

**City Council Meeting Agenda****Tuesday, April 14, 2026****6:00 p.m. – Work Session Meeting****7:00 p.m. – City Council Regular Meeting****EXECUTIVE SESSION – to immediately follow the Regular Meeting (CLOSED TO THE PUBLIC)****REVISED 04/09/2026**

Welcome! This meeting will be a hybrid (in-person & Zoom) Meeting. 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 five ways:

- **Pre-register** using the online form here:

<https://www.mcminnvilleoregon.gov/citycouncil/webform/public-comment-card> (Registration **OPENS** at **5:00 p.m.** on the day the agenda is posted, **one week before the meeting** and **CLOSES** at **12:00 p.m. the day BEFORE** the meeting // (Any form submitted outside this window will not be addressed);

- **Written comments** may be submitted to the City Recorder Team any time up to **12:00 p.m. the day BEFORE** the meeting and mailed to (McMinnville City Hall, c/o City Recorder Team, 230 NE Second Street, McMinnville, OR, 97128);
- **Digital comments (email)** may be submitted to the City Recorder Team any time up to **12:00 p.m. the day BEFORE** the meeting to [CityRecorderTeam@mcminnvilleoregon.gov](mailto:CityRecorderTeam@mcminnvilleoregon.gov);
- Fill out a **physical public comment card** found at McMinnville City Hall; any time up to **12:00 p.m. the day BEFORE** the meeting, but **not before 5:00 p.m.** on the day the agenda is posted for the following week;
  - Attend **in person** and fill out a public comment card.

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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 WORK SESSION & CITY COUNCIL REGULAR MEETING:**

You may join online via Zoom Webinar Meeting:

<https://mcminnvilleoregon.zoom.us/j/82581190931?pwd=r9T291T8Dcy3eJzJsK9XeVcMrZFzkK.1>

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

Webinar ID: 825 8119 0931

**6:00 PM – WORK SESSION MEETING – VIA ZOOM AND SEATING AT CIVIC HALL**

1. CALL TO ORDER
2. WORK SESSION: LEGISLATIVE INITIATIVE – FY27-29 OREGON ('27 LONG SESSION) AND FY28 FEDERAL APPROPRIATIONS
3. ADJOURNMENT OF WORK 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. SWEAR IN FOR CITY COUNCILOR WARD 3 POSITION (Added on 04.09.2026)

4. PROCLAMATIONS

- a. Arbor Day Proclamation

5. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –

*The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 4 minutes per person for a total of 32 minutes. The Mayor will read the names of comments emailed to City Recorded and then call on anyone who has signed up to provide public comment.*

6. PRESENTATION

- a. Oregon Air Show Presentation – Oregon Air Show President Eric Corning & McMinnville Area Chamber of Commerce President & CEO John Olson.

7. CONSENT AGENDA

- a. Consider the request from Chipotle Mexican Grill Inc. for Limited On-Premises Sales, OLCC Liquor License located at 2696 NE Hwy 99W.
- b. Consider the request from Turley Bird LLC dba Hazel’s Wine Shop for Limited On-Premises Sales, OLCC Liquor License located at 636 NE Baker Street.
- c. Consider a request to permit a waiver of the noise ordinance from Virna Darling for live music for two Charity Garden Concert events on June 28, 2026 & July 26, 2026.
- d. Consider **Resolution No. 2026-21**: A Resolution approving code compliance liens on properties to recover unpaid abatements and civil penalty citations.
- e. Consider **Resolution No. 2026-22**: A Resolution amending the allocation of American Rescue Plan Act (ARPA) funds.
- f. Consider **Resolution No. 2026-23**: A Resolution authorizing the City Manager to execute a contract for the 2026 Pavement Patching project, Project 2026-1, with K&E Paving, Inc. dba H&H Paving.

8. RESOLUTIONS

- a. Consider **Resolution No. 2026-24**: A Resolution directing staff to pursue the sale of City-owned air easements affecting certain properties between NW 25th Street and Tice Park.
- b. Consider **Resolution No. 2026-04**: A Resolution authorizing the City Manager to release air easements affecting certain properties adjacent to Tice Park along NW 25th St.

9. ORDINANCES

- a. Consider the first reading with a possible second reading of **Ordinance No. 5176**: An Ordinance awarding a lease and operating contract for Fixed Base Operator services with Trimble Aviation at the McMinnville Municipal Airport.

- b. Consider the first reading with a possible second reading of **Ordinance No. 5177**: An Ordinance authorizing a Supplemental Lease Agreement with the Federal Aviation Administration at the McMinnville Municipal Airport.

10. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments
- b. Department Head Reports
- c. Park and Recreation Facility Tour Recap

11. ADJOURNMENT OF REGULAR MEETING

**CITY COUNCIL EXECUTIVE SESSION – IMMEDIATELY FOLLOWING THE CITY COUNCIL REGULAR MEETING  
(NOT OPEN TO THE PUBLIC)**

1. CALL TO ORDER
2. **EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(h)**: To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
3. ADJOURNMENT OF EXECUTIVE SESSION



## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Heather Richards, Community Development Director  
Geoff Hunsaker, Public Works Director  
Jenny Berg, Library Director and Interim Parks & Recreation Director  
Doug Riggs, NW Policy  
**WRITTEN BY:** Jody Christensen, Special Projects Manager  
**SUBJECT:** Work Session: Legislative Initiative – FY27–29 Oregon ('27 Long Session) and FY28 Federal Appropriations

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### **Report in Brief:**

This is the annual work session to review the '26 Legislative Initiative and will prepare for the City's participation in the 2027 Session of the Oregon State Legislature and the FY28 Federal Direct Appropriations process. The City's State Lobbyist, Doug Riggs with NW Policy, will join the discussion.

### **Background**

On September 23, 2025, the City Council reviewed the proposed 2026 Priority Projects for the '26 Legislative Session. The following projects were prioritized by the Council:

#### City Projects

- NE Gateway Alpine Ave Street Improvement Phase 2 – **funded State '26 (Representative Elmer)**
- Hwy 18 Frontage Streets Improvement Phase 1
- Low to Moderate Income (LMI) Neighborhood Sidewalk Accessibility Phase 1

#### Partner Projects

- Housing Authority of Yamhill County's McMinnville Housing Rehabilitation Program – **funded FY26 Federal Appropriations (Senator Merkley)**
- Habitat for Humanity's McMinnville Affordable Housing Project

Below is a review of the City's legislative track record, the current legislative approach, coordination, and 2027 timeline for the City of McMinnville's legislative effort.

**2026 Results:** In the recent '26 Legislative Session, the City received \$1,500,000 for the Alpine Ave Street Improvement Project for the full street improvement of the remaining four blocks. On the Federal side, the Yamhill County Housing Authority received \$1,000,000 for the McMinnville Rehabilitation Program.

**The Track Record:** Since 2021, this work has generated \$7,795,094.00 in direct allocation funds for McMinnville projects. In addition to the 2026 results, in recent years, the City has received \$850,000 in Federal Appropriations for the next phase of design for the Third Street Improvement Project; \$2,000,000 for the Zone 2 Water Pump Station to secure workforce housing units; \$195,094 to support the MV Advancements housing development for seniors and households with disabilities; \$1,500,000 for the Navigation Center; and \$750,000 for the Business Recover and Resiliency Plan.

**The Legislative Approach:** A strategic set of best practices was developed with the help of former Representative Ron Noble, Representative Lucetta Elmer, Senator Bruce Starr, District Office Policy Advisors, the Federal Delegation and their Field Staff, the City's State and former Federal Lobbyists, and the City's Executive Leadership Team.

#### Best Practices

- Legislative planning is year-round
  - The coordination team meets bi-weekly. The Mayor, City Manager, Public Works Director, Community Development Director, and Library/Interim Parks and Recreation Director, and the City's lobbyist comprise the coordination team, which meets for 30 minutes every other Tuesday. Representative Elmer and her staff occasionally will attend the meeting.
  - Engage government at all levels. The team can reach out to the Governor's policy advisors and Regional Solutions to provide updates or engage for a specific discussion.
  - Engage with legislators and agency representatives in 1:1 meetings and site visits with local elected officials; always include District Representative and Senator's Offices.
  - Outreach is key. Keep partner agencies updated for quick response testimonials.
  - Track the bills to signature. The funding request needs to be tracked from start to signing.
- Develop targeted list of priorities with projects that are *ready to go*
  - Council to set priorities by May/June
  - Focus on direct allocations!
- State and federal funding requests
  - Lists are key – get on a list in a bill.

- Usually asks should be between \$1-3M. Requests under a million are often more competitive.
- Project should have partial funding secured (i.e., match or in-kind)
- PHASED projects could go for additional future funding.
- Shovel ready projects mean –
  - Federal: 12-18 months start from receipt of funds – usually needs to be completed in 3-5 years; state agency will likely be responