average employment densities don't appear to have increased consistent with those rates. Actual changes compared to assumptions about refill/redevelopment of the existing developed sites may be the result of:

- Refill/redevelopment has not occurred, or has occurred at lower rates than assumed in McMinnville's prior EOAs
- Employment densities of existing businesses may have declined, through reduction of employees or through expansion of facilities without commensurate increases in employment densities
- Increases in employment density in some cases may have been offset by reductions in employment density in other cases

Potential reasons may include:

- Increases in automation, where operations occupy the same space, but with fewer employees
- More new businesses/new land use of types with the same or lower employment densities than previous business' employment densities
  - Potential increases in area devoted to storage, cold storage, warehousing, and distribution, some of which may increase together with surrounding agricultural uses.
  - Potential increases in area devoted to indoor grow operations, potentially further increasing from the growth of industrial hemp production.<sup>1</sup>

The dynamics of new job creation should also be considered in evaluating refill and redevelopment.

- How strongly is job growth correlated with the size or age of a business? How much job growth is created through newer start-ups vs. long-term growth of more established businesses? How many smaller entrepreneurial businesses intend to grow to be larger businesses vs. remain smaller?
- While there may be capacity to add employees within established space for existing businesses, new businesses may need their own facilities that can't be located within the facilities of other businesses. Some existing businesses may retain partially vacant sites in the event they need to expand. Some businesses will require ownership of their land and facilities rather than leasing space on existing developed sites.

An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 emp/ac to about 11 emp/ac on existing developed sites. This is generally consistent with McMinnville's historic trends.

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<sup>1</sup> <https://www.forbes.com/sites/andrebourque/2019/01/31/how-hemp-is-moving-oregon-marijuana-to-an-indoor-grow-crop/#10ff80b960ed>

The empirical calculated density for commercial sites in the 2013 EOA was 22 emp/acre, but an aspirational policy of 26 emp/acre was adopted. Any of the three scenarios calculated above (5%, 10%, or 17%) for refill/redevelopment on *currently* developed sites would result in an increase in density on these sites that would exceed currently observed densities, ranging from 24 to 26 emp/acre by 2041. Carrying over the 17% assumption from the 2013 EOA would mean an assumed employment density of 29 emp/acre on these sites by 2067, compared to the current 23 emp/acre, and exceeding even the aspirational overall assumption of 26 emp/acre used in the 2013 EOA. An assumption of 5% commercial refill/redevelopment would result in an increase in employment density from 23 emp/ac to 25 emp/ac on these sites in 2067.

## Recommended approach and assumptions

This update could simply carry forward the 17% refill/redevelopment assumption from the 2013 EOA for all categories, but the analysis of empirical data, calculations of effective density, and comparisons with other cities and the DLCD Goal 9 Guidebook suggest that assumption is high, and that McMinnville hasn't achieved this historically. Further, even if that level of refill/redevelopment had been achieved historically, carrying over an assumption for each planning period would have a compounding effect of assuming unlimited, successively higher capacity of the same existing developed sites to absorb more employment each time. This would push the employment density for those developed lands up each planning cycle, where infill and redevelopment would have already theoretically occurred and increased in each previous planning cycle.

*A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend.* This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.

The assumed 17% refill/redevelopment rate from the 2013 EOA would be an aspirational assumption that exceeds the empirical densities and exceeds the aspirational density from the 2013 EOA. It is an estimate that we don't anticipate will be achieved, and is higher than most comparisons. The 2001/03 EOA refill/redevelopment assumption of 17% for industrial and 15% for commercial is another aspirational assumption that hasn't been observed historically.

The tables below show the result of the 5%, 10%, and 17% refill/redevelopment assumptions for comparison for the 2021-2041 period.

*The government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs.*

**Exhibit 4a. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (17% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	283	1,384
Retail Commercial	383	65	318
Office & Commercial Services	3,346	569	2,777
Tourism Services	1,269	216	1,053
<b>Total</b>	<b>6,665</b>	<b>1,133</b>	<b>5,532</b>

**Exhibit 4b. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (10% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	167	1,500
Retail Commercial	383	38	345
Office & Commercial Services	3,346	335	3,011
Tourism Services	1,269	127	1,142
<b>Total</b>	<b>6,665</b>	<b>667</b>	<b>5,998</b>

**Exhibit 4c. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (5% Assumption)**

Land Use Type	New Employment Growth	Emp. on Other Land	New Emp. on Vacant Land
Industrial	1,667	83	1,584
Retail Commercial	383	19	364
Office & Commercial Services	3,346	167	3,179
Tourism Services	1,269	63	1,206
<b>Total</b>	<b>6,665</b>	<b>332</b>	<b>6,333</b>

## Employment Density

ECONorthwest completed an empirical analysis of the overall employment density in commercial and industrial areas, as well as in sample areas for the following land use types included in the employment forecast—industrial, office commercial, and retail commercial.<sup>2</sup> The 2013 McMinnville EOA used the following assumptions for employment density:

- **Industrial:** 11 employees per acre
- **Commercial:** 26 employees per acre

The 2013 EOA included an empirical analysis of employment density. The 11 employee/acre industrial density was the empirical calculated density. The empirical commercial employment density was 22 employees per acre. The 26 employee/acre density was an aspirational, policy-based assumption.

In the PAC materials provided for the meeting on September 5, 2019, we completed a sensitivity analysis for employment density based on the 2013 EOA assumptions. The analysis shows the effect of a 10% increase and 10% decrease of the 2013 employment density assumptions and the range of resulting needed acreage. The PAC requested further research based on existing employment density in McMinnville. The results of that analysis are provided in this section.

### Overall employment density for existing employment in McMinnville

The analysis of overall employment density for commercial and industrial areas included lots identified as “developed” in the buildable lands inventory (BLI) and summarized the employment per acre on these sites by plan designation (commercial or industrial land only). Land in wetlands was removed from the acreage calculation to better account for land used for employment. We calculated employment density, expressed here as total employees per acre, by dividing the number of employees on developed sites in commercial and industrial plan designations by the acreage (less wetlands) of those developed sites. The results of this calculation were:

- **Industrial:** 10 employees per acre
- **Commercial:** 23 employees per acre

Exhibit 5 shows the results of applying these employment density assumptions for the remaining land use types.

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<sup>2</sup> The other land use types—tourism services and government—were excluded from the sample area analysis. The PAC will be discussing site characteristics. The sites needed for tourism services are typically similar to the needs for retail commercial. Thus, it is reasonable to assume the same employment density for both tourism services and retail commercial. Government employment will not require vacant commercial and industrial land, so we did not analyze employment density for this land use type.

**Exhibit 5a. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,467	10	147	156
Retail Commercial	337	23	15	18
Office & Commercial Services	2,945	23	128	156
Tourism Services	1,117	23	49	59
<b>Total</b>	<b>5,866</b>		<b>338</b>	<b>389</b>

**Exhibit 5b. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	10	150	160
Retail Commercial	345	23	15	18
Office & Commercial Services	3,011	23	131	160
Tourism Services	1,142	23	50	61
<b>Total</b>	<b>5,998</b>		<b>346</b>	<b>398</b>

**Exhibit 5c. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	10	158	169
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>365</b>	<b>420</b>

While this approach provides a reasonable indication of employment densities in McMinnville, the mix of types of employment on sites may affect the overall result (i.e., not all employment in industrial areas is classified as industrial employment). However, these results align with comparable areas and previous guidelines for calculating employment density, and are therefore reasonable assumptions for the purposes of the EOA.

## Sample area employment density for existing employment in McMinnville

ECONorthwest also analyzed sample areas representative of employment in McMinnville by land use type. City staff assisted in choosing these areas for further analysis based on local knowledge as well as requirements for data confidentiality. Again, we calculated the employment density by dividing the number of total employees in each sample area by the total acreage of the sample area site. The results by land use type were:

- **Industrial:** 11 employees per acre
- **Office commercial:** 29 employees per acre
- **Retail commercial:** 19 employees per acre

Similar to the first approach to calculate overall employment density, a sample area approach also has limitations. Sample areas, by definition, do not provide information on employment density across McMinnville. However, these areas were chosen based on a representation of typical employment areas in McMinnville. Limitations in data availability, reporting, and confidentiality also present limitations in results.

The results of both approaches align with results from other studies in comparable cities, as well as the guidelines in DLCD's *Industrial and Other Employment Lands Analysis—Basic Guidebook*, which states:

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

The next section provides background information on employment density assumptions used in cities that are comparable to McMinnville.

Exhibit 6 shows the results of applying these employment density assumptions for the remaining land use types.



**Exhibit 6a. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,384	11	126	134
Retail Commercial	318	19	17	20
Office & Commercial Services	2,777	29	96	117
Tourism Services	1,053	19	55	68
<b>Total</b>	<b>5,532</b>		<b>294</b>	<b>339</b>

**Exhibit 6b. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	11	136	145
Retail Commercial	345	19	18	22
Office & Commercial Services	3,011	29	104	127
Tourism Services	1,142	19	60	73
<b>Total</b>	<b>5,998</b>		<b>319</b>	<b>367</b>

**Exhibit 6c. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	19	19	23
Office & Commercial Services	3,179	29	110	134
Tourism Services	1,206	19	63	77
<b>Total</b>	<b>6,333</b>		<b>336</b>	<b>388</b>

## Employment density comparison

City of McMinnville staff provided ECONorthwest with a list of cities typically used for comparison purposes. The cities and their population are listed in Exhibit 7.

**Exhibit 7. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

Each city listed above has completed an EOA between 2005 and 2016. Methodologies for each EOA varied, and information related to employment density assumptions was not consistently reported. The assumptions document in each EOA are listed in Exhibit 8, along with a description of the rationale or approach used for arriving at the employment density numbers, if available. These approaches generally fell into two categories, either (1) a reasonable judgement based on comparable cities or (2) an empirical analysis of existing employment density or other metric.

**Exhibit 8. Employment densities for comparison cities**

City	Employment Density (employees per acre)			Rationale/Approach	Date
	Industrial	Commercial	Retail		
Ashland	12	17	--	Reasonable judgement/comparison (pg. C-6)	2007
Newberg	11	21	21	Empirical analysis (pg. 84 McMinnville 2013 EOA)	2010
Redmond	5 (low) – 12 (high)	12 (low) – 20 (high)	--	Empirical analysis/comparison (pg. 5-29)	2005
Grants Pass	10	17	17	Reasonable judgement/comparison (pg.8-47)	
Albany	12	--	20	Reasonable judgement/comparison (pg 11)	2007
Corvallis	10	35	25	Empirical analysis (pg 4-60)	2016
Bend	--	--	--	<i>Note: Bend did not use an EPA approach for the 2016 EOA.</i>	2016

## Recommended assumptions and approach

The results of the empirical analysis are within reasonable ranges for employment densities. Exhibit 9 shows the recommended approach of 11 employees per acre for industrial and 23 employees per acre for all other land use types. It would also be possible to use the commercial density as a total control for the commercial subcategories and allocate a proportion of the total acreage to each subcategory based on the share from the sampled employment densities if preferred, but we believe this method is reasonable.

**Exhibit 9. Estimate of future land demand for new employment (recommended approach), McMinnville UGB, 2021 to 2041, after 5% refill/redevelopment deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>351</b>	<b>405</b>

*These calculations do not include the government land needs, which are calculated separately.*

During discussion of site characteristics, a portion of the commercial uses will be split out and assigned to neighborhood-serving commercial and services to be located in neighborhood areas.

**Figure 40. Comparative Employment Density & Redevelopment Factors**

Reference	Employment Density (Jobs per Acre)	% of Job Growth on Vacant Employment Land
<b>2001 McMinnville EOA</b>	11 industrial 22 commercial 35 institutional	83% industrial 85% commercial 87% institutional (based on factors including 1-5% requires no non-res built space or land, 5-7% on existing developed land, and 5% vacancy rate)
<b>DLCD Goal 9 Guidebook (2005)</b>	8-12 industrial 14-20 commercial 6-10 institutional & other (demand for net acres; also noted is that each acre can accommodate 10-15 jobs for general commercial and office-park industrial, 20 for offices in non-metro downtowns & suburban settings)	85-90% job growth on vacant land (based on 10- 15% use of vacant or redeveloped buildings cited as general rule of thumb)
<b>Salem-Keizer Metro Area Regional EOA 2012-2032 (May 2011)</b>	Forecast densities @: 20 light industrial (above 12-15 current) 36 general office (reflecting current average with range from 27 in retail areas to 73 in Salem central business area) Retail/personal service uses forecast not by jobs per acre (but @ 0.30 FAR)	95% industrial 83% general office (based on assumption that 5% of industrial and 17% of office new employment will locate in existing space or sites not requiring new land; EOA also notes that "there is no study that quantifies how much employment is commonly accommodated in existing built space over a 20-year period in a city.")
<b>Albany EOA Update (2007)</b>	12 industrial 20 commercial retail/services 10 government	100% job growth on vacant land (was at 90% with 2000 EOA @ 10% refill rate but adjusted to 0% rate as the updated 2007 BU already accounted for infill and redevelopment on supply side of analysis)
<b>Newberg EOA (2010)</b>	11 industrial (including 10% increase in density as efficiency measure) 21 commercial retail & office (overall average with office calculated @ 40% FAR & avg 201 sf/job; retail estimated @ 14.8 net buildable acres per 1,000 new households)	See density for industrial Office appears to assume 100% development on vacant land Retail assumes 95% use of vacant land (with 5% assumed for infill & redevelopment)
<b>City of Beaverton Final Draft EOA (2010)</b>	18 general industrial 10 warehouse 23 flex/business park 58 office 30 retail 38 institutional (@ Metro method of jobs/bldg sf & FAR for densities)	94.2% industrial 92.7% commercial (calculated for excess vacancy above 6% target normalized rate with excess figures at 5.8% industrial, 7.3% commercial)
<b>Metro Urban Growth Report (2009)</b>	6 general industrial & warehouse 23 flex/business park 46 office 27 retail 27 institutional (Calculated using jobs/bldg sf & FAR for densities; @ low end of spectrum for outer ring suburbs)	80-90% general industrial, warehouse & flex/business park (10-20% refill) 70% office (30% refill) 40-70% retail (or 30-60% refill with most (generally @ lower end of refill rates) 60-65% institutional (or 35-40% refill) (Range for outer ring suburbs, 2015-30 time period)

Sources: From documents prepared by ECONorthwest, Johnson-Gardner and E. D. Hovee & Company, LLC.



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**Planning Department**  
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## MEMORANDUM

**DATE:** October 10, 2019  
**TO:** Economic Opportunities Analysis PAC and Public Lands Work Group  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Public & Institutional Lands - Preliminary

Certain land uses don't lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. At a previous meeting, information was presented about public and institutional organizations and lands. Data was presented about calculations using a ratio of acreage per 1,000 population that can be used to forecast site needs. However, this method isn't always applicable to each of these entities. Following the September 5, 2019 PAC Meeting #2, staff held meetings with representatives of public and institutional organizations to discuss land needs and methods. This memo summarizes the results of the meetings and summarizes some information discussed at the last PAC meeting. For some organizations, there is still some data collection and analysis needed based on the methodologies discussed during the meetings. The other estimates in this memo are preliminary and for review, discussion, and verification.

### City of McMinnville Data Forthcoming

- **General, Misc. City Departments: (Administration, Office, Police, Public Works, Fleet, Library, Recreation Buildings, etc.)**
  - Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning period.
  - Generally, there was a sense that a ratio of acreage per 1,000 population could over-estimate the City's future land needs. Given existing facilities and site arrangements, there are opportunities to consolidate facilities, redevelop/expand onto existing city sites, use land more efficiently, grow into more recent expansions that retain capacity, etc.
  - With a forecast population of about 48,000 in 2014 and 63,000 in 2067, it is not expected that the City would grow to a size that would necessitate substantial branch facilities or satellite locations during the planning period (such as a library branch etc.)
  - Existing data from cities of approximately 48,000 population and 63,000 population corresponding to the future year populations for McMinnville might help inform McMinnville's land needs. For example, as a comparison, analysis of current acres per population for cities of those sizes might help inform McMinnville's future needs.

***Forthcoming.***

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- Use of an employment forecast growth rate for the office portion of the City's land need might also provide a useful comparison to help inform future land needs.
- **Fire:**
  - The Fire Department anticipates transition from single downtown station to three satellite stations at approximately 1.5 acres each: (1) Baker Creek/Hill Road area, (2) Airport area, (3) Northeast area. The estimated need would be about **4.5 acres for three substations**. There could be opportunities to co-locate police substations at sites. There is potential that they could be co-located on sites with other uses. The NE station may be within the current UGB or may be further to the northeast. There is potential for the current station to be re-used for other municipal or other uses.
- **Police:**
  - **No specific plans for new facilities.** Their needs can be accounted for as part of the overall City need using the same methods.
- **Airport:**
  - **No additional land needs identified.**
- **Sewer:**
  - **Treatment: No additional land needs anticipated.** The City owns 5 tax lots with approximately 70 acres east of the UGB where the sewer treatment plant is sited. No additional land need is anticipated. There is capacity to expand the treatment plan on the existing site. If there is a UGB expansion to east which includes this area, these properties won't be available for buildable land for other uses.
  - **Collection System: No significant additional land demand is assumed outside of the public right-of-way, so no calculation has been added or assumed for de minimus need.** Minimal needs for future pump stations may be needed for new development. Site needs for small pump stations are similar to or smaller than a residential lot. The lands needs for these facilities are relatively small and no additional acres are proposed. Depending on direction of growth, there could be needs for larger pumping facilities.
- **Parks:**
  - The Comprehensive Plan includes the following policies:
    - **159.00.** The City of McMinnville's Parks, Recreation, and Open Space Master Plan shall serve to identify future needs of the community, available resources, funding alternatives, and priority projects
    - **163.05.** The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain
    - **170.05.** For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used
  - The Master Plan level of service (LOS) standard is 14 acres/1,000 persons.



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- The 2017 UGB population was 34,293.
  - The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres (**See attached**).
  - The 2017 need was approximately 480 acres; there's a deficit of approximately 207 acres of developed park land.
  - Need for 665 total acres by 2041 (an additional need of 185 ac, or total of 392 ac with the current deficit)
  - Need for 879 total acres by 2067 (an additional need of 400 ac, or total of 660 ac with the current deficit)
  - Absent joint use agreements with other entities for public use of facilities consistent with the needs identified in the Park Master Plan, park sites and recreational facilities that aren't city-owned aren't assumed to meet the LOS for developed park needs. If there are separate standards for open space, that may be evaluated.
- **Other (stormwater):** While no specific need was identified, there was a sense that stormwater detention and water quality standards would likely increase the amount of land that will need to be dedicated for on-site stormwater management (detention and treatment) as best practices seek to manage stormwater close to "where the rain hits the ground" to reduce peaking of down stream flows and conveyance of sediment and/or contaminants in runoff. These sites may be privately or publicly owned and maintained, but should be accounted for.
  - **Other (transit related):** There was a sense that, as the community grows and the transit system expands and matures, it expected that there will be a more robust transit system with some additional land needs.

#### **McMinnville Water & Light (MWL):**

##### **Estimated need of 21-24 acres, plus additional location/development specific needs**

- General: It is estimated that in addition to sites already owned by MWL, they will need approximately 21 additional acres for power and water, and may have additional needs that are dependent on specific growth characteristics and developments. Some users require an on-site substation that requires a site and land. If growth occurs to the west further upslope into the west hills, that might include the 3-acre reservoir site needed to serve water pressure Zone 2, and could necessitate an additional reservoir/site if growth continues far enough upslope to result in a Zone 3 service area.
- The additional 21-acre need includes 16 acres for a treatment plant and pumping facilities which could co-locate with a power substation in the easterly portion of the UGB; an additional 2 acres in the easterly UGB area for power, and an additional 3 acres in the westerly UGB for additional storage for fire flow.

#### **Yamhill County**

##### **Data forthcoming**

- Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning period.

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- The acreage per 1,000 population estimate is a reasonable method, first deducting the fairgrounds property before calculating the ratios.
- Current county-owned sites don't allow for much incremental on-site expansion, so additional capacity would likely require redevelopment or expansion onto additional land.
- Transit may have a need for expanded bus parking/storage area that doesn't require new structures
- Locational analysis: The County Parks Master Plan identifies potential lands for parks at key locations in proximity to McMinnville near confluence areas shown on vision map in the Master Plan)

#### **Chemeketa Community College**

**No new land needs.** Chemeketa Community College sold the property they previously owned, the former campus site, on Hill Road. Their McMinnville campus on Norton Lane houses their facilities as well as commercial and office tenants. For planning purposes, Chemeketa doesn't anticipate new land needs beyond their current ownership, and doesn't anticipate displacement of tenants.

#### **Linfield College**

**No new land needs.** Linfield College doesn't anticipate new land needs beyond current their ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

#### **McMinnville School District**

**Data forthcoming.** ECONorthwest prepared a school needs forecasting model that staff shared with the Superintendent. They have more detailed data they will provide regarding student enrollment forecasting, school size, and site needs by school type to estimate their site and land needs for the planning period. That information is forthcoming.

# MCMINNIVILLE PARKS SYSTEM

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

\*Notes partial taxlot

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

\*Notes partial taxlot

TOTAL DEVELOPED PARK LANDS		272.81
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OPEN SPACE/UNDEVELOPED		ACRES
Angella		2.21
	R4428BD02100	
Ashwood/Derby		0.29
	R4420DB02401	
Barber Property		11.76
	R442901201	
Bennett		0.19
	R4416AA05800	
Brookview		0.72
	R4420BA00500	
Carlson		1.53
	R4420DB00300	
Creekside Cozine		3.69
	R4430DD00200	
Creekside #3 Cozine		15.31
	R4430DC03500	
Crestwood		2.08
	R4420BA00300	1.10
	R4420BA00301	0.60
	R4420BA ROADS*	0.38
Davis St. Fill		1.57
	R4421CC00900	0.91
	R4421CC02601	0.66

\*Notes partial taxlot

TOTAL UNDEVELOPED PARK LANDS		75.76
TOTAL PARK LANDS		348.57

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

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

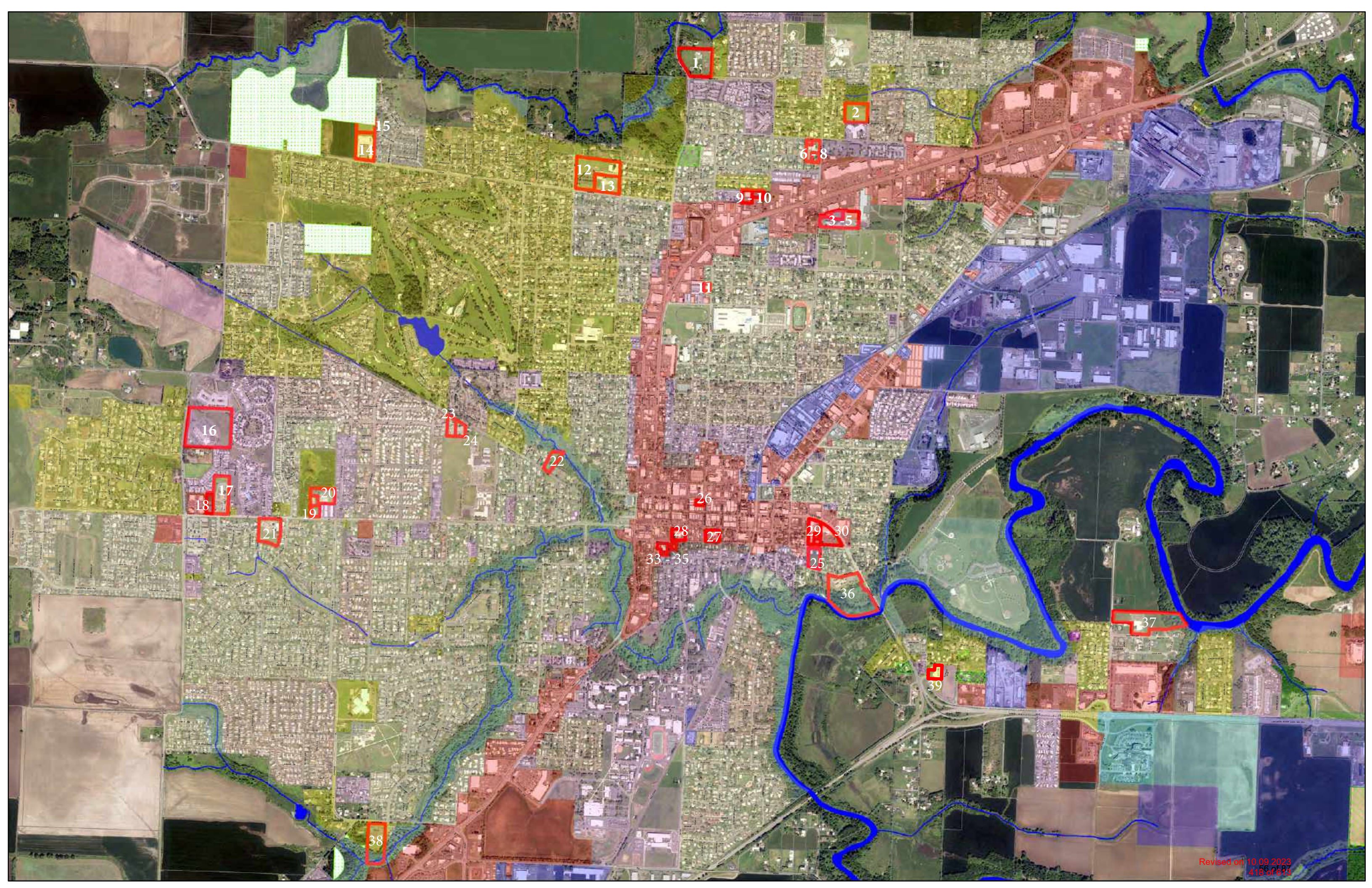
## Church Database and Church Owned Property, May , 2017

No.	Tax Lot	Site Address	Owner	Attn:	Mailing Address	City State	Zip	Zone	Lot Size
1	R4409 01900	385 NE BURNETT RD	UNITED METHODIST	UNITED METHODIST CHURCH OF MCMINNVILLE	544 NE 2ND ST	MCMINNVILLE OR	97128		252713.75
2	R4416AB04100	2831 NE NEWBY ST	ADVENTURE CHRISTIAN	ADVENTURE CHRISTIAN CHURCH	2831 NE NEWBY ST	MCMINNVILLE OR	97128	R-1	127970.40
3	R4416AC00900	2206 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2142 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	10351.67
4	R4416AC01000	2206 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2244 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	28677.93
5	R4416AC01100	2142 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2142 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	148381.05
6	R4416BA02900	2631 NE MCDONALD LN	VALLEY BAPTIST	VALLEY BAPTIST CHURCH	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	59104.97
7	R4416BA02901	1004 NE 27TH ST	VALLEY BAPTIST	VALLEY BAPTIST CHURCH OF MCMINNVILLE	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	8009.11
8	R4416BA03000	2603 NE MCDONALD LN	VALLEY BAPTIST	VALLEY BAPTIST CHURCH	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	21928.99
9	R4416BC02001		COAST HILLS	COAST HILLS COMMUNITY CHURCH	655 NE HIGHWAY 99W	MCMINNVILLE OR	97128	C-3 PD	23709.74
10	R4416BC02101	655 NE HIGHWAY 99W	COAST HILLS	COAST HILLS COMMUNITY CHURCH	655 NE HIGHWAY 99W	MCMINNVILLE OR	97128	C-3 PD	40060.83
11	R4416CB05200	1801 NE EVANS ST	VALLEY CHURCH	VALLEY CHURCH OF CHRIST INC	PO BOX 1210	MCMINNVILLE OR	97128	R-2	14453.39
12	R4417AD04700	325 NW BAKER CREEK RD	FIRST CONSERVATIVE	FIRST CONSERVATIVE BAPTIST CHURCH	325 NW BAKER CREEK RD	MCMINNVILLE OR	97128	R-1	297342.98
13	R4417AD04701	325 NW BAKER CREEK RD	BETHEL BAPTIST	REISTER CARL	325 NW BAKER CREEK RD	MCMINNVILLE OR	97128	R-1	131009.30
14	R4418 00102	1645 NW BAKER CREEK RD	CHURCH OF	LATTER DAY SAINTS	50 E NORTH TEMPLE ST	SALT LAKE CITY UT	84150	R-1	153968.43
15	R4418 00103		CHURCH OF	LATTER DAY SAINTS	50 E NORTH TEMPLE ST	SALT LAKE UT	84150	R-1/EF80	86166.47
16	R4419 01302	700 NW HILL RD	FIRST CHURCH	FIRST CHURCH OF THE NAZARENE MCMINNVILLE	700 NW HILL RD	MCMINNVILLE OR	97128	R-4 PD	526983.44
17	R4419AC00400	2155 NW 2ND ST	MCMINNVILLE COVENANT	MCMINNVILLE COVENANT CHURCH	2155 NW 2ND ST	MCMINNVILLE OR	97128	R-2	173250.33
18	R4419AC00501		MCMINNVILLE COVENANT	MCMINNVILLE COVENANT CHURCH	2155 NW 2ND ST	MCMINNVILLE OR	97128	C-3 PD	44512.57
19	R4419AD00800		CALVARY CHAPEL	CALVARY CHAPEL OF MCMINNVILLE	1825 NW 2ND ST	MCMINNVILLE OR	97128	R-2 PD	122080.36
20	R4419AD00900	1825 NW 2ND ST	CALVARY CHAPEL	CALVARY CHAPEL OF MCMINNVILLE	1825 NW 2ND ST	MCMINNVILLE OR	97128	R-2 PD	27122.79
21	R4419DA14900	1950 SW 2ND ST	SALVATION ARMY	SALVATION ARMY	PO BOX 8798	PORTLAND OR	97208	R-2 PD	159479.84
22	R4420AC02700	720 NW WALLACE RD	NORTHWEST YEARLY	FRIENDS CHURCH	200 N MERIDIAN ST	NEWBERG OR	97132	R-2	60044.25
23	R4420BA10200	1145 NW WALLACE RD	UNITED PENTECOSTAL	UNITED PENTECOSTAL CHURCH	PO BOX 374	MCMINNVILLE OR	97128	R-2	47996.72
24	R4420BA10300	1145 NW WALLACE RD	UNITED PENTECOSTAL	UNITED PENTECOSTAL CHURCH	PO BOX 15	MCMINNVILLE OR	97128	R-2	43757.87
25	R4421AC03500	1145 NE 1ST ST	ARCHDIOCESE OF	ST JAMES PARRISH	2838 E BURNSIDE ST	PORTLAND OR	97214	C-3	93509.39
26	R4421BC05300	333 NE EVANS ST	CREEKSIDE COMMUNITY	CREEKSIDE COMMUNITY CHURCH	PO BOX 1598	MCMINNVILLE OR	97128	C-3	12173.07
27	R4421BC11500	544 NE 2ND ST	MCMINNVILLE MINISTRIES	MCMINNVILLE MINISTRIES INC	544 NE 2ND ST	MCMINNVILLE OR	97128	C-3	48020.52

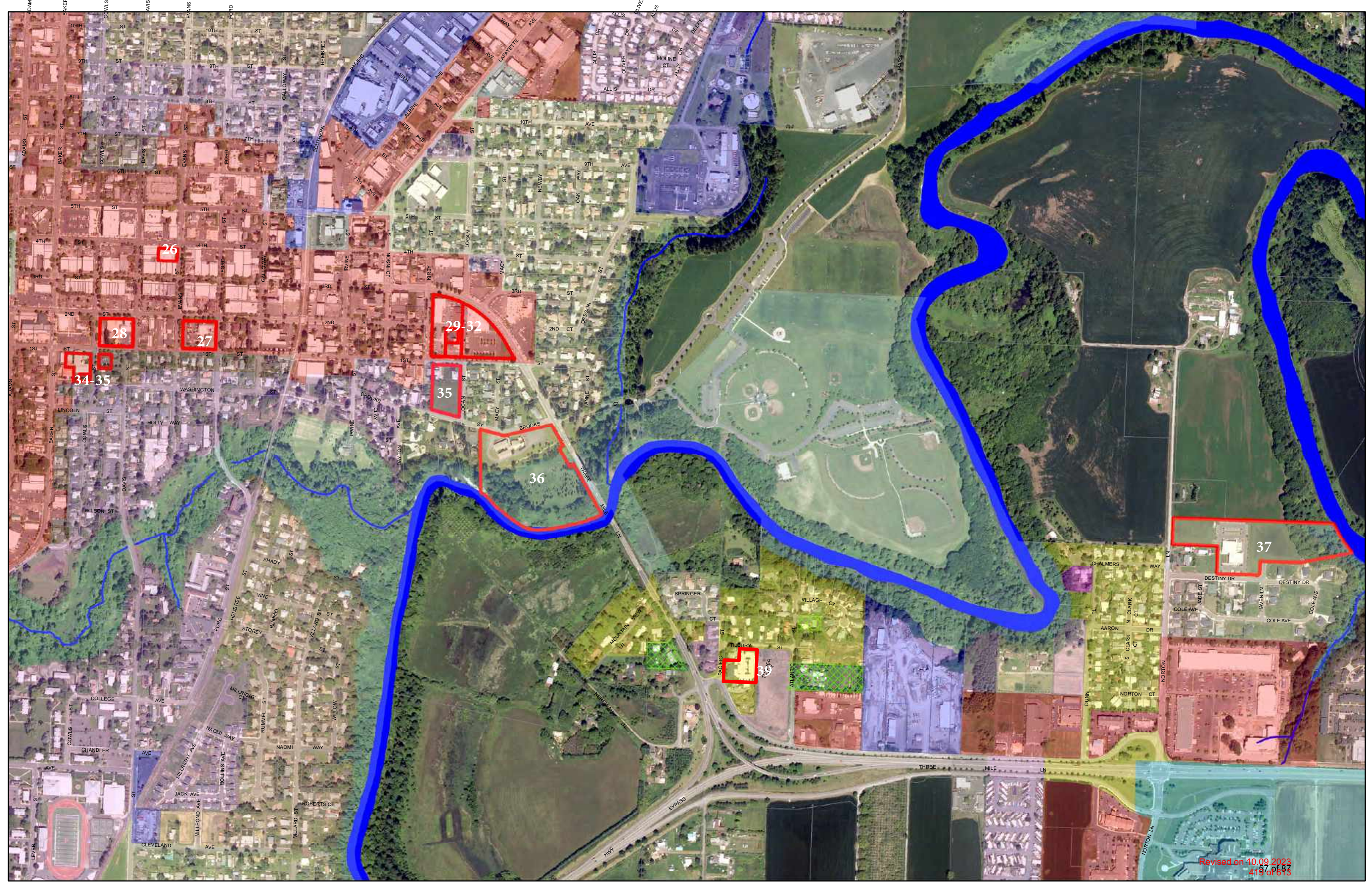


No.	Tax Lot	Site Address	Owner	Attn:	Mailing Address	City State	Zip	Zone	Lot Size
28	R4421BC12900	390 NE 2ND ST	FIRST PRESBYTERIAN	FIRST PRESBYTERIAN CHURCH OF MCMINNVILLE	390 E 2ND ST	MCMINNVILLE OR	97128	C-3	48017.69
29	R4421BD07200	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	68370.94
30	R4421BD07300	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	9005.69
31	R4421BD07400	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	14005.35
32	R4421CA00100	1110 SE 1ST ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	R-4	70228.18
33	R4421CB03200	304 SE 1ST ST	FIRST BAPTIST	MCMINNVILLE	125 S COWLS ST	MCMINNVILLE OR	97128	O-R	9008.28
34	R4421CB03700	125 SE COWLS ST	FIRST BAPTIST	FIRST BAPTIST CHURCH OF MCMINNVILLE		MCMINNVILLE OR	97128	O-R	26031.13
35	R4421CB03900	135 SE COWLS ST	FIRST BAPTIST	FIRST BAPTIST CHURCH OF MCMINNVILLE	125 S COWLS ST	MCMINNVILLE OR	97128	O-R	4000.11
36	R4421DB04100	1300 SE BROOKS ST	FIRST CHRISTIAN	FIRST CHRISTIAN CHURCH OF MCMINNVILLE	1300 SE BROOKS ST	MCMINNVILLE OR	97128	R-2/FP	456397.69
37	R4422 03400	2705 NE DESTINY DR	NEW HORIZONS	NEW HORIZONS CHURCH	2705 NE DESTINY DR	MCMINNVILLE OR	97128	R-2 PD	343810.13
38	R4429 01301	1500 SW OLD SHERIDAN RD	OREGON CONFERENCE ADVENTIST CHURCHES	ATTN MCMINNVILLE SDA CHURCH	19800 OATFIELD RD	GLADSTONE OR	97027	R-1	207570.34
39	R4421DD00701	160 NE PACIFIC ST	WEST CONGREGATION	JEHOVAHS WITNESS MCMINNVILLE OREGON	160 NE PACIFIC ST	MCMINNVILLE OR	97128	R-1	47139.40

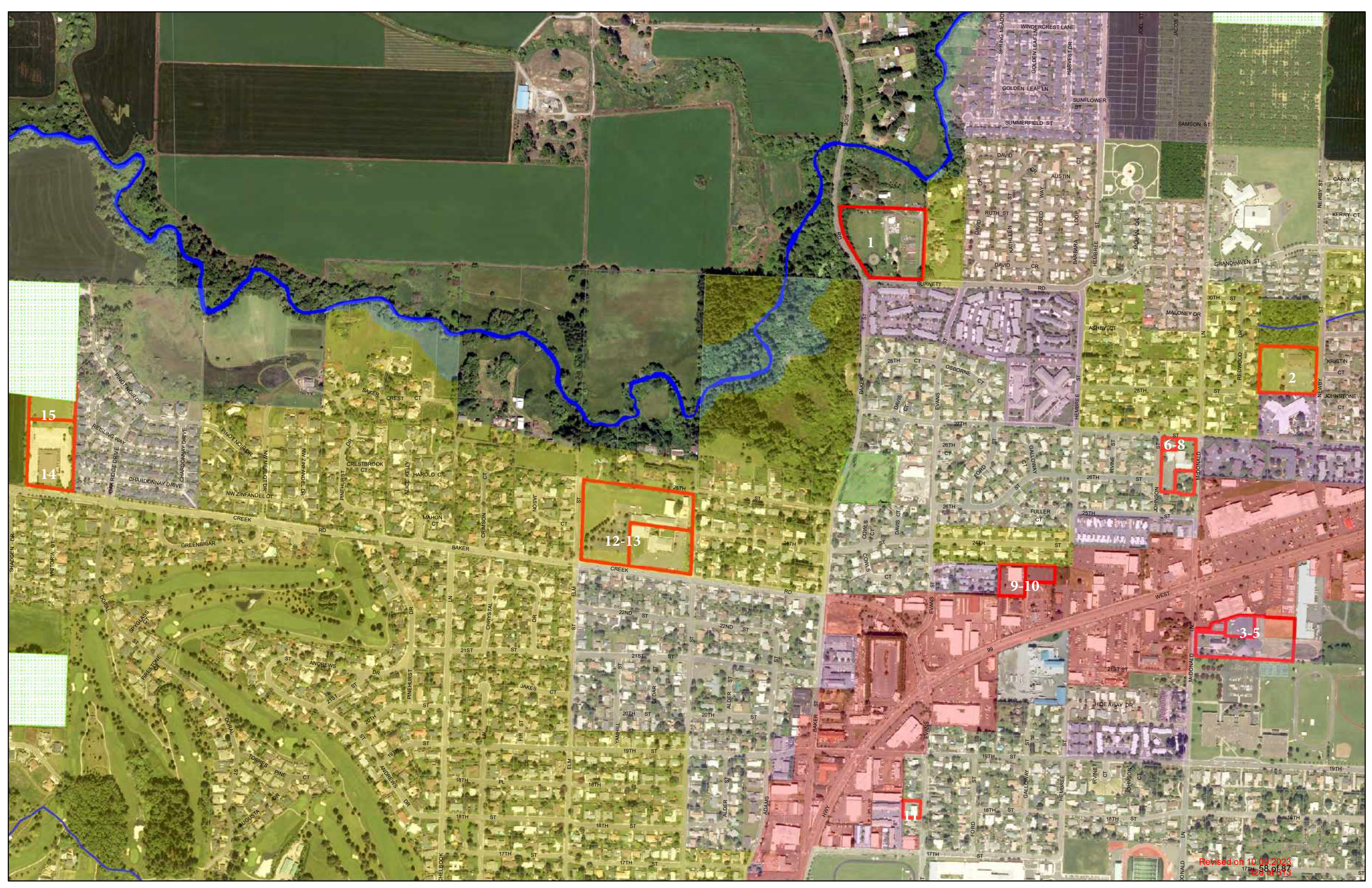












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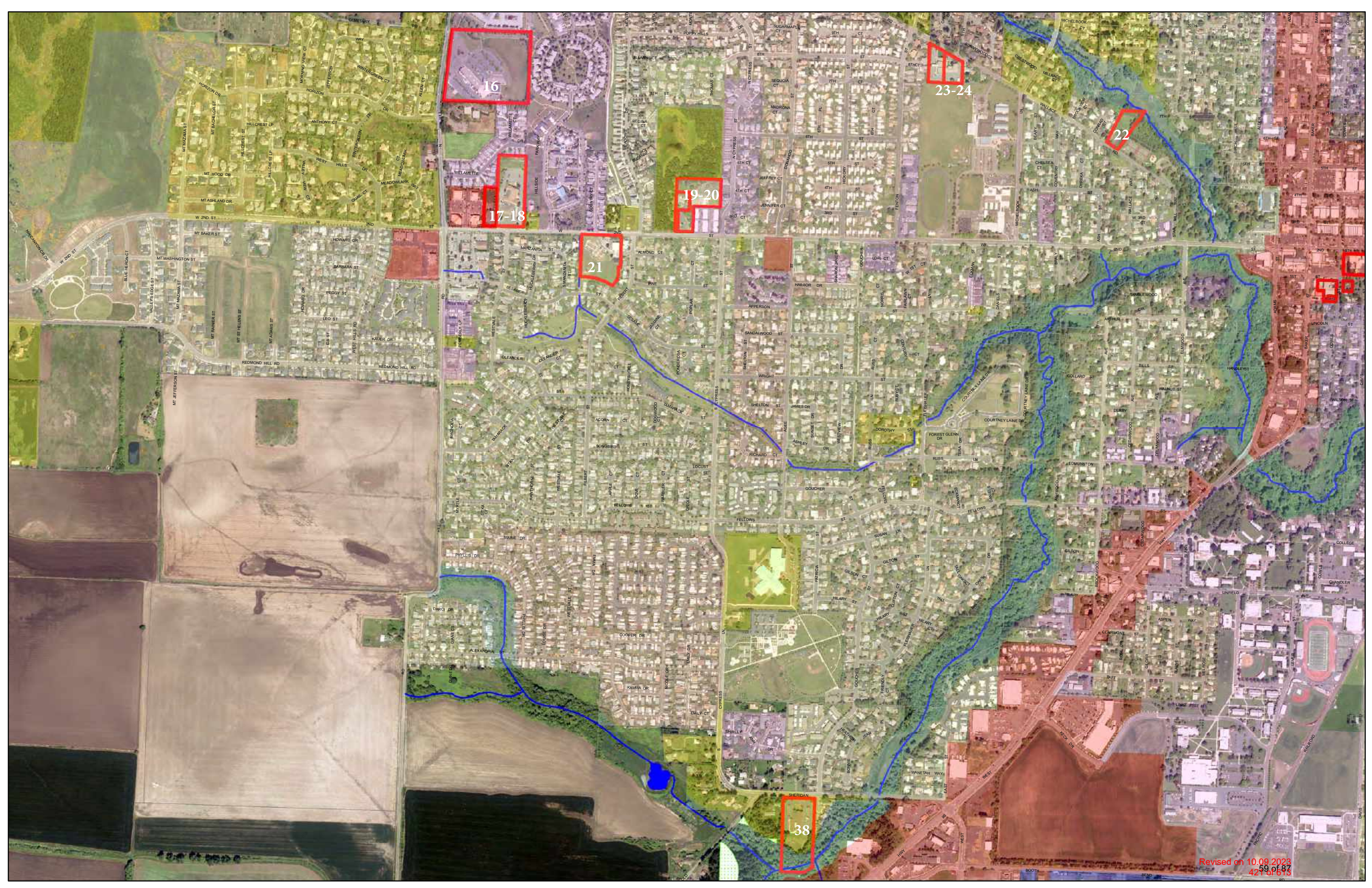
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DATE: September 15, 2023  
TO: Heather Richards  
FROM: Beth Goodman and Bob Parker  
SUBJECT: Information in Response to 1000 Friends of Yamhill County's Letter

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ECONorthwest developed a Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA) for the City of McMinnville. 1000 Friends of Oregon and Friends of Yamhill County (FRIENDS) wrote a letter to the McMinnville Planning Commission raising questions, concerns, and issues they have with the HNA and EOA reports. This memorandum responds to each of FRIENDS comments, providing information about the data used in the analysis, the basis for the analysis, and information about how other cities in Oregon handle similar issues.

The City is proposing to adopt the HNA and EOA, then evaluate land use efficiency measures to increase capacity for development (and reduce needed UGB expansion) within the existing UGB, develop a Housing Production Strategy to address need for affordable housing, and develop UGB expansion analysis to accommodate land need that cannot be fit within the existing UGB. The City has applied to the the Department of Land Conservation and Development (DLCD) to implement this adoption process.

## I. General Comments

The letter from FRIENDS raises the following key issues in the general comments:

- **Minimum lot sizes.** FRIENDS says that the minimum lot sizes in McMinnville are larger than those in other cities in the Willamette Valley. In our opinion, if the City wants to change minimum lot sizes, this would be best addressed through evaluation of land use efficiency measures. The City expects to evaluate land use efficiency measures in 2024. The HNA presents an estimate of land need that does not account for land use efficiency measures. If land use efficiency measures reduce the land needed for housing in a potential UGB expansion, that will be reflected in analysis that comes after the HNA is adopted.
- **Density estimate.** FRIENDS says that the average density in the HNA (5.46 dwelling units per acre) is less than that used in the McMinnville Growth Management and Urbanization Plan (MGMUP), which resulted in the 2020 UGB expansion. This issue is addressed later in this memorandum, as well as in the City attorney's memorandum.
- **Demand for park land.** FRIENDS' comments about park land is addressed later in this memorandum, as well as in City staff's memorandum about the comments.
- **Population forecast.** FRIENDS' comments about the population forecast is addressed later in this memorandum, as well as in the City attorney's memorandum.

## II. Housing Needs Analysis

### 1. Capacity of Lands designated Urban Holding and projection of future park needs

FRIENDS say that the HNA and public/semi-public land analysis assumes too much land for parks, schools, and institutional uses and that the assumption about park land need is based on an inadequate factual basis. They say that the City should not rely on the McMinnville Growth Management and Urbanization Plan to determine how much land brought into the UGB will be used for housing uses and how much for residential uses through 2041 (and beyond).

In our experience, cities must use adopted plans and policies to justify assumptions about park land. The City adopted the McMinnville Growth Management and Urbanization Plan (MGMUP), which provided details about how land brought into the UGB will be used, such as to address parks and other public/semi-public land needs, as well as for neighborhood commercial and residential uses, such as land for the City's new R-5 zone.

The park land need is based on the City's adopted "Parks Recreation, and Open Space Master Plan," which was adopted in 1999. Whenever we work with cities to estimate future park land needs, we do so based on the adopted parks plan. This is the approach we have taken on several prior UGB expansions and it is our understanding that it is the legally required approach.

The HNA, EOA, and Urbanization summary incorporates these assumptions. Doing otherwise would require justification to ignore adopted City policies. We do not have justification for alternative assumptions.

### 2. Residential Density

FRIENDS says that the average density in the HNA (5.46 dwelling units per acre) is less than that used in the McMinnville Growth Management and Urbanization Plan (MGMUP), which resulted in the 2020 UGB expansion.

The density estimate in the HNA (5.46 dwelling units per acre) is based on an analysis of historical achieved densities over the 2000 to July 2018 period, using McMinnville's building permit data. This analysis is shown in Exhibit 22 of the 2023 HNA report. The historical density analysis forms the basis for the estimate of future housing capacity of buildable land, which is shown in Exhibit 98 in the 2023 HNA report. This analysis and estimate of future capacity is consistent with the requirements of ORS 197.296(5)(a)(A).

In addition McMinnville updated its zoning code in 2022 to allow middle housing types as required by House Bill 2001 (2019). ORS 197.296(6)(b) limits a city to increasing the future density expectations to 3% over the historical densities without "quantifiable validation" for a larger assumption about increases in density. McMinnville assumed a 3% increase over

historical densities (in Exhibit 22<sup>1</sup>) to account for complying with complying with HB 2001 (2019).

This method of estimating future density is consistent with requirements of Oregon law (ORS 197.296) and does not account for potential land use efficiency measures. If McMinnville needs to expand its UGB, that expansion would account for new land use efficiency measures and the future density would likely be above 5.46 dwelling units per acre. This is the same approach we use for other cities that, like McMinnville, are subject to the requirements of ORS 197.296.

### 3. Housing Needs for All City Residents

FRIENDS says that the HNA addresses housing needs of “new” residents but does not address unmet housing needs of existing residents.

Addressing unmet housing needs of existing residents is a complex topic. One way to understand the unmet housing needs of existing residents is through housing affordability. Residents who cannot afford their existing housing or people experiencing homelessness have unmet housing needs. The 2023 HNA provides information about housing costs in Exhibit 63 through 67 and about housing affordability in Exhibit 68 through Exhibit 77. The HNA also provides information about people experiencing homelessness in Yamhill County from the Point-in-Time counts in Exhibit 57 and students experiencing homelessness in Exhibit 58.

People who live in McMinnville, except for people experiencing homelessness, have an existing place to live, even if it is unaffordable. An HNA does not assume that new housing is needed for every household that cannot afford their current housing. An HNA is expected to present information to understand the extent of affordability challenges.

Cities are expected to identify policies to address unmet housing needs of existing residents in their Housing Production Strategy (HPS), which is a newer State requirement. An HPS includes policies to: (1) support development of housing that is more affordable, especially for low-income households, (2) preserve existing affordable housing, (3) address homelessness, and (4) meet other (related) State requirements. Policies in an HPS may include: zoning-related strategies to reduce housing costs (such as lowering minimum lot sizes), financial strategies to support development of affordable housing and preservation of existing affordable housing, partnerships to support development and preservation of affordable housing, and many other approaches.

McMinnville expects to develop its HPS in 2024. We recommend McMinnville use the HPS as the way to address these unmet housing needs to the best of the City’s ability.

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<sup>1</sup> Throughout this memorandum, where we refer to a specific exhibit, it is from either the 2023 HNA report or the 2023 EOA report, unless earlier versions of the HNA or EOA reports are specifically referenced.



#### 4. Capacity of C-3 Lands to Provide High Density Housing

FRIENDS comments that the HNA did not assume that new housing would develop in the C-3 zone.

This assumption is based on discussions with the Project Advisory Committee (PAC) during development of the HNA in 2018 and 2019. The issue is that McMinnville has a deficit of land in the C-3 for commercial uses. Assuming more housing development in C-3 could increase that deficit further.

This assumption is a policy decision. The City could direct ECONorthwest to revise the HNA to assume that some housing would develop in the C-3 zone. A reasonable assumption *might* be that 10% of new housing would develop in the C-3 zone, consistent with historical development trends in McMinnville between 2000 and 2018 (see Exhibit 22 in the HNA).

To do this work would take 1 days and \$1,750. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

#### 5. Group Quarters

FRIENDS comments that the HNA did not assume that some population would locate in group quarters, which includes dormitories, congregate living facilities like nursing homes, and jails.

The HNA documents assumptions and information about group quarters. The HNA provides information that about 5% of McMinnville's population lived in group quarters. It notes that population in group quarters in McMinnville declined over the last decade.

City of McMinnville staff and the Project Advisory Committee considered three options<sup>2</sup> to address the population in group quarters. Staff recommended—and the majority of the Project Advisory Committee agreed—that for the purpose of this analysis, we assume that group quarters will be met through the same land needs as the net new population without allocating housing to group quarters separately (option 3).

Option 3 assigns all new net population growth to housing units. This method assumes the population in group quarters at Linfield and the jail will remain relatively constant. The

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<sup>2</sup> **Option 1:** Use the “share method,” then assign one person per group quarter, and assign group quarters to land need at the same density as multifamily development.

**Option 2a:** Use the “share method,” then assign an analogous household size, and then apply that to the population to calculate land needs. Two Project Advisory Committee members requested this method instead of Option 1.

**Option 2b:** Use the “share method,” then assign a direct group quarters population per acre estimate. This method directly assigns population density for group quarters rather than rely on use of an interim assignment step analogous to household size.

**Option 3:** Do not use the “share method.” Instead, use assumptions and methods based on McMinnville-specific group quarters data and PSU's official population forecast for McMinnville.

population in other group quarters represents less than 1% of McMinnville’s current population.

The needed housing mix (Exhibit 85 in the HNA report) reflects an expectation of development of a larger percentage of housing in multifamily housing than the historic development patterns (which were dominated by single-family detached housing). The land needs and densities for multifamily housing and group quarters are assumed to be equivalent. Without differentiating between population in multifamily housing and group quarters, the identified land needs would meet the same needs, whether the population is in housing or in group quarters.

There is no State requirement that the City account for land for group quarters in the forecast of new housing need.

## 6. Right-of-Way

FRIENDS say that the HNA does not provide substantial evidence about the assumption of land for rights-of-way.

As part of development of the HNA, ECONorthwest did an empirical analysis of existing rights-of-way in areas with existing residential development in McMinnville. The purpose of this analysis was to determine how much land is in rights-of-way (also referred to as an “average net-to-gross” percentages) for existing development, as the basis for estimating land need for future rights-of-way.

In developing the 2019 HNA, ECONorthwest sampled at least one developed area within each zone, for a total of 18 sample areas within McMinnville.<sup>3</sup> The results of that sample are shown in **Exhibit 1**. This shows that rights-of-way accounted for between 17% and 30% of developed land in McMinnville in these sample areas.

**Exhibit 1. Average ROW for sample areas, McMinnville UGB, 2019**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	5	26%
R-3 Two Family Residential	4	29%
R-4 Multiple-Family Residential	3	23%
O-R Office/ Residential	1	17%
C-3 General Commercial	1	30%
<i>Overall sampled average</i>		<i>25%</i>

<sup>3</sup> The reason for not evaluating the amount of land in rights-of-way for all developed areas in McMinnville is that getting a good estimate of land in rights-of-way requires cleaning the data to remove large undeveloped areas, parks, account for larger rights-of-ways in particularly hilly areas, and address other idiosyncratic issues that are present in every community.

The assumptions about land in rights-of-way are used in Exhibit 92 of the HNA, to adjust density assumptions to account for rights-of-way).

FRIENDS made a public records data request for the data that is the basis for the information in **Exhibit 1**, including a map of the areas sampled and the tax lots included in each sample area. In a search of our archives from the 2019 project, we found that we had not saved the GIS data about the areas sampled. As a result, we repeated the analysis. The new analysis is documented in the memorandum “McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” (September 14, 2023).

**Exhibit 2** presents the analysis developed by ECONorthwest in response to FRIENDS request. The underlying data (GIS data from the 2019 BLI, which considered parcels that were developed as of the 2019 BLI database) is the same as the data used for the analysis in **Exhibit 1**. The specific areas sampled in **Exhibit 1** and **Exhibit 2** are almost certainly different.

The analysis in **Exhibit 2** includes about 65% of developed land within city limits (for the zones shown in **Exhibit 2**). The results of this analysis are largely similar to the results of the analysis in **Exhibit 1**. The overall average percent of land in rights-of-way in **Exhibit 2**, consistent with the analysis in **Exhibit 1**. The areas with substantial difference are commercial, O-R and C-3. The analysis in **Exhibit 1** included fewer sample areas (and likely less developed land) than the analysis in **Exhibit 2**.

**Exhibit 2. Average ROW for selected areas, McMinnville UGB, 2023**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	6	24%
R-3 Two Family Residential	7	29%
R-4 Multiple-Family Residential	4	27%
O-R Office/ Residential	5	24%
C-3 General Commercial	5	23%
<i>Overall sampled average</i>		<i>25%</i>

We think the City is justified in continuing to use the assumptions in **Exhibit 1** for the residential zones based on the substantial evidence presented in the memorandum McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” (September 14, 2023).

Using the assumptions in **Exhibit 2** for the residential zones would not make a substantial difference in development capacity. The City could direct ECONorthwest to update the HNA and use the assumptions in **Exhibit 2**.

If the City directs ECONorthwest to allocate housing to the C-3 zone (in response to comment 4 above), we recommend using the assumption about rights-of-way in **Exhibit 2**.

To do this work would take 1 days and \$1,750. . Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

## 7. HNA Safe Harbors

FRIENDS says that safe harbors must be based on the most current data published by the Census Bureau and that the HNA does not use the most current data published by the Census.

A safe harbor is an assumption that a city can use in a housing needs analysis, which the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

The safe harbors used in the HNA were around household size and vacancy rates, used in the analysis in Exhibit 78. In both cases, the data used in the HNA was from 2013–2017 American Community Survey (ACS), which was released in December 2018. That was the most current Census Bureau data when the study was developed and completed (June 2019). The next year ACS data (for 2018) was not released until December 2019.

Due to work sessions with the Yamhill County Commissioners and the City Council in August, 2019 and February, 2020, the City notice intention to adopt the HNA in May 2020. FRIENDS suggest using 2021 ACS data, which was released in December 2022, which was released 2.5 years after the HNA was noticed.

The issue of aging data is very common in HNAs (or EOAs) where it takes time for a study to be adopted. If a city updated data every time newer data replaced it, cities would be perpetually updating their HNA (or EOA) and unable to adopt them if there was any substantial delay in the adoption process.

Since the best sources of widely available data for these assumptions is ACS data, the City could strike the language about a safe harbor and rely on the ACS data as the basis for the assumptions.

To do this work would take 1 hour and \$220. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

### III. Economic Opportunities Analysis

#### 1. Refill, Redevelopment and employment on non-employment land

FRIENDS states “The EOA fails to adequately account for employment that will occur on non-employment land (primarily residential land), and uses very low refill and redevelopment rates.”

The Goal 9 administrative rules (OAR 660-009) do not explicitly require EOA’s address refill (which is typically defined as a combination of infill and redevelopment). OAR 660-009-0015(3) envisions that cities will address redevelopment potential through the buildable lands inventory:

“Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.”

The rule uses the following definitions of *vacant* and *developed* lands:

“Developed Land” means non-vacant land that is likely to be redeveloped during the planning period. (OAR 660-009-0005(1)

(14) “Vacant Land” means a lot or parcel:

(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or

(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

DLCD’s Goal 9 Guidebook<sup>4</sup> briefly touches on an alternative approach, which is to deduct a percentage of employment that can be accommodated in vacant buildings and/or underutilized sites.

**“Growth that can be accommodated in vacant buildings and/or underutilized sites.** As there is little empirical data on the share of employment growth that can be accommodated in vacant or redeveloped buildings, a general rule-of-thumb is 10% to 15%.”

Research conducted by the University of Oregon’s Community Service Center (now the Institute for Policy Research & Engagement) for the Division 38 rulemaking process validates the statement in the Goal 9 guidebook “there is little empirical data on the share of employment growth that can be accommodated in vacant or redeveloped buildings.” In a survey of municipal planners, the CSC found that “most cities surveyed

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<sup>4</sup> [https://www.oregon.gov/lcd/Publications/goal9guidebook\\_2005.pdf](https://www.oregon.gov/lcd/Publications/goal9guidebook_2005.pdf)

(62%) indicated that they cities surveyed did not monitor redevelopment. Those that did tended to be smaller cities; no cities over 25,000 reported that they systematically monitor redevelopment activity.”<sup>5</sup>

The implication is that cities have little data upon which to base assumptions about infill and redevelopment. In McMinnville’s case, the City analyzed what data were available and presented that data to the Project Advisory Committee for review, comment, and ultimately a recommendation.

The 2023 EOA states (pg. viii):

- “The City assumed 5% of new employment would be accommodated on sites that don’t require new vacant land, through infill, redevelopment, and locations that don’t require new employment land.”

Considerable evidence exists in the record for how the city got to that assumption. Staff included a detailed analysis in the October 10, 2019 PAC meeting packet (pages 13-17 of 29).<sup>6</sup> The gist of the analysis was summarized as follows:

“The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands.” (page 13 of 29)

The packet includes analysis of how various refill/redevelopment assumptions impact overall employment densities (Exhibits 3A through 3C). The analysis then concludes:

“Both the industrial and commercial employment densities have remained nearly the same over time: from the 2001/03 EOA, the empirical calculations in the 2013 EOA, and the empirical calculations in the current (2020 EOA) analysis. Industrial densities have decreased slightly from about 11 employees/acre to about 10 employees/acre. Commercial densities have increased slightly from about 22 employees/acre to about 23 employees/acre.” (page 14 of 29)

The narrative goes on to state that data show that employment densities “don’t appear to have increased consistent with those rates,” providing additional commentary on the potential reasons (page 14 of 29) and ultimately concluding:

“An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 employees/acre to about 11 employees/acre on existing developed sites. This is generally consistent with McMinnville’s historic trends.”

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<sup>5</sup> *Analysis of Mixed-Use Development and Redevelopment in Oregon Cities, A Report to the HB 2254 Rules Advisory Committee*, University of Oregon Community Service Center, September 2015, page iii.

[https://www.oregon.gov/lcd/UP/Documents/UO\\_Report\\_MixedUse\\_Redevelopment\\_UGB\\_2015.pdf](https://www.oregon.gov/lcd/UP/Documents/UO_Report_MixedUse_Redevelopment_UGB_2015.pdf)

<sup>6</sup> [https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/us\\_eoa\\_pac\\_3\\_10-10-2019\\_agenda\\_and\\_packet.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/us_eoa_pac_3_10-10-2019_agenda_and_packet.pdf)



The packet goes on to make the following recommendation to the PAC:

“A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend. This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.”

The PAC had considerable discussion about the refill/redevelopment assumption and ultimately recommended the 5% assumption. The results of that recommendation are included in the draft of the EOA which was distributed to the PAC for discussion at the January 21, 2020 PAC meeting. The EOA includes the following narrative about the assumption:

Some employment growth in McMinnville will not require vacant (or partially vacant) employment land over the planning period. This includes redevelopment of areas with existing employment, where redevelopment increases the intensity of employment uses (i.e., more employees are accommodated on the same amount of land). The 2013 EOA assumed that 17% of employment for each land use type would not require vacant commercial or industrial land.<sup>100</sup> **Based on the information presented in Appendix B, the PAC determined that a reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment.**

Thus, the city included substantial evidence in the record supporting the 5% refill/redevelopment assumption and that evidence was thoroughly vetted through the PAC which endorsed the assumption.

## 2. Other Needed Employment Sites

FRIENDS says that the Other Needed Employment Sites (see Exhibit 58 of the 2023 EOA) are low-job-density uses, some of which would be publicly owned and occur on public lands. FRIENDS also says that an EOA is not an appropriate tool for designating land need for specific, individual uses.

The land needs in this section include a total of 49 acres for: a community center and recreation facility, outdoor stage/amphitheater, arts and culture focused event center, Evergreen Aviation and Space Museum expansion, Wings and Waves expansion, conference center, food hub and public market, and makerspace/innovation hub.

Some of these uses may well be low-job-density uses. But many types of businesses have relatively low-job-densities. For example, warehouse and transportation businesses typically have three or fewer employees per acre. Self-storage businesses frequently have fewer than one employee per acre. There is no requirement in Goal 9 or OAR 660-009 that tells the City what employment density it must plan for, especially not on individual sites.

Any of these uses could be privately run and some may be public uses. There are instances of the following uses being privately owned (FRIENDS asserts these would be public uses): conference centers, arts and cultural centers, or public markets. There are privately-owned arts and cultural centers, conference centers, food hubs/public market, and outdoor stages in communities across Oregon (see pages 93 to 96 of the EOA). While community centers and may be more likely to be publicly owned, land for these uses is not otherwise accounted for in McMinnville's existing planning documents.

There is no guidance in Goal 9 or OAR 660-009 that discusses or prohibits planning for land needs that are out of the ordinary for economic and employment uses. Most of these uses have clear connections with tourism and economic development and the remaining uses provide services for people living in McMinnville.

FRIENDS makes additional assertions about how items such as how the Evergreen sites, conference center, food hub and public market, and makerspace should be accommodated. Our assessment is that these are City policy choices. The City can direct ECONorthwest to modify the land needs identified in Exhibit 58, if so desired by decision makers.

To do this work would take 1 days and \$1,750. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

### 3. Retail Leakage

FRIENDS says that the retail leakage analysis is additive on top of the methodology used for the employment forecast, which uses safe harbor assumptions about employment growing at the rate of population growth.

The EOA does include both a forecast of employment growth based on the population forecast, as well as an additional analysis of land needed to address retail leakage. The forecast of new employment growth is intended to meet the needs of the community for retail services (and other employment growth), as well as meet the City's economic development objectives. The retail leakage analysis addresses existing deficits in retail businesses in McMinnville. These deficits were documented in the report *McMinnville Three Mile Lane Area Plan: Market Analysis*, Leland Consulting Group, April 2019.

The EOA identifies need for an additional 12 acres of land to accommodate retail growth that is intended to address existing deficits of retail businesses in McMinnville (Exhibit 57 in the EOA).

ECONorthwest defers to the City attorney for legal interpretations of Goal 9 for whether the City is allowed to include both a safe harbor employment forecast and a retail leakage analysis in the forecast of future employment land needs.

To remove this analysis would take 1 days and \$1,750.

## IV. Buildable Lands Inventories (BLI)

### 1. Removal of vacant and partially vacant land based on ownership

FRIENDS says that the BLI excluded vacant and partially vacant land owned by tax-exempt organizations, beyond land that is publicly owned. They acknowledge that land that is publicly owned can be excluded from the residential BLI.

The BLI does exclude tax-exempt land owned by non-public organizations. In the HNA's BLI, this accounts for about 2 vacant unconstrained acres of land and about 24 partially vacant unconstrained land. In the EOA's BLI, this accounts for about 2 vacant unconstrained acres of land and about 2 partially vacant unconstrained land. Nearly all of this land is owned by churches.

This does not include land owned by Linfield College, which is about 57 acres, because the College has consistently told the City that its plans are to use the land it owns for future expansions and has no plans to sell land. This is documented in Appendix E of the Economic Opportunity Analysis.

The City could direct ECONorthwest to revise the BLI in the HNA and/or EOA to include vacant and partially vacant unconstrained land owned by non-public tax-exempt organization in the inventory of land that is buildable.

To do this work would take 2 days and \$2,950. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

## 2. The Buildable Lands Inventory in the EOA fails to meet legal standards

FRIENDS asserts that the BLI in the EOA is inadequate because it does not include an inventory of lands that includes a description of the “site characteristics, development constraints, or infrastructure needs” of both vacant and developed land.

The BLI results and methodology are summarized in the EOA report but the BLI itself is a database in ArcGIS that includes all land within the McMinnville UGB that is designated for commercial or industrial use. The BLI database includes information about each commercial or industrial tax lot within the UGB, regardless of development status (e.g., developed or vacant land), that includes the location, tax lot boundaries, size, constraints (e.g., floodplain or steep slopes), shape of parcel, and other characteristics. The BLI can be used with other GIS data to describe the proximity of each parcel as it relates to public infrastructure, such as roads or water/sewer pipes.

The BLI presented in the McMinnville EOA is consistent with the dozens of BLIs that ECONorthwest has produced for cities across Oregon, which have been adopted and acknowledged by the State. BLIs typically include limited detailed information about characteristics of vacant sites such as size of site (Exhibit 46 in the EOA). For key sites, EOAs may include discussion of infrastructure deficiencies but often do not include site-specific information.

Including information that FRIENDS asserts is missing in the EOA report about each commercial and industrial site, 983 tax lots in McMinnville, would be onerous and not provide actionable information to decision makers. If there are questions about specific parcels in the BLI, the best way to answer the questions is by accessing the BLI in GIS, which allows for addition and consideration of other information the City may have but was not included in the BLI (e.g., distance from water or sewer infrastructure).

## 3. Population Forecast

FRIENDS asserts that the City is required to use the most recent official population forecast, which was released on 6/30/2020.

The HNA and EOA use the official population forecast that was released on 6/30/2017. This was the official forecast that the City was required to use when developing the HNA and EOA. The City noticed its intention to adopt the HNA and EOA in May 2020, before the 6/30/2020 population forecast was released.

Completing and adopting an HNA and EOA often takes years (and sometimes many years). The official population forecast is generally issued once every four years but was issued at a three year interval in this instance (which is not common or standard practice).

The practice in Oregon has been that a city can notice the State the intention to adopt an HNA or EOA when the report is complete (or substantially complete). Once the city notices the intention to adopt the report, the city is not expected to update the document to use a new population forecast. If cities did not have some way to “lock in” the key assumptions, especially population forecasts, then cities would be constantly revising the HNA and EOA analysis. The results of an HNA or EOA can change substantially with changes in key assumptions, like the population forecasts, which can require additional public outreach, policy analysis, and discussions with decision makers.

In addition, McMinnville will be required to revisit its residential land needs and develop a new HNA in 2031. This requirement means that the City will be evaluating residential land need on a consistent basis.

The City can direct ECONorthwest to revise the HNA or EOA based on the newer population forecast. A new population forecast will be issued on 6/30/2024.

To do this work would also entail updating all of the other data sources, and take 3 to 4 months and \$150,000 for a new HNA and EOA. Note: If the City directs ECONorthwest to update the documents to this level, the costs and time would be inclusive of all of the other items that the City would like to revise as well in terms of approach and safe harbors utilized.

#### 4. Record Completeness

FRIENDS noted that the EOA did not included Appendix D and E. The EOA in the Planning Commission packet for the September 7, 2023 meeting included Appendix D and E.



# Memorandum from ECONorthwest

DATE: September 14, 2023  
TO: Heather Richards  
FROM: Beth Goodman  
SUBJECT: McMinnville HNA: Percentage of Land in Rights-of-Way Assumption

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The City of McMinnville worked with ECONorthwest to develop the McMinnville Housing Needs Analysis (HNA) report in 2019 and to update it in 2023. McMinnville noticed a hearing for the HNA report with the McMinnville Planning Commission on September 7, 2023 for the purposes of adopting the HNA into the City's Comprehensive Plan.

1000 Friends of Yamhill County (FOYC) made a public records request to the City for information about assumptions in the HNA about land needed for future in rights-of-way. The HNA used the assumptions about land needed for rights-of-way in Exhibit 92 of the HNA, which allows for converting future housing density assumptions from net acres to gross acres.

This memorandum presents information about the assumptions of percent of land in rights-of-way.

## Methodology and Assumptions used in the 2019 HNA

ECONorthwest calculated the percentage of land in rights-of-way (ROW) in zones that allow residential use. Using Geographic Information Systems (GIS) software, we selected sample areas that represented developed residential areas by zone in the City of McMinnville. Developed residential areas were defined using the results of the buildable lands inventory. We defined multiple sample areas for each residential zone, which provided an average of net area of ROW. Since the City has few areas with developed residential use in the O-R and C-3 zones, we sampled fewer areas for this analysis.

The net to gross conversion was calculated as follows:

Land in ROW/All land in the Sample Area

Where:

Land in the Sample Area = Total sample area acreage

Land in ROW = Acreage in tax lots – Gross acres

In other words, Land in ROW is defined as the total area in ROW within the sample areas. The percentage resulting from this calculation is the average net-to-gross ratio.

**Exhibit 1. Average ROW for sample areas, McMinnville UGB, 2019**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	5	26%
R-3 Two Family Residential	4	29%
R-4 Multiple-Family Residential	3	23%
O-R Office/ Residential	1	17%
C-3 General Commercial	1	30%
<i>Overall sampled average</i>		<i>25%</i>

FOYC requested information beyond that provided in Exhibit 1, including a maps of the subareas selected and the specific tax lots in the subareas selected.

In a search of our archives from the 2019 project, we found that we had not saved the GIS data about the areas sampled. As a result, we repeated the analysis (presented in the next section) for land in ROW, following the methodology described above. As the basis for this analysis, we used the GIS data from the 2019 BLI, only including parcels that were developed as of the 2019 BLI database, to provide a directly comparable analysis of ROW with that presented in in Exhibit 1.

## Analysis of Land in ROW

Given that we were unable to produce the specific information about the analysis of land in ROW from the 2019 HNA, we developed a new analysis of the same information, presented in Exhibit 2. The underlying data (GIS data from the 2019 BLI, which considered parcels that were developed as of the 2019 BLI database) is comparable to the analysis in Exhibit 1. The specific areas sampled in Exhibit 1 and Exhibit 2 are likely different.

The analysis in Exhibit 2 includes about 65% of developed land within city limits (for the zones shown in Exhibit 2).

**Exhibit 2. Average ROW for selected areas, McMinnville UGB, 2023**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	6	24%
R-3 Two Family Residential	7	29%
R-4 Multiple-Family Residential	4	27%
O-R Office/ Residential	5	24%
C-3 General Commercial	5	23%
<i>Overall sampled average</i>		<i>25%</i>

Exhibit 3 compares the results from the analysis developed in 2019 (Exhibit 1) and the analysis completed in 2023 (Exhibit 2). The comparison shows that the results of the ROW analysis in 2019 and 2023 were similar in most zones. The zones with the largest differences were:

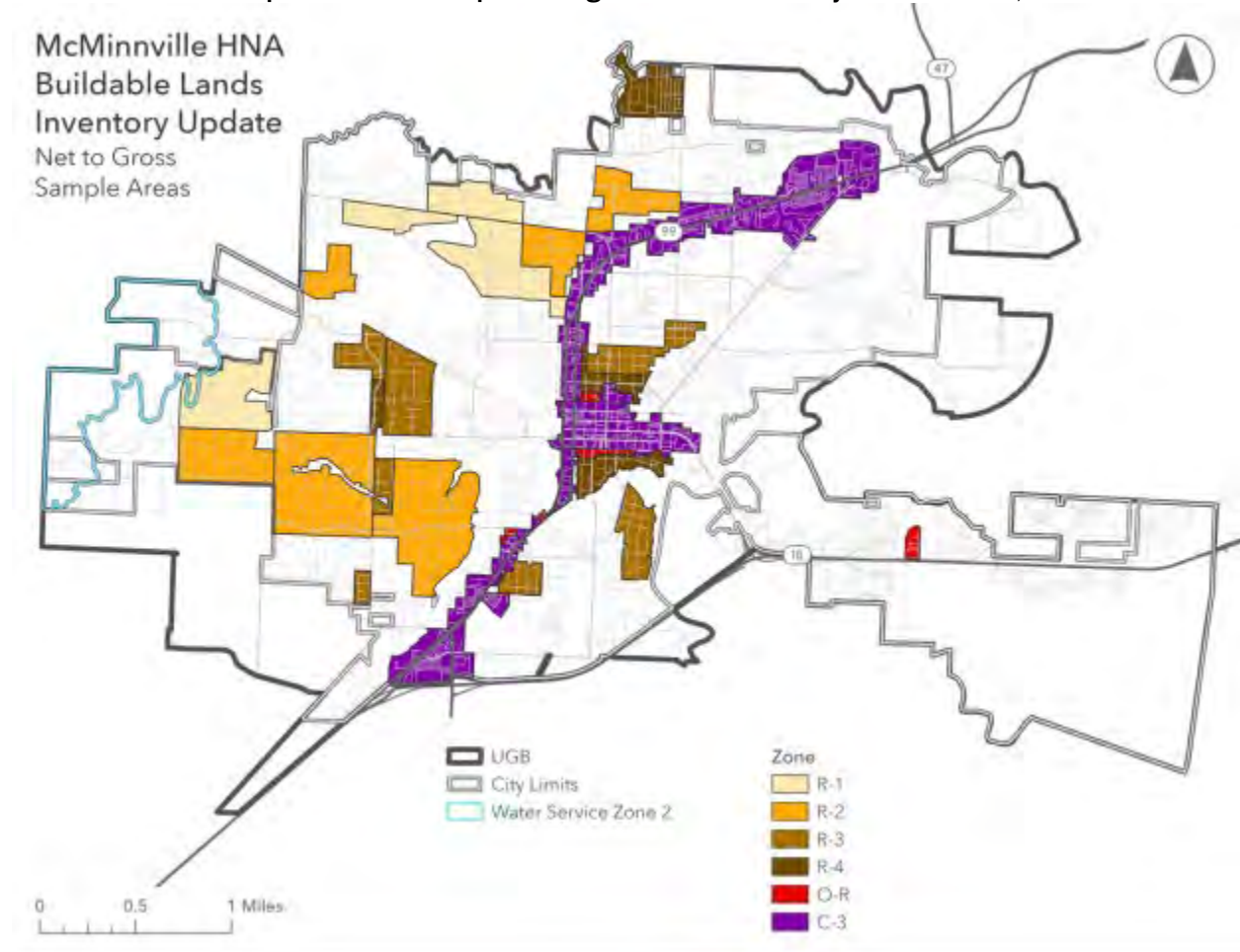
- **R-4.** The 2023 analysis included four sample areas, compared to the 2019 analysis, which had three sample areas. The 2023 analysis suggests that there is more land in ROW in R-4 than assumed in the HNA.
- **O-R.** The 2023 analysis examined five areas in the O-R zone, compared to one area in the 2019 analysis. It found that the land in ROW in the O-R zone is likely higher than the assumption used in the HNA. McMinnville only has 34 acres zoned O-R. The HNA did not allocate any housing to the O-R zone, the percent of land in ROW in this zone does not affect the estimate of capacity of housing in McMinnville.
- **C-3.** The 2023 analysis examined five areas in the C-3 zone, compared to one area in the 2019 analysis. It found that the land in ROW in the C-3 zone is likely lower than the assumption used in the HNA. The HNA did not allocate any housing to the C-3 zone, the percent of land in ROW in this zone does not affect the estimate of capacity of housing in McMinnville.

**Exhibit 3. Comparison of percent of land in ROW between the 2019 analysis and the analysis completed in 2023, McMinnville UGB**

Zone/ Plan Designation	2019 Average Net to Gross	2023 Analysis of Average Net to Gross*	Difference Between the 2019 and 2023 Analysis
R-1 Single Family Residential	24%	24%	-0.1%
R-2 Single Family Residential	26%	24%	-1.6%
R-3 Two Family Residential	29%	29%	-0.3%
R-4 Multiple-Family Residential	23%	27%	3.8%
O-R Office/ Residential	17%	24%	7.8%
C-3 General Commercial	30%	23%	-7.2%
<i>Overall sampled average</i>	25%	25%	-0.9%

Exhibit 4 shows the areas sampled to estimate the percentage of land in ROW in the 2023 analysis (Exhibit 2).

**Exhibit 4. Areas sampled to estimate percentage of land in ROW by zone in 2023, McMinnville UGB**





## MEMORANDUM

TO: McMinnville Planning Commission  
FROM: William Kabeiseman  
Interim Land Use Attorney  
DATE: September 18, 2023  
RE: **Adoption of Housing Needs Analysis and Economic Opportunity  
Analysis – Analysis of Comments from Friends of Yamhill  
County and 1000 Friends of Oregon**

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### INTRODUCTION

The City is in the process of adopting a Housing Needs Analysis (“HNA”) and Economic Opportunity Analysis (“EOA”) as a first step in reviewing its land needs and whether the City’s current Urban Growth Boundary (“UGB”) is sufficient, or whether additional lands will be needed. The Friends of Yamhill County and 1000 Friends of Oregon (the “Friends”) have submitted a letter dated August 30, 2023, that identifies multiple concerns with the documents prepared by ECONorthwest with the assistance of City staff and based on the decisions of the City’s Project Advisory Committee (“PAC”). This memorandum is intended to provide the legal background for the decision before the Planning Commission and address the concerns raised by the Friends.

### DISCUSSION

#### A. Background.

As explained in the staff report for this item, the City is considering the adoption of a new HNA and EOA for the planning periods of 2021-2041 and 2041-2067. The work on this project began in 2018/19 and was updated in 2021 to reflect the City’s adoption of the McMinnville Growth Management and Urbanization Plan (the “MGMUP”) in 2020. These new documents are required to be adopted pursuant to DLCD’s implementation of HB 2003 (2019) and must be adopted by the end of the year.

Historically, when a city evaluates whether its UGB has sufficient capacity to accommodate projected growth, no part of the decision becomes final (including new



HNAs or EOAs) until the City makes its final decision, including potential expansions to the UGB. However, the 2017 legislature passed SB 418 (codified at ORS 197.626(3)), which now allows DLCD to review and approve the components parts of such an evaluation sequentially. In other words, under SB 418, DLCD may now review each component part of that evaluation in steps, rather than waiting for the whole decision and, potentially identifying an error in the underlying document, such as an HNA or EOA that could unravel the entire determination. The city has applied to DLCD to allow such a sequential process and hopes to be approved shortly.

## B. Issues Raised by the Friends – Housing Needs Analysis.

### 1. Capacity of Lands Designated Urban Holding and Projection of Future Park Needs.

The first issue identified by the Friends is that the HNA assumes that too much land will be parks schools and institutions, and cites what it calls the “expired” parks plan. As the Friends point out, the City’s most recent parks plan, the “Parks Recreation, and Open Space Master Plan,” was adopted in 1999 and specifically notes that “[t]he Master Plan describes how the City will strive to provide parks and recreation opportunities to residents for the next 20 years.”

Based on that statement, the Friends assert that it “cannot be relied upon to justify land needs through either 2041 or 2067.” However, the Friends provide no legal support for that position. LUBA has reviewed so-called “expired” plans in only a few situations, most pertinently in series of cases from the city of Tangent. *Lengkeek v. City of Talent*, 50 Or LUBA 367 (2005), 52 Or LUBA 509 (2006), and 54 Or LUBA 160 (2007) (“*Lengkeek I*,” “*Lengkeek II*,” and “*Lengkeek III*.” In that series of cases, the City’s buildable land inventory projected lands through 2005, and the city “extrapolated” from those trends to find additional need. LUBA rejected that approach, concluding that it could not rely on the extrapolated BLI because it had not been incorporated into the city’s comprehensive plan. In particular, LUBA relied on a recent Court of Appeals case, *1000 Friends of Oregon v. City of Dundee*, 203 Or App 207, 216 (2005), in which the Court of Appeals held as follows:

“The comprehensive plan is the fundamental document that governs land use planning. Citizens must be able to rely on the fact that the acknowledged comprehensive plan and information integrated in that plan will serve as the basis for land use decisions, rather than running the risk of being ‘sandbagged’ by government's reliance on new data that is inconsistent with the information on which the comprehensive plan was based.”

This situation is not similar; McMinnville is not relying on extrapolations from an outdated plan. Instead, McMinnville is relying on the explicit policies that have been incorporated into the City’s Comprehensive Plan. In particular, Policy 159.00 explicitly incorporates the Parks, Recreation, and Open Space Master Plan “to identify future needs of the community” and, more importantly, Policy 170.05 explicitly addresses the projection of future park needs:

“For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used.”

In this case, the City can properly rely on the policies set forth in that plan to identify the “future” parks needs of the city.

The Friends go on to explain that OAR 660-024-00040(10) provides a “safe harbor” for City if it uses 25% of the land needs for streets and roads, parks and school facilities together. The Friends are correct that the administrative rules provide for safe harbors, including the one for streets, roads, parks, and school facilities, but the City is not required to use the safe harbor and may use a different estimate, so long as it is supported by the policies found in the City’s Comprehensive Plan. The Planning Commission should consider whether it wishes to direct staff to follow the safe harbor, or the recommendation from the Policy Advisory Committee (the “PAC”) embodied in the draft documents before the Planning Commission.

## 2. Residential Density.

The next issue raised by the Friends involves the residential density anticipated by the HNA as opposed to the residential density used in the City's 2020 UGB expansion. In particular, the Friends note that the draft HNA before the Planning Commission assumes a lower density than the targeted density identified in the MGMUP for the area added to the UGB. However, ORS 197.296(5)(a) requires the City to use actual development that occurred in the City when it develops its estimates in the HNA:

“(5) (a) . . . [T]he determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

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

The density used in the HNA is taken directly from the historic development that has “actually occurred” in the city and, accordingly, the City was required to use it. The Planning Commission does not have authority to ignore the density of development that actually occurred in the City.

## 3. Housing Needs for All City Residents.

The Friends next fault the draft HNA for looking only to “new” residents and not addressing the needs of existing homeless City residents. The difficulty with the Friends position is twofold. First, the regulatory framework for the preparation of the HNA is to determine whether the City has sufficient capacity to accommodate the housing needs of the entire population based on the City's projected population, which does not distinguish between those residents who are housed and those that are homeless. The issue identified by the Friends here is better addressed in the City's forthcoming Housing Production Strategy (“HPS”), which is an additional requirement that will follow once the HNA is adopted (OAR 660-008-0050). The HPS specifically requires the development of a “housing shortage analysis” that will address this concern. This is an important issue for

the City to address, but the proper method to consider it is as part of the HPS, not the HNA.

#### 4. Capacity of C-3 Land to Provide High-Density Housing.

In this issue, the Friends note that the HNA “assumed no residential capacity on current C-3 areas after 2023,” yet C-3 specifically allows for the development of apartments and other residential development. The Friends are correct that the C-3 zone allows for some level of residential development and the HNA will be revised to anticipate additional residential development on C-3 zoned land. However, this will almost certainly have a knock-on effect on the City’s EOA and identification of commercial land needs. To the extent C-3 land is anticipated to provide residential uses, it will likely result in an additional deficit of commercially zoned land. The Planning Commission should consider the revised HNA that projects some residential development on C-3 zoned land.

#### 5. Group Quarters.

Here, the Friends argue that an earlier version of the HNA separately addressed “group quarter” residences; in particular college dorms at Linfield and nursing or assisted living facilities. However, the Friends never identify any particular legal requirement to address group quarters separately from other forms of housing. The HNA adequately addresses the required types of residential need without separating out group quarters. The Planning Commission should consider whether it wants to separately address group quarters as an additional housing type as suggested by the Friends, or follow the recommendation of the PAC.

#### 6. Right-of-Way.

Next, the Friends identify that the HNA does not contain evidence to support allocating 25% of residential land to streets and roads, especially in light of the safe harbor numbers identified above. The Friends are correct that the City’s record does not contain that evidence, but the City’s consultant, EcoNorthwest, is working on that documentation and

will introduce it into the record. The Planning Commission should review the evidence provided by ECONorthwest to determine whether it supports the allocation of 25% of residential land for right-of-way.

## 7. HNA Safe Harbors.

In this section of their letter, the Friends note that the City relied on the “safe harbor” provision to calculate household size and vacancy rates, but asserts that, in doing so, the City is required to use the “most current data,” and that more current data is available and must be used. This assertion goes to one of the most challenging aspects of creating supporting documents such as the HNA and EOA.

As noted previously, the City began work on this project in 2018 based on the best data available at that time. Prior to beginning the public hearing process, the City undertook an extensive public outreach program that took some time and, in addition, revised the material to accommodate the substantial update to the City’s Comprehensive Plan in 2020. All of this work was further affected by the pandemic and other challenges over the past few years. The end result is that the City is working with documents that were developed some time ago.

Ideally, the City would be able to begin and complete analyses such as the HNA and EOA before new estimates and information became available, but that’s not realistically possible, nor what the law requires. The City submitted its Post-Acknowledgment Plan Amendment notice to DLCD in May of 2020, prior to the release of the new information identified by the Friends. To the extent the City was required to use the newly released information, it would require a complete re-structuring of the HNA and is not required. The Planning Commission should consider whether it would like to revise the HNA entirely to integrate the revised household size and vacancy rate numbers from 2021, including the additional cost and delay from doing so, or moving forward with the information as currently included with the HNA.



C. Issues Raised by the Friends – Economic Opportunity Analysis.

1. Refill, Redevelopment, and Employment on Non-Employment Land.

Turning to the EOA, the Friends first concern is that the EOA “fails to adequately account for employment that will occur on non-employment land;” essentially, the Friends are arguing that, regardless of the number of increased jobs, some of those jobs will occur on either existing employment lands (refill or redevelopment) or will occur on non-employment land (e.g., working from home means jobs will be accommodated on residential land and, therefore, the City need not bring in more employment and). The Friends point to the guidance from DLCD, which suggests that 10-15% of new jobs will be accommodated on existing employment land, and that does not include new jobs on residential land. According to the Friends, this means the expected 5% of new jobs to be accommodated in these fashions is too late, and that the number should be significantly higher.

There is no dispute that some level of jobs will be accommodated through refill, redevelopment and other non-employment land, so there is not a legal question about whether the City can do this, but just how much. The calculations to justify the use of a 5% number can be found in Appendix B to the EOA; the Planning Commission should review the material in Appendix B and the assertions in the Friends letter to determine whether the 5% number is adequately justified.

2. Other Needed Employment Sites.

The EOA contains an estimate of demand for commercial and industrial land; in that estimate, the EOA notes that the City’s adopted Economic Development Strategic Plan identifies several specific sites that are not necessarily captured in the buildable land inventory, such as a community center, an outdoor stage/amphitheater, event center, etc. . . . The EOA concludes that, because the characteristics of these uses are not adequately reflected in the average employment density calculations, the City should increase the land needs to accommodate those uses. The Friends acknowledge that some of these uses do present some “unique features not typically included in commercial land,” but still recommend that the City delete these “other sites” and the additional 49 acres of land needs that result.

It does not appear that LUBA, DLCD or the Court of Appeals have addressed this specific issue and that it is an open issue of whether the City can use this approach. The Planning Commission should consider whether it wants to pursue this approach for additional “other” needed employment sites.

### 3. Retail Leakage.

As identified in the EOA, the City has identified a significant amount of retail leakage and the PAC has recommended that the EOA include measures to address that concern. However, as Friends have noted, the inclusion of additional employees to address that retail leakage would take the City out of the safe harbor provisions. The concept of retail leakage has not been subject to review by LCDC, LUBA or the Court of Appeals and it is possible that those review bodies would agree with the Friends. The Planning Commission should consider whether retail leakage is significant enough that it should be addressed with additional employment forecast, or whether the EOA should simply rely on the safe harbor provided by the administrative rules.

#### D. Issues Raised by the Friends – Buildable Lands Inventories.

##### 1. Removal of Vacant and Partially Vacant Land Based on Ownership.

The Friends argue that the City improperly removed 20-49 acres of vacant, commercially zoned, land from the Buildable Lands Inventory; in particular, the Friends object to the removal of land owned by Linfield College and several churches.

Regarding the land owned by Linfield, the Friends argue that “to assume no accommodation of housing or employment on this vacant land” is not supportable. However, the Record contains a letter from Linfield that explicitly states that “Linfield College doesn’t anticipate new land needs beyond their current ownership during the planning period. . . **The City should not assume non-college use or sale of further property during the planning period.**” (Emphasis added). In short, Linfield has made its intentions clear that the land in question will not be sold or used for non-college purposes, so the exclusion of the land from the BLI is appropriate.

Regarding the churches, the City’s Community Development Director has had conversations with churches throughout the City and those churches that have indicated a

similar stance to Linfield have also been removed from the BLI. The City's consultant is obtaining an estimate of the amount of land that is in church ownership that is vacant or partially vacant. The Planning Commission should consider whether the expressed intention of the church leadership is sufficient to remove the land from the BLI and provide further direction to staff.

## 2. The Buildable Lands Inventory in the EOA Fails to Meet Legal Standards.

In this section, the Friends argue that the EOA is inadequate because it does not include an inventory of lands that includes a description of the "site characteristics, development constraints, or infrastructure needs" of both vacant and developed land. It appears that the Friends believe that the Buildable Lands Inventory ("BLI") found in Appendix A to the EOA is inadequate. As summarized in the EOA, the BLI generated a "land base" of property in the City, classified land by development status, identified constraints, and verified the BLI results. The BLI, as well as the summary contained in the EOA did what is required by the administrative rule. Unless the Friends are arguing for a radical change in the way in which BLIs are undertaken under DLCD's rules, it appears that the Friends' argument in this section is mistaken.

## 3. Population Forecast.

In this section of their letter, the Friends make an argument that the City is using the wrong population forecast in their EOA. As discussed at length above in the section regarding safe harbors, the serial nature of a project such as this one, which requires significant analysis, public engagement, and a lengthy hearing process; not to mention the unfortunate timing of this particular edition, it is almost inevitable that revised forecasts will be released before the entire process can be completed. City staff believes that it is legally able to rely on the work that began in 2018 as this process moves forward. As with the HNA, the Planning Commission should consider whether it would like to revise the EOA entirely to integrate the revised population forecast, including the additional cost and delay from doing so, or moving forward with the information as currently included with the EOA.

#### 4. Record Completeness.

Finally, the Friends identify that certain appendices were missing from the record provided to the Planning Commission. City staff will provide the identified appendices for the Planning Commission and public review.

### CONCLUSION

Both the Friends of Yamhill County and 1000 Friends of Oregon have been long-time participants in almost all planning issues in the City of McMinnville and have many valuable insights and considerations to offer. As noted above, several of the issues that they raise will require changes to the HNA and EOA. Moreover, some of their arguments may be taken to suggest that the City follow a different policy perspective than was identified in the Staff report and recommended by the Project Advisory Committee. However, not all of their assertions are legally or factually supported. Staff will amend the HNA and EOA as required, and the Planning Commission may take the policy arguments into consideration in making its final decision and otherwise may disregard the arguments that are without factual or legal support.

Mark Davis  
652 SE Washington Street  
McMinnville, OR 97128

September 7, 2023

McMinnville Planning Commission  
231 NE Fifth Street  
McMinnville, OR 97128

RE: G 3-20 Park Land Need, Part 2

Dear Chair Winfield and Planning Commission Members:

There is an additional factor in the calculation of park land need that I did not address in my previous testimony that further reduces the need for park land. The 2020 UGB expansion was based on a 2023 population of 44,055<sup>1</sup>. The current HNA/EOA population projection for 2041 is 47,498. The difference is 3,443 residents for whom we need park land.

At 14 acres/thousand population we would need to add 48 acres (14 x 3.443). Figure 3 in Appendix E of the EOA (page 342 of your packet) puts that total at 138 acres. Using that document's assumptions (which I don't agree with as noted in my earlier testimony), park land need is overstated by 90 acres for the period ending in 2041.

This is caused by two assumptions in the park land calculation by the City that were incorporated into the findings for the 2020 UGB approval: an LCDC order to include 60 acres of existing park land at Joe Dancer Park<sup>2</sup> and a 34% reduction of buildable land used for greenspaces/greenways<sup>3</sup>. Nothing in the current record says these two items are no longer valid.

If instead of using 14 acres/thousand of buildable land you used the Comprehensive Plan policy of 8 acres/thousand there would be no need for additional buildable land for parks in either the period ending in 2041 or in 2067. Thank you for reviewing this last minute submission.

Sincerely,

//S//

Mark Davis

---

<sup>1</sup>[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/mgmup\\_findings\\_document\\_-\\_final.8.2020\\_0.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/mgmup_findings_document_-_final.8.2020_0.pdf), pg 47

<sup>2</sup> Op cit, pg 50

<sup>3</sup>[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix\\_g\\_-\\_framework\\_plan\\_final\\_12.8.2020.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix_g_-_framework_plan_final_12.8.2020.pdf) pg G-9



Mark Davis  
652 SE Washington Street  
McMinnville, OR 97128

September 5, 2023

McMinnville Planning Commission  
231 NE Fifth Street  
McMinnville, OR 97128

RE: G 3-20 Park Land Need

Dear Chair Winfield and Planning Commission Members:

Appendix E (Public and Institutional Land Need) in the Economic Opportunities Analysis (EOA) overstates the need for land for public parks. It is based on a Parks, Recreation and Open Space Master Plan adopted in 1999 (attached). When the draft of this Appendix was first released for comment in 2019, as a member of the project advisory committee reviewing the draft I provided the attached memo which details the concerns I have about the accuracy and use of the Master Plan information. Please read it.

In summary, the Park Master Plan has expired and it was never seriously implemented. Even if one ignores those two facts (which I do not believe you justifiably can), the assertion that we need 14 acres per thousand population of *buildable land* for parks through 2067 is still incorrect. The Comprehensive Plan policy 163.05 states *community* and *neighborhood* parks shall be located on land outside the 100-year floodplain (i.e., on *buildable land*). Those plan policies do not apply to other park types. The EOA erroneously applies the 14 acres standard to all park types and then multiplies that by the expected population to come up with a needed park land total that is all on buildable land.

Table 2 of the Master Plan on page 11 shows how the 14 acres standard is broken out into three categories: 2 acres/1000 Neighborhood Parks, 6 acres/1000 Community Parks and 6 acres/1000 Greenspace/Greenways/Natural Areas. In the definition of the last category the Plan states on page 9: "The primary greenway in the City's inventory is Cozine Creek Greenway which is made up of 11 separate greenway areas totaling 45.45 acres." Given the Planning Commission's recent work on hazardous land areas in the City I don't think I need to tell you that this land is definitely not buildable. The formal definition of "Greenspace/Greenway" in Table 1 of the Plan reads: "A greenspace or greenway is an area of natural quality that protects valuable natural resources and provides wildlife habitat."

Thus, to follow the recommendations of the 1999 Park Master Plan recommended standards, the EOA needs to designate 8 acres per thousand population of buildable land and 6 acres per

thousand of unbuildable land (e.g., flood plains, greenways, steep slopes, wetlands, and areas not buildable due to identified hazards). This in fact represents pretty closely the parks that have been historically built in the City—about half of them are on unbuildable land. You may recall that your most recent subdivision approval of Baker Creek North included a large park parcel that was located entirely on unbuildable land. Developers are eager and willing to donate such land to the City for parks because they cannot build houses on them.

The HNA and EOA land calculations only concern themselves with buildable land because that is the only land that can be used for housing, commercial and industrial construction. When this sequential UGB process actually gets to the point of identifying land to include in the UGB, it concerns itself with getting the correct amount of buildable land to meet the identified need. Unbuildable land is also included with these parcels and these lands provide amenities that include those listed in the "Greenway/Greenspace" definition. When land was brought into the UGB in 2021, it included 200 acres of unbuildable land<sup>1</sup> that would be ideal for the greenspace needs of the city.

Therefore, the parkland in Appendix E needs to be recalculated to reflect the parks plan standard of 8 acres of buildable land per 1000 population. The city is basing its analysis on a 2041 population of 47,498 and a 2067 population of 62,803. Thus, the 2041 need for buildable park land is 380 acres ( $8 \times 47,498/1000$ ) and the 2067 park requirement is 502 acres ( $8 \times 62,803/1000$ ).

The next step in calculating the buildable park land need is to list the current inventory of community and neighborhood parks. I have attached the City's listing of parks that ties to the Appendix E total of 349 acres.<sup>2</sup> While that listing does not clearly identify both the Community and Neighborhood Parks, I have attached a listing of the parks that most closely meet the definition of those types of parks. Per this list we have about 196 acres of these parks presently in the City.

The final step is including the 254 acres<sup>3</sup> of buildable land brought into the UGB for parks in 2021. That means the City has 450 acres of buildable land already in the UGB already used or planned for the construction of Community and Neighborhood parks ( $196 + 254 = 450$ ). The city has an additional 76 acres of undeveloped parkland, at least some of which is also buildable.

Therefore, the City has a surplus of at least 70 acres of buildable land ( $450 \text{ acres} - 380 \text{ acres} = 70 \text{ acres}$ ) needed for parks in 2041 and a need for an additional 52 acres ( $502 - 450$ ) of buildable land for parks through 2067 by strictly following Comprehensive Plan policy 170.05: "For

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<sup>1</sup>[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/ord\\_no\\_5098\\_signed.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/ord_no_5098_signed.pdf)

<sup>2</sup>[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/g\\_3-20\\_-\\_ea\\_-\\_final\\_mcminnville\\_eoa\\_june\\_2020\\_with\\_draft\\_header.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/g_3-20_-_ea_-_final_mcminnville_eoa_june_2020_with_draft_header.pdf)

<sup>3</sup>[https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix\\_g\\_-\\_framework\\_plan\\_final\\_12.8.2020.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/19961/appendix_g_-_framework_plan_final_12.8.2020.pdf)



purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used."

Personally, I remain convinced that a plan that expired 4 years ago and was never fully implemented is invalid for projecting future park needs. We should base future park needs based on past performance in obtaining the land for parks and providing the funding to construct the park facilities. But if you are going to insist on obeying the outdated standards, then the land need must be calculated at 8 acres/thousand of population listed in the plan, not the 14 acres/ thousand standard that includes unbuildable land.

I would also point out the Facilities Inventory on page 9 of the Parks Master Plan includes school facilities. Their acreage is included in Appendix A where the Plan lists all the facilities covered by the Plan. On the Action Plan Tables 9 through 12 each one includes at least one suggestion for Joint Use Opportunities with schools in the City. The Management Plan in Table 16 declares both establishing and expanding joint use agreements are a Priority 1 in implementing the 1999 Parks Master Plan.

Clearly the Master Plan was written with the intention of sharing park facilities with the schools, not building separate facilities to duplicate what the public already has access to. Note also that the date the Plan references for its end date is 2017 (see Table 2). While it is disappointing that more wasn't done to implement this Plan, that failure is not legal justification for adding even more land to a future UGB expansion.

Thank you for carefully reviewing the information that I have provided.

Sincerely,

//S//

Mark Davis

Attachments:

1999 City of McMinnville Parks, Recreation, and Open Space Master Plan  
Memo from Mark Davis on Park Land Needs dated 10/28/19  
List of 349 acres of parks in the City  
List of Community and Neighborhood Parks





# City of McMinnville

## Parks, Recreation, and Open Space Master Plan

*Prepared By*

MIG, Inc.  
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(541) 683-3193

*In Association with*

Don Ganer & Associates

*June 1999*

# CITY OF McMINNVILLE



## PARKS, RECREATION AND OPEN SPACE MASTER PLAN

Prepared by:

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May 1999



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## Part I

# Community Needs

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- Sites that need redesign or development;
- General lack of access for people with disabilities as required by federal law;
- The need to establish maintenance and design standards;
- Safety issues, such as designs that may encourage vandalism or safety hazards; and
- The need to address management of natural habitats.

### ***Recreation Programs and Services***

The McMinnville Parks and Recreation Department plays a major role in meeting the recreation program needs of the community. About 90% of residents' report that they or a member of their family participated in recreation programs offered by the City of McMinnville during the last year. The Parks and Recreation Department provides 125 classes and programs for McMinnville residents, serving approximately 21,000 participants in 1998.

A major task of the Master Plan was to identify the services most valued by residents and to develop a plan to deliver these services. The benefits of parks and recreation most valued by McMinnville residents, which can be addressed through recreation programs, include:

- Providing positive activities for youth;
- Building a sense of community;
- Preserving the environment;
- Contributing to strong families; and
- Helping residents achieve an active, healthy lifestyle.

Programs that are the highest priority for expansion include: the summer concert series, special interest classes for children and adults, and youth sports. Wildlife and nature education, outdoor programs, and programs in the creative and performing arts should be developed and offered to all ages.

Youth of all ages should have the highest priority when planning recreation programs, according to McMinnville residents. Adult programs are in demand, but should be highly self-supporting. Services to disabled residents, seniors, and ethnic minority populations should continue to be improved.

McMinnville recreation programs have become more dependent on user fees. Other funding sources should be developed. Partnerships with McMinnville Public Schools and Linfield College as well as business sponsorships are highly supported by residents.

In general, the City should improve its marketing of recreation programs. Regular program evaluation to measure for customer satisfaction is also recommended.

### ***Management and Operations***

The Parks and Recreation Department currently has 10 full-time employees and 90 part-time recreation staff. The Director of Parks and Recreation oversees park acquisition and planning as well as five recreation service areas.

Overall, the Parks and Recreation Department is doing an excellent job of meeting community needs. Some areas for future improvement include:

- Adding a volunteer coordinator and professional landscape architect to the staff;
- Increasing community involvement in park planning and recreation program evaluation;

---

*City recreation  
programs served  
21,000 residents in  
1998.*



- Organizing citizen park patrols to enhance public safety ; and
- Establishing park maintenance standards and developing a maintenance management plan for each site.

Park maintenance staff are now part of Public Works Department. Maintenance staffing levels have not increased to address the continued expansion and development of park lands and increased park use. Each full time employee (FTE) is currently responsible for 60% more park land acreage than in 1980. Because of this increase in workload, some McMinnville parks are beginning to show the effects of reduced maintenance. If McMinnville's existing park facilities are to be maintained to the level of cities of comparable size in Oregon, an additional two full-time employees are needed, for a total of seven full-time park maintenance staff.

### COMMUNITY INVOLVEMENT

To encourage citizen involvement in the development of the Master Plan, residents were provided with opportunities to express ideas and obtain information. These opportunities included: a community survey, community workshops, and stakeholder interviews. Residents were asked questions about:

- The benefits they receive from parks and recreation opportunities;
- Facility, operation, and recreation services improvements they feel are needed;
- Future planning priorities;
- How to fund improvements; and
- Their vision for the City of McMinnville's future parks and recreation system.

Over 500 residents participated in the Master Plan development process. Residents said that the greatest issue facing the McMinnville community is increasing urban growth and its impacts on livability. Meeting the needs of youth was considered the most pressing community need. Residents saw the most important benefits of parks and recreation services were providing positive activities for youth, building a sense of community, and preserving the natural environment for future enjoyment.

Through their participation in the development of the Master Plan, community members helped shape a vision for the future of the parks and recreation system.

*Residents value positive youth activities.*

## PART II THE PLAN

### VISION FOR THE FUTURE

To address key issues facing the Parks and Recreation Department, a guiding vision is needed. The vision for McMinnville's future parks and recreation system, which emerged from the Master Plan community involvement process, is stated below:

Parks, recreation programs and facilities, and open space are essential elements in enhancing the quality of life in McMinnville. They foster healthy, active lifestyles, strengthen a sense of community, prevent crime, protect the environment, and contribute to a healthy economy. The Parks and Recreation Department will provide an interconnected parks and recreation system that:

- Provides diverse opportunities for active, passive, and unprogrammed recreation to all residents;
- Contributes to overall community livability and pride;



- Balances the impacts of growth and increasing density with sufficient facilities;
- Fosters stewardship of natural resources, such as floodplains and waterways;
- Provides equitable distribution of parks and recreation opportunities throughout the City;
- Reduces auto-dependency and enhances recreation opportunities by connecting recreation resources, community destinations, and neighborhoods with trails and greenways;
- Provides positive activities for youth;
- Promotes strong families;
- Helps residents achieve an active, healthy lifestyle;
- Builds and maintains partnerships with area schools and others to provide programs and facilities;
- Provides safe and well-maintained parks and recreation facilities;
- Provides for effective and economically sound management of public resources; and
- Informs residents about their recreation opportunities, and involves them in decision-making.

This vision formed the basis for Master Plan recommendations.

## RECOMMENDATIONS

Master Plan recommendations for implementing the vision for McMinnville's park and recreation system address park facilities, recreation services, maintenance, and management. Recommendations include the following:

### *Park Facilities*

To maintain McMinnville's existing level of community livability and balance anticipated growth, existing parks should be renovated and new parks should be developed. These recreation resources should be equitably distributed throughout the community to provide access to all residents.

- Renovate City Park to serve as the heart of Downtown and the cornerstone of McMinnville's park and recreation system;
- Acquire and develop 103.5 acres of community parks and at least 76 acres of neighborhood parks to meet future needs and ensure geographic accessibility for all residents;
- Renovate existing community parks to increase recreational opportunities and improve safety;
- Protect natural areas by acquiring greenways along creeks and the Yamhill River.
- Provide trails through natural areas;
- Pursue joint use agreements with the School District, Linfield College and other partners to share the cost of facility development and maintenance; and
- Provide an interconnected pedestrian and bicycle system that links McMinnville's parks, open spaces, neighborhoods, work places and schools.

### *Recreation Services*

Additional programs are needed to accommodate future community growth and meet the needs and interests of residents. Programs for youth are residents' highest priority. Recreation programs must remain affordable to all residents.

---

*Recreation resources should be equitably distributed.*

- Develop programs for preschool children;
- Expand youth programming;
- Develop wildlife and nature education programs, outdoor programs, and programs in the creative and performing arts;
- Improve outreach to seniors, disabled residents and ethnic minority populations;
- Expand special interest classes for youth and adults;
- Provide programs for families; and
- Evaluate programs and service delivery on an ongoing basis to ensure that they are achieving planned outcomes.

### ***Maintenance***

As the parks, recreation and open space system expands, maintenance responsibilities increase. Already parks are beginning to show the effect of inadequate maintenance budgets. As new park facilities are developed, funding for maintenance must also be increased.

- Incorporate maintenance standards recommended by the National Recreation and Park Association;
- Establish a maintenance management plan for each park and recreation facility;
- Hire personnel with knowledge of park management and experience in park maintenance for future Public Works Superintendent/department leadership openings;
- Involve volunteers in park development and maintenance;
- Evaluate staffing levels and cost/benefits of contract labor; and
- Hire additional utility workers.

*Adequate funding is needed to implement the plan.*

### ***Management***

The Parks and Recreation Department will be faced with managing more park land and additional recreation programs as the population of McMinnville increases. To effectively manage these community resources, more tools should be developed to guide the design and management of park facilities; public information, community involvement, and public safety efforts should be expanded; joint use agreements should be developed; and on-going staff training program should be implemented.

- Develop new standards, guidelines and policies for facility development and management;
- Develop community involvement policies to encourage and manage volunteerism;
- Establish guidelines for developing joint use agreements and partnerships;
- Develop staff training programs to increase staff effectiveness; and
- Improve dissemination of information about park facilities and recreation programs.

Additional recommendations are presented in Chapter 6.

## **TEN-YEAR FUNDING PLAN**

To successfully implement the Master Plan recommendations and expand parks and recreation facilities and services, an adequate budget is needed. The Park Facility Funding Plan addresses acquisition, development, and renovation of parks, greenways and natural areas. The funding plan addresses fiscal years 1999-2000 through 2008-2009.

Projects not completed within the first ten years are budgeted for completion by the year 2019.

Capital facilities included in the Master Plan total \$50.4M. A variety of financing methods and multiple funding sources are needed to purchase park and open space and construct new ballfields, playgrounds and other recreation facilities. The two most likely funding sources are General Obligations (G.O.) bonds and System Development Charges (SDC's).

The City Parks Department has estimated that approximately \$13M in park improvements may be funded with G.O. bonds during the next 20 years. This is approximately 24% of the projects identified in the Master Plan. G.O. bonds must be approved by voters.

The City collects parks and recreation SDC's for all new residential development. The City Council has adopted a schedule to increase the parks and recreation SDC rates. With these increases, \$2.76 million in SDC revenues may be available for parks by 2005. SDC's are expected to fund about 20% improvements identified in the Master Plan.

About \$10 million for park improvements is expected to come from grants, donations and business partnerships. The remaining \$18.25 million could be funded from other sources such as special assessments and user fees.

Master Plan recommendations for parks and recreation facilities are based upon standards recommended by the National Recreation and Park Association and Oregon communities of similar size and customized the McMinnville's needs. As the Master Plan is implemented, projects, priorities and timing may change based on evolving community needs, funding and program demand.





## CHAPTER 1: INTRODUCTION

Located in the western portion of Oregon's Willamette Valley along the Yamhill River, the City of McMinnville is changing at a significant pace. For example, the population of the City was only just over 14,000 in 1980. Today McMinnville's population is over 24,000, and it is one of the fastest growing cities in Yamhill County.

In response to these changes, McMinnville residents have made it their goal to retain and enhance their City's livability, recreational opportunities, sense of community, and natural environment. McMinnville residents look to their City's Parks and Recreation Department to provide quality parks, open spaces, and recreation services that will meet these needs today and well into the future.

### PURPOSE OF THE MASTER PLAN

To assist in maintaining McMinnville's livability, the Parks and Recreation Department has set out to create the City's first Parks, Recreation and Open Space Master Plan. The Master Plan describes how the City will strive to provide parks and recreation opportunities to residents for the next 20 years. It includes a financing model that demonstrates how park acquisition and development could be financed if resources are available. This planning process offered the City a unique opportunity to evaluate the parks, recreation and open space system, and to author a vision for the community that recognizes anticipated changes and truly reflects the needs of residents.

To accomplish this task, community members of all ages and those serving on the Master Plan Advisory Committee have contributed to this Master Plan.

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*The Master Plan describes a vision for parks, recreation services, trails and open space facilities.*

## MASTER PLAN OBJECTIVES

During a series of initial meetings, Parks and Recreation Department staff, Advisory Committee Members, community members, and staff from other City departments were asked to identify key issues that should be addressed in the Parks, Recreation and Open Space Master Plan. The objectives that helped guide the Master Plan development process include the following:

- Maintain and enhance community livability;
- Contribute to stronger families;
- Build community pride by showcasing parks and facilities;
- Maintain accessible, diverse facilities and programs that serve all ages and abilities;
- Promote opportunities for unprogrammed recreation;
- Increase social opportunities;
- Ensure access to recreation through efficient and affordable programs;
- Provide adequate open space;
- Balance the effects of increasing growth with the need to maintain community livability;
- Ensure positive activities for children and youth; and
- Encourage community-building opportunities, such as volunteer efforts and local partnerships with schools and businesses.

*The Master Plan was developed with significant input from the community.*

The Master Plan describes residents' vision for the future of the City's parks, recreation services, trails and open space facilities.





## CHAPTER 2: TRENDS AND FACTS

McMinnville is a special place that is well loved by its residents and defined by a commitment to maintain a livable environment. This chapter provides an overview of the community and the changes that are expected in McMinnville's population. This information is important when forecasting future park and recreation needs.

### COMMUNITY PROFILE

McMinnville has a current population of approximately 24,000 people. It is the largest city in Yamhill County and the fifteenth largest city in Oregon. Adjacent to the Oregon Coast Range foothills and surrounded by rolling farmlands, it is less than an hour drive south from Metropolitan Portland, Oregon's largest urban area. McMinnville is noted as a gateway to the Oregon Coast via Highway 99W that bisects the town.

The City covers about 11 square miles within its Urban Growth Boundary (UGB). Within this area, McMinnville owns approximately 270 acres of park land. Inside the UGB, McMinnville's topography is generally flat. The dominant natural features are three waterways: Baker Creek, Cozine Creek and the South Fork of the Yamhill River. Baker and Cozine Creeks flow west to east out of the adjacent Coast Range foothills and eventually join the Yamhill River just east of downtown McMinnville. The South Fork of the Yamhill River flows northward as it meanders through the City before it meets the main channel of the Yamhill and, ultimately, the Willamette River to the northeast.

Culturally, McMinnville is a diverse community that blends the interests of its ever-changing population with its historic, small town charm. Residents and visitors to McMinnville celebrate their diversity through gatherings such as: the annual Turkey Rama Celebration, the Yamhill County Fair, the annual Mayor's Charity Ball, and the International Pinot Noir Festival.

Downtown McMinnville is noted for its large historic district, which is comprised of 52 buildings of architectural and historic significance. The brick and stucco buildings date from the 1880's to the 1930's. Within minutes, residents can stroll through the downtown core

*Parks and recreation  
contribute to  
McMinnville's charm  
and character.*

from their favorite shop or restaurant to a nearby park or enjoy the sights and sounds of nature at a park along the Yamhill River just east of downtown.

Today, McMinnville's economic base is primarily services, manufacturing, retail, and education, but still clearly reflects its agrarian heritage. Linfield College continues to be a major employer and focal point of the community. Increasingly, the community is incorporating high technology and tourism into its economic base.

Tourism will continue to play a growing role in the City of McMinnville and Yamhill County. In 1995, 77% of tourists to Yamhill County came during the summer and fall. Of all visitors, 49% engaged in an outdoor activity, such as hiking, viewing wildlife, or picnicking, and 42% visited parks or other natural attractions (*Davidson and Peterson Associates, Inc.*, 1995). Tourists had an estimated economic impact of \$37,510,000 in Yamhill County in 1994 (*Davidson and Peterson Associates, Inc.*, 1991-1995). Tourism increases the use of park facilities and provides opportunities for marketing of recreation programs.

McMinnville is also the hub of Oregon's largest concentration of wineries, the Yamhill County wine growing area. The annual International Pinot Noir festival attracts wine enthusiasts from around the world, and has spotlighted this region as one of the up and coming wine-growing areas of the United States. Nearly 25% of all Oregon vineyards are located in Yamhill County. From 1985 to 1997, the number of wineries in the county increased from 43 to 113 with a gross income of \$88 million.

The Parks and Recreation Department has a central role to play in shaping the changing character of the City. The high level of community support for the Parks and Recreation Department demonstrates that the Department reflects community values. With continued support, resources will be protected and enhanced for the enjoyment of future generations. Recreation opportunities will continue to build community and help residents achieve an active, healthy lifestyle as McMinnville grows and changes.

*By 2017,  
McMinnville's  
population is  
expected to  
grow to  
38,000,  
an increase of  
almost 50%.*

## DEMOGRAPHIC PROFILE

Urban growth in McMinnville is a relatively recent phenomenon. As recently as 1960, McMinnville's population was just over 7,600 people. Each decade since the 1940's has seen steady, double-digit growth. In the period from 1970 to 1996, the City grew from 10,125 to 22,880, an increase of 44%. By the year 2017, McMinnville's population is expected to grow to 38,000, an increase of almost 50%.

To determine future community needs, anticipated changes in the City population were studied. This study, based on 1997 data when McMinnville's population was 22,880, revealed the following important facts and trends:

- McMinnville residents are more likely to own their homes than rent. Total housing units have grown from 2,989 in 1970 to 6,778 in 1990, and this trend is likely to continue. Due to constraints placed on the availability of land by the Urban Growth Boundary (UGB), population and housing densities will likely grow, increasing the need for parks and recreation opportunities (US Census of Population and Housing, 1990).
- In addition to traditional nuclear families, the Parks and Recreation Department will need to address the needs of diverse residents, such as:
  - People living in nursing and foster care homes;
  - Single parents;
  - Persons living alone; and
  - Persons with disabilities.



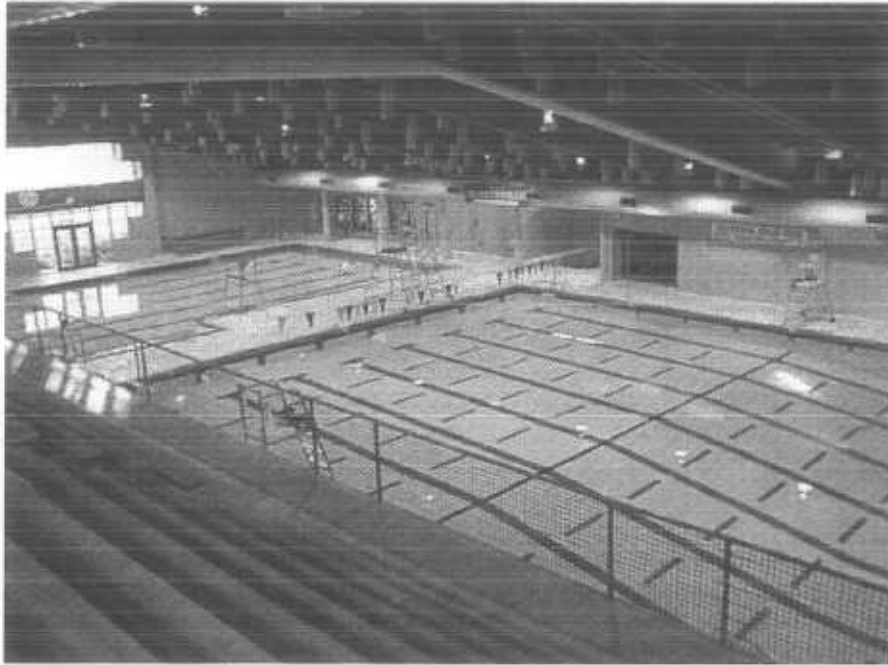
- Both per capita and median incomes in McMinnville are lower than the state average. In fact, 45.35% of McMinnville residents are of low to moderate income (US Census of Population and Housing, 1990). This increases the need for accessible, affordable recreation.
- The labor market and industry employment has shifted away from natural resource based employment and toward white collar jobs, such as those in trade, government and services (including high technology). From 1979 to 1996, these three sectors have increased 48.5%, 43.7%, and 107.0% respectively in the Mid-Willamette Valley (Regional Economic Profile, Region 3, Oregon Employment Department, 1998).
- The median age of McMinnville residents continues to increase. With the aging of the baby boomers, the 65 and older age group is one of the fastest growing age groups in McMinnville and throughout the U.S.
- The cultural and ethnic make-up of McMinnville will become more diverse within the next 30 years, with continued growth among the Asian, Hispanic and Native American populations.

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*As the City's population becomes more diverse, parks and recreation services will need to grow and change.*

## SUMMARY

As the City's population grows and becomes more diverse, parks and recreation services will need to grow and change to meet the needs of the community. A unique and extraordinary diversity of natural features is here for all McMinnville residents to enjoy. These natural and cultural features, combined with the City's small town appeal, form the important foundation of community character, a key factor in attracting and retaining residents and businesses.



## CHAPTER 3: RESOURCE ASSESSMENT

To determine future needs, it is important to understand the current parks and recreation system. An evaluation of the current system was completed, including:

- Parks and Recreation Facilities;
- Recreation Programs and Services; and
- Management and Maintenance.

### PARKS AND RECREATION FACILITIES

As of December 1997, the City of McMinnville had 162 acres of parklands and 112 acres of greenspace. This includes 7 mini-parks/playlots, 4 community parks, 2 linear parks, 1 special use park, 3 public buildings, 1 greenway, and 6 greenspaces. Local schools provide the community with 195 acres of public open space; residents have access to facilities at 5 elementary schools with a sixth soon to open, 2 middle schools, 1 high school, 4 other school district sites, and at Linfield College. Table 1 describes park facilities that are addressed in the Master Plan.

To determine future needs for park and recreation facilities, a resource inventory and analysis was conducted. The study includes the following:

- *Facilities Inventory:* An inventory of existing and proposed parks and recreation facilities;
- *Facility Standards and Needs Assessment:* An evaluation of current parks and recreation facilities standards and of future facility needs; and
- *Evaluation of Existing Facilities:* An evaluation of the condition of existing City parks.

For complete results of this study, see the *City of McMinnville Park System Resource and Analysis Report* (MIG, Inc., 1998).

*To determine future needs, a resource inventory was conducted.*

Table 1  
PARK SYSTEM DEFINITIONS

Type of Facility	Definition	Benefits	Size Criteria	Includes	Does Not Include	Site Selection Criteria	Maintenance Level and Standard
Mini-Park/Playlot Park	Mini-parks, active plazas, or playlots provide recreation opportunities for residents in areas not adequately served by neighborhood parks, such as transit centers or in areas of high density development.	Provides for the day-to-day recreational needs of residents; provides space for community events; enhances light density; development and encourages walkability.	2500 square feet to 1 acre	Mini-parks or playlots may include: active or low intensity activities, such as children's play areas, art installations, multi-purpose paved areas, public art, small-scale sports facilities, seating, decks or gazebos, community gardens, multipurpose performance spaces, and landscaping.	Mini-parks would generally not include high intensity sports facilities, recreation or off-street parking.	Mini-parks are generally small, and their use should be limited to the immediate vicinity of the park. They should be located in areas with high density of residents and high potential for use. They should be located in areas with high potential for use. They should be located in areas with high potential for use.	Maintenance standards will vary depending on site. Mini-parks in high density areas should follow NPSA Maintenance Mode I. Mini-parks in low density residential areas, mini-parks should follow NPSA Maintenance Mode II. Mini-parks in medium density areas should follow NPSA Maintenance Mode III.
Neighborhood Park	Neighborhood parks are the backbone of the park and recreation system, providing accessible recreation and social opportunities to nearby residents. While designed to meet neighborhood recreation needs, some may serve as neighborhood parks.	Provides access to local recreation opportunities for nearby residents; provides a venue for community events; provides a venue for community events; provides a venue for community events.	1 to 13 acres	Neighborhood parks should include both passive and active recreation opportunities, such as children's play areas, informal sports areas, picnic facilities, public art, sport turf areas, landscaping, community gardens, and pathways. Security lighting may be provided if needed.	Neighborhood parks generally do not include high intensity sports facilities, recreation or off-street parking.	Neighborhood parks should be located within a 10-minute walk of nearby residents. They should be located in areas with high density of residents and high potential for use. They should be located in areas with high potential for use.	Maintenance standards will vary depending on site. Neighborhood parks in high density areas should follow NPSA Maintenance Mode I. Neighborhood parks in low density residential areas, neighborhood parks should follow NPSA Maintenance Mode II. Neighborhood parks in medium density areas should follow NPSA Maintenance Mode III.
Community Park	Community parks provide a variety of active and passive recreational opportunities for all ages and abilities. These parks are generally larger than neighborhood parks and provide a venue for community events and social opportunities. Community parks often include dedicated facilities for organized group activity as well as facilities for individual and family activities.	Provides a variety of accessible recreation opportunities for all ages and abilities; provides a venue for community events; provides a venue for community events; provides a venue for community events.	Greater than 13 acres	In addition to those amenities provided at neighborhood parks, community parks may include sports facilities for soccer, basketball, tennis, and other organized sports. They may also include picnic areas, playgrounds, and other amenities. Security lighting may be provided if needed.	Facilities that do not meet recreation needs.	The site should have physical characteristics appropriate for the intended use. It should be located in areas with high density of residents and high potential for use. It should be located in areas with high potential for use.	Community parks should follow NPSA Maintenance Mode I. Community parks in high density areas should follow NPSA Maintenance Mode I. Community parks in low density residential areas, community parks should follow NPSA Maintenance Mode II. Community parks in medium density areas should follow NPSA Maintenance Mode III.
Linear Park	Linear parks may be developed along built or natural corridors to provide opportunities for both active and passive recreation. Linear parks may also include active and passive recreation facilities, such as walking and jogging paths, bicycle paths, and other amenities. Linear parks are often developed along built or natural corridors to provide opportunities for both active and passive recreation.	Provides natural recreation opportunities; provides a venue for community events; provides a venue for community events; provides a venue for community events.	Of adequate size to provide natural recreation opportunities	Linear parks may include built or natural corridors, such as walking and jogging paths, bicycle paths, and other amenities. They may also include picnic areas, playgrounds, and other amenities. Security lighting may be provided if needed.	Recreation facilities provided for large groups, permanent structures, and off-street parking are generally not provided.	Linear parks should be developed along built or natural corridors to provide opportunities for both active and passive recreation. They should be located in areas with high density of residents and high potential for use. They should be located in areas with high potential for use.	Linear parks should follow NPSA Maintenance Mode I. Linear parks in high density areas should follow NPSA Maintenance Mode I. Linear parks in low density residential areas, linear parks should follow NPSA Maintenance Mode II. Linear parks in medium density areas should follow NPSA Maintenance Mode III.
Special Use Park	A special use park is a facility for a specialized or single recreational activity, including athletic and fitness uses, and recreation facilities.	Provides specialized recreation opportunities for specific groups; provides a venue for community events; provides a venue for community events; provides a venue for community events.	Site should be suitable for its intended use.	Special use parks may include facilities for specific recreational activities, such as tennis, basketball, and other sports. They may also include picnic areas, playgrounds, and other amenities. Security lighting may be provided if needed.	Facilities that do not meet recreation needs.	The site should be suitable for the intended use. It should be located in areas with high density of residents and high potential for use. It should be located in areas with high potential for use.	Special use parks should follow NPSA Maintenance Mode I. Special use parks in high density areas should follow NPSA Maintenance Mode I. Special use parks in low density residential areas, special use parks should follow NPSA Maintenance Mode II. Special use parks in medium density areas should follow NPSA Maintenance Mode III.
Greenpace / Greenway	A greenpace or greenway is an area of natural or semi-natural landscape, including walking and jogging paths, bicycle paths, and other amenities. Greenpaces and greenways are often developed along built or natural corridors to provide opportunities for both active and passive recreation.	Provides natural recreation opportunities; provides a venue for community events; provides a venue for community events; provides a venue for community events.	Site should be suitable for its intended use.	Greenpaces and greenways may include walking and jogging paths, bicycle paths, and other amenities. They may also include picnic areas, playgrounds, and other amenities. Security lighting may be provided if needed.	Facilities that do not meet recreation needs.	The site should be suitable for the intended use. It should be located in areas with high density of residents and high potential for use. It should be located in areas with high potential for use.	Greenpaces and greenways should follow NPSA Maintenance Mode I. Greenpaces and greenways in high density areas should follow NPSA Maintenance Mode I. Greenpaces and greenways in low density residential areas, greenpaces and greenways should follow NPSA Maintenance Mode II. Greenpaces and greenways in medium density areas should follow NPSA Maintenance Mode III.
Trails and Connectors	A public recreation trail is a linear facility for a specialized or single recreational activity, including walking and jogging paths, bicycle paths, and other amenities. Trails and connectors are often developed along built or natural corridors to provide opportunities for both active and passive recreation.	Provides natural recreation opportunities; provides a venue for community events; provides a venue for community events; provides a venue for community events.	Site should be suitable for its intended use.	Trails and connectors may include walking and jogging paths, bicycle paths, and other amenities. They may also include picnic areas, playgrounds, and other amenities. Security lighting may be provided if needed.	Facilities that do not meet recreation needs.	The site should be suitable for the intended use. It should be located in areas with high density of residents and high potential for use. It should be located in areas with high potential for use.	Trails and connectors should follow NPSA Maintenance Mode I. Trails and connectors in high density areas should follow NPSA Maintenance Mode I. Trails and connectors in low density residential areas, trails and connectors should follow NPSA Maintenance Mode II. Trails and connectors in medium density areas should follow NPSA Maintenance Mode III.

Source: City of Portland, Bureau of Planning and Development, and the National Recreation and Park Association (NRPA). 2016.





## FACILITIES INVENTORY

The facilities inventory includes the following:

- *Parks System Resources:* These are developed or partially developed mini-parks/playlots, community parks, linear parks, special use parks and recreation centers provided by the Parks and Recreation Department.
- *Greenspace/Greenways/Natural Areas:* The primary greenway in the City's inventory is Cozine Creek Greenway which is made up of 11 separate greenway areas totaling 45.45 acres. The Parks and Recreation Department also provide 6 designated greenspace areas totaling 66.59 acres.
- *School Facilities:* The McMinnville School District and Linfield College provide a significant number of recreation facilities. These facilities are included in the inventory.

The inventory of parks and recreation facilities is provided in Appendix A.

## FACILITY STANDARDS AND NEEDS ASSESSMENT

The availability of park and recreation facilities and their ability to meet the recreational needs of the community is usually measured by facility standards. These standards are expressed quantitatively by the number of facilities needed to serve a certain number of residents (e.g., 5-8 acres of community parks per 1000 population, 1 baseball field for every 5000 population, etc.).

In 1990, the City of McMinnville provided 14 acres of park land for every 1000 residents. To determine future facility needs, the amount of park acreage and number of recreation facilities provided in McMinnville was compared to standards recommended by the National Recreation and Park Association (NRPA). These standards were further refined to address regional recreation needs by comparing them with standards for comparable communities in Oregon, and by evaluating the geographic distribution of parks throughout the community. Based on this evaluation and the results of the community involvement process, recommendations for Master Plan park and recreation facility standards were proposed. These standards were used to calculate anticipated community needs for the year 2017.

Tables 2 and 3 summarize recommended facility standards for each type of park and recreation facility for the years 1997-2017. Based on these recommended standards and the existing level of service, the anticipated community need is presented. It should be noted that the existing level of service for recreation facilities includes school facilities, many of which are in substandard condition and may not adequately meet community needs (Table 3). Projected community needs are based on an estimated population of 38,000 by the year 2017.

For park lands, no standards are proposed for mini-parks, linear parks, special use parks, or specific miles of trails. The following is recommended:

### *Mini Parks*

- The small size of mini-parks limits their recreational value. These park types are not highly used by McMinnville residents and are more costly to maintain than larger sites.

*Community needs are based on a projected population of 38,000 in 2017.*

- It is recommended that additional mini-parks be added to the system only in locations where residents do not have access to larger parks within a ½ mile radius of residences, such as in Central McMinnville or in older neighborhoods.
- Mini-parks can also be provided to enhance the character of high density areas, such as in downtown McMinnville.

***Linear Parks***

- Linear parks should be provided along built or natural corridors to connect neighborhoods and to provide opportunities for trail-oriented and nature-oriented recreation.

***Special Use Parks***

- Special use parks are facilities intended for specialized or single recreational activities, including historic and cultural recreation. These should be developed only when additional special use facilities are needed.

***Trails***

- Since a large percentage of McMinnville residents would like additional trail facilities, it is recommended that trail opportunities in McMinnville be maximized while preserving natural resources.

*More trails are  
desired by  
residents.*

Table 2

**PARK STANDARDS AND ANTICIPATED NEED**

Facility	Existing Standards	Recommended Standards	Anticipated Need 2017 pop 38,000
Mini-Parks/Playlots	0.10 - 0.30 acres/1000	ns	
Neighborhood Parks	2.00 acres/1000	2.0 acres/1000	76
Community Parks	5.00 - 8.00 acres/1000	6.0 acres/1000	104
Linear Parks	ns	ns	
Special Use Parks	ns	ns	
Greenspace/Greenways/ Natural Areas	ns	6.0 acres/1000	116
Trails and Connectors	ns	1 system	
Total	7.1-10.3 acres/1000	14.0 acres/1000	295.54 acres

Existing standards are unofficial standards contained in the City's Urban Growth Boundary Study and have not been approved by City Council or Planning Commission.

Recommended Standards are based upon a combination of existing, local, and NRPA standards provided for comparison, and expressed community need.

Anticipated Need - 2017 indicates additional facilities needed by 2017 in addition to existing facilities. These needs will be impacted by community trends over time.



Table 3

## RECREATION FACILITY STANDARDS AND ANTICIPATED NEED

Facility	Existing Standards	Recommended Standards	Anticipated Need 2017 pop 38,000
Baseball Fields	ns	1/1500	16
Basketball Courts	ns	1/2000	5
Botanical/Community Gardens	ns	ns	1
Community Centers	ns	1/25000	0
Dog Parks	ns	ns	2
Fishing Areas		ns	1
Football Fields	ns	1/20,000	0
Group Picnic Areas	ns	1/1500	21
Outdoor Concert Area	ns	ns	1
Outdoor Volleyball Court	ns	ns	2
Play Equipment	ns	1/1200	13
Rollerblade Facility		ns	1
Running Tracks	ns	1/20,000	0
Senior Center	ns	1/25000	0
Skateboard Facility		ns	1
Soccer Fields	ns	1/2000	5
Softball Fields	ns	1/3000	6
Swimming Facilities	ns	1/25000	0
Tennis Courts	ns	1/2000	0

Existing standards: ns (no standard) no current standard is being applied locally.

Recommended Standards: A combination of existing local (other municipal jurisdictions in Oregon) and National Recreation and Parks Association standards provided for comparison. Described on a "facility per thousand population" basis.

Anticipated Need - 2017: Indicates additional facilities needed in McMinnville by 2017 (in addition to existing facilities) based on Recommended Standards. These needs and how they are addressed will be impacted by community trends, citizen priorities, and other influences (program demand, funding, facility distribution, timing of park acquisitions, etc.) throughout the twenty year planning period. McMinnville should strive to achieve the highest levels of service which accommodate community interest and support. In doing so, these levels may or may not meet or exceed recommended standards as indicated.



## EVALUATION OF EXISTING FACILITIES

Parks and Recreation Department staff and the MIG consultants conducted a site and facility evaluation in December 1996. The purpose of this task was to evaluate the current condition of park facilities. McMinnville's parks include a variety of facilities that support recreational use. Thirteen types of facilities were rated. These included:

- Buildings/Restrooms/Structures
- Sports Fields and Facilities
- Play Equipment
- Safety Surfacing (for play equipment)
- Site Furnishings
- Exterior Lighting
- Paths/Paving/Trails
- Signage
- Irrigation Systems
- Drainage Systems
- Vegetation
- Turf
- Parking

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*Facilities were rated on two aspects: physical condition and functional capacity.*

Facilities were rated on two aspects: physical condition, and functional capacity. Physical condition was rated in terms of the need for maintenance or repair. The functional capacity of a facility was rated for ability to meet user demand and support recreational use. The following scoring system was used:

- |                        |   |
|------------------------|---|
| <i>1 - Adequate</i>    | Good condition, needing only routine maintenance<br>Fully usable and functional                         |
| <i>2 - Substandard</i> | Needs significant maintenance or repair<br>Usable but doesn't meet standards                            |
| <i>3 - Inadequate</i>  | Major renovation or replacement required; hazardous<br>Facility doesn't exist or is far below standards |

Following is a general description of the findings. *Some substandard conditions have been corrected since the site evaluation.*

### Overall Condition

Maintenance of McMinnville parks is good. The public perception of park maintenance as noted in the *Recreation Needs Assessment Survey* is that maintenance is good to excellent. In general, the newer parks appear to be better maintained, and efforts appear to be directed more toward the larger community parks than to smaller mini-parks. Many of the maintenance problems observed were related to design factors, such as ponding and poor turf growth on a flat site, or insufficient site size. Vegetation and turf appear well cared for except where irrigation is not provided, or where impacted by overhead tree canopy and leaf cover. Where vandalism occurs, it is promptly repaired. Few signs of vandalism or litter were evident.

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*Overall, maintenance of McMinnville parks is good.*

*Most residents want to keep mini-parks as open space.*

Major problems found during the site evaluation included:

- Aging facilities that require replacement, such as restrooms, children's play areas, and site furnishings;
- Sites that need redesign or development, such as City Park and nearly all mini-parks;
- General lack of access for people with disabilities as required by ADA;
- The need for expanded design guidelines and standard construction details to guide future planning and design of recreation facilities and site amenities;
- The need to establish Department maintenance standards based on NRPA standards;
- Safety issues, such as designs that may encourage vandalism and crime, and safety hazards in children's play areas; and
- The need to address the enhancement and management of natural habitats, including creek beds.

Addressing these issues should be a high priority for the Parks and Recreation Department.

### ***Mini Parks/Playlots***

Mini-parks and playlots were in fair to good overall condition. However, key elements, such as play equipment, were often substandard. Most, because of their size and design, presented maintenance problems or raised other concerns. Most of the sites could benefit from additional trees and low maintenance landscaping.

Many of the sites are too small to adequately serve the neighborhood. Some of the mini-parks, such as Greenbriar, serve only as a landscaped open space or entry to a neighborhood. Others, such as Taylor or Kingwood, attempt to provide limited activities for small children or families. Because of these issues, the value of these sites to the community was raised during the *Recreation Needs Assessment Survey* and during the community workshops. The results indicate that most residents want to retain these sites as neighborhood open space, and feel that the neighborhood should take an active role in site maintenance. The city should work with each neighborhood to reach consensus about the benefit of these small parcels to the immediate community, and develop renewal and management plans based on neighborhood input.

### ***Neighborhood Parks***

Although sites such as Westvale or Kingwood are perhaps seen as neighborhood parks, no park in McMinnville fits the traditional definition of this facility type. None of the mini-parks or linear parks are adequately sized, or contain the range of facilities that would qualify it as a neighborhood park, such as picnic areas, children's play areas, and active play fields.

### ***Community Parks***

The four developed community parks illustrate the range of conditions that can be found in city parks:

- *Dancer Park:* Dancer Park is in good condition overall and provides McMinnville with a concentrated active sports complex. Recent flood damage has been repaired, and all sports fields are well maintained. Dancer Park hosts the most intense activity of the system. It also has abundant potential for further development, which could include permanent restrooms, trails, river access and

interpretive stations, active sports such as roller hockey, dirt bike trails, basketball and volleyball, group picnic, etc. However, special consideration must be given to Dancer's vulnerability to flood damage. Parking and vehicular access improvements are needed to accommodate park users. A second vehicular access point is needed immediately and can be created by extending Marsh Lane.

- *Kiwanis Park:* Immediately adjacent to Dancer is Kiwanis Park. Although its size is more in keeping with a neighborhood park, its location limits its ability to adequately serve a neighborhood. It is included in the community park category because its special feature, a boat launch, serves the entire city. Paths, restrooms, and play equipment require upgrading, and the turf is impacted by tree cover. Although it has a separate identity, consideration should be given to managing the site as part of the much larger Dancer Park. Acquisition of parcels just to the west would help implement future greenway access to the center of town, increasing the value of both Kiwanis and Dancer Park. Parking should be improved.
- *Wortman Park:* Mature oak trees and a small creek makes Wortman one of the most pleasant parks in the system. However, the park, including permanent restrooms, needs renovation to meet ADA requirements; group picnic areas and disc (Frisbee) golf course need improvements; the play equipment and safety surfacing is inadequate; and the single softball field is substandard and much too small, impacting neighbors and other park users. In addition, lighting could be improved along pathways as well as in parking areas, and the irrigation and drainage needs attention. The Wortman Park master plan should be updated to include these and other improvements.
- *City Park:* This symbolic heart of the city is in fair condition, but the time has come to consider major renewal. While some facilities at City Park are in good condition and valuable natural resources exist within the park, redesign and/or renovation is needed for many elements, such as the group picnic area, tennis courts, irrigation and drainage systems, and vegetated hillsides. The creek and natural areas also need restoration. Because of its location at the heart of town, City Park has the potential for hosting community events. However, the park was not specifically designed for this purpose. Improvements could greatly enhance the site's ability to serve this need, and unify the disparate elements of the park. . A recent study indicates that redesigning City park pedestrian entries, particularly from the south into upper City park would relieve congestion and enhance the function and beauty of these areas. Innovative design could provide new spaces which support a variety of park uses and discourage small congested pockets which block pedestrian flow and movement. Historical significance should be incorporated into new designs. Any improvements should consider annual flooding. Renovation of City Park should be a high priority for the Parks and Recreation Department

*City Park is the  
symbolic heart  
of the City*



*McMinnville's  
Westvale  
Linear Park is a  
popular facility.*

### **Linear Parks**

The series of parcels that make up Westvale Linear Park are newly developed and in good condition. Portions have mature native vegetation that has been trimmed and cleaned up; other areas are recently planted. Jandina Path is in need of repair or replacement. Adding facilities, such as picnic areas, additional play equipment, and lighting, and providing for safe cycling may improve usability of the park. Flood management and habitat protection should be addressed.

The west side bike and pedestrian corridor that lies within an existing BPA easement is linear in design and is undeveloped. Its usefulness lies primarily in its value as a multi-purpose path corridor. A master plan (*McMinnville Westside Bicycle and Pedestrian Plan*, David Evans and Associates, Inc., 1995) has been developed for this site.

### **Greenways/Greenspace/Natural Areas**

McMinnville has several greenways and open space areas, the condition of which must be evaluated on a slightly different basis than developed parcels. Some, such as the Tice parcel, are essentially unmanaged and undeveloped. These should be studied more carefully to determine whether their natural systems can be self-sustaining if left as is. Others, such as Cozine Creek and Airport Park, are managed in limited ways, such as mowing, removal of hazardous trees, minimum trail maintenance, and some stream control. These areas appear to meet the needs of the public, but management practices should be evaluated to determine whether they are appropriate. Maintenance standards should be developed to communicate appropriate practices to staff and the public.

Some smaller open space parcels, such as Angella Court, are remnant parcels donated to the Department in lieu of SDCs. Some of these may not be appropriate for inclusion in the greenspace system. All open space areas should be evaluated to determine an appropriate level of development and management, the value of potential development such as trails or interpretive stations, and overall benefit to the community.

### **Special Use Parks**

Quarry Park is designated as a special use park. It requires cleanup and a plan to reevaluate appropriate development and management. Determining the best and most practical potential use of the park should occur through a community process in the near future. As Quarry Park has been surrounded by new neighborhood development in recent years, the current master plan, which designates the site for an amphitheater, may no longer be practical. The abandoned nature of the quarry gives it a de facto character of neglect, possibly encouraging vandalism, and park use by the public presents safety issues that should be addressed soon. Corrective measures should be given a high priority.

## **RECREATION PROGRAMS AND SERVICES**

The City of McMinnville *Recreation Programs and Services Inventory and Assessment* (MIG, Inc., 1998) was conducted as part of the *Parks, Recreation and Open Space Master Plan* development process. Its conclusions are based on the results of:

- An inventory of available recreation programs;
- A survey of comparable cities in Oregon;
- Interviews with Parks and Recreation Division staff;
- The Master Plan public involvement process;

- Demographic trends; and
- Results of the *Recreation Needs Assessment Survey*.

The McMinnville Parks and Recreation Department plays a major role in meeting the recreation program needs of the community. According to the *Recreation Needs Assessment Survey*, about 90% of residents report that they or a member of their family participated in recreation programs offered by the City of McMinnville during the last year. The Parks and Recreation Department provides 125 classes and programs for McMinnville residents, serving approximately 21,000 participants each year. Table 4 illustrates the most popular recreation programs in McMinnville based on results of the *Recreation Needs Assessment Survey*. The Department increases recreation opportunities available to residents as a *direct program provider*, *through partnerships with other organizations*, by *providing facilities* used by others for recreation, and by *providing information and referral services* to residents about non-city sponsored activities available in McMinnville. The parks, Aquatic Center, Community Center and Senior Center are heavily used for community activities sponsored by civic, religious, business, educational and special interest groups, and offer facility rentals for special events hosted by residents and organizations.

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*The city's recreation programs are used by a high percentage of residents.*

### **BENEFITS OF RECREATION PROGRAMS AND SERVICES**

A major task of the Master Plan was to identify the services most valued by residents and to develop a plan to deliver these services. The benefits of parks and recreation most valued by McMinnville residents, which can be addressed through recreation programs, include:

- Providing positive activities for youth;
- Building a sense of community;
- Preserving the environment;
- Contributing to strong families; and
- Helping residents achieve an active, healthy lifestyle.

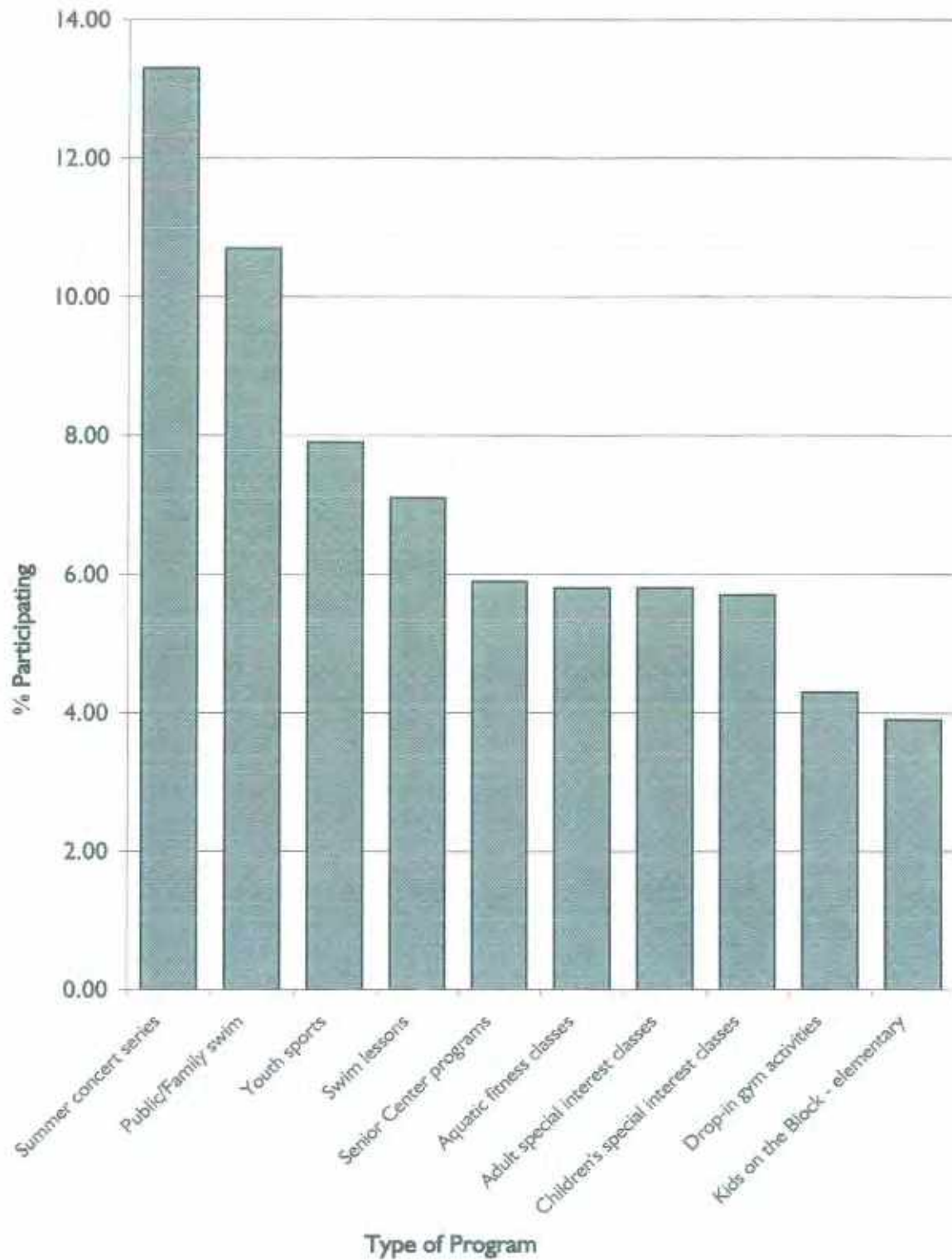
Many recreation programs provided by the City can produce these benefits.

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*Residents think the needs of youth should be high priority.*



**Table 4**  
**MOST POPULAR RECREATION PROGRAMS**



## NEW RECREATION PROGRAMS RECOMMENDED

Tables 5 and 6 illustrate programs that should be expanded and new programs that should be offered to McMinnville residents. Based on the results of the *Recreation Needs Assessment Survey* and the master plan public involvement process, programs that are the highest priority for expansion include: the summer concert series, special interest classes for children and adults, and youth sports. Wildlife and nature education, outdoor programs, and programs in the creative and performing arts should be developed and offered to all ages.

Considering the number of program staff in the Department, the City should increase its program offerings. McMinnville residents depend on City sponsored programs because few private and non-profit program providers offer services to residents. While current staff is doing an excellent job within their areas of responsibility, the City should evaluate how improvements can be made through expanding skills, cross training and hiring practices. Currently, staff have program specific skills, but lack general recreation and therapeutic recreation skills. Staff productivity is somewhat limited by restrictive funding sources.

Youth of all ages should have the highest priority when planning recreation programs, according to McMinnville residents. Adult programs are in demand, but should be highly self-supporting. Services to disabled residents, seniors, and ethnic minority populations should continue to be improved.

Since Measures 47 and 50, McMinnville recreation programs have become more dependent on user fees. Other funding sources should be developed. Partnerships with McMinnville Public Schools and Linfield College, and business partnerships/sponsorships are highly supported by residents. Enterprise programs should also be considered. Pricing policies for user fees should be aligned with residents' program and age group priorities. For example, programs for youth should be more highly subsidized than programs for adults. Since 45% of residents have a low to moderate income, staff should evaluate pricing policies for affordability, and, when necessary, develop non-tax revenue sources to subsidize program fees.

In general, the City should improve its marketing of recreation programs. Improving the program guide, publicizing ongoing drop-in programs more widely, and making the program guide available via the Internet are recommended. An on-going system of program evaluation to measure for customer satisfaction and the achievement of measurable outcomes is recommended.

**Table 5**  
**RECREATION PROGRAMS FAVORED FOR EXPANSION**

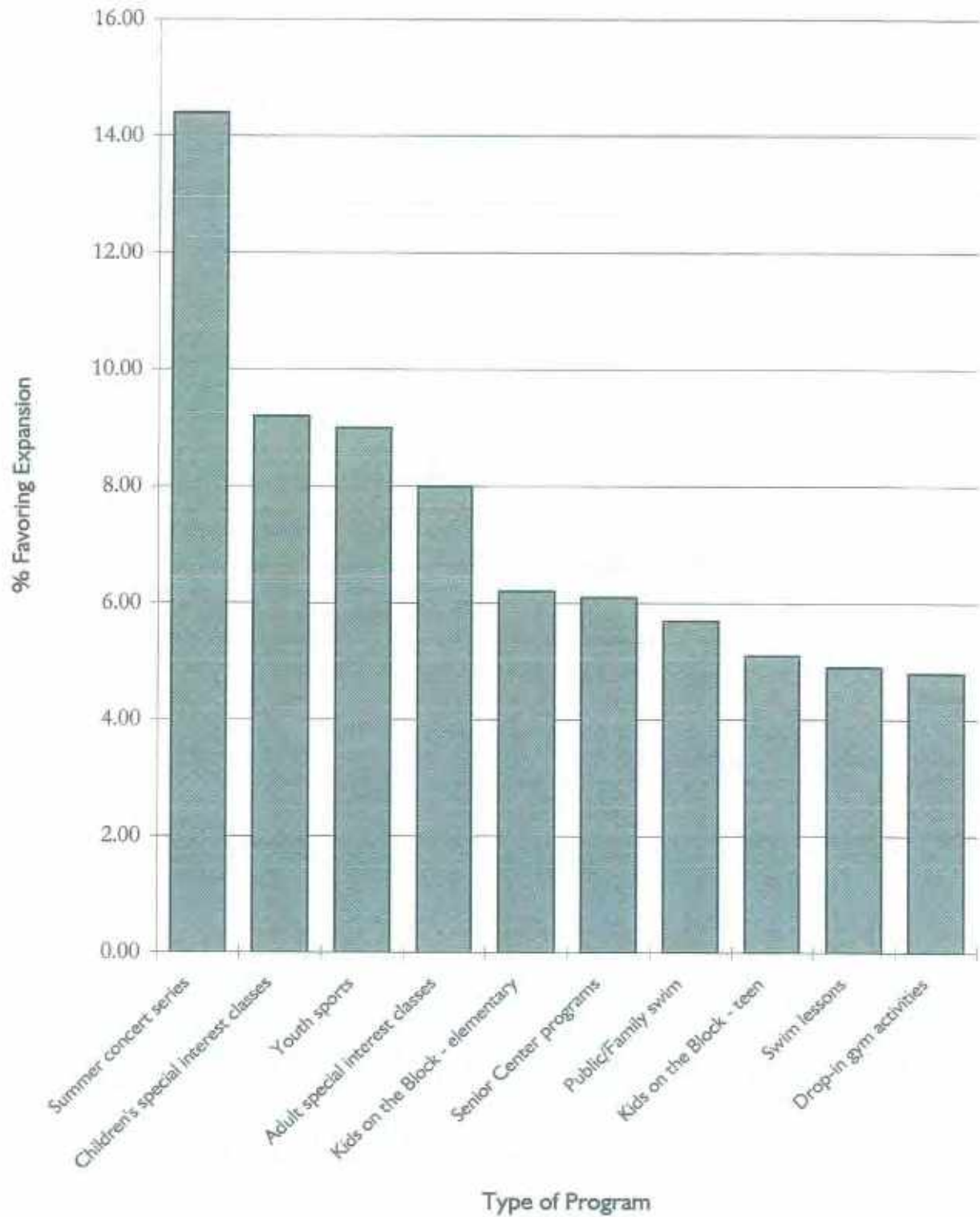
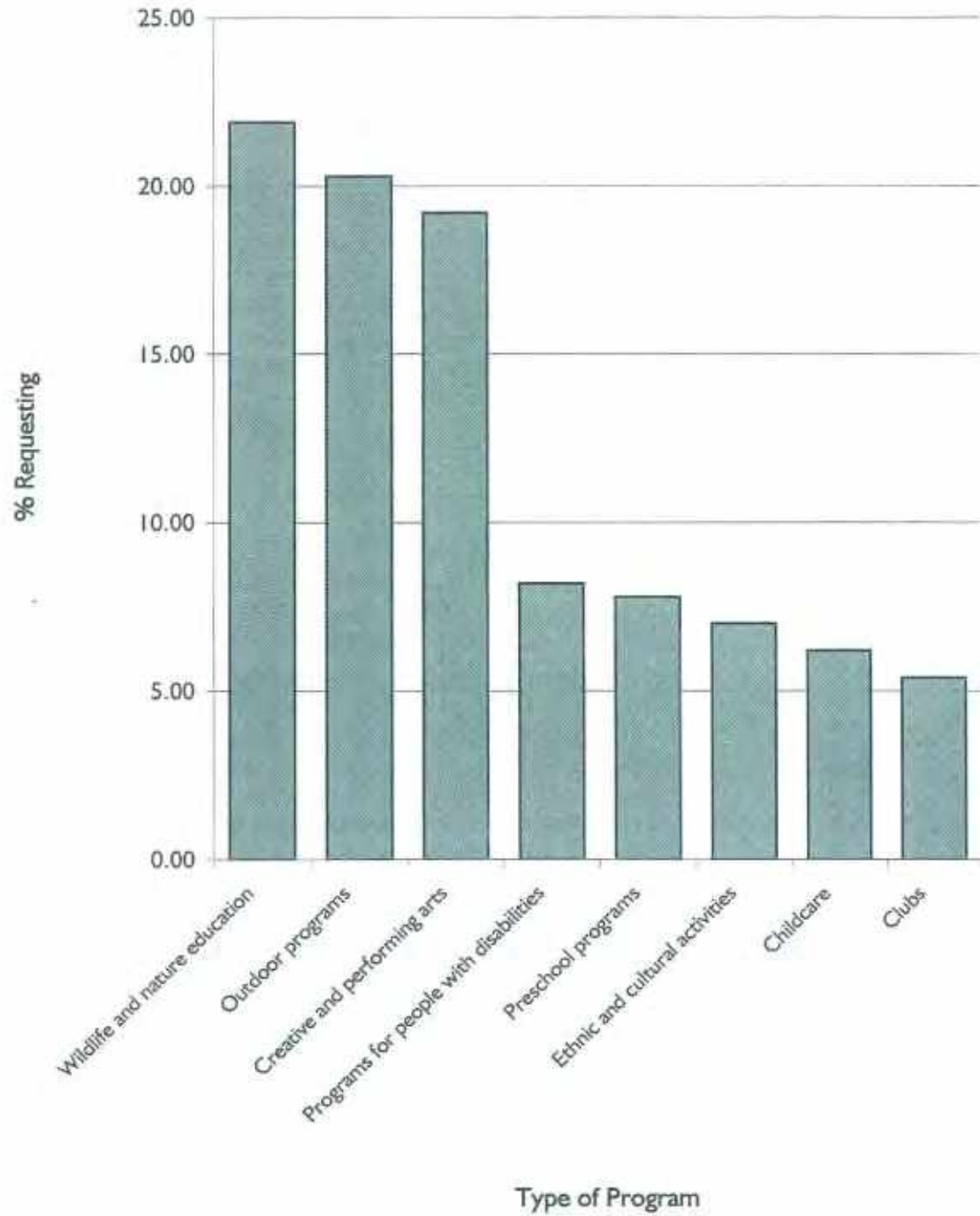


Table 6

## NEW RECREATION PROGRAMS REQUESTED





## MANAGEMENT AND OPERATIONS

### CITY OF MCMINNVILLE

McMinnville has a Council/City Manager form of government. The six member City Council is the policy making body of the city. They appoint a City Manager to perform the administrative duties of the City. The Mayor presides over the City Council meetings, and represents the city at meetings and special events.

*The Director of Parks and Recreation oversees park acquisition, planning, and recreation services.*

### PARKS AND RECREATION DEPARTMENT

Table 7 illustrates the organization of the Parks and Recreation Department. Ten staff are currently employed as full-time employees. The City also has 90 part-time recreation staff. As a result of Measure 47/50, the park maintenance staff were moved from the Parks and Recreation Department to Public Works.

The Director of Parks and Recreation oversees park acquisition and planning as well as the work of five recreation service areas, these include:

- Aquatics;
- Senior Center;
- Kids on the Block;
- Youth/Adult Sports; and
- Community Center.

### EVALUATION OF CURRENT OPERATIONS

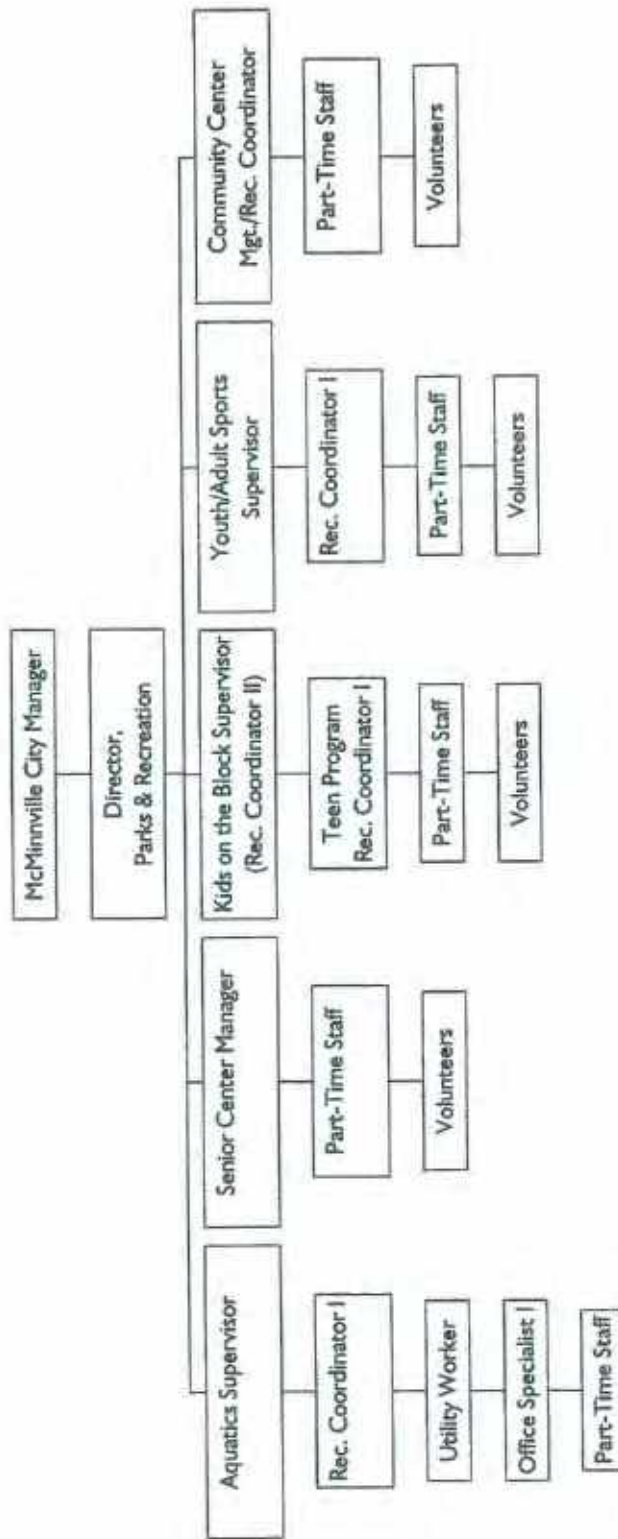
Overall, the Parks and Recreation Department is doing an excellent job of meeting community needs. Some factors that limit the effectiveness of the Parks and Recreation Department include:

- *Volunteer Coordination:* McMinnville has an ample supply of community residents who are willing to volunteer their time to improve the community. Many have volunteered to construct the Recreation Station and to assist in recreation programs, such as youth sports and senior programs. Opportunities exist to expand community volunteerism through adopt-a-park programs, special maintenance tasks, etc. However, there is no one staff person in charge of developing a volunteer program.
- *Community Involvement:* Some community involvement has occurred in the past to involve residents in the planning and design of park facilities, such as the design of Recreation Station. However, there is often a large time lag between initial planning and construction. For example, the Wortman Park Master Plan, developed in 1993, has not yet been implemented. In some cases, community needs may change before construction occurs. An effort should be made to tie involvement more closely to development or to provide additional opportunities for involvement to reconfirm master plans prior to the development of construction documents. The Recreation Staff have also involved residents in evaluating recreation programs, but there is no formal, consistent procedure for program evaluation. These procedures should be formalized.
- *Landscape Enhancement:* There are a number of programs within the City that are related to parks and recreation, but have no assigned oversight. These include Tree City USA, the street tree program, and Arbor Day and other tree celebrations. Oversight has been shared among departments and is loosely

*Increased coordination is needed to make best use of volunteers.*



Table 7  
MCMINNVILLE PARKS AND RECREATION DEPARTMENT ORGANIZATIONAL CHART



defined. Formal oversight should be established. Because of their expertise, Park and Recreation should have a major role in these functions.

- *Staffing Restrictions:* As previously mentioned, Kids on the Block staff functions are restricted by contract agreement.
- *Park Design Function:* At present, some minimal park improvements are designed by the Director and planning staff. The professional assistance of a landscape architect would greatly enhance staff capabilities. This position could be located either in the Planning Department or Parks and Recreation Department. The park designer could assist the Parks and Recreation Director in implementing the Master Plan, could advocate for the role of parks and recreation in community livability, and potentially could manage the volunteer program and community involvement. As an alternative, the park design function could be contracted out.
- *Location of Maintenance Department:* The relocation of park maintenance to public works may cause some communication lags. If this organizational structure is to succeed, it is imperative that maintenance standards be clearly defined. This will be accomplished as part of this Master Plan. In addition, maintenance management plans should be developed for each site, and costs should be tracked through a maintenance management system. Communication between departments should be enhanced.
- *Public Safety:* Police cadets perform some park patrols. To compliment and expand these efforts, it is recommended that citizen patrols be developed as part of McMinnville's community policing efforts. Citizen patrols have been used effectively in many communities, increasing resident's sense of park ownership and public safety.

### MAINTENANCE STAFFING LEVELS

Maintenance staffing levels in the McMinnville Parks and Recreation Department have not increased to address the continued expansion and improvement of park lands and increased park use. Each full time employee (FTE) is currently responsible for 60% more park land acreage than in 1980. Because of this increase in workload, some McMinnville parks are beginning to show the effects of reduced maintenance. This is particularly true of the smaller mini-parks and playlots.

If McMinnville's existing park facilities were to be maintained to the level of cities of comparable size in Oregon, an additional 2 FTE's would be needed, for a total of 7 FTE's (Table 8). New staff should fill voids in maintenance skills and expertise to maintain and enhance the level of service provided.

Costs and additional employee demand are based on an evaluation of current facilities, budget allocations and a comparison of parks maintenance practices in cities of comparable size in Oregon. The methodology for determining current maintenance costs and staffing levels is included on Table 8.

*Maintenance staffing has not increased to address park expansion and increased use.*

**Table 8**  
**CURRENT MAINTENANCE STAFFING NEEDS**

Facility	Current Acres	Cost per Acre <sup>A</sup>	Maintenance Costs	
Mini-Parks/Playlots	2.71	\$2,500	\$6,775	
Neighborhood Parks	0	\$2,800	\$0	
Community Parks	124.46	\$3,100	\$385,826	
Linear Parks	22.95	\$1,000	\$22,950	
Special Use Parks	11.5	\$1,000	\$11,500	
Greenways/Greenspaces/Natural Areas	112.04	\$1,000	\$112,040	FTE Staff or Outsource Equivalent
<b>TOTAL NEED</b>			<b>\$539,091</b>	<b>7.03</b>
Staffing, Materials, and Capital Outlay Budget			Fiscal Year 96-97	
			<b>\$532,169</b>	<b>5.00</b>
<b>Additional Staff Needed</b>				<b>2.03</b>

<sup>A</sup> Estimated costs based on an average of maintenance costs of cities of comparable size in Oregon as applied to McMinnville facilities.

#### Overall Maintenance Costs Estimation

- 1) Average maintenance cost estimators per acre/mile for various facility types in Oregon cities of comparable size was determined;
- 2) Maintenance cost estimators were then multiplied by the amount of current park land for each facility type in the City of McMinnville;
- 3) Individual facility type estimates were summed to obtain a total maintenance cost for all park land facilities in McMinnville.

#### Current Maintenance Staffing Needs

- 1) The average cost per maintenance employee (\$46,000), including salary and benefits, was determined from the 1996-1997 City of McMinnville budget;
- 2) The ratio of cost for full time park personnel was estimated against that allocated for materials and capital outlays. This ratio is approximately 60:40;
- 3) Multiplying the current full-time staffing ratio (0.60) by the estimated current total maintenance cost (\$539,091) reveals the current gross staffing cost;
- 4) Dividing gross current staffing costs by the average cost per full-time maintenance employee reveals the current employee staffing need (7) based on current McMinnville facilities and budgetary allocations.

## CURRENT FUNDING

The following is a summary of current funding for parks and recreation administration, operations, maintenance, and capital facilities based on a review of existing practices and conditions in the City of McMinnville.

### FUNDING FOR PARKS AND RECREATION ADMINISTRATION

#### *Operations and Maintenance Activities*

The Park Betterment Fund provides for operation and maintenance of the City's Aquatics Center, Senior Center, Community Center, recreation programs, parks and facilities maintenance, and administration. The Park Betterment Fund is a special revenue fund that receives revenues from the City's permanent rate levy and from fees for department activities and services (fund transfers, user fees, grants, and donations).

For FY 97-98 the total budget increased by 2.26% over FY 96-97 levels, to a total of \$2,423,198; but revenues from property taxes were only 79.77% of the amounts budgeted for FY 96-97 (\$813,169 versus \$1,019,427) reflecting reductions required by the passage of ballot measures 47 and 50. To partially offset this revenue loss, user fees and charges for services were budgeted at \$797,775 for FY 97-98, up 29.5% from FY 96-97 levels. These fees and charges represent 32.9% of total fund revenues for FY 97-98, up from 25.9% for FY 96-97.

Currently, fees and charges include participant fees for recreation programs and services and rentals. By increasing fees and charges, McMinnville's recreation programs have increased their level of self-support to:

- Community Center                      67% self-supporting;
- Senior Center                            68% self supporting; and
- Aquatic Center                           52% self-supporting.

These percentages do not include the salary of the Parks and Recreation Director.

Program affordability influences both program participation levels and revenue. The Department continually reviews the affordability of fees and charges. Since fee increases took place, several programs have experienced a drop in participation. Financial accessibility of services remains a significant challenge when combined with resident's desire to reduce tax dollar dependency.

*Recreation  
services have  
become more  
self-supporting.*



## FUNDING FOR PARKS AND RECREATION CAPITAL IMPROVEMENTS

### ***General Obligation Bonds (G.O. Bonds)***

G.O. Bonds are debt instruments sold by the City to fund new capital facilities or make improvements to existing facilities. These bonds are repaid with property tax revenue generated by a special levy that is outside the property tax limits imposed by Ballot Measure 5 (1990) and Ballot Measure 50 (1997). Voters must approve G.O. Bond sales and, per Ballot Measure 50, this approval must occur in a general election in an even numbered year, or in another election in which at least 50% of registered voters participate.

Since 1979, the City has issued G.O. bonds to fund construction of parks and recreation facilities, including a community center and a swimming pool. Library improvements, a new fire station, and transportation improvement projects have also been funded with general obligation bonds.

The City maintains an "A" rating with Moody's Investors Service on general obligation bond issues. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on three percent (3%) of total assessed valuation of real and personal property. At the close of FY 97-98, the City's net general obligation bonded debt totaled \$9,390,000, well below the legal debt limit of \$39,600,000.

The City's relatively small amount of outstanding general obligation debt and significant debt capacity make voter-approved general obligation bonds a viable source of funding for parks and recreation capital improvements.

### ***System Development Charges***

System Development Charges (SDC's) are fees paid by new development to cover a portion of the costs of capital facilities needed to serve new development. The City collects parks and recreation SDC's for all new residential development and places these revenues in the Subdivision Park Reserve Fund.

The current SDC rate of \$300 per residential dwelling unit, established in 1991, generated \$423,738 in revenues during the six-year period between July 1, 1991 and June 30, 1997. For FY 1997-98, an additional \$50,000 in fee revenues is budgeted. Revenues from parks and recreation SDC's have been used to fund capital improvements, including a skateboard park, play equipment, and irrigation and lighting projects.

Because parks and recreation SDC rates were very low, and not sufficient to meet the needs of growth, the City Council recently increased SDC rates for park development for an 18-month period beginning in July 1999. These revenues could complement a G.O. bond measure for park development that may be presented to voters at the November 2000 election.

*Primary funding sources for park improvements are general obligation bonds and system development charges.*



## SUMMARY OF CURRENT FUNDING SOURCES

### ***Capital Improvements***

The City has a relatively small amount of outstanding general obligation debt and significant debt capacity that may be used to fund new voter-approved bonds for parks and recreation capital improvements. Existing park SDC rates are very low and are not sufficient to generate significant revenues to meet the needs of this growth. These rates should be revised based on the costs of the projects included in the Master Plan. A level of capital improvement support that can be maintained over time and has citizen support should be established. (Note: As part of the Master Plan development process, McMinnville's SDC methodology was revised in 19998 to improve the City's capability of funding park acquisition and development.)

### ***Administration, Operations, and Maintenance***

Increases in fees, charges and rents, and transfers from other funds may help offset a portion of property tax losses in the Park Betterment Fund, but new revenue sources will be needed. The Department is increasing its collaboration with both Public Works and Planning. Additional strategies for funding parks and recreation needs will be proposed in the Master Plan recommendations.



## CHAPTER 4: COMMUNITY INVOLVEMENT

To encourage citizen involvement in the development of the Master Plan, residents were provided with opportunities to express ideas and obtain information. These opportunities included: a community survey, community workshops, and stakeholder interviews. Residents were asked questions about:

- The benefits they receive from parks and recreation opportunities;
- Facility, operation, and recreation services improvements they feel are needed;
- Future planning priorities;
- How to fund improvements; and
- Their vision for the City of McMinnville's future parks and recreation system.

*Residents were encouraged to contribute their ideas to the Master Plan.*

### SUMMARY OF COMMUNITY INVOLVEMENT EFFORTS

The following is a summary of community involvement and outreach efforts:

- *Interviews with Community Leaders:* Eight interviews were conducted with community leaders in McMinnville, including representatives from the city government, youth organizations, and the local newspaper.
- *Community Workshop:* In April 1997, a workshop was held to present an overview of the master planning process for the parks and recreation system in McMinnville. Participants were given the opportunity to provide their input on creating a vision for the future of McMinnville parks, and to suggest needed improvements and potential funding strategies.
- *Recreation Needs Assessment Survey:* This survey was implemented to involve residents who may not otherwise participate in the Master Plan process and to validate key findings among a statistically representative sample of residents. A summary of the survey results follows in the next section.
- *Public Information Display:* Information on parks and recreation in McMinnville and the master plan were set up at the Community Center and at various community events during the master planning process.

*Meeting the needs of youth is considered to be the most pressing community need.*

- *News Register Articles:* Articles were published in The News Register to publicize public involvement and provide information on significant findings of the master planning process.
- *Other Public Involvement Opportunities:* A second Community Workshop, Advisory Committee Meetings, and presentations to the Planning Commission and City Council provided additional opportunities for community involvement.

## FINDINGS

The following is a summary of the findings from the community involvement efforts. Findings are broken down into five categories of operation:

### **Management**

- Residents feel that the greatest issue facing the McMinnville community is increasing urban growth and its impacts on livability;
- Meeting the needs of youth is considered the most pressing community need in the City of McMinnville;
- The main role of the Parks and Recreation Department should be to provide recreation programs and a variety of activities and facilities;
- Determining future needs, addressing funding issues, and balancing future growth with additional park lands are considered to be other key issues for the City of McMinnville; and
- Residents value the availability of parks for family activities, the enhanced community aesthetics provided by parks, and the role of parks and recreation in providing positive activities for youth.

*Distributing parks and facilities throughout McMinnville is highly important.*

### **Facility Improvements**

The highest priority facility improvements include:

- Distribute facilities throughout McMinnville to meet the future demand of the growing population and the needs of new neighborhoods;
- Develop a community park on McMinnville's west side;
- Develop undeveloped park sites, such as Quarry Park, the Tice Property, and complete Dancer Park;
- Develop joint school/park facilities;
- Create a comprehensive trail system that connects parks, community destinations and neighborhoods, including trails along Cozine Creek;
- Expand recreation facilities, such as ball fields, basketball courts, an outdoor amphitheater, dog parks, and skateboard parks; and
- Acquire additional parks and open space.

### **Recreation Programs**

- Residents generally feel that the Parks and Recreation Department is doing a good job with its current recreation program offerings. Some improvements could include:
  - Expanding services to youth;
  - Utilizing recreation programs to integrate the Hispanic population with the larger community;
  - Targeting services at low income residents;
  - Increasing non-sport oriented programs; and
  - Providing opportunities for volunteerism.



**Maintenance**

- Many residents feel that the Parks and Recreation Department is doing an adequate job in its overall maintenance, especially given the limited resources available.
- Maintenance practices should be reevaluated to develop a plan for future maintenance and identify opportunities to reduce costs.

**Funding**

- Currently the Parks and Recreation Department is funded by property taxes, user fees, donations, facility rentals, grants, concessions, intergovernmental revenues, and systems development charges.
- Additional suggestions included: formation of a park district; public/private partnerships; volunteerism; partnerships with public schools and Linfield College; increasing System Development Charges; a bond issue; increased fines for vandalism; tourism-based revenue; and ISTEA.

**RECREATION NEEDS ASSESSMENT SURVEY**

The *Recreation Needs Assessment Survey* was mailed to all households in McMinnville. A total of 582 completed surveys were returned. The findings below represent a summary of the answers received in the survey. The survey instrument, the detailed survey results and the open ended survey responses can be found in the *Recreation Needs Assessment Survey Report*, MIG, Inc., 1997.

**FINDINGS**

Major findings of the *Recreation Needs Assessment Survey* follow. Survey findings regarding recreation programs are reported in Chapter 3.

***Current Use of Parks, Recreation and Trail Facilities***

- Over 64% of respondents said that they used the McMinnville Community Center either frequently or infrequently;
- Most of all the community parks were highly used. City Park was used by 65% of respondents, 57% used Wortman Park, and 45% used Dancer Park;
- Many respondents were unsure of the location of many of McMinnville's smaller or undeveloped parks. Over half were unsure of the location of Quarry Park. More than half of the respondents did not know the location of many of the City's greenspaces and mini-parks/playlots; and
- Trail-related activities enjoy the highest rate of participation, receiving 29% of the total responses. This relatively high level of interest corresponds to similar findings among Oregonians as a whole.

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*McMinnville  
Community  
Center and  
community parks  
are highly used  
by residents.*

*Pedestrian and bike trails and natural areas are highly desired additions.*

#### *Facility Improvements*

- Respondents indicated the top two priorities for additional facility improvements are:
  - Providing more pedestrian and bicycle trails (29%), and
  - Acquiring and protecting more natural areas and greenways (23%);
- Picnic facilities (28%) and children's play areas (27%) were cited as the current facilities needing the most improvements;
- Respondents indicated that the most desired new facility was an outdoor concert area (74%) and a botanical/community garden (72%);
- Thirty-nine percent (39%) of respondents felt that the City should maintain mini-parks as neighborhood open space;
- Thirty-six (36%) percent felt that Quarry Park should be developed as an outdoor amphitheater and 74% said they would favor a facility of this type somewhere in the city. However, respondents also indicated that local residents of Quarry Park may not favor an amphitheater at that site. Additional public discussion on this issue is necessary.

#### *Potential Planning Policies*

Many potential planning policies were highly rated by residents, including:

- Improving park and facility maintenance;
- Expanding the bike and pedestrian trail system;
- Developing hiking trails in natural areas;
- Acquiring more land to protect natural areas and stream corridors; and
- Acquiring and developing a multi-purpose community park on the west side of the city.

#### *Funding*

- The most desirable additional sources of funding would come via business partnerships/sponsorships (91%), and partnerships with McMinnville Public Schools and Linfield College for joint use of facilities (90%).
- Over 84% of respondents felt that they would be very willing or somewhat willing to pay an additional \$5.00 more per month on the average home;
- Over 65% were very willing or somewhat willing to pay an additional \$8.00 per month; and
- Over 65% said they were not willing to pay an additional \$12.00 per month.

## **BENEFITS OF PARKS AND RECREATION**

McMinnville residents recognize that parks and recreation are essential to continued community livability. When asked what they value most about parks and recreation in McMinnville, respondents to the *Recreation Needs Assessment Survey* most often mentioned:

- Providing positive activities for youth (45%);
- Building a sense of community (18%); and
- Preserving the environment (16%).

Through other public involvement opportunities, residents also identified these values:

- Providing diverse experience for active, passive and unprogrammed recreation;
- Contributing to overall community livability;



- Building stronger families;
- Balancing the impacts of growth and increasing density;
- Protecting natural resources, such as floodplains, waterways, and wildlife habitat;
- Ensuring parks and recreation opportunities are distributed throughout McMinnville's neighborhoods;
- Providing affordable recreation opportunities;
- Using existing resources efficiently;
- Maximizing public access through an interconnected parks and recreation system;
- Providing public access to nature;
- Providing safe places for kids to play;
- Continuing partnerships with area schools to provide programs and facilities;
- Enjoying safe and well-maintained parks and recreation facilities;

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*Residents confirmed the benefits that parks and recreation provides.*

## SUMMARY

Over 500 residents participated in the Master Plan development process. These residents provided valuable insight into the community needs, and confirmed the benefits that parks and recreation provide to the community. These benefits include providing positive activities for youth, building a sense of community, and preserving the natural environment for future enjoyment. Through their participation in the development of the Master Plan, community members helped shape a vision for the future of the parks and recreation system. The recommendations of this Master Plan will grow out of this vision.



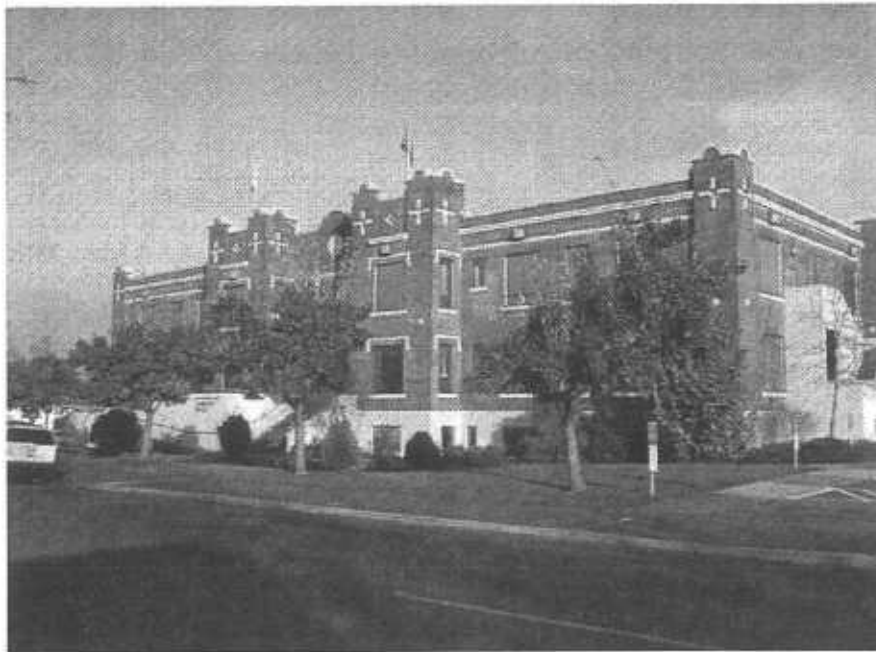
## Part II

### The Plan

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## CHAPTER 5: A VISION

To address key issues facing the Parks and Recreation Department, a guiding vision was needed. The vision for McMinnville's future parks and recreation system emerged from the Master Plan community involvement process, and formed the basis for Master Plan recommendations in the areas of *facilities, recreation services, maintenance, and management.*

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*Recommendations  
are steps to achieve  
the vision.*

### VISION FOR A FUTURE PARKS AND RECREATION SYSTEM

Parks, recreation programs and facilities, and open space are essential elements in enhancing the quality of life in McMinnville. They foster healthy, active lifestyles, strengthen a sense of community, prevent crime, protect the environment, and contribute to a healthy economy. The Parks and Recreation Department will provide an interconnected parks and recreation system that:

- Provides diverse opportunities for active, passive, and unprogrammed recreation to all residents;
- Contributes to overall community livability and pride;
- Balances the impacts of growth and increasing density with sufficient facilities;
- Fosters stewardship of natural resources, such as floodplains and waterways;
- Provides equitable distribution of parks and recreation opportunities throughout the City;
- Reduces auto-dependency and enhances recreation opportunities by connecting recreation resources, community destinations, and neighborhoods with trails and greenways;
- Provides positive activities for youth;
- Promotes strong families;
- Helps residents achieve an active, healthy lifestyle;



- Builds and maintains partnerships with area schools and others to provide programs and facilities;
- Provides safe and well-maintained parks and recreation facilities;
- Provides for effective and economically sound management of public resources; and
- Informs residents about their recreation opportunities, and involves them in decision-making.



## CHAPTER 6: RECOMMENDATIONS

This portion of the Master Plan presents recommendations for implementing the vision for a future parks, recreation and open space system. Recommendations address the following areas:

- Park Facilities;
- Recreation Programs;
- Maintenance; and
- Management.

For each of these areas the following information is provided:

- An issue statement;
- Primary benefits associated with providing the facility or service;
- A brief description of the proposed recommendations; and
- Suggested benchmarks by which to measure progress.

Detailed recommendations for park facilities, recreation programs, maintenance, and management are included as tables in each section of this chapter.

### PARK FACILITIES

Park facilities include:

- Mini-parks/Playlots;
- Neighborhood Parks;
- Community Parks;
- Linear Parks;
- Special Use Parks;
- Greenspace/Greenways/Natural Areas;
- Trails and Connectors.

---

*Recreation  
resources should  
be equitably  
distributed.*

Definitions for each facility type are provided in Table 1. General recommendations are provided for each type of facility. Specific recommendations for priority facility improvements are presented in Tables 9 through 13.

### ISSUE STATEMENT

To maintain McMinnville's existing level of community livability and balance anticipated growth, existing parks should be renovated and new parks should be developed. These recreation resources should be equitably distributed throughout the community to provide access to all residents. City Park should be renovated to serve as the heart of Downtown and the cornerstone of McMinnville's park and recreation system.

### BENEFITS

Parks, recreation facilities and open spaces provide many important benefits to a community. The benefits include:

- Enhancing community livability;
- Fostering a sense of community by providing space for community social events;
- Building community pride;
- Protecting natural resources and open space for future generations;
- Providing access to recreation opportunities for residents of all ages;
- Providing opportunities for environmental education;
- Providing trail connections which link park facilities, neighborhoods, work places, schools, and other community facilities.

*Parks and open space enhance community livability.*

### RECOMMENDATIONS

- Redesign mini-parks/playlots with neighborhood involvement to reduce maintenance and meet current needs; involve neighbors in on-going mini-park stewardship;
- Renovate existing community parks to improve park condition, increase recreational opportunities, meet current safety requirements, and provide access for people with disabilities;
- Acquire and develop additional 103.5 acres of community parks to meet future population needs and ensure geographical accessibility to all residents;
- Improve access to basic recreation opportunities for all McMinnville residents by acquiring and developing at least an additional 76 acres of neighborhood parks in underserved neighborhoods (areas that do not have a neighborhood or community park within ½-mile of residences or must cross heavily traveled streets to reach a park);
- Encourage the development of linear parks in future neighborhoods;
- Develop special use parks to protect and highlight unique natural areas and to respond to the particular recreation needs of McMinnville residents;
- Protect natural areas and stream corridors by acquiring greenways along creeks and the Yamhill River;
- Provide public access to natural areas and trail-related recreation by developing trails through greenways and in natural areas.
- Pursue joint use agreements with the School District, Linfield College and other partners to share the cost of facility development and maintenance;

- Provide an interconnected pedestrian and bicycle system that links McMinnville's parks and open spaces and connects them to neighborhoods, work places, and schools.

#### BENCHMARKS

- Percent of residents who live within ½-mile radius of a neighborhood or community park;
- Number of mini-parks redesigned and renovated with neighborhood involvement;
- Number of total acres of park land per 1000 population;
- Number of miles of multi-purpose trail;
- Percent of residents who live within ½ mile of a multi-purpose trail;
- Number of multi-purpose trail users, including pedestrians, bicyclists, and wheelchair users.

---

*Partnerships  
should be  
pursued to  
reduce costs.*





## PARK FACILITY ACTION PLAN

The findings of the *Parks System Resource Inventory & Analysis* combined with the results of the community involvement process indicate that new neighborhood and community parks, additional open space and trails, and new recreation facilities will be necessary to meet McMinnville residents' needs as the population grows.

To evaluate areas of greatest need, the city was divided into planning quadrants: Northeast (NE), Northwest (NW), Southeast (SE) and Southwest (SW). Planning area boundaries are illustrated on Map 1.

Underserved neighborhoods have been identified in each of these districts. An underserved neighborhood is defined as:

- A neighborhood in which residents are not within ½ mile of either a neighborhood or a community park; or
- A neighborhood where a major street separates residents from park facilities.

Twenty underserved neighborhoods throughout the four planning quadrants are identified. These areas are shown on Map 1. Through a series of meetings with the Master Plan Advisory Committee, community members, Parks and Recreation Department staff, and staff from other City departments, facility improvements were recommended to address all underserved neighborhoods.

In addition to developing new facilities, recommendations also include:

- Renovating existing facilities; and
- Pursuing joint use opportunities.

Once suggested improvements were identified for all planning areas, priorities were established for suggested improvements. Using these priorities, a Recreation Facility Action Plan was developed for each planning area to address community needs to the year 2017 (Tables 9 through 13). The Action Plan includes a list of recommended improvements for the following:

- Mini-parks/Playlots;
- Neighborhood Parks;
- Community Parks;
- Linear Parks;
- Special Use Parks;
- Greenspace/Greenways/Natural Areas;
- Trails and Connectors;
- Recreation Centers and Facilities;
- Joint Use Opportunities.

The priority level (1 through 3, with 1 being the highest priority) of each recommended improvement is identified. City-wide improvements, such as an ADA transition plan and renovating children's play areas, are listed as General Improvements, and are identified in Table 13.

Actions, priorities and timing may change based on evolving community needs, funding and program demand.

*Underserved  
neighborhoods  
were identified.*

Table 9

## RECREATION FACILITY ACTION PLAN - NORTHEAST

Underserved Areas	Action	Priority		
		1	2	3
	<b>Mini-Parks/Playlots</b>			
	Redesign North Evans park			x
	Redesign Bennet Addition			x
8	Develop a mini-park jointly with school district	x		
	Encourage the development of urban plazas in Downtown (Task Force 2000)		x	
	<b>Neighborhood Parks</b>			
6	Acquire neighborhood park site adjacent to proposed school site	x		
7	Acquire neighborhood park		x	
10	Acquire neighborhood park w/connections to Yamhill Greenway			x
11	Acquire neighborhood park with connections to Yamhill River			
	<b>Community Parks</b>			
	Renovate Wortman Park	x		
	<b>Greenspace/Greenways</b>			
	Acquire Yamhill River greenways			x
6	Develop a greenway connector between new neighborhood park/proposed school and Tice property			x
	<b>Trails and Connectors</b>			
9, 11	Develop Yamhill River Greenway trail			x
10	Develop trail connections to Dancer Park/Yamhill River		x	
	<b>Recreation Centers</b>			
	Provide additional parking at Senior Center	x		
	<b>Joint Use Opportunities</b>			
8	Pursue joint use agreements with Cook School, Adams School, Patton Middle School and McMinnville High School	x		
6	Pursue joint use agreement with School District for undeveloped land	x		

Table 10

## RECREATION FACILITY ACTION PLAN - NORTHWEST

Underserved Areas	Action	Priority		
		1	2	3
	<b>Mini-Parks/Playlots</b>			
4	Redesign Greenbriar park with neighborhood involvement		x	
	<b>Neighborhood Parks</b>			
2	Acquire a neighborhood park	x		
4	Acquire a neighborhood park	x		
5	Jointly develop Memorial School as a neighborhood park	x		
	Develop joint use agreements with Newby/Duniway Schools	x		
	<b>Community Parks</b>			
1	Acquire a Westside Community Park	x		
	Renovate City Park	x		
	<b>Special Use Parks</b>			
3	Acquire a special use park adjacent to the BPA Easement/ acquire Elks Park	x		
	Update the Master Plan for Quarry Park with community involvement	x		
	<b>Greenspace/Greenways</b>			
3	Acquire a greenway along Baker Creek connecting Tice/BPA Easement	x		
	Develop a trail in the Cozine Creek Greenway			x
	Develop trails and interpretive signage at the Tice Property	x		
	<b>Trails and Connectors</b>			
4	Develop the Westside Trail (BPA Easement)	x		
	Develop a trail in the Baker Creek greenway	x		
	<b>Recreation Centers</b>			
	Renovate Aquatic Center		x	
	<b>Joint Use Opportunities</b>			
5	Pursue joint use agreement with Memorial Elementary	x		
2	Pursue joint use agreement with School District for undeveloped land	x		

Table 11

## RECREATION FACILITY ACTION PLAN - SOUTHEAST

Underserved Area	Action	Priority		
		1	2	3
	<b>Mini-Parks</b>			
	Redesign Village Mill park			x
	Redesign Bend-O-River park	x		
	Redesign Kingwood park			x
	<b>Neighborhood Parks</b>			
17	Acquire neighborhood park site	x		
18	Acquire neighborhood park site	x		
	<b>Community Parks</b>			
	Renovate facilities at Kiwanis Park			x
	Acquire land to the west of Kiwanis Park	x		
	Improve access and parking at Dancer Park	x		
	Develop Marsh Lane Extension at Dancer Park	x		
	Complete Dancer Park	x		
	<b>Greenspace/Greenways</b>			
	Acquire Yamhill River greenway		x	
	Improve trails and provide interpretive signage at Airport Park		x	
	<b>Trails and Connectors</b>			
18	Develop a pedestrian bridge from Bend-O-River Neighborhood to Dancer Park	x		
	Develop Yamhill River Greenway trail			x
18	Develop a trail from Dancer Park to Cozine Creek		x	
	<b>Joint Use Opportunities</b>			
17	Develop joint use agreement with Linfield College (could eliminate the need for a separate neighborhood park site)	x		

Table 12

## RECREATION FACILITY ACTION PLAN - SOUTHWEST

Underserved Area	Action	Priority		
		1	2	3
	Mini-Parks			
	Redevelop Taylor Park			x
	Community Parks			
15	Acquire a community park	x		
	Neighborhood Parks			
12	Acquire a neighborhood park			x
	Linear Parks			
12	Acquire a linear park	x		
13	Establish a linear park along creek	x		
	Greenspace/Greenways			
	Acquire additional property in the Cozine greenway	x		
	Develop trails in the Barber Property		x	
	Trails and Connectors			
	Develop trails in the Cozine Greenway	x		
	Redevelop Ash Meadows portion of Westvale Park	x		
	Extend Westvale Linear Park to Hill Rd			x
	Joint Use Opportunities			
16	Develop joint use agreement with Linfield College	x		

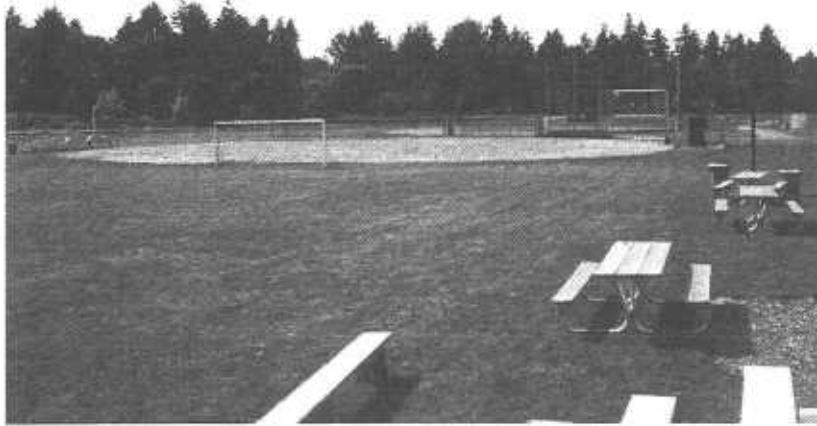


Table 13

## RECREATION FACILITY ACTION PLAN - GENERAL

Action	Priority		
	1	2	3
Develop a community or botanical garden site		x	
Add baseball/softball fields to meet "anticipated need" and/or adequately serve local demand		x	
Add outdoor basketball courts to meet "anticipated need" and/or adequately serve local demand		x	
Develop 2 dog park facilities		x	
Develop a fishing area			x
Develop a new group of picnic areas to meet "anticipated need" and/or serve local demand		x	
Develop a number of outdoor volleyball courts to meet "anticipated need" and/or serve local demand			x
Develop an outdoor performance area	x		
Develop a skateboard and rollerblade facility	x		
Add soccer fields to meet "anticipated need" and/or adequately serve local demand for age groups facilities		x	
Renovate current site furnishings			x
Renovate and standardize signage		x	
Add 13 additional playground areas		x	
Renovate existing children's playground areas	x		
Add tennis courts as needed to provide close-to-home neighborhood access		x	

"Anticipated need": State and national standards which reflect generally recognized "adequate practice" levels of service on a per thousand population basis (see Table 3). Local decision makers may consider these as benchmarks against which to measure or compare McMinnville's capacity to serve it's citizens. Ultimately, however, local decisions should be customized to reflect McMinnville's community trends and influences, citizen input, and available resources.



## MASTER PLAN MAP

Map 2 illustrates McMinnville's existing parks and open space, and Master Plan recommendations for facility improvements. The map includes much of the same information shown on Map 1 but also includes proposed parks:

- *Mini-parks/Playlots:* Proposed mini-parks or playlots are shown in dark green; no new mini-parks or playlots are proposed.
- *Neighborhood Parks:* There are no existing neighborhood parks. Proposed parks are shown with a green striped circle, and labeled N. Exact sites for these parks have not yet been determined.
- *Community Parks:* Existing community parks are shown in dark green and labeled C. Proposed parks are shown with a green striped circle and are labeled C. As in the case of neighborhood parks, exact sites for proposed community parks have not yet been determined.
- *Linear Parks:* Existing developed parks are shown as a dark green circle and labeled L; existing undeveloped parks are shown as a light green circle and labeled L; proposed parks are shown with a green striped circle and are labeled L. Exact sites for these proposed parks have not yet been determined.
- *Special Use Parks:* Special Use Parks are shown in yellow. Proposed special use parks are shown as a yellow striped circle, and are labeled S. Exact sites for these parks have not yet been determined.
- *Greenspace/Greenways/Natural Areas:* Existing greenspace, greenways, or natural areas are indicated in light green; proposed areas will follow creeks and waterways and are shown as multi-purpose trails with a green dashed line.
- *Trails and Connectors:* Existing City bikeways are shown as a solid blue line; proposed bikeways are shown as a thin red line broken by circles; multi-purpose trails proposed by the master plan are shown as a dashed green line.
- *Other Facilities:* Community/Recreation centers, schools, other city property; waterways, and floodplains are also shown on the map. The City boundary and study areas are also displayed.



## RECREATION PROGRAMS

### ISSUE STATEMENT

The Parks and Recreation Department is the primary provider of recreation programs in McMinnville. Additional programs are needed to accommodate future community growth and meet the needs and interests of residents. Programs for youth are residents' highest priority. Recreation programs must remain affordable to all residents. The City must be able to demonstrate the value provided to residents by their investment in recreation programs.

### BENEFITS

Recreation programs provide accessible, diverse activities – both programmed and unprogrammed – for people of all ages and abilities. Benefits accrue to both the individual and the entire community:

- Provides positive activities for youth;
- Builds a sense of community;
- Enhances appreciation for the environment;
- Contributes to strong families; and
- Encourages tolerance and respect for people with different abilities and backgrounds.

### RECOMMENDATIONS

- Develop programs for preschool children;
- Expand youth programming;
- Develop wildlife and nature education programs, outdoor programs, and programs in the creative and performing arts;
- Improve outreach to seniors, disabled residents and ethnic minority populations;
- Expand special interest classes for youth and adults;
- Provide programs for families; and
- Evaluate programs and service delivery on an ongoing basis to ensure that they are achieving planned outcomes.

### BENCHMARKS

- Number of preschool children served;
- Number of youth served;
- Number of programs that achieve planned outcomes when measured with an appropriate program evaluation instrument;
- Percent increase in participation by seniors, disabled residents and members of ethnic minorities.



Table 14

**RECREATION SERVICES ACTION PLAN**

User Group	Action	Priority		
		1	2	3
Preschool Children	Develop specific preschool programs	x		
Elementary School Age	Develop additional special interest classes	x		
	Expand KOB Elementary Summer Program	x		
	Expand non-sports programming	x		
	Develop programs for non-school days	x		
	Expand KOB staff at Memorial School	x		
	Expand youth sports program	x		
Middle School Age	Expand middle school programs with teen involvement	x		
	Expand drop-in gym activities	x		
Teens	Develop an intramural sports program		x	
Adults	Develop additional special interest classes		x	
	Increase program variety		x	
Aquatics	Increase program variety	x		
	Increase hours for lap swims	x		
Seniors	Improve outreach	x		
	Develop neighborhood-based programs		x	
All ages	Develop wildlife and nature education programs		x	
	Develop programs in the creative and performing arts			x
	Develop outdoor programs		x	
Families	Expand summer concert series	x		
	Develop additional family programs	x		
	Increase hours for family swim	x		
Disabled residents	Improve outreach	x		
Ethnic minority populations	Improve outreach	x		
General	Continue to expand partnerships/sponsorships	x		
	Increase building utilization	x		
	Ensure that future staff reflect community diversity	x		
	Provide staff training to expand skills	x		
	Increase the number of recreation programs provided	x		
	Adopt the NRPA Inclusion Statement	x		
	Develop enterprise programs, especially tourism related		x	
	Update marketing materials, such as the program guide		x	



## MAINTENANCE

### ISSUE STATEMENT

As the parks, recreation and open space system expands, maintenance responsibilities increase. Already parks are beginning to show the effect of inadequate maintenance budgets. As new park facilities are developed, funding for maintenance must also be increased.

### BENEFITS

- Protects the community's investment in parks and recreation facilities;
- Contributes to community pride;
- Provides opportunities for volunteerism and stewardship of community resources.

### RECOMMENDATIONS

- Incorporate maintenance standards recommended by the National Recreation and Park Association to guide the provision of maintenance services for all park types;
- Establish a maintenance management plan for each park and recreation facility;
- Inform the public about maintenance goals for each park and facility type so that community members will have appropriate expectations regarding facility maintenance;
- Recruit and hire personnel with knowledge of park management philosophies and practices and experience in park maintenance for future Public Works Superintendent or department leadership openings;
- Involve volunteers in park development and maintenance;
- Evaluate staffing levels and cost/benefits of contract labor; and
- Hire additional utility workers.

### BENCHMARKS

- Number of maintenance management plans developed;
- Number of hours of volunteer participation in park maintenance activities;
- Number of maintenance staff/park land acre.

Table 15

**MAINTENANCE ACTION PLAN**

Action	Priority		
	1	2	3
Establish maintenance standards for all park and recreation facilities	x		
Develop maintenance management plans for each facility	x		
Reevaluate the cost/benefits of contracting vs. use of in-house staff	x		
Develop a computerized maintenance management system		x	
Improve maintenance of Aquatic Center	x		
Involve neighborhood residents in park maintenance, especially mini-parks	x		
Identify and prioritize volunteer projects	x		
Hire 2 additional utility workers to meet current needs	x		
Hire additional utility workers to maintain additional facilities acquired by 2017			x

## MANAGEMENT

### ISSUE STATEMENT

The Parks and Recreation Department will be faced with managing more park land and additional recreation programs as the population of McMinnville increases. To effectively manage these community resources, more tools should be developed to guide the design and management of park facilities; public information, community involvement, and public safety efforts should be expanded; joint use agreements should be developed; and on-going staff training program should be implemented.

### BENEFITS

- Contributes to efficient use of resources (staff, land, and dollars);
- Builds support for park facilities and recreation programs;
- Increases community ownership and participation in the Department;
- Enhances public safety.

### RECOMMENDATIONS

- Develop new standards, guidelines and policies for facility development and management;
- Develop community involvement policies to encourage and manage volunteerism;
- Establish guidelines for developing joint use agreements and partnerships;
- Develop staff training programs to increase staff effectiveness; and
- Improve dissemination of information about park facilities and recreation programs.

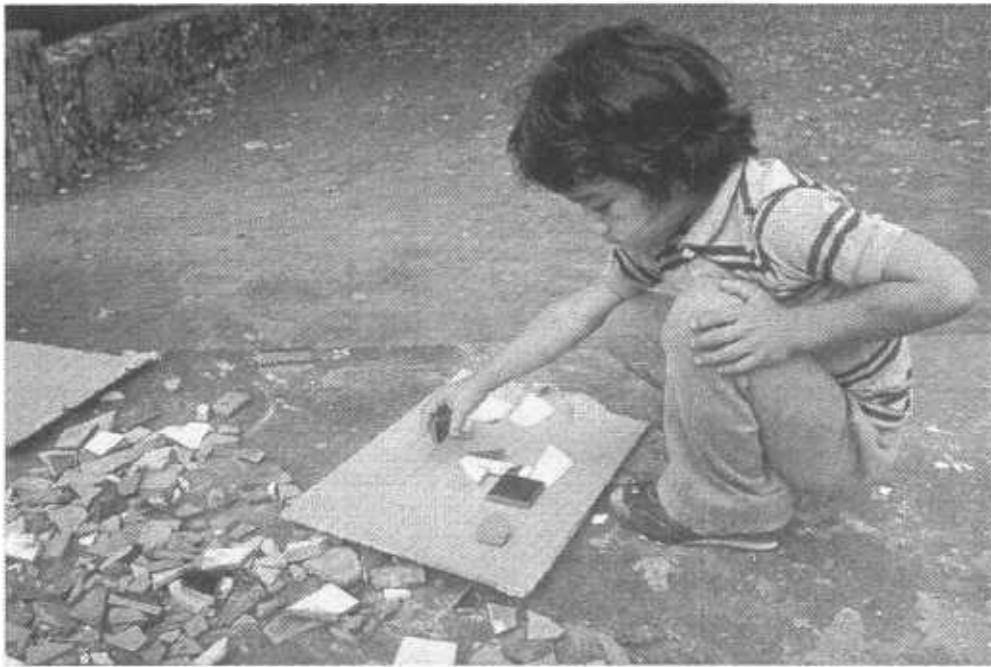
### BENCHMARKS

- Number of facility users annually;
- Number of parks that meet Americans with Disabilities Act Guidelines (ADAAG);
- Number of volunteers annually; and
- Hours of staff training and cross-training annually.

Table I6

**MANAGEMENT ACTION PLAN**

Action	Priority		
	1	2	3
<b>Facility Design and Management</b>			
Establish design standards for restrooms	x		
Establish design standards for portable restroom pads and enclosures	x		
Establish design standards for trail construction	x		
Establish lighting design standards for each park type	x		
Establish planting design guidelines	x		
Establish design guidelines for play areas	x		
Establish design guidelines for play area safety surfacing	x		
Establish design guidelines for parking	x		
Develop tree management policies	x		
Develop dog management policies	x		
Develop construction inspection procedures	x		
Define the role of the Parks and Recreation Department in planning and design of the urban landscape	x		
Hire a landscape architect or contract services		x	
Develop ADA transition plan	x		
Develop neighborhood patrols		x	
Implement a safety inspection & record keeping program	x		
<b>Public Information</b>			
Develop a web page		x	
Develop a park system brochure	x		
Expand information dissemination	x		
<b>Community Involvement</b>			
Hire a volunteer coordinator		x	
Develop community involvement policies	x		
Develop an adopt-a-park program	x		
<b>Joint Use Agreements</b>			
Establish guidelines for developing joint use agreements	x		
Expand joint use agreements	x		
<b>Staffing/Staff Development</b>			
Supplement the City personnel manual with Department information	x		
Develop a staff development plan	x		



## CHAPTER 7: TEN-YEAR FUNDING PLAN

To successfully implement the Master Plan recommendations, and expand parks and recreation facilities and services, an adequate budget is needed. This chapter identifies capital improvement and maintenance funds needed to realize McMinnville's vision for the future.

### PARK FACILITY FUNDING PLAN

To accommodate future growth, a Park Facility Funding Plan has been developed that addresses acquisition, development, and renovation of the following:

- Mini-parks/Playlots;
- Neighborhood Parks;
- Community Parks;
- Linear Parks;
- Special Use Parks;
- Greenspace/Greenways/Natural Areas;
- Trails and Connectors.

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*An adequate budget is needed to implement the plan.*

The funding plan addresses fiscal years 1999-2000 through 2008-2009.

The funding plan for priority land acquisition and facility improvements is provided in Tables 17. These tables correspond to the Recreation Facility Action Plan presented in Tables 9 through 13.

Table 17 includes:

- *Planning Area:* This column indicates the planning area where each facility improvement is located. Improvements have been listed in the following order: Northeast, Northwest, Southeast, and Southwest. Planning area boundaries are indicated on Map 1.



- *Facility:* This column lists Master Plan recommendations for facility improvements.
- *Total Estimated Cost:* This column represents the total estimated cost for acquisition, development and/or renovation of each facility.
  - \$50,000 per acre land acquisition cost;
  - \$80,000 per acre for park development or redevelopment cost
  - \$350,000 per mile for development of paved trail with landscaped corridor;
  - \$100,000 per mile for development of open space soft surface trail;
  - \$150,000 per playground renovation at neighborhood parks;
  - \$300,000 per playground renovation at community parks.
- *Proposed Ten-Year Funding Plan:* Proposed budgets to implement the priority improvements are shown in the next ten columns. Project costs not budgeted in the ten-year funding plan are shown on Table 21 for 2010-2019.

**Table 17**  
**PARK FACILITY 10-YEAR FUNDING PLAN**

Planning Area	Facility	Total Estimated Cost	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009
<b>NEIGHBORHOOD PARKS</b>												
NE 6	Acquire a neighborhood park adjacent to proposed school site	\$ 1,300,000						\$ 400,000	\$ 900,000			
NE 8	Develop a mini park jointly with the school district	\$ 100,000			\$ 100,000							
NW 4	Acquire a neighborhood park	\$ 1,900,000				\$ 400,000	\$ 900,000					
SE 17	Acquire a neighborhood park	\$ 520,000			\$ 200,000							
SW 12	Acquire a neighborhood park	\$ 1,300,000							\$ 350,000	\$ 250,000		
<b>COMMUNITY PARKS</b>												
NW	Update the Master Plan for Quarry Park with community involvement / develop Quarry Park	\$ 920,000					\$ 920,000					
NW 3	Acquire "special use" community park adjacent to BPA Eastwood	\$ 3,900,000						\$ 560,000		\$ 500,000	\$ 500,000	
SE	Complete Dancer Park	\$ 5,050,000										
SW 15	Acquire and develop community park	\$ 2,600,000		\$ 540,000	\$ 400,000	\$ 1,560,000						
<b>RENOVATIONS</b>												
NW	Renovate City Park	\$ 1,110,000			\$ 250,000							
SE	Renovate Graves Park	\$ 372,000					\$ 372,000					
NE	Renovate Workman Park	\$ 1,700,000					\$ 250,000					
<b>SPECIAL PROJECTS</b>												
SE	Develop Marsh Lane Extension into Dancer Park	\$ 1,750,000					\$ 1,050,000	\$ 700,000				
	Develop a skateboard and rollerblade facility	\$ 120,000					\$ 120,000					
	Professional Services	\$ 61,000	\$ 31,000	\$ 500	\$ 500	\$ 20,500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
<b>TRAILS/GREENWAYS/LINEAR PARKS</b>												
NW	Develop trails, interpretative signage, support facilities at Fox property	\$ 240,000	\$ 20,000									
NW 3, 8, 6	Acquire Greenway along Baker creek and develop rail connecting Fox property BPA Eastwood	\$ 1,575,636								\$ 192,000	\$ 192,000	
NW 4	Develop a west side trail (BPA Eastwood)	\$ 350,000			\$ 350,000							
NW, SW, SE	Develop Coalier Creek/Varnell River Greenway Trail	\$ 7,418,227		\$ 70,000	\$ 20,000	\$ 20,000		\$ 33,500		\$ 20,000	\$ 20,000	\$ 336,500
SE	Improve trails and provide interpretative signage at Alcorn Park	\$ 575,000										
SW	Redevelop Ash Meadows portion of Warhawk Trail	\$ 775,000	\$ 20,000									
SW 12, SW 13	Acquire a linear park	\$ 942,368									\$ 20,000	
<b>FACILITY TOTALS</b>		<b>\$ 33,309,227</b>	<b>\$ 81,500</b>	<b>\$ 580,500</b>	<b>\$ 1,070,500</b>	<b>\$ 2,350,500</b>	<b>\$ 3,240,500</b>	<b>\$ 2,031,500</b>	<b>\$ 1,184,000</b>	<b>\$ 942,500</b>	<b>\$ 962,500</b>	<b>\$ 529,000</b>





### MAINTENANCE FUNDING PLAN

The Funding Plan for maintenance services is illustrated in Table 18. Maintenance staff and material costs were calculated for the following areas:

- Mini-Parks/Playlots;
- Neighborhood Parks;
- Community Parks;
- Linear Parks;
- Special Use Parks;
- Greenways/Greenspaces/Natural Areas.

Total staffing costs were calculated using an average of \$46,000 per maintenance staff (including benefits and payroll taxes), based upon the 1996-97 City of McMinnville budget.

The following costs per acre were used to develop estimated maintenance costs per year:

- \$1000 per acre for greenways/greenspaces/open space and undeveloped park sites;
- \$2800 per acre for neighborhood parks;
- \$3100 per acre for community parks;
- \$1000 per acre for linear parks;
- \$3100 per acre for special use parks.

Table 18  
PARK MAINTENANCE FUNDING PLAN

Facility	Current Acres	*Cost per Acre	Estimated Maintenance Costs									
			Current Cost	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2017		
Mini-Parks / Playlots	2.71	\$2,500	\$6,775	\$6,775	\$8,075	\$8,075	\$8,075	\$8,075	\$8,075	\$8,075	\$8,075	
Neighborhood Parks	0.00	\$2,800	\$0	\$0	\$0	\$0	\$0	\$0	\$28,000	\$28,000	\$266,000	
Community Parks	124.46	\$3,100	\$385,826	\$385,826	\$416,826	\$416,826	\$478,826	\$478,826	\$478,826	\$478,826	\$540,826	
Linear Parks	22.95	\$1,000	\$22,950	\$22,950	\$22,950	\$22,950	\$22,950	\$22,950	\$22,950	\$22,950	\$44,040	
Special Use Parks	0.00	\$3,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,400	
Greenways/Greenspaces/Natural Areas	123.54	\$1,000	\$123,540	\$143,540	\$170,040	\$186,540	\$197,040	\$184,810	\$211,310	\$228,400	\$228,400	
Total Projected Maintenance Cost			\$539,091	\$559,091	\$617,891	\$634,391	\$706,891	\$722,661	\$749,161	\$1,161,741	\$1,161,741	
Total Staffing (FTE) or Outsource Equivalent			7.03	7.29	8.06	8.27	9.22	9.43	9.77	15.15	15.15	

\* Maintenance costs per acre are based on maintenance costs reported by cities of comparable size in Oregon.



## FINANCING SOURCES

Capital facilities included in the Master Plan total \$50.4M, of which growth-required needs constitute \$24.3M, and non-growth needs total \$26.1M. Achievement of this plan will require use of a variety of financing methods and multiple funding sources. Following are descriptions of some potential revenue sources and their expected contributions to achievement of the Master Plan. Appendix B outlines financing sources for the Capital Improvement Plan in detail.

### ***System Development Charges***

System Development Charges (SDC's) are fees paid by new development to cover a portion of the costs of capital facilities needed to serve new development. The City collects parks and recreation SDC's for all new residential development and places these revenues in the Subdivision Park Reserve Fund.

The current SDC rate of \$300 per residential dwelling unit, established in 1991, has generated approximately \$0.6M between July 1991 and June 1998. The City Council has adopted a schedule to increase the parks and recreation SDC rates to \$ 1,000 on July 1, 1999; \$1,500 on January 1, 2000; and \$ 2,000 on July 1, 2000. These increases are expected to generate a total of \$2.76M in SDC revenues between July 1, 1999 and June 30, 2005 (six year period). Total SDCs collected through June 30, 2017 will be approximately \$10.15M, sufficient to fund about 42% of the \$24.3M in growth-related needs, or 20% of the \$50.4M in improvements identified in the Master Plan. The remaining \$40.25M required for projects must come for other sources.

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*Multiple funding sources will be needed to achieve this plan.*

### ***General Obligation Bonds (G.O. Bonds)***

G.O. Bonds are debt instruments sold by the City to fund new capital facilities or make improvements to existing facilities. These bonds are repaid with property tax revenue generated by a special levy that is outside the property tax limits imposed by Measure #5 (1990) and Measure #50 (1997). Voters must approve G.O. Bond sales and, per Measure #50, this approval must occur in a general election in an even numbered year, or in another election in which at least 50% of registered voters participate.

Since 1979, the City has issued G.O. bonds to fund construction of parks and recreation facilities including a community center and a swimming pool. Library improvements, a new fire station, and transportation improvement projects have also been funded with general obligation bonds. The City maintains an "A" rating with Moody's Investors Service on general obligation bond issues.

Under current State statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on three percent (3%) of total estimated real market value of real and personal property. At the close of FY 97-98, the City's net general obligation bonded debt (less amount available for repayment of bonds) totaled \$9.39M, well below the legal debt limit of \$39.6M. This means the City currently has roughly \$30M in debt capacity available.

The City's relatively small amount of outstanding general obligation debt and significant debt capacity make voter-approved general obligation bonds a good option as a potential source of funding a portion of the \$40.25M in parks and recreation capital improvements for which SDC funding is not available. The City Parks Department has estimated that approximately \$13M in improvements may be funded with G.O. bonds during the next twenty years. At this level, these revenues will fund approximately \$23.8% of the \$50.4M projects identified in the Master Plan.

***Special Assessment/Local Improvement Districts***

Residents may choose to form a local improvement district (LID) to pay for capital improvements or maintenance of facilities through special assessments on their property. This method requires the approval of at least 60% of the owners of land within the proposed district, and must represent at least 60% of the land abutting the proposed improvement. The use of LID's may be appropriate for new or upgraded mini-parks or neighborhood parks that serve specific service areas within the City, but cannot be expected to provide a significant level of funding.

***General Fund Revenues***

General fund revenues consist chiefly of property taxes derived from the permanent tax rate, and are subject to the \$10 combined limit on local government taxing agencies imposed by Measure #5 (1990), and the 3% annual increase in property valuation imposed by Measure #50 (1997). General fund revenues are severely limited and are an inconsistent and unlikely source for funding large-scale parks and recreation capital improvements and should be considered primary as a funding source for operations and maintenance.

***Local Option Levies for Capital Improvements***

A local option levy for capital improvements provides for a separate property tax levy outside the City's permanent rate limit, but subject to the \$10 combined rate limit imposed under Measure #5. This levy may be used to fund a capital project or group of projects over a specified period of time, up to 10 years. Revenues from these levies may be used to secure bonds for projects, or to complete one or more projects on a "pay as you go" basis. Local option levies require voter approval and are subject to the double majority requirement of Measure #50 and are not considered to be a good alternative to the use of G.O. bonds for large projects or groups of projects.

***Federal/State/Other Grants***

Federal, state, and other government agencies and foundations sometimes make funds available to serve specific purposes related to parks and recreation; such as land and water conservation, open space preservation, bicycle path construction, or blighted area improvements. Grants often have conditions and limitations, such as providing for project planning but not construction, and they may require a local match, either in dollars, in-kind services, or both. The availability of grants has decreased in recent years due to federal and state cutbacks in funding but may be available for specific project needs such as trails, bicycle paths, or open space. The Parks Department has identified this method as a potential source for approximately \$5M in identified parks needs.

***Sponsorships/Partnerships/Donations***

Public, private, and/or not-for-profit organizations may be willing to fund outright or join together with the City to provide additional parks and recreation facilities and/or services. This method has been identified by the Parks Department as a potential source for approximately \$5M in identified parks needs.

***Local Option Levies for Operations***

Local option levies for operations provide for a separate property tax levy outside the City's permanent rate limit, subject to the \$10 combined rate limit imposed under Measure #5. These levies may be useful to fund operations and maintenance activities over a specified period of time, up to 5 years. They require voter approval and are subject to the double majority requirement of Measure #50.

**User Fees and Rents**

User fees and rents are direct charges to individuals and groups who use specific programs, facilities and services. These fees and rents usually help pay only a portion of the operations and maintenance costs of providing programs and services, and are rarely used to fund capital projects. The City has recently increase parks and recreation fees to partially offset revenue losses resulting from the passage of Measure #50. User fees and rents should be periodically reviewed and adjusted to reflect economic and market conditions.

**SUMMARY**

Capital facilities included the Master Plan total \$50.4M, of which growth-required needs constitute \$24.3M, and non-growth needs total \$26.1M. Achievement of this Master Plan will require use of a variety of financing methods and multiple funding sources. Approximately 20% (\$10.15M) is expected to come for System Development Charges, which may only be used for growth-required needs. Voter-approved General Obligations Bonds, and grants and donations are expected to total about 19.8% (\$10M). The remaining 36.2% (\$18.25M) is expected to be funded from other sources. Tables 19 through 21 show possible funding sources for park capital facilities, including expected revenue from System Development Charges.



Table 19

**CAPITAL IMPROVEMENT PLAN  
PARK PROJECTS BY CATEGORY 1999-2019**

PARK PROJECT	SDC FUNDS	G.O. BONDS	GENERAL FUND	GRANTS / DONATIONS	OTHER FUNDS	TOTAL ALL SOURCES
<b>YEARS 1999-2019</b>						
Neighborhood Parks	5,300,000	2,820,000	300,000	500,000	2,100,000	11,020,000
Community Parks	2,754,000	7,620,000	334,600	500,000	3,861,400	15,470,000
Trails/Greenways/Linear Parks	1,090,000	510,000	576,000	3,495,000	12,523,227	18,174,227
Special Projects	961,000	1,050,000	295,000	5,000	0	2,311,000
Renovations	0	1,000,000	762,400	500,000	848,600	3,111,000
<b>20 YEAR TOTALS</b>	<b>10,105,000</b>	<b>13,000,000</b>	<b>2,268,000</b>	<b>5,000,000</b>	<b>19,333,227</b>	<b>50,086,227</b>
<b>YEARS 1999-2009</b>						
Neighborhood Parks	1,400,000	1,700,000	300,000	250,000		3,650,000
Community Parks	1,640,000	3,040,000	0	250,000		4,930,000
Trails/Greenways/Linear Parks	1,090,000	210,000	576,000	1,495,000		3,371,000
Special Projects	856,000	1,050,000	20,000	5,000		1,931,000
Renovations	0	500,000	372,000	250,000		1,122,000
<b>TOTALS 1999-2009</b>	<b>4,986,000</b>	<b>6,500,000</b>	<b>1,268,000</b>	<b>2,250,000</b>		<b>15,004,000</b>
<b>YEARS 2010-2019</b>						
Neighborhood Parks	3,900,000	1,120,000	0	250,000		5,270,000
Community Parks	1,114,000	4,580,000	334,600	250,000		6,278,600
Trails/Greenways/Linear Parks	0	300,000	0	2,000,000		2,300,000
Special Projects	105,000	0	275,000	0		380,000
Renovations	0	500,000	390,400	250,000		1,140,400
<b>TOTALS 2010-2019</b>	<b>5,119,000</b>	<b>6,500,000</b>	<b>1,000,000</b>	<b>2,750,000</b>		<b>15,369,000</b>

**Table 20**  
**CAPITAL IMPROVEMENT PLAN**  
**SDC EXPENDITURES 1999-2009**

PARK PROJECTS	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	TOTALS
<b>Neighborhood Parks</b>											
NW 4				400,000							400,000
NE 6						400,000	100,000				500,000
SW 12							250,000	250,000			500,000
<b>Community Parks</b>											
SW 15		540,000	500,000								1,040,000
NW 3								500,000	100,000		600,000
<b>Trails/Greenways/Linear Parks</b>											
NW/SW/SE Cozine/Yam River		20,000	20,000	20,000			33,500		20,000	336,500	450,000
SW, Ash Meadows	30,000										30,000
SW 12, SW 13 Linear Parks									200,000		200,000
NW, Tree Park	20,000	20,000									40,000
SE, Airport Park									230,000		230,000
NW 4, BPA Easement				140,000							140,000
<b>Special Projects</b>											
SE, Marsh Lane Extension					500,000	200,000					700,000
Skateboard Park					120,000						120,000
Prof. Services (Site Plans, ADA, other)	31,500	500	500	500	500	500	500	500	500	500	36,000
<b>Projected SDC Expenditures</b>	<b>\$ 81,500</b>	<b>\$ 580,500</b>	<b>\$ 520,500</b>	<b>\$ 560,500</b>	<b>\$ 620,500</b>	<b>\$ 600,500</b>	<b>\$ 384,000</b>	<b>\$ 750,500</b>	<b>\$ 550,500</b>	<b>\$ 337,000</b>	<b>\$ 4,986,000</b>



Table 21  
CAPITAL IMPROVEMENT PLAN  
1999-2019

PARK PROJECTS 1999-2009	TOTAL EST. COST	GROWTH SHARE	GROWTH COST	SDC FUNDS	BOND FUNDS	GEN. FUNDS	OTHER FUNDS
<b>Neighborhood Parks:</b>							
NW 4	1,300,000	80%	1,040,000	400,000	900,000	0	
NE 2	1,300,000	100%	1,300,000	500,000	800,000	0	
NE 8	100,000	0%	0			100,000	
SW 12	1,300,000	100%	1,300,000	500,000	0	0	
SE 17	520,000	0%	0	0	0	200,000	
<b>Community Parks:</b>							
SW 11	2,600,000	40%	1,040,000	1,040,000	1,560,000	0	
NW 3	3,900,000	40%	1,560,000	600,000	0	0	340,000
NW Quarry Park	920,000	40%	368,000	0	920,000	0	
SE Dancer Park <i>NEW TRAIL PROJECT</i>	5,050,000	40%	2,020,000	0	560,000	0	2,575,400
<b>Trails/Greenways/Linear Parks:</b>							
NW, SW, SE Cozine/Yam. River	7,418,227	40%	2,967,290	450,000	0	0	6,968,227
SW Ash Meadows	175,000	40%	70,000	30,000	0	0	145,000
SW 12, SW 13 Linear Parks	942,364	40%	376,945	200,000	0	0	
NW Tice Park <i>RATON NATURE PRESERVE</i>	240,000	40%	96,000	40,000	0	0	
SE, Airport Park	575,000	40%	230,000	230,000	0	0	345,000
NW4 BPA Easement <i>BPA'S DSS</i>	350,000	40%	140,000	140,000	210,000	0	
NW 3 Tice to BPA (Baker Cr.)	1,575,636	40%	630,255	0	0	576,000	999,636
<b>Special Projects:</b>							
SE Marsh Lane Extension	1,750,000	40%	700,000	700,000	1,050,000	0	
SE Marsh Lane Park <i>PAVING PROJECT</i>	120,000	100%	120,000	120,000	0	0	
Prof. Services (Site Plans, ADA, other)	61,000	67%	40,870	36,000	0	20,000	
<b>Renovations:</b>							
NE Wortman Park	1,700,000	0%	0	0	250,000	0	
NW City Park	1,040,000	0%	0	0	250,000	0	
SE Kiwanis Park	372,000	0%	0	0	0	372,000	
<b>FUND TOTALS 1999-2009</b>	<b>33,309,227</b>		<b>13,999,360</b>	<b>4,986,000</b>	<b>6,500,000</b>	<b>1,268,000</b>	
<b>PARK PROJECTS 2010-2019</b>							
<b>Neighborhood Parks:</b>							
NW 2	1,300,000	100%	1,300,000	1,300,000	0	0	
NE 11	1,300,000	100%	1,300,000	1,300,000	0	0	
SW 12	800,000	100%	800,000	800,000	0	0	
SE 17	320,000	0%	0	0	320,000	0	
SE 18	1,300,000	50%	650,000	500,000	800,000	0	
<b>Community Parks:</b>							
NW 1	2,600,000	40%	1,040,000	0	1,000,000	0	1,600,000
NW 3	3,300,000	29%	960,000	960,000	2,000,000	0	340,000
SE Dancer Park	4,000,000	51%	2,020,000	154,000	1,580,000	334,600	1,931,400
<b>Trails/Greenways/Linear Parks:</b>							
SW 12, SW 13 Linear Park	742,364	24%	176,945	0	300,000	0	442,364
<b>Special Projects:</b>							
Outdoor Performance Area	250,000	40%	100,000	100,000	0	150,000	
Botanical/Community Garden Site	25,000	40%	10,000	0	0	25,000	
Fishing Area @ Kiwanis Park	50,000	40%	20,000	0	0	50,000	
Parking Expansion @ Sr. Center	50,000	40%	20,000	0	0	50,000	
Prof. Services	5,000	100%	5,000	5,000	0	0	
<b>Renovations:</b>							
NE Wortman Park	1,200,000	0%	0	0	250,000	0	950,000
NW City Park	790,000	0%	0	0	250,000	0	540,000
General Park Furnishings	100,000	0%	0	0	0	100,000	
Mini-Parks	190,400	0%	0	0	0	190,400	
Standardize Park Signage	100,000	0%	0	0	0	100,000	
<b>FUND TOTALS 2010-2019</b>	<b>18,422,764</b>		<b>8,401,945</b>	<b>5,119,000</b>	<b>6,500,000</b>	<b>1,000,000</b>	

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## Appendix A FACILITY INVENTORY





Table A-1  
FACILITY INVENTORY: PARK SYSTEM RESOURCES

Facility	Total Facility Acreage	Softball Diamond	Baseball Diamond	Soccer Field	Football Field	Running Track	Baseball Court	Baseball Field	Tennis Court	Tennis Practice Wall	Open Turf Area	Multi-Purpose Field Area	Play Equipment	Fixed Path/Trail (Miles)	Soft Surface Path/Trail (Miles)	Paved Area	Group Picnic Area	Other
<b>Mid-Park Region</b>																		
Band-on-River	0.23																	
Barnett Addition	0.34																	
Greenbrier	0.23																	
Kingwood	0.58																	
North Evers	0.43																	
Taylor	0.30																	
Wings Hill	0.50																	
<b>Subtotal</b>	<b>2.71</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	
<b>Neighborhood Parks</b>																		
<b>None</b>																		
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Community Parks</b>																		
City Park	12.00																	
Darwin Park	85.38	2	5	8					4				2	0.50	0	1	0	covered picnic creek
Kennels Park	4.55													0.25	0	1	0	shortboard ramp, 1.3mi. trail (starts in Kenzie Pk.)
Worthington Park	21.43	1											2	1	1.30	1	4	best ramp
<b>Subtotal</b>	<b>124.46</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>1.75</b>	<b>1.30</b>	<b>3</b>	<b>4</b>	covered picnic, creek, golf, creek, 0.3mi. paved trail
<b>Linear Parks</b>																		
Wentworth Park	13.77																	
BJPA Expanse (under)	9.10																	
<b>Subtotal</b>	<b>22.85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1.50</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Special Use Parks</b>																		
Quarry Park	11.50																	
<b>Subtotal</b>	<b>11.50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Recreation Centers</b>																		
Community Center																		
Aquatics Center																		
Senior Center																		
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	Track and 8th floor, racquetball, locker rm., showers, swimming pools (2), weightroom
<b>Total</b>	<b>161.62</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>10</b>	<b>3.25</b>	<b>1.3</b>	<b>5</b>	<b>4</b>	



Table A-2

## FACILITY INVENTORY: GREENSPACE / GREENWAYS

Facility	Total Facility Acreage	Miles of Trail			
		Total	Walking /Hiking	Biking	Equestrian
Cozine Creek Greenway					
Barber Property	17.0				
Brookview	0.72				
Carlson	1.45				
Crestwood	2.08				
Dayton River Access	0.70				
Elmwood	3.18				
Fir Ridge	0.70				
Heather Glen	3.03				
Meadowridge	0.69				
Tall Oaks	14.23				
Wildflower Area	1.67				
<b>Subtotal</b>	<b>45.45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Greenspace</b>					
Airport Park	21.0	1.5	1.5		
Tice Property	36.0				
Davis Street Fill	1.54				
Irvine Street	5.55				
Ashwood/Derby	0.29				
Angela Court	2.21				
<b>Subtotal</b>	<b>66.59</b>	<b>1.5</b>	<b>1.5</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>112.04</b>	<b>1.5</b>	<b>1.5</b>	<b>0</b>	<b>0</b>

- 52.04  
112.04



Table A-3  
FACILITY INVENTORY: SCHOOL FACILITIES

Facility	Total Facility Acreage	Softball Diamond	Baseball Diamond	Soccer Field	Football Field	Running Track	Basketball Court	Basketball Hoop	Tennis Court	Tennis Practice Wall	Open Turf Area	Multi-Purpose Pavement Area	Play Equipment	Fixed Recreation Path/Trail (Miles)	Soft Surface Recreation Path/Trail (Miles)	Picnic Area	Group Picnic Area	Other
<b>Elementary Schools</b>																		
Adams Elementary	3.20						1	1					1					court inside. Covered outdoor (ball hoop)
Columbus Elementary	12.00			1			1	1			1		2					Basketball court inside. Covered outside hoop
Cook Elementary	4.20						1	1					1					Basketball court inside
Madison Elementary	9.25			2			1	3					1					Basketball court inside. Outside hoop in poor condition
Newby Elementary	12.00			1			1	3					2					Basketball court inside
Whitaker (in La Fayette)	10.00																	
<b>School</b>	<b>50.65</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Middle Schools</b>																		
Ransom Middle School	21.00	1	1	1	1		2	1	4		1							soccer/football same field
Darwin Middle School	19.00		1	1	1	1	2					1						soccer/football same field
<b>Subtotal</b>	<b>40.00</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	
<b>High Schools</b>																		
McHenry High School	21.80		1	3	1	1	2		4					0.50	0		0	
<b>Subtotal</b>	<b>21.80</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.50</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>School District Facilities</b>																		
Baker Field	6.00	2		1		1			4		1			0.25	0		4	Courts in poor condition, used by schools and public
Crow's Street Park																		
Future School Site A	33.00																	
Future School Site B	32.00													1.50				
<b>Subtotal</b>	<b>71.00</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2.75</b>	<b>0</b>	<b>0</b>	<b>4</b>	
<b>Colleges/Universities</b>																		
Unfield College	11.50	1	1	1	1	1	2		5		3							
<b>Subtotal</b>	<b>11.50</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total</b>	<b>194.95</b>	<b>4</b>	<b>4</b>	<b>12</b>	<b>4</b>	<b>4</b>	<b>13</b>	<b>10</b>	<b>18</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>9</b>	<b>4.25</b>	<b>2</b>	<b>0</b>	<b>4</b>	



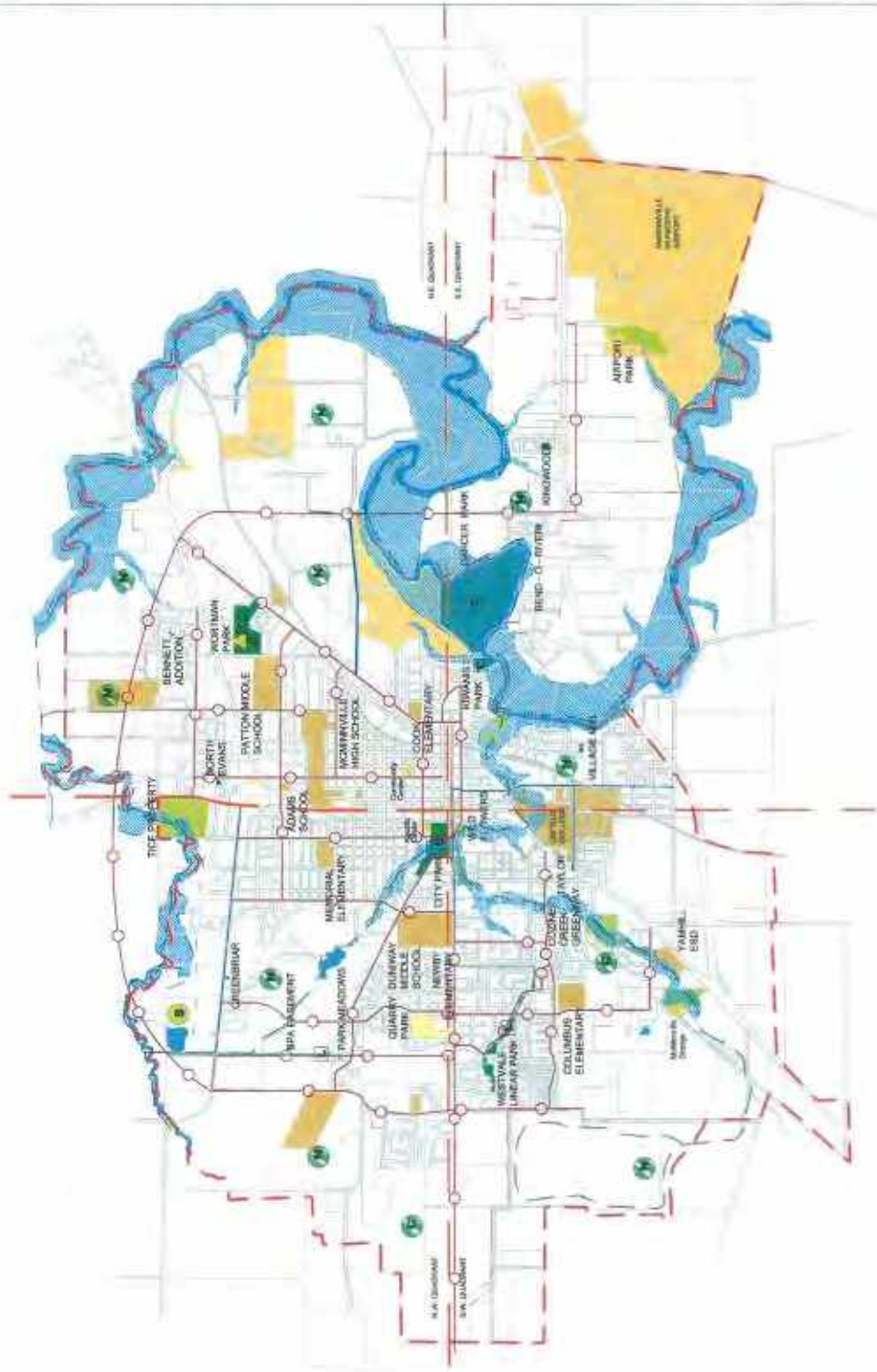






# LEGEND

Existing	Developed	Proposed
Mini-park/Playlot		
Neighborhood Park		
Community Park		
Linear Park		
Greenway/Greenway		
Special Use		
Community/Recreation Centers		
Schools		
Other City Property		
Existing Bikeway		
Proposed Bikeway		
Waterway		
Floodplain		
City Boundary		
Urban Growth Boundary		
Multi-Purpose Trail		



## MASTER PLAN

### PARKS, RECREATION & OPEN SPACE MASTER PLAN

City of McMinville  
Parks and Recreation Department  
600 North Street  
McMinville, OR 97128

Prepared by:  
MIG, Inc. 140 E. 20th Ave., Eugene, OR 97401 (503) 685-2100





# Memo

Date: October 28, 2019

To: Public/Semi-Public Lands Work Group

From: Mark Davis

Subject: Park Land Needs

McMinnville is in the process of projecting its future land needs. These plans must have an adequate factual basis. The projections must be supported by evidence that establishes some likelihood that the projections will be realized and that the plans will be implemented.

At the last meeting I raised objections to the proposed addition of 392 acres of land for City parks over the next 20 years because there was no plan for funding or implementation. The acreage calculation is based on a recommendation in the outdated Parks Plan that the City should have 14 acres of parks per thousand residents, a number we failed to reach by 1999, so in addition to building parks for new residents we were supposed to have built additional parks over the last 20 years to erase this deficit. Due to the chaotic nature of the discussion that followed my comments and the fact that not all members of the Work Group were present, I would like to clarify the points I was trying to make at that time.

**The Parks Plan:** The McMinnville Parks, Recreation and Open Space Master Plan (commonly referred to as the Parks Plan) was adopted in 1999. It explicitly covered a 20-year period that ended in 2019 and therefore cannot be relied upon to justify land needs through either 2041 or 2067. At the public gathering that preceded its adoption, where citizens were asked to brainstorm their ideas for the Parks Plan and put dots next to the ones they liked, several persons asked, “How is this going to be paid for?” We were repeatedly told that we did not need to worry about cost because the City Council had the job of figuring out how to pay for it. As a result the so-called “plan” reads more like a “wish list.” It carried an estimated price tag in 1999 dollars of over \$52 million. The actual park funding over the past 20 years came from a \$9 million bond measure and a relatively small amount of SDC dollars.

**What Got Built:** Since 1999, the city added only about 50 acres of parks.<sup>1</sup> About 10,000 persons were added to the City’s population in the last 20 years. Per the Parks Plan 14 acres per

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<sup>1</sup> The 1999 Plan showed 273.66 acres of existing parks in Tables A-1 and A-2. The total acreage today as shown on the staff memo dated 10/10/19 is 348.57 acres, suggesting that we added about 75 acres in parks. However, it appears that some corrections were made to the 1999 data, as City Park then was 13 acres but today is shown as 16.79 acres, and Joe Dancer Park was formerly 85.38 acres but now counts as 107.62 acres. Correcting for these changes implies about 50 acres were added, and when we look at what was actually developed (Discovery Meadows, Riverside Dog Park, Chegwyn Farms, Heather Hollow, Jay Pearson, Thompson and West Hills), those new parks total about 45 acres, suggesting 50 acres is about right.

thousand standard, we should have added 140 acres of parks. We achieved only about one-third of the goal, to say nothing of making up the deficit because we were far under the 14 acres/1000 for the existing residents and were proposing to make up that deficit also. So, when we look at the 392 acres proposed this time, only about 180 acres is for the projected population increase. The balance is to make up a purported deficit that grows every year. Based on the evidence of what actually happened in the past 20 years, there is no reasonable basis to expect that the additional 392 acres the city proposes to urbanize will actually develop as parks over the planning period.

**How the Schools Fit In:** Table A-3 in the Parks Plan is a Facility Inventory: School Facilities. The Plan repeatedly calls for creating joint use agreements with the School District to share lands, thus reducing the need for the City to develop more park land. The School District representative at our meeting acknowledged that they do not lock their facilities and accept public use of the school grounds when school activities are not ongoing. This is not a complete solution to the clear need for more park land, but even without a formal joint use agreement (a high priority 20 years ago that never got done) it is obvious that some portion of school grounds will be used for park-type activities, much like it has for the past 50 years. This needs to be accounted for in the city's projection.

**The Comp Plan Policies:** All three of the Comprehensive Plan Policies cited in the 10/10/19 staff memo regarding the need for park land were adopted after I made similar objections to the unrealistic park land projections in the last UGB expansion attempt. At this point declaring a Parks Plan that has expired and was not implemented as the basis for an even bigger ask for park land makes no logical sense. Further, policy 163.05 excluding waterways that may flood from any community or neighborhood park would preclude including a creek in the park like we now have at City Park and Wortman Park. Is it really good park planning policy to keep all water features out of our bigger parks? Sure, we don't want our bathrooms and permanent park facilities to get flooded, but having a mixture of natural features surely makes a park more inviting.

**Financial Reality:** At present the City is considering building a new combined Aquatic/Community Center at a price tag that could exceed \$50 million based on a recent consultant's report to the City Council. The reason the Council is considering the new facility is that making repairs to the existing pool and community center buildings cost almost as much as a new facility. So, regardless of how this process works out over the next few years, the Parks and Recreation Department is looking at tens of millions of expenditures on facilities. Looking at the estimates in the Parks Plan and adjusting them for current costs suggests that adding 392 acres of parks is going to cost over \$100 million.

McMinnville voters are responsive to reasonable requests for public facilities and voted for a 20-year, \$9 million parks bond that has financed most of the improvements in park lands we have seen since 2000. Based on the Council conversation it appears that when the parks bond expires



in 2021 the City will be considering using that bonding capacity for the new Aquatic/Community Center. If so, where is the money going to come from to develop 392 acres of parks, to say nothing of paying for the ongoing maintenance of that much land?

**City Responsibility:** This park land figure is the one area in the upcoming UGB expansion proposal that the City actually controls. We can make our best estimate of how many housing units, commercial buildings and industrial sites we need over 20 years, but there is no way to know how the private sector will respond. On parks the people finally approving the UGB expansion (i.e. the City Council) are also the body that will authorize the development of all City parks, presumably after getting public approval of a bond measure. Our history with the expired Parks Plan does not suggest that passing the buck to the future will result in the parks getting built. We need a realistic plan for funding also.

**Conclusion:** I am not opposed to adding lands for parks. I support that goal. However, it takes more than simply increasing the number of acres of land inside the UGB or pointing to an aspirational standard. It takes a real plan that describes the types of parks to be built including their cost and the sources of funding to get that many acres of park land developed. I do oppose an unrealistic increase in overall land need based on a purely aspirational projection of park land that lacks any historical evidence.

I also want to make clear that my statements are not a criticism of Susan Muir, Jay Pearson or any of the hardworking park staff members. I am confident that were the financial resources made available to develop more parks that our Parks and Recreation Department would eagerly expand our inventory of parks.

# MCMINNVILLE PARKS SYSTEM

DRAFT

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

\*Notes partial taxlot

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

\*Notes partial taxlot

TOTAL DEVELOPED PARK LANDS		272.81
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OPEN SPACE/UNDEVELOPED		ACRES
Angella	R4428BD02100	2.21
Ashwood/Derby	R4420DB02401	0.29
Barber Property	R442901201	11.76
Bennett	R4416AA05800	0.19
Brookview	R4420BA00500	0.72
Carlson	R4420DB00300	1.53
Creekside Cozine	R4430DD00200	3.69
Creekside #3 Cozine	R4430DC03500	15.31
Crestwood		2.08
	R4420BA00300	1.10
	R4420BA00301	0.60
	R4420BA ROADS*	0.38
Davis St. Fill		1.57
	R4421CC00900	0.91
	R4421CC02601	0.66

\*Notes partial taxlot

TOTAL UNDEVELOPED PARK LANDS		75.76
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TOTAL PARK LANDS		348.57
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LINEAR/TRAIL PARKS		ACRES
Airport Park		18.82
	R442600203*	2.74
	R4426 ROADS*	0.62
	R442600500*	1.28
	R442600201*	14.18
Ash Meadows		1.29
	R4420CC00239	1.29
BPA Pathway		2.84
	R4419AD02100	0.98
	R4419AC00200	0.08
	R4419AC00101	0.30
	R441901200*	0.32
	R4419AA11700	0.35
	R4419AA11800	0.45
	R4418DC04100	0.36
BPA II Pathway		4.23
	R4418DC00100	0.83
	R4418DC04400	0.14
	R4418DC07100	0.32
	R4418DC06600	0.32
	R4418DB12200	0.66
	R4418DB12000	1.04
	R441800202*	0.63
	R4418AD10800	0.29
Goucher St. Pathway		1.95
	R4420CC ROADS*	1.01
	R4420CC NONTL	0.02
	R4420CB ROADS*	0.92
James Addition		1.54
	R4420CC00124	1.27
	R4419DD00390	0.27
Jandina		2.25
	R4419DD02790	2.25
Jandina III		2.78
	R4419DA13200	1.99
	R4419DA13300	0.79
Roma Sitton		1.69
	R4418AD10900	1.69
Tice Rotary		33.82
	R441700101	32.82
	R441700100	1.00
Westvale		3.70
	R4419DB02400	3.70
LINEAR/TRAIL PARKS TOTAL		74.91

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

Revised on 10.09.2023

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Listing of Community and Neighborhood Parks	
Submitted with the Testimony of Mark Davis	
9/5/23	
Community Parks	Acreage
City Park	16.79
Joe Dancer Park	107.62
Discovery Meadows Park	20.97
Kiwanis Marine Park	4.63
Riverside Dog Park	3.80
Wortman Park	21.66
Total Community Parks	175.47
Neighborhood Parks	
Chegwyn Farms Park	3.94
Heather Hollow	3.22
Jay Pearson Park	2.94
Thompson Park	2.28
West Hills Park	7.77
Total Neighborhood Parks	20.15
Total Community/Neighborhood Parks	195.62





P.O. Box 1083  
McMinnville, Oregon 97128



133 SW 2nd Ave, Ste 201  
Portland, Oregon 97204

August 30, 2023

McMinnville Planning Commission  
Heather Richards, Planning Director  
230 NE Second Street  
McMinnville, OR 97128

Re: Housing Needs Analysis and Economic Opportunities Analysis

Dear Planning Commissioners and Staff,

1000 Friends of Oregon is a non-profit, charitable organization dedicated to working with Oregonians to support livable communities. Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents.

Our organizations' memberships include McMinnville residents who support the mission and values of the Oregon land use programs and we have been active participants in McMinnville's long-range planning activities for many years. We support efforts to actively plan for and shape the community's future and continue to maintain a keen interest in the outcome of these efforts. To that end, we served on the city's project advisory committees that reviewed various drafts of the draft *McMinnville Urbanization Report*, *Housing Needs Analysis* (HNA) and *Economic Opportunities Analysis* (EOA). The city proposes to adopt these documents in the context of sequential Urban Growth Boundary (UGB) amendment. We offer the following comments.

We appreciate the hard work and dedication of everyone involved in putting together these documents. Over the last 25 years, we have seen a vast improvement at every level in the city's approach to land-use planning, and those improvements are reflected in these documents. It is our expectation that they will also be reflected in subsequent efficiency measures the city will adopt to accommodate future land needs. The changes to the HNA and EOA that we suggest below will result in plans that better serve the needs of those who live and work in McMinnville—both now and in the future.

These comments are based on June 2023 drafts of the HNA and EOA. Post-Project Advisory Committee drafts were not available in time to review for submission of timely comments.

## **I. General Comments**

McMinnville's residential minimum lot sizes are significantly larger than similar Willamette Valley cities. We first raised this issue over 20 years ago. These larger minimum lot sizes increase housing costs, increase costs to provide infrastructure, and increase pressure to expand on to farmland. Addressing this issue is overdue, and we will provide supporting data at the appropriate time.

Unfortunately, the flaws in the HNA and EOA will prevent it from meeting the needs of both present and future residents. These are not new issues; almost all of the issues raised in this letter have been previously raised in this planning process.

Strikingly, compared to the city's recent UGB expansion, completed in 2020, the new HNA actually calls for reduced density – 5.46 units per acre, down from 5.7. The draft EOA calls for a far greater percentage of new, vacant land to accommodate job growth – 95% vs. 83% in the 2013 EOA, and 83-87% in the 2001 EOA. The new EOA is also based on a reduction in commercial jobs per acre assumptions – 23 per acre, down from 26 in the 2013 EOA.

McMinnville's UGB has 792 acres of urbanizable land beyond the city limits that is plan-designated urban holding. The HNA assumes that 383 of these acres, roughly half, will be parks, schools and institutions. This assumption is primarily based on old parks plan that proved wildly unrealistic and covered a prior planning period that ended in 2019.

Finally, the HNA and EOA are based on an outdated population forecast from 2017 that is much higher than the most recent forecast, which was released in June 2020 – over three years ago. This adds significantly to McMinnville's land needs. By our rough calculations, the hundreds of acres added to McMinnville's UGB in 2020 would suffice through 2041, were it not for the use of the older forecast.

Goal 2 requires the plan have an adequate factual base that is grounded on up-to-date data and information. In some cases, the HNA and EOA lack this adequate factual base.

Detailed comments are provided below.

## **II. Housing Needs Analysis (HNA)**

### **1. Capacity of lands designated Urban Holding and projection of future park needs**

Per Exhibit 10 of the HNA (p. 17), McMinnville's UGB has 792 buildable acres of urbanizable land beyond the city limits that is plan-designated urban holding (UH). Thirty-nine of these acres are set aside for commercial uses, leaving 753 for residential uses.

The HNA assumes that 383 of these remaining 753 acres, roughly half, will be parks, schools and institutions. There is not an adequate factual basis for this assumption. It is primarily based on an old parks plan that proved wildly unrealistic and explicitly covered a prior planning period that ended in 2019. The McMinnville Urban Growth Management Plan, which covered a period



ending in 2023, is also cited. They cannot be relied upon to justify land needs through either 2041 or 2067.

The city cannot merely carry old assumptions forward without justification. As part of this plan amendment process, the city should, and is obligated to, reexamine old assumptions from prior planning periods to determine whether they are still valid and justified. There is no evidentiary justification provided for this assumption.

Coupled with the HNA's right-of-way assumption of 25% for streets and roads, this leaves only 296 net buildable acres to actually accommodate housing.<sup>1</sup> While only 296 net acres are assumed to develop as housing, 456 acres are assumed to be streets, parks, schools, and institutions (74 acres for streets and 383 acres for parks, etc.).

As a comparison, the safe harbor provision in OAR 660-024-040(10) provides, "a local government may estimate that the 20-year land needs for streets and roads, parks and school facilities will together require an additional amount of land equal to 25 percent of the net buildable acres determined for residential land needs." The HNA instead estimates an additional 154%, not just for the land that is designated UH, but for all residential land through 2067.

A city is not obligated to use a safe harbor, but it must have an adequate factual basis to support the assumption it uses. There is no evidence the record to support the city's assumption.

The now-expired parks master plan covered the planning period from 1999 to 2019 (excerpt in Attachment A) It called for the city to acquire 14 acres of parkland per thousand population over the planning period. As noted above, this proved to be wildly unrealistic.

We believe the city added roughly 50 acres of parkland between 1999 and 2019, the time frame covered by the now-expired parks plan. (Discovery Meadows, Riverside Dog Park, Chegwyn Farms, Heather Hollow, Jay Pearson, Thompson and West Hills). The city's population grew by roughly 10,000 people over the same time frame. If this is correct, the city added roughly five acres of parkland per 1,000 people.

The city could, at minimal time and expense, use the safe harbor in OAR 660-024-040(10) to estimate the 20-year land needs for streets and roads, parks and school facilities.

Alternatively, the city could determine the actual amount of parkland that the city acquired over the last 20 years, calculate the ratio to population growth over that same time period, and determine future park needs by applying that same ratio of growth going forward.

## **2. Residential Density**

Compared to the city's 2020 UGB expansion, the draft HNA is actually based on a lower density: 5.46 units per acre (HNA, p. 102) – down from 5.7. We question whether the record supports a reduction in planned development density since the UGB analysis was completed and we do not believe that the city's housing need will be better met through a reduction in planned density.

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<sup>1</sup> The calculations are as follows: 296 acres x 25% = 74 acres. 296 acres + 74 = 370 acres for housing and streets. 370 acres for housing and streets + 383 acres for parks, etc. = 753 acres.

Another option, which could be used at minimal expense and time to the city, would be to use the density safe harbor in OAR 660-024-0040(8)(f). This would result in an overall residential density target of eight units per acre.

### **3. Housing Needs for All City Residents**

The HNA only looks at the housing types *new* residents will require, but there is a current deficit of affordable housing types that needs to be addressed. This deficit resulted in part due to a lack of land zoned R-4, the only residential zone that allowed apartment construction. The following table shows data from the draft HNA, demonstrating the housing mix at the end of the 20-year planning period. (There are minor rounding errors.)

Type	Existing #	Existing % <sup>†</sup>	New # <sup>‡</sup>	New % <sup>‡</sup>	2041 #	2041 %
SF detached	8,900*	68	2,561	55	11,461	64.6
SF attached	1,178*	9	559	12	1,737	9.7
Multifamily	3,010*	23	1,537	33	4,547	25.6
Total	13,089		4,657		17,746	

\* Calculated by multiplying the total number of existing dwelling units (HNA p. 29) and the reported existing mix

<sup>†</sup> HNA Exhibit 16, p. 29

<sup>‡</sup> HNA Exhibit 85, p. 95

What looks like a significant change in the housing mix for new development really makes a fairly small change to the overall mix for the city in 2041. If the city really wants to provide needed housing, it will need to be more aggressive in allowing higher-density types.

A housing needs projection is not intended to consider only *new* residents of the city. OAR 660-008-0005(6) provides:

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

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

\* \* \*

(Emphasis added)

The mix of housing types, amounts, and densities in the Housing Needs Projection purports to be adequate to meet the needs of future residents, but is insufficient to meet the unmet needs of *present* residents. We believe this does not satisfy Goal 10 and its implementing rules. These require the city to meet the housing needs of *all* residents, not just new residents. Regardless, moral imperatives suggest the city should do more. The city could, at minimal expense and time, use the density safe harbor in OAR 660-024-0040(8)(f). This would result in an overall



residential density target of eight units per acre and better meet the needs of all residents, both present and future.

#### **4. Capacity of C-3 Land to Provide High-Density Housing**

Apartments and upper-story residential are outright permitted uses in the C-3 zone. They are not subject to denial through a conditional use process. Nonetheless the HNA states (p. 109), “this analysis assumed no residential capacity on current C-3 areas after 2021.”

This assumption has already been proven to be false. The August 17, 2003, meeting of the planning commission considered the siting of a 175-unit apartment complex called Stratus Village on 6.5 acres of land zoned C-3 (see Attachment B). Testimony during the meeting indicated that another large apartment complex is also planned just south of this site under the same commercial zoning and will be coming before the planning commission in the near future.

For the past 20 years or more, there has essentially been no land available on the open market to site large apartment complexes on land zoned R-4. Independent developers wishing to construct such projects have repeatedly been forced to use land zoned C-3. For example, the area just south of the shopping center at Highway 99W and Lafayette Avenue is commercially zoned land that has been converted over time into three apartment complexes with about 200 units.

The density achieved in the C-3 zone is indicative of the kind of density that will happen in the R-5 zone once available land is placed in that zoning category. Currently, the city has no land zoned R-5. Unfortunately, it appears it will be another five to seven years before any significant amount of the land will be zoned to R-5.<sup>2</sup> In the interim, land zoned C-3 will continue to be used to achieve the high-density development called for in the HNA. This document and the Economic Opportunity Analysis should be amended to reflect this development of permitted uses in the C-3 zone.

#### **5. Group Quarters**

A significant portion of McMinnville’s population is housed in group quarters, principally assisted living and other care facilities, college dorms, and the jail. The draft HNA fails to adequately address needed housing for this population.

The final draft HNA (p. 85), in contrast to an earlier draft, does not quantify future growth in group quarter population and improperly assumes that future growth in group quarter population will be met through the same mix of housing types and zones as the rest of the population. The HNA states:

*The 2013–2017 American Community Survey shows that 5% of McMinnville’s population was in group quarters... [W]e assume that group quarters will be met through the same land needs as the net new population without allocating housing*

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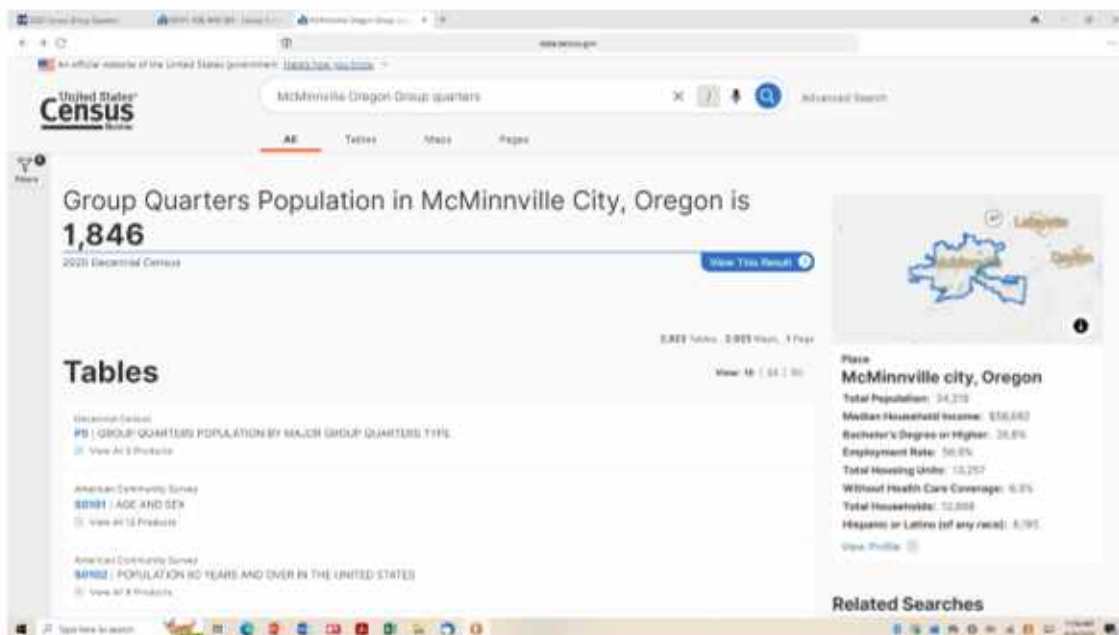
<sup>2</sup>At the July 26, 2023 meeting of the Affordable Housing Committee the McMinnville Community Development Director said the planning process to prepare the land in the Southwest Area for construction activity would take another five to seven years.



*to group quarters separately...This assumption does not mean that we are assuming zero group quarters for the planning periods.*

There is not an adequate factual base to support this assumption. As the HNA acknowledges, group quarters are typically built at multi-family densities. There is no evidence to support the conclusion that they have the same land needs as the rest of the population (i.e., 55% single-family detached, 41% high-income, overall density of 5.46 units per acre through 2067).

Moreover, the share of McMinnville's population housed in group quarters is growing – from 5% in 2017 to 5.4% in the 2020 census.<sup>3</sup>



Source: <https://data.census.gov/all?q=McMinnville+Oregon+Group+quarters>

Roughly half of McMinnville's group quarter population is housed in nursing facilities and assisted living facilities.<sup>4</sup>

Growth in the group quarter population is consistent with the HNA findings that:

*Population in McMinnville is aging, and the cohort aged 60+ in Yamhill County will increase by about 56% by 2041. (HNA, p. 91)*

And:

*Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted-*

<sup>3</sup> The 2020 census shows that McMinnville had 1,846 persons housed in group quarters, out of a total population of 34,319. This is 5.4% ( $1846 \div 34,319 = 5.4\%$ )

<sup>4</sup> <https://data.census.gov/table?q=McMinnville+Oregon+group+quarters> See also information on assisted living and other care facilities in McMinnville in Attachment C.

*living facilities or age-restricted developments... or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines.*  
(HNA, p. 92)

The assumptions in the current draft HNA (no separate forecast of group quarter population or allocation of housing) are markedly different from the assumptions used in the March 2019 draft HNA. That prior draft assumed that 5% of future population would be housed in group quarters at approximately the same density as multi-family housing.<sup>5</sup>

The changed assumptions in the current draft HNA are not based on the most recent available census data, lack an adequate factual base, and will not provide needed housing for the share of McMinnville's population that will be housed in group quarters. McMinnville should instead base its group quarter assumptions on the most recent census data and on the prior assumption that persons in group quarters require land at approximately the same density as multi-family housing.

## **6. Right-of-Way**

The HNA assumes that 25% of all residential land, regardless of housing-type will be consumed by streets and roads. This is significantly more than the safe harbor provision in OAR 660-024-040(10). The city is not obligated to use a safe harbor, but if it does not, it must have an adequate factual basis to support the assumption it uses.

The record does not include an adequate factual base for the assumption.

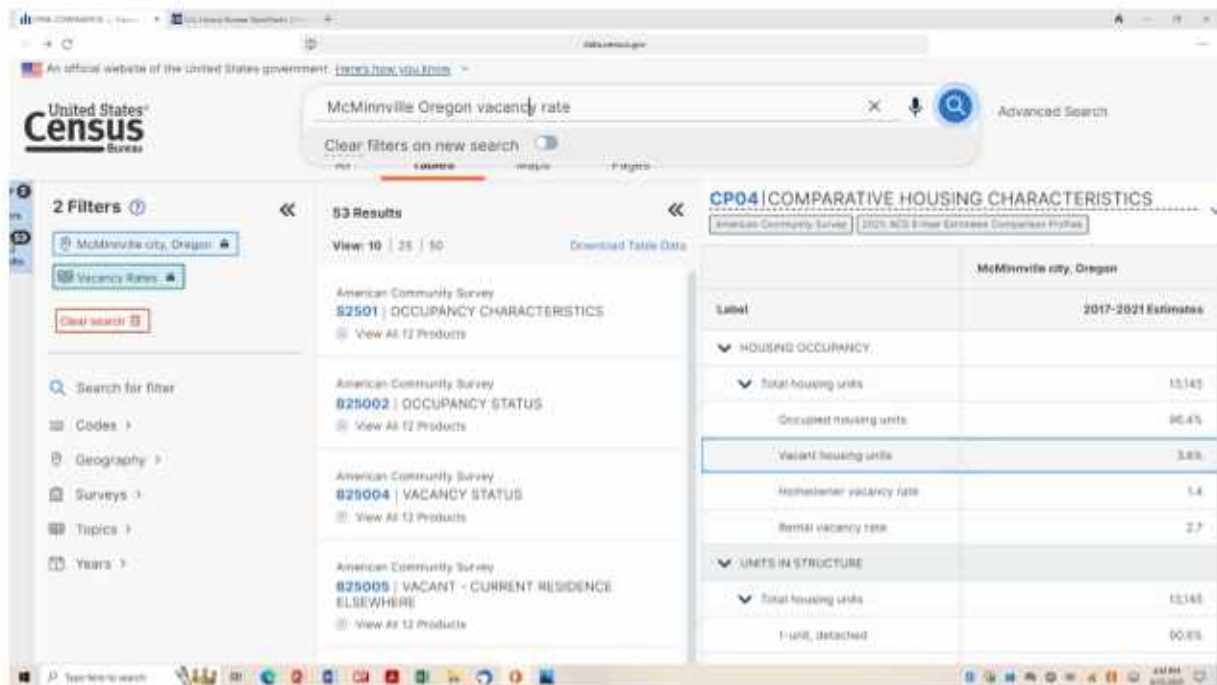
We raised this issue in the Project Advisory Committee meetings several years ago. At the time we were told that it was based on empirical evidence, but that evidence is not in the record and our efforts to see that evidence have been unsuccessful as of this writing.

## **7. HNA Safe Harbors**

The draft HNA employs safe harbors for calculating household size and vacancy rate, as the city is entitled to do. The administrative rules for these safe harbors (OAR 660-024-0040(8)(a) and (e), respectively) state that the HNA must use "the most current data ... published by the U.S. Census Bureau." The draft HNA uses the 2013-2017 American Community Survey estimates, even though the current 2017-2021 estimates are available. The differences in household size are negligible (2.55 persons per household vs. 2.57, but the difference in vacancy rate is significant – 3.6% in the most current data vs. the 5.4% vacancy rate in the outdated data. See U.S. census data below.

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<sup>5</sup> See excerpt from March 2019 draft HNA in Attachment D.



Source: <https://data.census.gov/table?q=McMinnville+Oregon+vacancy+rate&tid=ACSCP5Y2021.CP04>

### III. Economic Opportunities Analysis (EOA)

#### 1. Refill, Redevelopment and employment on non-employment land

The EOA fails to adequately account for employment that will occur on non-employment land (primarily residential land), and uses very low refill and redevelopment rates.

The 2001 EOA used rates of 13-17% to account for jobs that would occur on non-employment land or through refill and redevelopment on existing employment land.

The 2013 EOA used a rate of 17% to account for jobs that would occur on non-employment land or through refill and redevelopment on existing employment land.

The DLCD Goal 9 handbook (p. 2-28) suggests a 10-15% rate *just* for existing employment land, with additional reductions for employment that will occur non non-employment land.

The draft EOA uses a rate of 5% to account for jobs that would occur on non-employment land or through refill and redevelopment on existing employment land; an assumption that 95% of all new jobs will require new vacant employment land. From p. 85:

***Based on the information presented in Appendix B, the PAC determined that a reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment.***



*Exhibit 53 shows the estimate of employment on vacant commercial and industrial land by land use type for each scenario, using the 5% assumption for employment that will occur through redevelopment, refill, or on non-employment sites.*  
(Emphasis in original)

We note that although the PAC recommendation only included refill and redevelopment, the EOA extends that to include new employment that will be accommodated on non-employment land.

The record does not include an adequate factual basis for this very low 5% rate. The empirical data in Appendix B applies *only* to refill and redevelopment and does not account for job growth on non-employment land. At a minimum, this includes:

- Home Occupations – Nationally, the percentage of persons working exclusively at home climbed from 4.8 in 1997 & to 6.6% in 2010.<sup>6</sup> This grew to 9.7% in the most recent census data.<sup>7</sup> In Oregon, 12.5% of all workers worked from home and in McMinnville, the figure was 8.2%<sup>8</sup> Home occupations alone far surpass the 5% rate the EOA used for refill, redevelopment, *and* jobs on non-employment land.
- The large number of employees at assisted living and other care facilities. Every assisted living facility in McMinnville is located on residential land so are almost all the memory care and skilled nursing facilities. All of these facilities are currently posting job openings and virtually all are currently advertising for employees.<sup>9</sup> The demographic information on pp. 91-92 forecasts a growing demand for these facilities. Further, these facilities are staffed 24 hours per day, requiring a larger work force per acre than the typical commercial operation. The assumptions fail to account for these jobs that will locate on residential land.
- Day Care Centers

In addition, the comparison cities in Appendix B (EOA, p. 123) do not support the use of a 5% rate. With the possible exception of Newberg, they all used rates of 10% to 20%; double to quadruple the rate used in the draft EOA:

- Ashland used a rate of 20%
- Corvallis used rates of 11% to 29%

<sup>6</sup> <https://www.census.gov/library/publications/2012/demo/p70-132.html>

<sup>7</sup> <https://www.census.gov/acs/www/about/why-we-ask-each-question/commuting/>

<sup>8</sup> <https://www.census.gov/acs/www/about/why-we-ask-each-question/commuting/>

<sup>9</sup> <https://data.census.gov/table?q=McMinnville+Oregon+group+quarters> See also information on assisted living and other care facilities in McMinnville in Attachment C.

- Redmond used a rate of 10%. Their new 2020 EOA uses rates of 9.9% to 10.4% for jobs on residential land only, exclusive of jobs that will be accommodated on existing employment sites.<sup>10</sup>
- Grants Pass used a rate of 10%
- Albany, listed as 0%, used a rate of 10%<sup>11</sup>
- Newberg is listed at 5%, but we are unable to locate that figure. Their new 2021 EOA uses a combined rate of 25.8% for commercial jobs (15.8% on residential land and an additional 10% accommodated on existing employment sites.)<sup>12</sup>

The evidence does not support the assumption that 95% of all new jobs will require vacant employment land. This assumption lacks an adequate factual base.

## **2. Other Needed Employment Sites**

The section of the EOA titled “Land Needs Not Addressed in the Average Employment Densities (Other Needed Sites)” (pages 89-96) attempts to justify a need for eight uses mentioned in the MAC-Town 2032 plan that are supposed to need an additional 49 acres beyond that calculated by traditional uses for commercial and industrial land. These are all low-job-density uses.

An economic opportunities analysis examines trends and needs over a 20-year period and concludes, in a general way, what the needs of the city are going to be. An EOA is not an appropriate tool for designating land need for specific, individual uses. There is no mechanism to ensure that the “other needed sites” would ever be established, so if the 49 acres were added to the UGB it would be surplus land, in conflict with statewide Goal 14.

Additionally, the general employment land-need conclusions in the EOA were calculated using employee-per-acre assumptions (pages 86-87) derived from real-world data for the city (EOA Appendix B). There are already low-density employment sites in the city, so the land-need calculations already account for such uses. If the city proceeds with these exogenous sites, the employment density assumptions need to be adjusted to only include higher-density sites.

Moreover, several of these uses would be publicly owned and occur on public land.<sup>13</sup> Their inclusion is inconsistent with other language in the EOA (p. 84), stating that, “employment for public/institutional uses was backed out of the employment forecast and land needs were calculated separately.”

<sup>10</sup> See p. 30 at <https://www.redmondoregon.gov/home/showpublisheddocument/24337/638104079529430000>

<sup>11</sup> See page 11 at [https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/9482/Albany\\_Economic\\_Opportunities\\_Analysis\\_2007.pdf](https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/9482/Albany_Economic_Opportunities_Analysis_2007.pdf) See also McMinnville’s 2013 EOA, p. 85

<sup>12</sup> See EOA p. 34 (p. 46 of 117) at [https://www.newbergoregon.gov/sites/default/files/fileattachments/community\\_development/page/27751/res3728.pdf](https://www.newbergoregon.gov/sites/default/files/fileattachments/community_development/page/27751/res3728.pdf)

<sup>13</sup> These include Community Center, Conference Center, Arts and Cultural Center, Public Market, and the Outdoor Stage



The first three projects in the list are all recreation-related and could be easily accommodated on the hundreds of acres of land brought into the UGB in 2020 based on a parkland justification. The new community center/pool discussion started by the MacPac process has noted that this facility would be enhanced by placing it adjacent to a public park site that it could share parking with. There would be a similar synergistic impact by siting the other two projects in conjunction with parks.

The Evergreen entries (items 4 and 5) do represent some unique features not typically included in commercial land. However, the Evergreen Master Plan does include projects like a hotel/lodge that clearly would impact the need for other such land need covered by the EOA. The entire Master Plan 27 acres should be reviewed to differentiate between the land needed for traditional commercial activities and the unique ones. Land need as site-specific as these should be added through a quasi-judicial UGB amendment rather than through a legislative, city-wide analysis because the alternative sites analysis for a legislative UGB amendment would probably not result in the site being a high enough priority to be included.

The Conference Center proposed in item 6 was presented to the City Council in 2018, and it chose not to move forward with it. Perhaps it will be revived someday, but funding seems unlikely.

The Food Hub and Public Market (item 7) seems like a potential outgrowth of our current weekly farmers' market. However, to be large enough to justify 3.5 acres, it is going to have to generate considerably more business. If it does, it is going to impact the demand for traditional grocery store purchases, reducing the land needed by that sector. The net impact on land needed for food purchases, if any, would be minimal.

Finally, the Makerspace/Innovation Hub/Fabrication Center is small enough (two acres) that there is no rational need to include it as a special use.

We recommend the city delete the these "other sites" and the 49 acre land need from the EOA.

### **3. Retail Leakage**

The draft EOA purports to base its employment forecast and need for employment land on the population-based safe harbor under OAR 660-024-0040(9)(a).<sup>14</sup> See EOA pp. 81-82. However, the draft EOA does not do this. Instead, it takes the safe harbor forecast and then adds another 280 employees to it, based on the dubious notion of "retail leakage." See EOA pp. 87-89 and Exhibit 57 at p. 89.

The city cannot have it both ways. It can either use a safe harbor forecast or not. The safe harbor rule does not provide for a city to add additional employees beyond the safe harbor forecast.

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<sup>14</sup> (a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

\* \* \*

(B) The population growth rate for the urban area in the appropriate 20-year coordinated population forecast determined under rules in OAR chapter 660, division 32.

The city could, at minimal time and expense, rely upon the safe harbor by eliminating the additional employees and land need from the EOA.

#### **IV. Buildable Lands Inventories**

##### **1. Removal of vacant and partially vacant land based on ownership**

The Buildable Lands Inventories (BLI) in both the HNA and EOA exclude all vacant and partially vacant land that is owned by tax-exempt institutions, even though it is not publicly owned. These are principally a 20-49 acre site owned by Linfield University that is zoned for commercial uses, and residentially zoned land owned by churches.

For the commercially zoned land (Linfield), this is inconsistent with OAR 660-009-0015(3):

*660-009-0015(3): Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries **must include** an inventory of vacant and developed lands within the planning area designated for industrial or other employment use. (Emphasis added.)*

The commercially zoned Linfield land, if not sold, will presumably accommodate student housing (group quarter population) and classrooms and offices (employment growth), or both.<sup>15</sup> Even if a presumption of no development could be justified over a 20-year period, to assume no accommodation of housing or employment on this vacant land through 2067 is not supportable.

For the residentially zoned land (church-owned land) this is inconsistent with OAR 660-008-05(2), which allows the exclusion of publicly owned land, but does not seem to allow the exclusion of land merely because it is owned by an institution. The McMinnville Urbanization Report (p. 30) projects a need for 38 acres of religious land through 2041. Land that is owned by existing churches will accommodate some of this future need. The record lacks an adequate factual base to support its exclusion.

The city should add vacant and partially vacant land that is owned by private tax-exempt institutions back into the BLI's and adjust land deficits accordingly.

##### **2. The Buildable Lands Inventory in the EOA fails to meet legal standards**

The BLI in the EOA consists of inadequate, cursory maps and tables that do not meet the legal standards for an inventory of employment lands in Goal 9. See OAR 660-009-0015(3):

*Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands<sup>16</sup> within the planning area designated for industrial or other employment use.*

<sup>15</sup> See Linfield Strategic plan (p. 10, Attachment E). Linfield is planning to launch new undergraduate and graduate programs to attract new students.

<sup>16</sup> "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. OAR-660-009-0005



*(a) For sites inventoried under this section, plans must provide the following information:*

*(A) The description, including site characteristics, of vacant or developed sites within each plan or zoning district;*

*(B) A description of any development constraints or infrastructure needs that affect the buildable area of sites in the inventory; and*

\* \* \*

The EOA does not include an inventory of employment land that includes a description of the site characteristics, development constraints, or infrastructure needs of both vacant and developed sites as required by OAR 660-009-0015(3)(a)(B).

### **3. Population Forecast**

OAR 660-032-0020 (1) requires McMinnville to use of the most recent forecast from the Portland State University Population Research Center for purposes of the HNA. Because the EOA relies upon the population safe harbor for its projection of future employment growth use of the most recent forecast is required for the EOA as well. In this case, the most recent forecast for McMinnville was released over three years ago, on June 30, 2020.<sup>17</sup>

For McMinnville, a 2040 population of 42,457 and a 2065 population of 53,577 is forecasted, which the PRC adjusts to **42,865 in 2041 and 54,552 in 2067**.<sup>18</sup>

Instead of using the most current forecast, the HNA and EOA assume much higher populations of 47,498 in 2041, and 62,803 in 2067. These assumptions are based on the outdated forecast released in 2017. The impact of using the outdated forecast instead of the most recent forecast adds hundreds of additional acres to the UGB through 2041 and over a thousand additional acres to the Urban Reserve Area through 2067.

It is our understanding that McMinnville believes it has “locked in” the ability to rely on the stale forecast for both the HNA and EOA. We are skeptical. An excerpt from page 3 of the August 3 staff report is pasted below, followed by a discussion of the relevant administrative rules:

*In order to preserve their efforts from 2018 and 2019, in May 2020, the City of McMinnville submitted the following “PAPA” notices (Notice of Proposed Amendments) to DLCD:*

- *HNA. Housing Needs Analysis and Residential Buildable Land Inventory (June 2019 Draft).*
- *Housing Strategy. (June 2019 Draft).*

<sup>17</sup> [http://ondeck.pdx.edu/population-research/sites/g/files/znlchr3261/files/2020-07/Yamhill\\_Report\\_Final\\_2020.pdf](http://ondeck.pdx.edu/population-research/sites/g/files/znlchr3261/files/2020-07/Yamhill_Report_Final_2020.pdf)

<sup>18</sup> See the PRC’s [Population Forecast Interpolation Template \(for forecasting single-year time intervals\) \(.xlsx\)](#)

• *EOA. Economic Opportunities Analysis, Employment Land Buildable Land Inventory, and Other Land Needs (February 2020 Draft). The City subsequently completed additional updates to the February 2020 draft in June 2020 after the initial PAPA submittal to DCLD. The City subsequently submitted the updated draft as an amended PAPA notice in May 2021.*

*In addition to the HNA, Housing Strategy and EOA, the City prepared a Memo updating the HNA (Addendum 1 to the HNA) in June 2020 to address any new discoveries since the June 2019 draft was completed, and an Urbanization Study that served as a summary of the HNA/EOA analysis. All of which were provided as part of the PAPA notices.*

OAR 660-032-0020(1) requires use of the most recent PSU forecast. In this case, the most recent McMinnville forecast was released over three years ago, on June 30, 2020. OAR 660-032-0020(1), in conjunction with OAR 660-032-0040, does allow a city to apply an interim forecast if the plan amendment was initiated prior to the PRC's first forecasting cycle, but that is not the case here. The first forecasting cycle for McMinnville concluded in 2017,<sup>19</sup> well before these plan amendments were "initiated" by sending PAPA notices to DLCD.

Even if the city could use the outdated high forecast for the HNA, it may still have to use the most recent forecast for the EOA. The PAPA notice sent to DLCD to initiate the amendment is required to include, "the text the proposed change to the comprehensive plan or land use regulation," and, "must include all of the proposed wording to be added to or deleted from the acknowledged plan or land use regulations."<sup>20</sup>

McMinnville submitted an amended PAPA notice for the EOA in 2021 with new text for the EOA, well after the release of the most recent PSU population forecast. It therefore appears that the old 2020 PAPA notice for the EOA has been superseded by the amended notice issued by the city in 2021.

#### **4. Record Completeness**

Page 10 of the EOA lists 5 appendices. Appendices A, B, and C were included in the packet that went to the Planning Commission in August. Appendices D and E were not included in the August packet and do not seem to be publicly available.

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<sup>19</sup> [https://www.pdx.edu/population-research/sites/g/files/znlchr3261/files/2022-12/standard-577-050-opfp\\_v01.pdf](https://www.pdx.edu/population-research/sites/g/files/znlchr3261/files/2022-12/standard-577-050-opfp_v01.pdf)

<sup>20</sup> OAR 660-018-0020(3)

## **VI. Conclusion**

We hope these comments are helpful. Please include them in the official record of this proceeding and provide us with notice of your decision in this matter.

Sincerely,



Mary Kyle McCurdy  
Deputy Director  
1000 Friends of Oregon



Rob Hallyburton  
Vice President  
Friends of Yamhill County

Cc: Kevin Young and Melissa Ahrens, DLCD

Attachments: A. Excerpt from expired parks master plan  
B. Stratus Village information from August 17, 2023 Planning Commission packet  
C. Assisted Living and Memory Care Facility information  
D. Excerpt from March 2019 draft HNA  
E. Linfield Strategic Plan



## CITY OF McMINNVILLE



## PARKS, RECREATION AND OPEN SPACE MASTER PLAN

Prepared by:

**MIG, Inc.**

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In Association with:  
**Don Ganer & Associates**

May 1999



## CHAPTER 1: INTRODUCTION

Located in the western portion of Oregon's Willamette Valley along the Yamhill River, the City of McMinnville is changing at a significant pace. For example, the population of the City was only just over 14,000 in 1980. Today McMinnville's population is over 24,000, and it is one of the fastest growing cities in Yamhill County.

In response to these changes, McMinnville residents have made it their goal to retain and enhance their City's livability, recreational opportunities, sense of community, and natural environment. McMinnville residents look to their City's Parks and Recreation Department to provide quality parks, open spaces, and recreation services that will meet these needs today and well into the future.

### PURPOSE OF THE MASTER PLAN

To assist in maintaining McMinnville's livability, the Parks and Recreation Department has set out to create the City's first Parks, Recreation and Open Space Master Plan. The Master Plan describes how the City will strive to provide parks and recreation opportunities to residents for the next 20 years. It includes a financing model that demonstrates how park acquisition and development could be financed if resources are available. This planning process offered the City a unique opportunity to evaluate the parks, recreation and open space system, and to author a vision for the community that recognizes anticipated changes and truly reflects the needs of residents.

To accomplish this task, community members of all ages and those serving on the Master Plan Advisory Committee have contributed to this Master Plan.

*The Master Plan describes a vision for parks, recreation services, trails and open space facilities.*

# ATTACHMENT B



CITY OF MCMINNVILLE  
Community Development Department  
231 NE FIFTH STREET  
MCMINNVILLE, OR 97128

503-434-7311

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## DECISION, CONDITIONS, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF A PLANNED DEVELOPMENT AMENDMENT, THREE MILE LANE REVIEW, AND LANDSCAPE PLAN FOR PROPERTY AT 235 SE NORTON LANE, (TAX LOTS R4427 400, 404, AND 405)

**DOCKET:** PDA 2-23 (Planned Development Amendment)  
TML 1-23 (Three Mile Lane Review)  
L 25-23 (Landscape Plan Review)

**REQUEST:** Applications for a Planned Development Amendment (PDA 2-23), Three Mile Lane Review (TML 1-23), and Landscape Plan Review (L 25-23)

The requests are summarized below. The applications are submitted as part of a proposal by Housing Authority of Yamhill County (HAYC) to develop a new 175-unit apartment development, "Stratus Village," on properties totaling approximately 6.5 acres.

**PDA 2-23.** The subject property is subject to an existing Planned Development Overlay Ordinance. The proposal includes revisions to the original Planned Development master plan, which requires approval of a Planned Development Amendment. The new Master Plan is also subject to the provisions of Ordinance 5095, which amended the terms of the previous Planned Development Overlay Ordinance.

**TML 1-23.** The subject property is within the Three Mile Lane Planned Development Overlay, established by Ordinance 4131 and subsequently revised by Ordinances 4572, 4666, 4988, and 5101. The proposed development is subject to policies and standards of the Three Mile Lane Planned Development Overlay Ordinance.

**L 25-23.** The proposal includes a landscape plan, which is required for multi-dwelling development, subject to the provisions of Chapter 17.57 of the Zoning Ordinance.

**NOTE:** *The applicant has also separately submitted an application for a parcel consolidation to combine the three parcels into a single parcel.*

**LOCATION:** Address: 235 SE Norton Lane  
Map & Tax Lot: R4427 400, 404, and 405

**ZONING:** C-3 PD





**Planning Commission**  
**Thursday, August 17, 2023**  
**6:30 PM Regular Meeting**

**HYBRID Meeting**

**IN PERSON – McMinnville Civic Hall, 200 NE Second Street, or ZOOM Online Meeting**

*Please note that this is a hybrid meeting that you can join in person at 200 NE Second Street or online via Zoom*

**ZOOM Meeting: You may join online via the following link:**

<https://mcminnvilleoregon.zoom.us/j/89368634307?pwd=M0REY3RVSzFHeFdmK2pZUmJNdkdSZz09>

**Meeting ID: 893 6863 4307**

**Meeting Password: 989853**

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

**Meeting ID: 893 6863 4307**

**Meeting Password: 989853**

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**Public Participation:**

*Citizen Comments: If you wish to address the Planning Commission on any item not on the agenda, you may respond as the Planning Commission Chair calls for "Citizen Comments."*

*Public Hearing: To participate in the public hearings, please choose one of the following.*

- 1) **Email in advance of the meeting** – Email at any time up to 12 p.m. the day before the meeting to [heather.richards@mcminnvilleoregon.gov](mailto:heather.richards@mcminnvilleoregon.gov), that email will be provided to the planning commissioners, lead planning staff and entered into the record at the meeting.
- 2) **By ZOOM at the meeting** - Join the zoom meeting and send a chat directly to Planning Director, Heather Richards, to request to speak indicating which public hearing, and/or use the raise hand feature in zoom to request to speak once called upon by the Planning Commission chairperson. Once your turn is up, we will announce your name and unmute your mic.
- 3) **By telephone at the meeting** – If appearing via telephone only please sign up prior to the meeting by emailing the Planning Director, [Heather.Richards@mcminnvilleoregon.gov](mailto:Heather.Richards@mcminnvilleoregon.gov) as the chat function is not available when calling in zoom.

**----- MEETING AGENDA ON NEXT PAGE -----**

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

\*Please note that these documents are also on the City's website, [www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov). You may also request a copy from the Planning Department.

Commission Members	Agenda Items
<p>Sidonie Winfield, Chair</p> <p>Gary Langenwalter Vice - Chair</p> <p>Matthew Deppe</p> <p>Sylla McClellan</p> <p>Elena Mudrak</p> <p>Meg Murray</p> <p>Brian Randall</p> <p>Beth Rankin</p> <p>Dan Tucholsky</p>	<p><b>6:30 PM – REGULAR MEETING</b></p> <ol style="list-style-type: none"> <li><b>1. Call to Order</b></li> <li><b>2. Citizen Comments</b></li> <li><b>3. Minutes:</b> <ul style="list-style-type: none"> <li>• <b>April 6, 2023</b> (<i>Exhibit 1</i>)</li> <li>• <b>April 20, 2023</b> (<i>Exhibit 2</i>)</li> </ul> </li> <li><b>4. Public Hearings:</b> <ol style="list-style-type: none"> <li><b>A. <u>Quasi-Judicial Hearing: Stratus Village: Planned Development Amendment (PDA 2-23), Three Mile Lane Design Review (TML 1-23), and Landscape Plan Review (L 25-23) – (Exhibit 3)</u></b> <p>Request: The applicant, Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC), is requesting concurrent review and approval of three applications for the Stratus Village 175-unit multi-dwelling development on a property of approximately 6.5 acres: a Planned Development Amendment (PDA 2-23), a Three Mile Lane Review (TML 1-23), and a Landscape Plan Review (L 25-23).</p> <p><b>PDA 2-23.</b> The property is subject to an existing Planned Development Overlay Ordinance which includes the subject properties and adjacent properties. The proposal includes revisions to the original Planned Development master plan for the subject properties, which requires approval of a Planned Development Amendment. The master plan for the subject properties will replace the existing plan for medical offices with the proposed plan for apartments. The new Master Plan is also subject to the provisions of Ordinance 5095, which amended the terms of the previous Planned Development Overlay Ordinance.</p> <p><b>TML 1-23.</b> The subject property is within the Three Mile Lane Planned Development Overlay, established by Ordinance 4131 and subsequently revised by Ordinances 4572, 4666, 4988, and 5101. The proposed development is subject to policies and standards of the Three Mile Lane Planned Development Overlay Ordinance.</p> <p><b>L 25-23.</b> The proposal includes a landscape plan review, which is required for multi-dwelling development, subject to the provisions of Chapter 17.57 of the Zoning Ordinance.</p> </li> </ol> </li> </ol>

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

\*Please note that these documents are also on the City's website, [www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov). You may also request a copy from the Planning Department.



Location: 235 SE Norton Lane, Tax Lots R4427 400, 404, and 405

Applicant: Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC),

**B. Legislative Hearing: Comprehensive Plan Amendment and Zoning Ordinance Amendment (Docket G 3-22) – (Exhibit 4)**

*(Continued from July 20, 2023)*

Proposal: THE CITY OF MCMINNVILLE IS PROPOSING AMENDMENTS TO THE MCMINNVILLE COMPREHENSIVE PLAN AND ZONING ORDINANCE FOR A NATURAL HAZARDS INVENTORY AND MANAGEMENT PROGRAM, AS FOLLOWS: Amendment to the McMinnville Comprehensive Plan, Volume I - Background Element, adopting the Natural Hazards Inventory and Management Program Options and Recommendations; amendment to the McMinnville Comprehensive Plan, Volume II – Goals and Policies, adding a new Chapter XI, entitled Natural Features; amendments to the McMinnville Municipal Code, Chapters 17.48, Flood Area Zone, and Chapter 17.49, Natural Hazard Overlay Subdistricts; and the adoption of the Natural Hazard Mitigation Zone (NH-M) and Natural Hazard Protection Zone (NH-P)

Applicant: City of McMinnville

**5. Action Items: Request for Land-Use Decision Extension, MP 6-20, 835 SW Hilary Street. (Exhibit 5)**

Applicant: Steve and Mary Allen

**6. Commissioner Comments**

**7. Staff Comments**

**8. Adjournment**

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

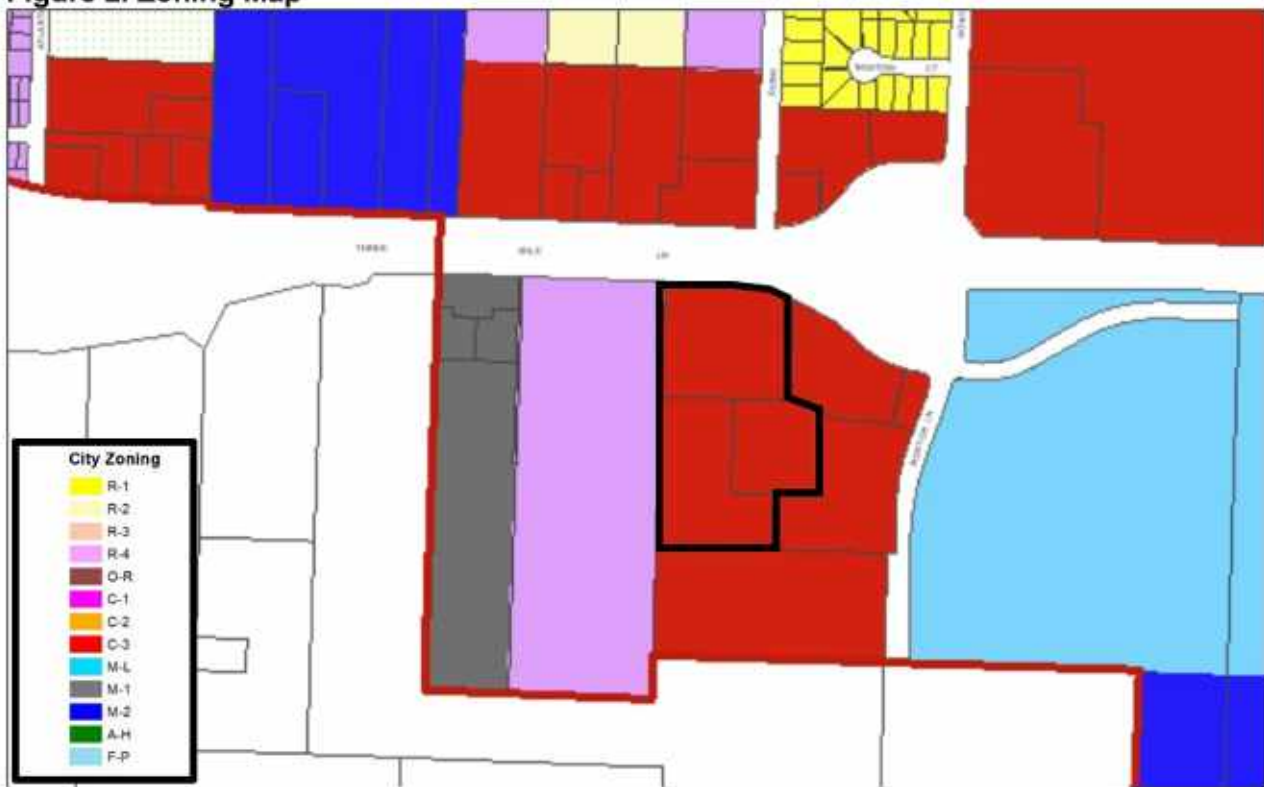
\*Please note that these documents are also on the City's website, [www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov). You may also request a copy from the Planning Department.

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Figure 1. Vicinity Map



Figure 2. Zoning Map

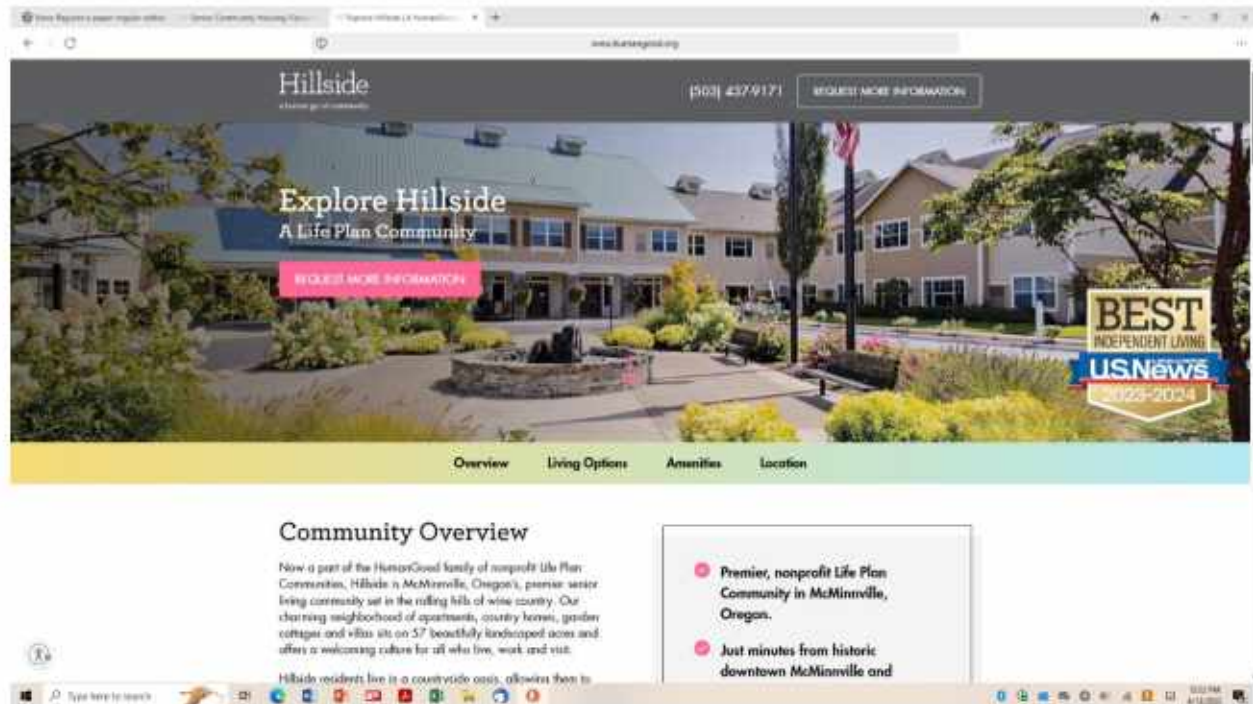


# ATTACHMENT C

## Assisted Living and Memory Care facilities in McMinnville

We have identified the following Assisted Living and Memory Care facilities in McMinnville. These group quarter facilities collectively house hundreds of people at multi-family densities and employ hundreds of people on residential land. A quick web search show that most are currently advertising for new employees.

<u>Name</u>	<u>Address</u>	<u>Zone</u>
Hillside	300 Hillside Parkway	R-4
Fircrest	213 Fircrest Drive	R-4
Vineyard Heights	345 SW Hill Rd. S	R-1
Brookdale City Center	721 NE 27 <sup>th</sup> St.	R-4
Parkland	3121 NE Cumulus Ave	R-4
McMinnville Memory Care	320 SW Hill Rd. S	R-1
Cherrywood Memory Care	2750 NE Doran Dr.	C-3
Marjorie House	2855 NE Cumulus Ave	???






Home Senior Living Options | www.seniorhousingnet.com

**seniorhousingnet** 800-304-7152  
Talk to a local advisor for free

Assisted Living | Alzheimer's Care | More Senior Living Options | Advice & Planning

Maple, MO | Maplewood, OR | McMenamins-Senior Living | 313 NE Fircrest Drive



**We'd love to chat!**  
800-304-7152

Free Outings, Complete tour, live chat, mobile view

Full Name: \_\_\_\_\_

your@email.com: \_\_\_\_\_

800-304-7152: \_\_\_\_\_

[Request Info](#)

By clicking "Request Info" you agree to our Terms of Use and Privacy Policy and our agreement to be contacted by telephone. We will contact you via our preferred method, which may be via email, text, or phone. We will never sell your information to a third party. You may opt out of our contact at any time.

**Fircrest Senior Living**  
313 NE Fircrest Drive, McMinnville, OR 97128

**Overview**  
Care Types: Assisted Living, Alzheimer's Care

- Striking contemporary design
- Warm color scheme
- Cutting-edge heating and cooling systems

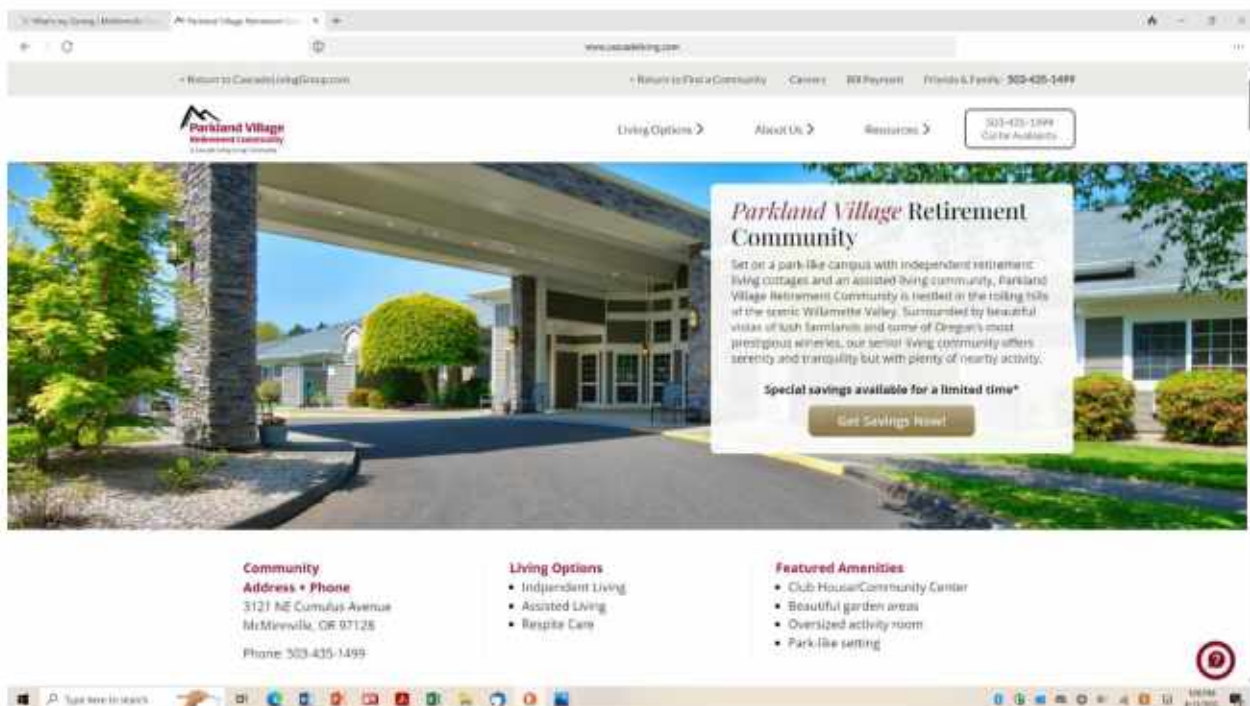
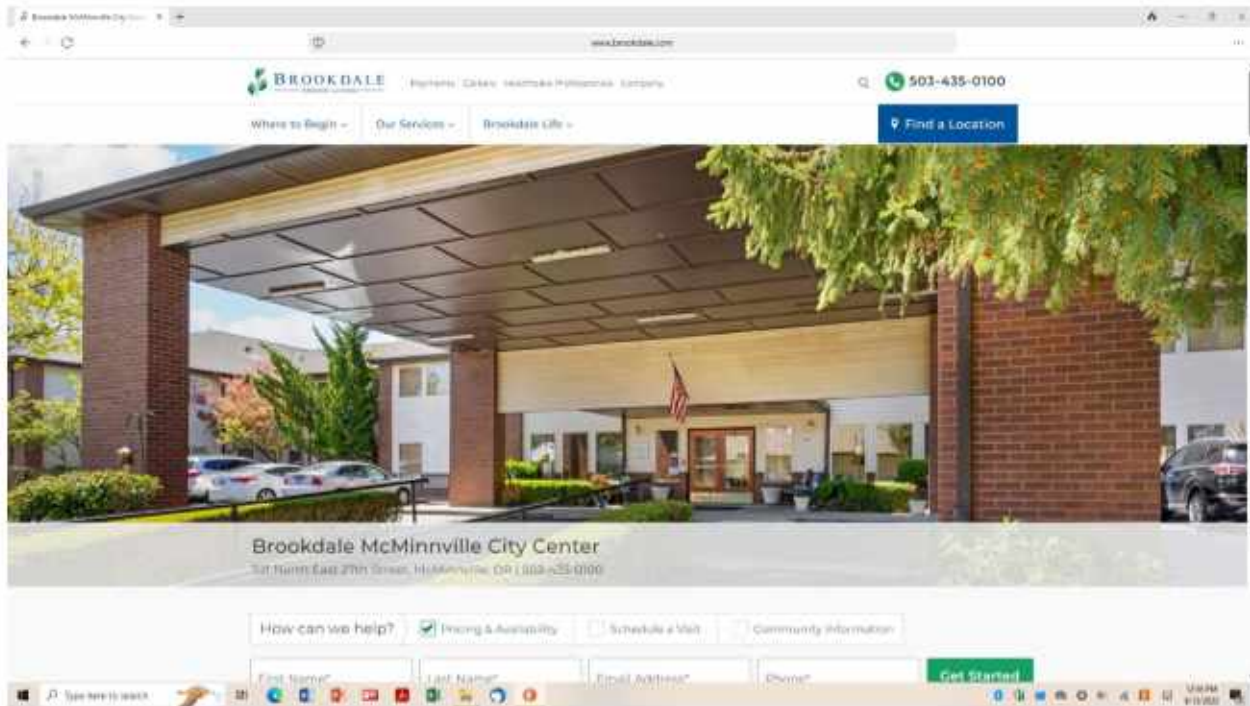
1 Call for Rates

Maplewood Senior Living | www.seniorhousingnet.com

**Welcome Vineyard Heights Assisted Living**



Vineyard Heights 041









## Hillside

a human good community

### Now Hiring for Home Care Aides

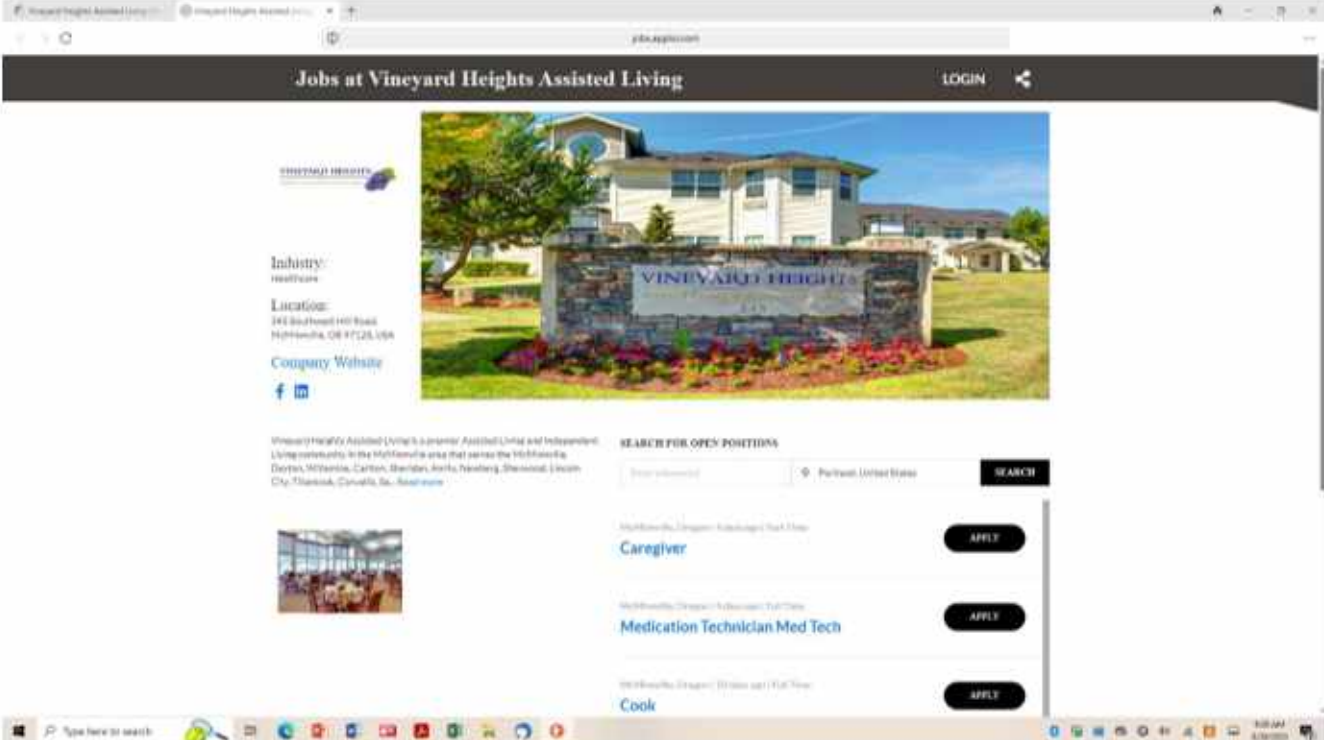
Various hours available weekday / weeknight and weekends

Looking for someone with a passion for helping others?

Pay range is \$16.50 - \$17.50 per hour • No experience required

As the largest nonprofit owner/operator of senior living communities in California and one of the largest in the country, we are more than just a place to work. We are here to ensure that all we serve are provided with every opportunity to become their best selves as they define it, and this begins with YOU.

HumanGood offers competitive pay and phenomenal benefits. Eligible positions (30+ hours/week) start with 20 paid days off, plus seven holidays, a company-matching 401(k) and health plans that give you cash to use for those unexpected health issues. We provide healthcare benefits for our part-time and per diem team members! We also offer a Tuition Reimbursement to promote your career advancement.



Jobs at Vineyard Heights Assisted Living

LOGIN

VINEYARD HEIGHTS


Industry:  
healthcare

Location:  
242 Boulevard Hill Road  
Hillside, IL 60126 USA

Company Website

f in

Vineyard Heights Assisted Living is a premier Assisted Living and Independent Living community in the Midwestern area that spans the Midwestern states: Dayton, Milwaukee, Canton, Sheridan, Joliet, Peabody, Shawnee, Lincoln City, Tallahassee, Corvallis, Ga., Roseville.



SEARCH FOR OPEN POSITIONS

Enter keyword

Postcode, United States

SEARCH

Vineyard Heights Assisted Living - Joliet, IL

Caregiver

APPLY

Vineyard Heights Assisted Living - Peabody, MA

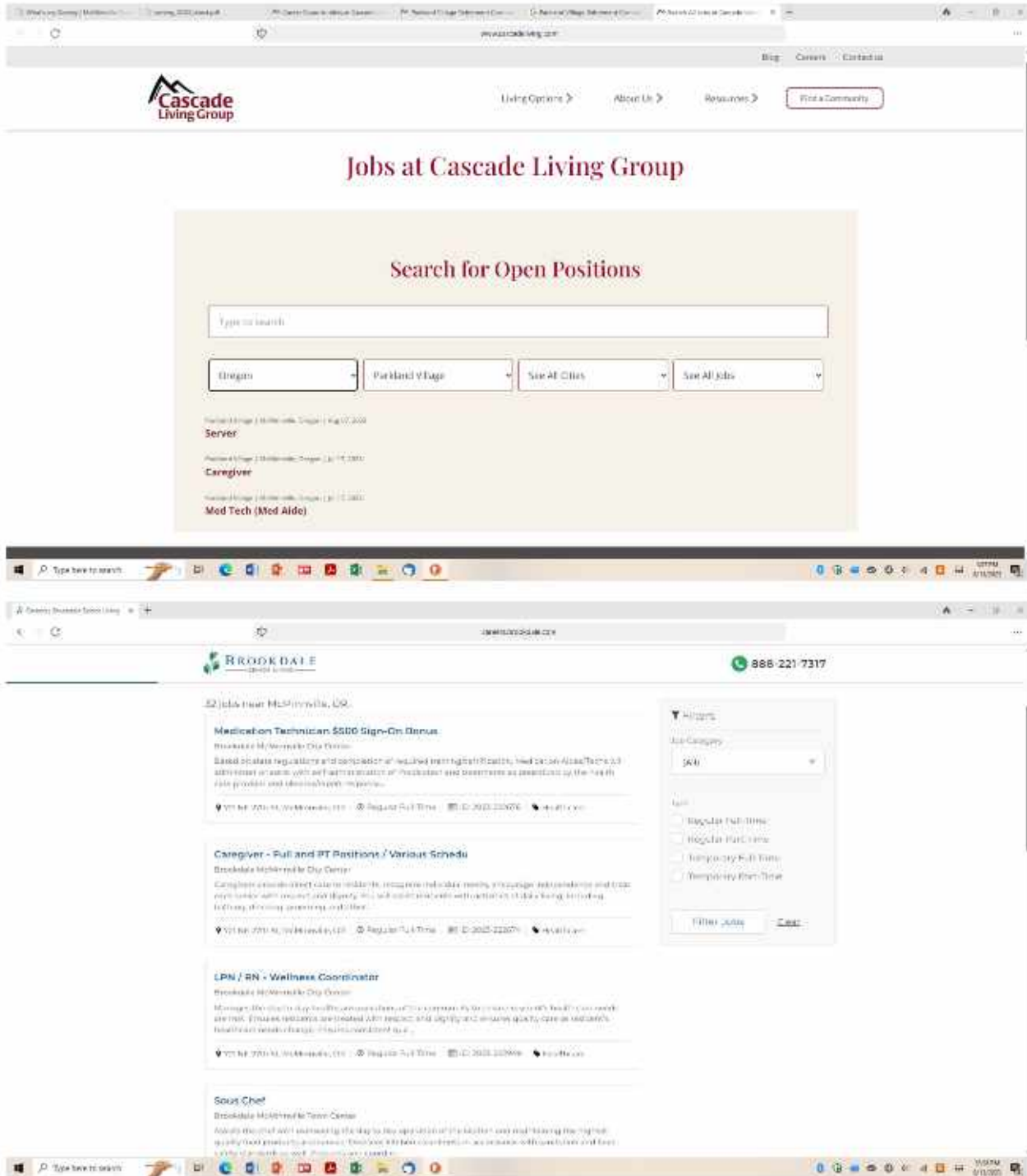
Medication Technician Med Tech

APPLY

Vineyard Heights Assisted Living - Tallahassee, FL

Cook

APPLY



Marjorie House

Memory Care Community

Home

About Us

Meet Our Team

Services

Dementia Education

Career Opportunities

Calendar

Contact Us

Click here to download job Description

Marjorie House Memory Care Community is a residential memory care community that takes pride in offering person centered care that nurtures the body, mind and spirit, enables free choice, provides a purposeful life and encourages independence in a safe, secure, and loving environment. We are proud to offer warm and nurturing environment for seniors with Alzheimer's and all other forms of dementia and are looking for like-minded individuals who will strive to meet our mission of "Building a foundation for a legacy of loving care".

**NOW HIRING CARING AND COMPASSIONATE CAREGIVERS TO JOIN OUR TEAM!**

**WE HAVE IMMEDIATE OPENINGS FOR THESE EXCITING POSITIONS!**

### RESIDENT AIDES

The primary responsibility of this position is to assist our memory care residents with all ADL's (Activities of Daily Living). Additionally, RA's assist other team members as needed.

**Full-time with benefits. Day and Swing Shifts available.**

### MEDICATION AIDES

The primary responsibility of this position is to administer medications to residents and assist with other aspects of daily care and routine. Additionally, Med Aides assist other team members as needed.

**Full-time with benefits. Part-time Shifts Available.**

If you would like to apply for any of the above positions please contact us via the request information page of this website or by phone at 603-474-4222.

Click here to download job application

Type here to search

10:27 PM

3/6/2020

Revised on 10.09.2023  
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# City of McMinnville

## Housing Needs Analysis

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March 2019

Prepared for:  
City of McMinnville

*Draft* REPORT

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

KOIN Center  
222 SW Columbia Street  
Suite 1600  
Portland, OR 97201  
503.222.6060



market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multiple-family dwellings.

The 2013-2017 American Community Survey shows that 5% of McMinnville's population was in group quarters. **For the 2021 to 2041 period, we assume that 5% of new population, 564 people, will be in group quarters.**

A final note on persons in group quarters: persons in group quarters require land. While the DLCD Workbook backs this component of the population out of total population that needs housing, it does not otherwise make accommodations for land demand for new group quarters. For the purpose of this analysis, **we assume that persons in group quarters require land at approximately the same density as multiple family housing.**

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most-recent decennial Census at the time of the analysis. According to the 2013-2017 American Community Survey, the average household size in McMinnville was 2.55 people. **Thus, for the 2021 to 2041 period, we assume an average household size of 2.55 persons.**
- **Vacancy Rate.** The Census defines vacancy as: "Unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent Census. According to the 2013-2017 American Community Survey, McMinnville's vacancy rate was 5.4%. **For the 2021 to 2041 period, we assume a vacancy rate of 5.4%.**

## UNCOMMONLY INSPIRED

ON BECOMING A COMPREHENSIVE MASTER'S LEVEL UNIVERSITY



STRATEGIC PLAN 2027





## ON BECOMING A COMPREHENSIVE MASTER'S LEVEL UNIVERSITY

A century after Frances Ross Linfield gave the gift that transformed McMinnville College into Linfield College, the now-university that bears her name continues to evolve in critically important ways. With that in mind, it is my deep honor to introduce Linfield University's 2022-27 Strategic Plan. The transformation envisaged in this document is at least as profound as the one Mrs. Linfield and President Leonard W. Riley unveiled in 1922.

Shortly after I was hired as Linfield's 20th president, I discussed with the Board a long-term vision for the college to reach 2,000 undergraduate students in McMinnville and another 2,000 students online, in Portland or in graduate programs. We need to be well down the road and on a strong growth trajectory toward that in the next five years. This strategic plan has been crafted to help us achieve that goal.

For one thing, this plan proposes that we develop and align resources around "The Linfield Promise," which would double down on some of our most distinctive elements of the student experience. We already offer the first plane ticket free for study abroad (and potentially study away) programs, but our institutional pledge could also include required experiential learning in all academic programs and a guarantee that students who follow the academic program will graduate in four years or less. You'll see those elements proposed in the pages that follow, among others.

You'll also notice an emphasis on building upon our tradition of a comprehensive education for students. The place where a Venn Diagram might overlap between the liberal arts, professional studies and experiential learning – that's where the Linfield Curriculum shines brightest. And you'll see a repeated theme that the end goal is the success of our students, which includes their well-being and sense of belonging. Who our students are and what they need from us continues to evolve, but our mandate to help them achieve their life goals will not.

This plan departs from previous Linfield strategic plans in that it fully embraces three campuses – McMinnville, Portland and eCampus – as well as undergraduate and graduate education, non-degree coursework and non-tuition sources of revenue. We are one university and committed to offering a singular Linfield experience across all of our offerings.

Bluntly, resourcing this next phase of Linfield's history will challenge us. Our current ways of operating will need to evolve in order to align resources with the initiatives we believe are paramount. I'm confident that together, we can overcome these hurdles.

This plan is the result of eight months of collaboration from Linfield employees at every level and from every functional area. It recognizes the university's proud history, its foundation as a residential undergraduate institution with an active and engaged student body and its culture of student-faculty collaboration and mentorship. It also imagines a future that grows out of those traditions into something altogether new, strong and just as life-altering for future students.

I am more convinced than I have ever been that we are positioned to realize the dream of Linfield University as a model for learning, life and community for the next 165 years.

Be well and be blessed,

**Miles K. Davis**  
President, Linfield University



Professional Studies

Liberal Arts

Experiential Learning



## FOCUS



Reinforce our integrated learning model to prepare students for a life of purpose



Enhance learning, living and athletic spaces



Prioritize experiential learning as a central tenet of the Linfield experience

## CREATE



Develop distinctive new academic programs responsive to prospective student interests



Maximize opportunities to diversify university revenue in ways that are consistent with the mission



Build an adaptive campus culture focused on the changing demographics and needs of students

## UNITE



Advance one Linfield experience across the university

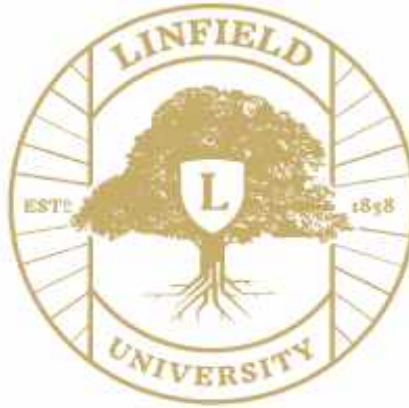


Invest in diverse, creative and resilient employees oriented around shared student success



Tell the Linfield story

# CONNECTING LEARNING, LIFE AND COMMUNITY



## MISSION

Linfield University advances a vision of learning, life and community that:

- Promotes intellectual challenge and creativity
- Values both theoretical and practical knowledge
- Engages thoughtful dialogue in a climate of mutual respect
- Honors the rich texture of diverse cultures and varied ways of understanding
- Piques curiosity for a lifetime of inquiry
- And inspires the courage to live by moral and spiritual principle and to defend freedom of conscience

**Connecting Learning, Life and Community**

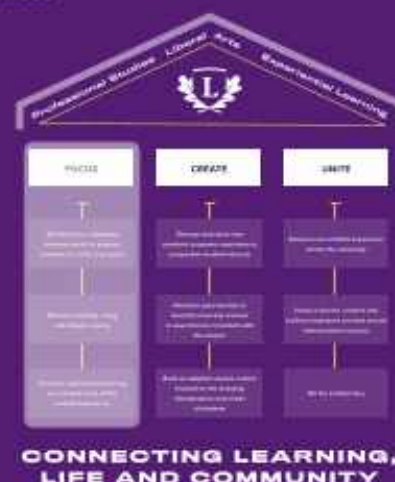


## FOCUS

Elevate the work already happening at Linfield and make it even more distinct and uncommon, allowing current programs the opportunity to become signature offerings.

### TEAM MEMBERS 2021-22:

- **Jeff Mackay**, dean of students (co-chair)
- **Catherine Reinke**, associate professor of biology (co-chair)
- **Kimberly Dupree Jones**, dean of nursing and professor (co-chair)
- **Lee Bakner**, professor and chair, Department of Psychology
- **Jennifer Ballard**, director of institutional research
- **Chuck Dunn**, professor and chair, Department of Mathematics and Computer Science
- **Patty Haddeland**, director of Student Health, Wellness and Counseling Center
- **Joseph Hunter**, vice president for university advancement
- **Shaik Ismail**, director of international programs
- **Jeff Larson**, program director of Learning Support Services
- **Mike Nardon**, budget director
- **Scott Nelson**, associate vice president for strategic communications/CMO
- **Kristie Rickerd**, associate director of admission
- **Jane Samuels**, assistant director of athletics and senior woman administrator
- **Paul Shillam**, associate vice president for financial services and controller
- **Lainie Sowell**, director of student care and support
- **Meridith Symons**, executive assistant to the dean of College of Arts and Sciences
- **Tanya Tompkins**, professor of psychology
- **Christina Untiet**, Experiential Learning Center manager, School of Nursing
- **Daniel Zajic**, assistant professor of anatomy



# FOCUS

## GOAL 1: REINFORCE OUR INTEGRATED LEARNING MODEL TO PREPARE STUDENTS FOR A LIFE OF PURPOSE

### KEY INITIATIVES:

- Champion a combination of professional, liberal arts and experiential components in a comprehensive education
- Apply a faculty-student mentoring model and provide training, emphasizing pathways to student success
- Integrate career development into curricular and co-curricular programming
- Advance compelling curricular and co-curricular opportunities to prepare students for careers and global citizenship

### KEY METRICS:

- Student retention
- Rates of educational attainment to completion of undergraduate or graduate programs
- Advancement by graduates to career or academic opportunities

### ACCOUNTABILITY

- Vice President for Academic Affairs
- Vice President for Student Affairs
- Vice President of Enrollment Management and Student Success



# FOCUS

## GOAL 2: ENHANCE LEARNING, LIVING AND ATHLETIC SPACES

### KEY INITIATIVES:

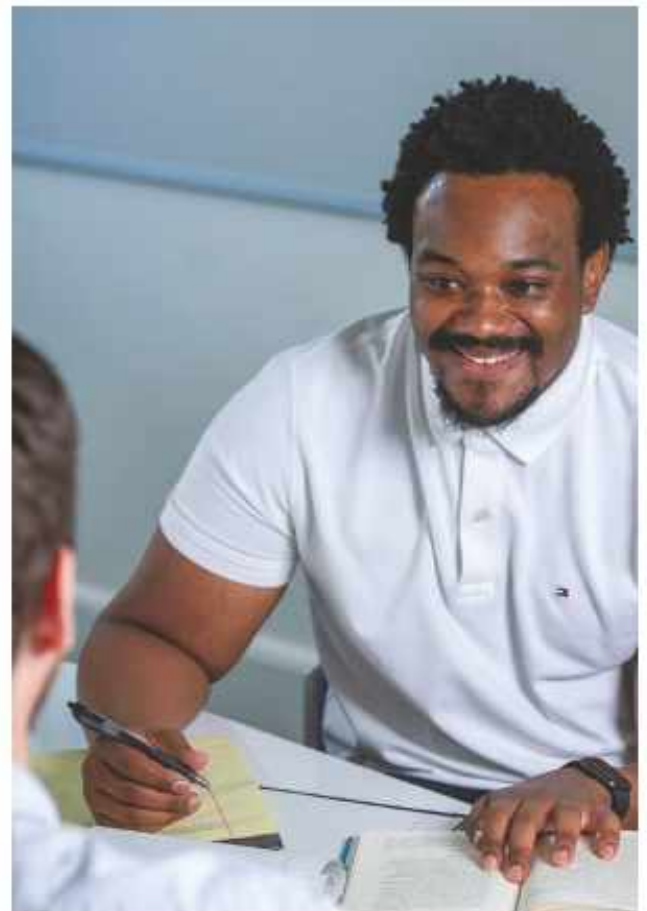
- Complete a campus master plan for the McMinnville and Portland campuses, and prioritize needs and resource allocation
- Renovate residence halls with academic and co-curricular collaboration in mind
- Provide innovative learning spaces, including standardized technology in every classroom

### KEY METRICS:

- The enhancement of student, community and athletic spaces on both campuses, as informed by the master plan
- The realignment of technology funding to elevate student learning
- Number of residence halls renovated

### ACCOUNTABILITY

- Vice President for Finance and Administration
- Vice President for Academic Affairs
- Vice President for Student Affairs
- Director of Athletics





# FOCUS

## GOAL 3: PRIORITIZE EXPERIENTIAL LEARNING AS A CENTRAL TENET OF THE LINFIELD EXPERIENCE

### KEY INITIATIVES:

- Require a formal experiential learning component for all undergraduate and graduate academic programs
- Link career development with experiential learning opportunities
- Engage alumni, parents and donors to expand experiential learning opportunities

### KEY METRICS:

- Define and measure experiential learning outcomes for all academic and co-curricular programs
- Number of internships and student participation
- Participation in study-abroad and study-away programs
- Number of students participating in student-faculty collaborative research

### ACCOUNTABILITY

- Vice President for Academic Affairs
- Vice President for Student Affairs
- Vice President for University Advancement
- Dean of Students
- Academic Deans

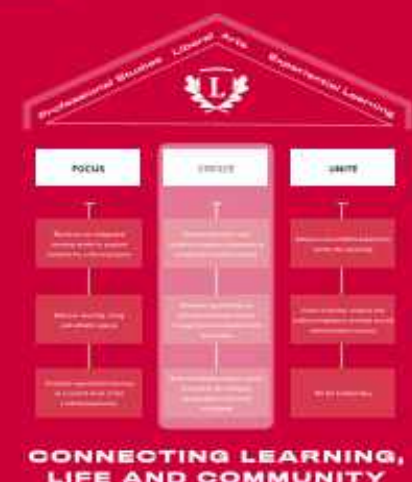


## CREATE

**Bring to life new possibilities for the university, including academic programs and opportunities for non-tuition revenue sources.**

### TEAM MEMBERS 2021-22:

- **Jennifer Madden**, dean, School of Business (co-chair)
- **Sam Williams**, chief information officer (co-chair)
- **Susan Agre-Kippenhan**, provost and vice president for academic affairs
- **Andrew Baggett**, assistant professor of chemistry
- **Kevin Curry**, assistant professor of journalism and media studies
- **Haley Domeck**, head women's volleyball coach
- **Denise Farag**, associate professor and associate dean, School of Business
- **Nichola Farron**, adjunct professor, Online and Continuing Education
- **Craig Haisch**, director of development
- **Lindsay Kandra**, counselor, Student Health, Wellness and Counseling Center
- **Garry Killgore**, director of athletics
- **Keri Knight**, director of student activities
- **Lisa Knodle-Bragiel**, director of admission
- **Tim Matz**, Domaine Serene Chair in Wine Business and director of the Evenstad Center for Wine Education
- **Donna Montoya**, assistant director of career development
- **Gerardo Ochoa**, associate vice president for retention and student success
- **Mary Piper**, executive assistant to the vice president for finance and administration
- **Naomi Pitcock**, associate professor
- **Paul Smith**, associate dean, School of Nursing
- **Abigail Thomas**, interim director of diversity, equity and inclusion programs
- **Patrick Wilson**, senior associate director of admission





# CREATE

## GOAL 1: DEVELOP DISTINCTIVE NEW ACADEMIC PROGRAMS RESPONSIVE TO PROSPECTIVE STUDENT INTERESTS

### KEY INITIATIVES:

- In consultation and collaboration with faculty members and external stakeholders, develop and launch new undergraduate and graduate programs
- Introduce professional academic advisors in each school or college, freeing up faculty time for new academic programs
- Analyze student interests and emerging career trends on an ongoing basis to ensure programming reflects the best opportunities for graduates
- Develop a robust eCampus catering to virtual-only students
- Expand programs on the Portland campus beyond the School of Nursing

### KEY METRICS:

- Number of new undergraduate programs and students, by campus
- Number of new graduate programs and students, by campus
- Number of virtual-only eCampus programs and students
- Number of transfer students
- Decoupling of McMinnville-student and Portland-student online classes from the program for virtual students

### ACCOUNTABILITY

- Vice President for Academic Affairs
- Vice President for Student Affairs
- Academic Deans



# CREATE

**GOAL 2:** MAXIMIZE OPPORTUNITIES TO DIVERSIFY UNIVERSITY REVENUE IN WAYS THAT ARE CONSISTENT WITH THE MISSION

## KEY INITIATIVES:

- Leverage non-tuition revenue potential of undeveloped or underutilized spaces on the McMinnville and Portland campuses
- Establish relevant strategic partnerships
- Complete a campus master plan for the McMinnville and Portland campuses, and prioritize needs and resource allocation

## KEY METRICS:

- Endowment value
- Recurring non-tuition revenue as a percentage of total revenue

## ACCOUNTABILITY

- Vice President for Finance and Administration
- Vice President for University Advancement



# CREATE

## GOAL 3: BUILD AN ADAPTIVE CAMPUS CULTURE FOCUSED ON THE CHANGING DEMOGRAPHICS AND NEEDS OF STUDENTS

### KEY INITIATIVES:

- Be intentional about meeting the needs of new majority students beyond traditional approaches
- Recruit and retain faculty and staff representative of the student population
- Apply a faculty-student mentoring model and provide training, emphasizing pathways to student success
- Audit workplace policies, practices and procedures for suitability in meeting the changing needs of new majority students

### KEY METRICS:

- Achieve a common understanding of "new majority"
- Campus climate survey
- Student retention rates
- Rates of educational attainment to completion of undergraduate and graduate programs
- Employee diversity measures

### ACCOUNTABILITY

- Vice President for Academic Affairs
- Vice President for Student Affairs
- Vice President of Enrollment Management and Student Success



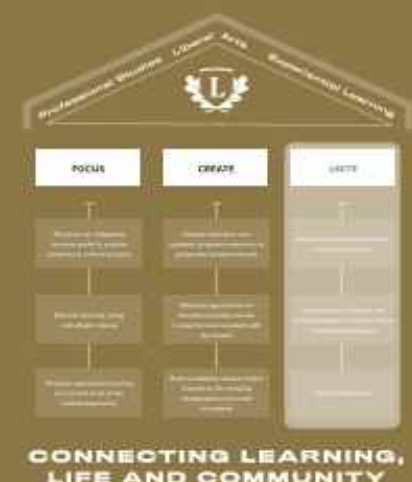


# UNITE

Foster collaboration to achieve a future worthy of Linfield's mission and oriented around the success of our students.

## TEAM MEMBERS 2021-22:

- Allison Horn, director of facilities and auxiliary services (co-chair)
- Joe Wilferth, dean, College of Arts and Sciences (co-chair)
- Ginny Blackson, library director
- Kathryn Crabtree, assistant professor of nursing
- Lisa Cummins, recruitment specialist/human resources generalist
- Katie D'Aboy, assistant director of academic advising
- Chris Dahlvig, assistant professor
- Ingrid Flanders, assistant professor
- Kathy Foss, director of strategic communications
- Beth Garcia, director of conference and event planning
- Rob Gardner, professor and chair, Department of Sociology and Anthropology
- Debbie Harmon Ferry, special assistant to the president
- Susan Hopp, vice president for student affairs and admission
- Gennie VanBeek, associate professor of education, associate dean, College of Arts and Sciences
- Lynn Johnson, director of human resources
- Kimberly Kintz, associate professor
- Craig Luis, hardware support specialist
- Dennis Marks, director of Linfield Public Safety
- Mary Mirza, administrative specialist, School of Business
- Mary Ann Rodriguez, vice president for finance and administration
- Gayatree Sarma, assistant professor
- Erik Stenehjem, director of environmental health and safety
- Tim Stewart, cleaning services manager
- David Sumner, professor of English
- Jeremy Weisz, associate professor and chair, Department of Biology
- Natalie Welch, assistant professor



# UNITE

## GOAL 1: ADVANCE ONE LINFIELD EXPERIENCE ACROSS THE UNIVERSITY

### KEY INITIATIVES:

- Develop "The Linfield Promise"
- Advance compelling curricular and co-curricular opportunities to prepare students for careers and global citizenship
- Offer curricular and co-curricular programming designed to equip students with tools to enhance their well-being and sense of belonging
- Study the future of January Term
- Champion a combination of professional, liberal arts and experiential components in a comprehensive education

### KEY METRICS:

- Institutional diversity and inclusion audit
- Resolve the future of January Term
- Campus climate survey
- American College Health Association survey
- Implementation of "The Linfield Promise"

### ACCOUNTABILITY

- Vice President for Student Affairs
- Vice President for Academic Affairs
- Vice President of Enrollment Management and Student Success





# UNITE

## GOAL 2: INVEST IN DIVERSE, CREATIVE AND RESILIENT EMPLOYEES ORIENTED AROUND SHARED STUDENT SUCCESS

### KEY INITIATIVES:

- Purposefully advance a culture of peer mentorship and professional development
- Provide annual employee training around who our students are and how faculty and staff can foster and celebrate their successes
- Promote workplace flexibility that allows employees to participate more fully in the life of the institution
- Create an employee onboarding program that reflects Linfield's mission

### KEY METRICS:

- Vacancy rates for faculty and staff positions
- Recognition as a top workplace in regional surveys
- Campus climate survey

### ACCOUNTABILITY

- Vice President for Finance and Administration
- Vice President for Academic Affairs
- Vice President of Enrollment Management and Student Success



# UNITE

## GOAL 3: TELL THE LINFIELD STORY

### KEY INITIATIVES:

- Feature "The Linfield Promise" prominently in university communication
- Champion a combination of professional, liberal arts and experiential components in a comprehensive education
- Educate the Linfield community on our brand story, increasing internal communication
- Implement a comprehensive marketing plan with an emphasis on innovative storytelling and approaches
- Elevate unique voices of students, faculty and staff
- Create an employee onboarding program that reflects Linfield's mission

### KEY METRICS:

- Alignment around "The Linfield Promise"
- Number of inquiries and conversions for admission
- Organic and ad-based metrics

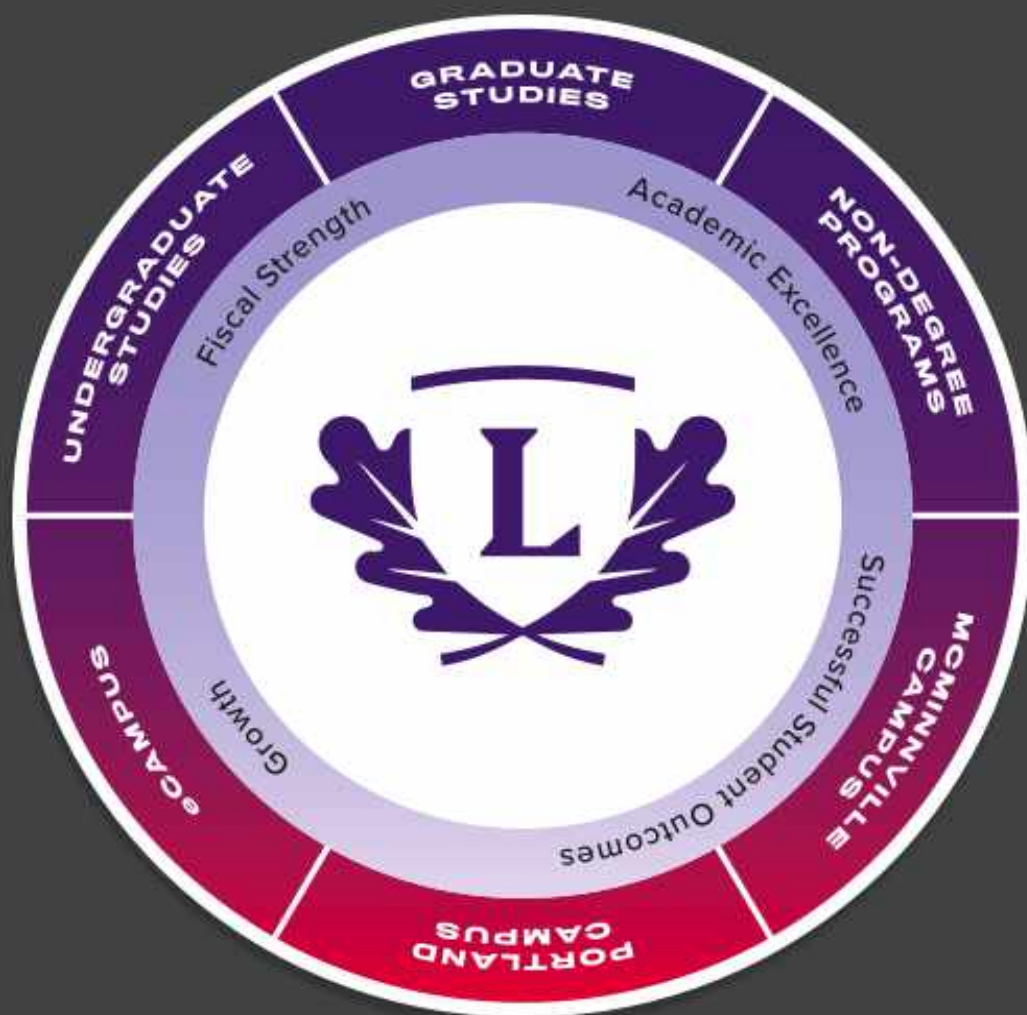
### ACCOUNTABILITY

- Associate Vice President for Strategic Communications



# STRATEGIC PLAN 2027

ON BECOMING A COMPREHENSIVE MASTER'S LEVEL UNIVERSITY



## TIMELINE

<b>Aug. 23, 2021:</b>	Community Day for faculty and staff
<b>September-October 2021:</b>	Further faculty and staff general engagements
<b>November 2021:</b>	Planning team meeting #1
<b>Nov. 12, 2021:</b>	Board of Trustees meeting
<b>November 2021-February 2022:</b>	Theme teams conduct business
<b>February 2022:</b>	Theme team check-ins with Credo; share work during pop-up sessions with faculty and staff
<b>March 2022:</b>	Planning team meeting #2; recommendations presented to president
<b>April 2022:</b>	Presidential review
<b>April 2022:</b>	Approval by Board of Trustees at normal meeting
<b>May 2022:</b>	Final plan posted on linfield.edu
<b>Fiscal year 2023:</b>	Implementation and building
<b>Fiscal years 2024-2027:</b>	Living the plan



## PLANNING TEAM MEMBERS

### TEAM MEMBERS 2021-22:

- **Chuck Dunn**, professor and chair, Department of Mathematics and Computer Science
- **Denise Farag**, associate professor and associate dean, School of Business
- **Debbie Harmon Ferry**, special assistant to the president
- **Ingrid Flanders**, assistant professor
- **Allison Horn**, director of facilities and auxiliary services
- **Lisa Knodle-Bragiel**, director of admission
- **Jeff Larson**, program director, Learning Support Services
- **Jeff Mackay**, dean of students
- **Catherine Reinke**, associate professor
- **Jane Samuels**, assistant director of athletics and senior woman administrator
- **Paul Smith**, associate dean, School of Nursing
- **Natalie Welch**, assistant professor
- **Sam Williams**, chief information officer





City of McMinnville  
Planning Department  
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# MINUTES

September 7, 2023  
Planning Commission  
Regular Meeting

6:30 pm  
Hybrid Meeting  
McMinnville, Oregon

**Members Present:** Sidonie Winfield, Dan Tucholsky, Beth Rankin, Rachel Flores, Megan Murray, Brian Randall, Gary Langenwalter, and Matt Deppe

**Members Absent:** Sylla McClellan

**Staff Present:** Heather Richards – Community Development Director, Tom Schauer – Senior Planner, Bill Kabeiseman – Bateman Seidel, Contracted Legal Counsel, and Beth Goodman – ECONorthwest, Consultant

## 1. Call to Order

Chair Winfield called the meeting to order at 6:30 p.m.

## 2. Swear In New Commissioner – Rachel Flores

Chair Winfield administered the oath of office to new Commissioner Rachel Flores.

## 3. Citizen Comments

None

## 4. Minutes

- May 4, 2023

Commissioner Tucholsky MOVED to APPROVE the May 4, 2023 minutes. The motion was seconded by Commissioner Murray and passed 8-0.

## 5. Public Hearings

- A. Legislative Hearing: Proposed Amendments to the Comprehensive Plan to adopt: A New Housing Needs Analysis (G 1-20) and A New Economic Opportunities Analysis (G 3-20)

*(Continued from May 18, 2023)*

Requests: G 1-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Housing Needs Analysis, including a residential buildable land inventory.  
G 3-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Economic Opportunities Analysis, including a buildable land inventory for employment and other non-residential land use.

Applicant: City of McMinnville

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Staff Report: Community Development Director Richards gave a background on the work that had been done for growth planning in the City. Tonight's public hearing would review draft results of the Housing Needs Analysis, Economic Opportunities Analysis, and Public Land Need Analysis. She explained the value of planning for growth. Affordability was critical and an increasing problem in McMinnville. Housing supply contributed to affordability, and supply was an increasing problem. The City was considered severely rent burdened. She discussed the population forecast for the City. They should not assume all multi-family housing was low income. As lots got smaller, access to open space was more important. She then reviewed the documents, which had recently been updated. This included the process to develop them, Buildable Lands Inventory, mix of housing types, deficit of land for new housing, Mac Town 2032 Economic Development Strategic Plan, land need for housing and employment, land added to the UGB in 2020 for public uses compared with estimated public land needs through 2041, how they were going to meet the need, public testimony received, assertions and conclusions made by 1,000 Friends of Oregon and Friends of Yamhill County, park land need, how the Project Advisory Committee and Public Lands Work Group elected to move forward with the existing levels of service in the adopted Parks Master Plan of six acres per 1,000 capita, and where parks should be located. She recommended the Parks Department update the Parks System Table to reflect the classifications in the Master Plan. The 6-acre LOS for greenspaces, greenways, and natural areas could be located on either buildable land or unbuildable land and should reflect the values and objectives of the Master Plan and could be a land use efficiency that was evaluated in 2024. She also recommended inviting Parks and Recreation Director Muir to the next Commission meeting to address these issues and give an update on the Master Plan process. She gave perspective for discussion on expansion to meet the land deficiency that had been identified. They needed 484 acres, which was one-tenth of one percent of the total acreage in Yamhill County. That was smaller than many of the farm tracts in the County. She recommended continuing the public hearing.

There was discussion regarding the need to update the data, questioning the assumptions and not think the past was a good predictor of the future, trend of home based offices and not as much need for office space, being more proactive, how if the forecasts were wrong and they brought in too much land there would be less land to bring in the next time, parkland need and levels of service, definition of park, how the additional acres of Joe Dancer Park that came into the UGB with the last effort was classified, how they could not rely on using school property in the calculations for parks as there was no agreement, talking to vacant property owners about developing, incentives for workforce housing, and how smaller lots were not less expensive due to the supply issue.

Proponents: None

Opponents: Mark Davis, McMinnville resident, did not think they needed to add more land to the UGB in the next 20 years, especially after the recent UGB approval. They were being asked to approve another EOA even though the last one was only ten years old and additional parkland when the parkland just added exceeded the acreage of all the parks that had been developed in the history of the City. The urban reserve process would sequester even more land ending in 2067, all the while the need for affordable housing continued. He thought the priorities were misplaced and there was no justification for the acreage requested, especially the land for parks. The 1999 Parks Master Plan had expired without reaching the goal of 14 acres of parks per 1,000 population. They had less park acreage per 1,000 residents than they did in 1999. He thought the City had all the land it needed for park development for the next 50 years.

There was discussion regarding how much land to set aside in developments for parks and lack of funding for parks.

Rob Hallyburton, Friends of Yamhill County, said they were in favor of the City adopting the documents, however they were in opposition to some of the elements of the plan. They had submitted a letter with suggestions to make sure the HNA contributed positively. The HNA did not account for the existing deficiencies in the housing options today. They needed to avoid over-estimation of land, especially to reduce the potential conversion of excellent farmland to urban uses before it was truly needed. Compact development was better for the City as it made more efficient use of public infrastructure and helped with housing affordability. They recommended the City take a more aggressive approach to planning for higher density development. Regarding economic development, the EOA, like the HNA, assumed less efficient use of land than the existing plan. This created an inflated forecast for both residential and employment lands. He thought changes could be implemented quickly and cheaply through the use of allowed safe harbors.

Sid Friedman, 1,000 Friends of Oregon, thought the changes they suggested would better serve the needs of those who lived and worked in the City, both now and in the future. McMinnville had larger minimum lot sizes than other cities, which affected their ability to provide housing at different price points. Another land capacity issue was the parkland projections. The UGB analysis assumed that half of the residential land added in 2020 would be used for parkland and churches. The City could use the safe harbor rule that 25% of additional residential land would account for streets, parks, and schools. There was a reduction in density from 5.7 units per acre to 5.46, which did not meet the City's needs. They suggested instead to use the safe harbor of 8 units per acre. The HNA assumed no new housing on C-3 land after the year 2021, which was incorrect. Regarding the EOA, there were too many jobs that needed new vacant employment land. The EOA assumed that only 5% of new jobs would occur on residential land around existing employment sites, but the census data said people working from home far surpassed the 5% and home occupations didn't begin to count all the people working in residential zones. Regarding the large Linfield site, if the land wasn't sold it would either be student housing or new employment.

There was discussion regarding how changing lot minimums would affect housing density and prices, farmland preservation, and parkland.

Rebuttal: Community Development Director Richards clarified the impact of 484 acres of EFU land in the County for an UGB expansion was about two-tenths of one percent. About half the

County land was EFU. In the last UGB amendment, 56% of the acreage was EFU land and 44% was not. There were two phases of the last UGB amendment, and phase 1 did not have any parkland assigned to it. Phase 2 was making up for that deficit, but it was meant to be distributed across all the acreage. Median home prices in Newberg were \$575,000. Their market rate housing was still at a higher level than McMinnville.

Commissioner Flores MOVED to CONTINUE the hearing for Proposed Amendments to the Comprehensive Plan to adopt: A New Housing Needs Analysis (G 1-20) and A New Economic Opportunities Analysis (G 3-20) to September 21, 2023, with the record open. SECONDED by Commissioner Langerwaller. The motion PASSED 8-0.

### **B. Quasi - Judicial Hearing: Planned Development Amendment (Docket G 3-23)**

Requests: Review and approval of a Planned Development Amendment (PDA 3-23) for a mixed-use development on a 6.63-acre property located at the NE corner of Baker Creek Road and Hill Road. The application includes a request to amend provisions of Planned Development Ordinance #5086 and to approve the proposed master plan for the property.

The proposed master plan includes: four mixed use buildings with two stories of residential use above ground floor commercial use, three 3-story buildings with multi-dwelling residential use, and on-site green space, plaza, and bicycle and pedestrian amenities. This includes 30,000 total square feet of commercial space and 144 total residences (72 above the ground-floor commercial in the four mixed-use buildings and 24 in each of the three-story residential buildings).

Applicant: Baker Creek 2, LLC, c/o Mark DeLapp

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none. She asked if any Commissioner had visited the site. All commissioners present raised their hands. Chair Winfield asked if any Commissioner needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing. There was none.

Staff Report: Senior Planner Schauer said this was a request for amendments to the Planned Development conditions of approval and request for approval of the Planned Development Master Plan. He discussed the 6.63 acre subject site at the NE corner of Baker Creek Road and Hill Road, zoning map, proposed mixed use development, site plan, applicable criteria, additional information entered into the record, summary of the requested changes to the conditions which were more restrictive than C-3 standards, alternative design components with submittal of development plans, proposed master plan cross section, proposed master plan site plan, trail and greenspace, renderings and elevations of the proposed development, adjacent hazelnut orchard, and landscape plan. Staff found the criteria were satisfied with conditions and recommended approval with conditions.

There was discussion regarding bike storage, hours of operation for the commercial activity, configuration of the site, and adequate parking.

Applicant's Testimony:

Kevin Grant and John Wright, C2K Architecture, discussed how they came up with the design for the Baker Creek North project and creating a neighborhood activity center with gathering spaces and main street concept. They thought it was an efficient parking plan with adequate parking for the units. They did not have bike storage planned. There would be a cover over the bike corral on the plaza.

Mark DeLapp, applicant, said in order to get the commercial space with this kind of look and feel, they had to have enough residential income to support the construction budget, which was why there was three story residential buildings.

Mr. Grant thought it was important architecturally to have the three stories to replicate a main street look.

There was discussion regarding shared parking with the residential and commercial uses, how they were using the data and requirements for the number of parking spots, encouraging bicycle and pedestrian activity, parking for second and third vehicles assigned further away, use of permeable pavement, stormwater retention, how the commercial uses would be businesses that could provide services to the neighborhood, the work/live units would be residential until there was demand for retail and then they would be used for retail, making it fit with the look of McMinnville, special events that might close the street, marketing to businesses, how the project could pencil with the number of residential units without the commercial, all the residential would be market rate housing, mitigation for the hazelnut orchard, approval criteria, laundry facilities, and garbage units.

The Commission had no issues with the proposed setbacks, three story buildings, and live/work spaces.

{The recording of the meeting ended at this point}

Commissioner Deppe MOVED to RECOMMEND APPROVAL of PDA 3-23 to the McMinnville City Council. SECONDED by Commissioner Murray. The motion PASSED 7-1.

## **6. Commissioner Comments**

## **7. Staff Comments**

## **8. Adjournment**



# MINUTES

**September 21, 2023**  
**Planning Commission**  
**Regular Meeting**

**6:30 pm**  
**Hybrid Meeting**  
**McMinnville, Oregon**

**Members Present:** Sidonie Winfield, Dan Tucholsky, Beth Rankin, Rachel Flores, Megan Murray, Brian Randall, Sylla McClellan, and Matt Deppe

**Members Absent:** Gary Langenwalter

**Staff Present:** Heather Richards – Community Development Director, Tom Schauer – Senior Planner, Bill Kabeiseman – Bateman Seidel, Contracted Legal Counsel, and Beth Goodman – ECONorthwest, Consultant

## 1. Call to Order

Chair Winfield called the meeting to order at 6:30 p.m.

## 2. Citizen Comments

None

## 3. Public Hearings

### **A. Quasi-Judicial Hearing: Stratus Village: Planned Development Amendment (PDA 2-23), Three Mile Lane Design Review (TML 1-23), and Landscape Plan Review (L 25-23)**

***(Continued from August 17, 2023)***

**Request:** The applicant, Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC), is requesting concurrent review and approval of three applications for the Stratus Village 175-unit multi-dwelling development on a property of approximately 6.5 acres: a Planned Development Amendment (PDA 2-23), a Three Mile Lane Review (TML 1-23), and a Landscape Plan Review (L 25-23).

**PDA 2-23.** The property is subject to an existing Planned Development Overlay Ordinance which includes the subject properties and adjacent properties. The proposal includes revisions to the original Planned Development master plan for the subject properties, which requires approval of a Planned Development Amendment. The master plan for the subject properties will replace the existing plan for medical offices with the proposed plan for apartments. The new Master Plan is also subject to the provisions of Ordinance 5095, which amended the terms of the previous Planned Development Overlay Ordinance.

**TML 1-23.** The subject property is within the Three Mile Lane Planned Development Overlay, established by Ordinance 4131 and subsequently revised by Ordinances 4572, 4666, 4988, and 5101. The proposed development is subject to policies and standards of the Three Mile Lane Planned Development Overlay Ordinance.

**L 25-23.** The proposal includes a landscape plan review, which is required for multi-dwelling development, subject to the provisions of Chapter 17.57 of the Zoning Ordinance.

Location: 235 SE Norton Lane, Tax Lots R4427 400, 404, and 405

Applicant: Structure Development Advisors LLC c/o Mike Andrews, on behalf of property owner Housing Authority of Yamhill County (HAYC)

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none. She asked if any Commissioner had visited the site. Commissioners Winfield, Tucholsky, Rankin, Deppe, Flores, and McClellan had visited the site. Chair Winfield asked if any Commissioner needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing. There was none.

Staff Report: Senior Planner Schauer said the application had been continued from August 17. This was a concurrent review of three applications for Stratus Village, a 175 unit multi-dwelling development. He discussed the additional public testimony that had been received since the August 17 hearing, criteria and standards, proposed development, summary of issues discussed at the last meeting and staff's analysis, parking, and private open space. Staff recommended approval with conditions. The decision document had been updated with the date and procedural findings, incorporated public testimony, revised Condition #16b of the Planned Development regarding stormwater drainage plan to reflect the language in the staff report, and change to the proposed landscape plan regarding the fence.

There was discussion regarding the shared parking agreement.

Applicant's Testimony: Vickie Ybarguen, Housing Authority, said the Housing Authority owned their properties long term and took great pride in their properties. They offered important affordable housing assistance to members of the community.

Mike Andrews, Project Manager, discussed the work they had done to address the concerns from the last hearing. He gave a project overview including the project partners, description, unit mix and affordability, timeline, and housing affordability. He gave a recap of the August 17 hearing feedback and response to feedback including bike parking, trash enclosure, fence, patio privacy, north elevation design, open space, number of parking spaces, and location of the parking.

There was discussion regarding constraints that led to sharing patios rather than individual patios, maintenance of the shared balconies, how there would be no covered sport court, planned play structures, changing the arborvitae to be six feet apart, resident application process, a/c units would not block windows, no current grants to get the sport court covered, additional details on the windows on the north elevation carried over to other buildings, bike

lockers and shelters, and what was submitted for approval and what was their aspiration that they were trying to do to respond to the comments.

Proponents: Cozette Tran-Caffee was in support of the project.

Opponents: None.

Commissioner Deppe MOVED to CLOSE the public hearing. SECONDED by Commissioner McClellan. The motion PASSED 8-0.

Chair Winfield closed the public hearing.

The applicant waived the 7 day period for submitting final written arguments in support of the application.

Commissioner Randall MOVED to APPROVE Stratus Village: Planned Development Amendment (PDA 2-23), Three Mile Lane Design Review (TML 1-23), and Landscape Plan Review (L 25-23) with the proposed conditions and added conditions that the arborvitae along the perimeter be planted 6 feet apart and the bike lockers and storage units be deleted from the landscape plan. SECONDED by Commissioner Tucholsky. The motion PASSED 8-0.

**B. Legislative Hearing: Proposed Amendments to the Comprehensive Plan to adopt: A New Housing Needs Analysis (G 1-20) and A New Economic Opportunities Analysis (G 3-20)**

*(Continued from September 7, 2023)*

Requests: G 1-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Housing Needs Analysis, including a residential buildable land inventory.

G 3-20 - This is a legislative amendment, initiated by the City of McMinnville, to the Comprehensive Plan to adopt a new Economic Opportunities Analysis, including a buildable land inventory for employment and other non-residential land use.

Applicant: City of McMinnville

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. Commissioner McClellan was absent at the last hearing, but had watched the meeting on Zoom.

Staff Report: Community Development Director Richards said the request was to recommend to City Council the adoption of the Housing Needs Analysis, Economic Opportunities Analysis, and Public Lands Need Analysis as amendments to the McMinnville Comprehensive Plan. She discussed the population forecast used, planning for growth which was required by state law and was about balance, three steps to growth planning: identification of need, land use efficiencies, and UGB alternative analysis, document review and why they needed to be updated, process to develop them, public engagement, buildable lands inventory update, and land need for housing, employment, and public/institutional uses. The total land need had changed from 484 acres to

422 acres for the planning horizon of 2021-2041 UGB and 1,638 acres for the planning horizon of 2041-2067 urban reserve area. She pointed out corrections to the record and reviewed staff's response to public testimony. She then discussed parkland need in the Comprehensive Plan policies and Parks Master Plan and the error in the parkland calculations for the 2021 MGMUP UGB expansion. Due to this error, the public land need had been reduced to 32 acres. The findings from the MGMUP indicated that the reduction of the land for greenways and open spaces was calculated and accounted for as part of the park land need for the MGMUP. The location of parks was defined by many attributes and not just whether or not it was part of a floodplain. The Parks Master Plan update was currently underway and there would be discussion regarding how much greenspace and open space should be in unbuildable lands.

She discussed the Friends testimony, and how staff had synthesized the comments and provided options for the Planning Commission to consider, the costs associated with any new directions to pursue, and the staff recommendation. Staff did not think there was anything non-compliant legally. However, two items did not have precedent and case law for interpretation—site specific needs that respond to an Economic Development Plan Strategy that was not captured in the forecast methodology and retail leakage identifying a service deficit. This was a risk for the Commission to consider. Staff also thought they should keep the PAC recommendations when it was based on local data, which was most representative of McMinnville. From staff's perspective, a forecast was not an exact science, regular updates would be required, and moving the goal posts was costly in terms of money and time. They were responsible for making decisions that impacted the lives of both current and future residents who needed to live in the neighborhoods and community that these decisions were forming, 34,500 people today and 47,500 people in the future.

There was discussion regarding the two items that did not have case law.

Bill Kabeiseman, City Attorney, said he did not know other cities that had specifically called out unusual land needs and they increased their land needs analysis by that amount or any that had relied on the concept of retail leakage. He could not tell them that LUBA would find it appropriate. They could just go with the safe harbor, but it could mean they would not have sufficient land.

Beth Goodman, EcoNW consultant, explained the assumption was employment would grow at the same rate as population. Employment growth sometimes happened outside of what was expected. They had looked at how much employment would be on the different needs and backed out that amount of land so they weren't double counting. Including these other needed employment sites was a risk and they did not know how LUBA would rule on it. The retail leakage analysis was about where residents were shopping and for what and if they had that in the City, what could they capture back in McMinnville.

Community Development Director Richards discussed the process for the Economic Development Strategic Plan and how they calculated the land needed to implement the plan. There was a safe harbor where employment grew at the same rate as population and looked at past employment growth and forecasted the future growth from there. The retail leakage was an additional process and came up with a land need to meet the deficit of services in the City.

There was discussion regarding the annexation process for land in the UGB to become part of the City limits and classification of parks and the amount of land assigned to them.

Parks and Recreation Director Muir said the numbers and information in the HNA were correct. The other more detailed categories would be streamlined for the master plan update.

Ms. Goodman said it was 12 acres for retail leakage and it was 49 acres for the other site needs, totaling 61 acres they were talking about as a risk.

Proponents: None.

Opponents: Mark Davis, McMinnville resident, discussed the buildable land added to the UGB from 2003 to 2023, total land added to the UGB from 2003 to 2023, parks that included unbuildable land, current park acreage, and population comparison. He did not think there was a need to expand the UGB. They already had over 200 acres for parks in the City, which was buildable land. They needed to build these parks before more land was added.

Rob Hallyburton, Friends of Yamhill County, discussed what they were trying to accomplish, to improve the quality of life in the County for both urban and rural residents as well as protect natural resources such as farmland. They wanted the City to be able to accommodate growth in compliance with the statewide planning goals and regulations. Agriculture was the most important industry in Yamhill County. There was a state agricultural policy that stated the preservation of a maximum amount of a limited supply of agricultural land was necessary to the conservation of the state's economic resources. This did not mean that UGBs could not expand on farmland; it only meant that farmland should be lowest priority and that farmland loss should be minimized. UGBs promoted compact urban development which could enhance livability and sustainability inside the boundary.

There was discussion regarding the contention that the land owned by Linfield should be counted as available land.

Sid Friedman, 1,000 Friends of Oregon, said their contention was that Linfield planned to develop the land to support its programs.

Commissioner Deppe asked what was the number of acres they were arguing about. What would it take to get to a yes? Mr. Friedman said it was more important for the City to meet its housing needs and provide housing at price points that met the needs of the population.

Mr. Hallyburton said the argument was about how many acres it took to accommodate the needed housing units. He suggested using the safe harbor density number, 8 units per acre. They were advocating for a more incremental growth.

Community Development Director Richards said the 8 units per acre was a 46% increase over the current 5.46 units per acre. There had to be a basis for the number used to meet the need.

Mr. Hallyburton thought the analysis needed to include historic data and trends in housing, and he did not think the second was done.

Ms. Goodman said for the trends, they had adjusted the housing mix and planning for new types of housing. They were planning for a larger share of housing to be either townhomes or multi-family housing.

Commissioner Randall pointed out that they were not removing farmland tonight, they were planning for the future. They would have to do all of this process again in six years.

Chair Winfield thought it was a balance of doing the best they could for citizens and what they were required to do by law. They had to plan for the future of the community as a whole and not just a land use group.



Commissioner Flores said the 20-year delay to expand the UGB had a human cost that was severe and generational. It was a failure to plan and to consider what the population needed. This was an important plan for the future and 61 acres was not worth the human impact.

Mr. Hallyburton said there was already vacant land in the UGB waiting to be developed. This was a longer term decision they were considering and would take ten years before development could occur. He was in no way advocating the City not provide for the needs of its population. The disagreement was on how much land it took to provide for that.

Mr. Friedman spoke about the HNA and how it reduced planned density. He did not think it would meet the City's needs. He compared the minimum density standards of other cities. He then discussed the EOA and how 8.2% of McMinnville workers worked from home which far surpassed the 5% EOA rate. He discussed jobs on residential land or existing employment sites. The EOA had no deadline for completion, and they could take the time to get it right.

Commissioner Randall said they were building smaller than the minimum densities due to planned developments which had smaller lot sizes.

Commissioner Deppe said they needed 202 more acres of residential land. Mr. Friedman was saying that number was too high. He wanted to know how much too high it was.

Mr. Friedman thought the City should reduce the minimum lot sizes.

Community Development Director Richards said the discussion about minimum lot sizes was a land use efficiency discussion, not a land needs discussion. The way the Friends group was bringing it to the table was for the persuasive argument of the existing 5.46 that came from the calculations of the local data vs. the safe harbor of 8.0.

Mr. Friedman said taking the historic density and adjusting it without considering other factors did not give them the needed density to meet the housing needs going forward. He was on the project advisory committee and staff and the consultant presented options, and this was the one they moved forward with. He had brought forward his concerns then and was continuing to advocate for these changes.

Chair Winfield said the City had been working to increase density and they had to work in the best interest of the citizens of McMinnville. The project advisory committee did not move forward with the safe harbor numbers, and focused on the data points that were in front of the Commission. She thought the safe harbor number went against the best interest of the City based on what other citizens said and based on their historic use. She would like the Friends group to work with them, especially when these choices impacted the housing availability of the community.

Rebuttal: Community Development Director Richards said the assumption that higher density created affordability was inherently flawed. Housing supply helped with affordability. If there was no development occurring, the parks did not get built. The City had operated in the red for the past 12 years and did not have the financial means to meet those amenity needs because of the compressed low growth state. Linfield had not master planned their property and had not indicated they planned to build dorms for new students or new classrooms employing more professors. Those lands were set aside as committed lands and not assigned in the population or employment forecast. Regarding the parkland, the over 200 acres reflected the need for the overall population and that they were deficient. It would not be specific to the new UGB land, it was the overall deficiency of parkland for the community. If they changed the level of service, they would need to change the Comprehensive Plan policy. She questioned whether now was the time to do that, or in six years when they had to do this process again. Regarding residential density, they needed

to ask themselves what was the best minimum lot size for McMinnville. They were trying to build great neighborhoods for people to live in that represented the community. It needed to be a community dialogue. They were moving forward with middle housing, however the market dictated the housing products and this community liked certain housing products and did not like others. Regarding the EOA, the 2013 EOA talked about how it was aspirational in terms of what it was trying to achieve for density for jobs. The recent analysis showed they were decreasing jobs per acre and they wanted to build the need on reality.

Ms. Goodman noted that the next step would be developing the Housing Production Strategy. Affordability was beyond land use and zoning, and the strategy was an equity centered product and touched on potential financial incentives and ways they could support development of affordable housing.

Community Development Director Richards said the data they had today was pandemic data and things were starting to change in terms of people working from home. She thought they should revisit it during the update in six years.

Chair Winfield closed the public hearing.

There was discussion regarding risk perspective.

City Attorney Kabeiseman said there was no way to get an advance read on what LCDC would do. It was a quick turnaround of about six months for the LUBA process. He thought the retail leakage and need for employment sites was defensible.

There was discussion regarding removing those two calculations from the EOA.

Commissioner McClellan MOVED to RECOMMEND to City Council the adoption of the Housing Needs Analysis, Economic Opportunities Analysis, and Public Lands Need Analysis with the options to remove the calculations for employment sites, retail leakage, and reduction in parkland. SECONDED by Commissioner Flores. The motion PASSED 8-0.

**C. Legislative Hearing: Comprehensive Plan Amendment and Zoning Ordinance Amendment (Docket G 3-22)**

*(Continued from August 17, 2023)*

Proposal: **THE CITY OF MCMINNVILLE IS PROPOSING AMENDMENTS TO THE MCMINNVILLE COMPREHENSIVE PLAN AND ZONING ORDINANCE FOR A NATURAL HAZARDS INVENTORY AND MANAGEMENT PROGRAM, AS FOLLOWS:** Amendment to the McMinnville Comprehensive Plan, Volume I - Background Element, adopting the Natural Hazards Inventory and Management Program Options and Recommendations; amendment to the McMinnville Comprehensive Plan, Volume II – Goals and Policies, adding a new Chapter XI, entitled Natural Features; amendments to the McMinnville Municipal Code, Chapters 17.48, Flood Area Zone, and Chapter 17.49, Natural Hazard Overlay Subdistricts; and the adoption of the Natural Hazard Mitigation Zone (NH-M) and Natural Hazard Protection Zone (NH-P)

Applicant: City of McMinnville

Chair Winfield opened the public hearing and read the hearing statement. She asked if there was any objection to the jurisdiction of the Commission to hear this matter. There was none. She

asked if any Commissioner wished to make a disclosure or abstain from participating or voting on this application. There was none.

Staff Report: Community Development Director Richards explained staff was asking for a continuance.

Commissioner Tucholsky MOVED to CONTINUE the hearing for Comprehensive Plan Amendment and Zoning Ordinance Amendment (Docket G 3-22) to the October 19, 2023 meeting with the record open. SECONDED by Commissioner McClellan. The motion PASSED 8-0.

#### **4. Commissioner Comments**

Commissioner Flores invited everyone to the candlelight vigil on October 5.

#### **5. Staff Comments**

None

#### **6. Adjournment**

Chair Winfield adjourned the meeting 11:03 p.m.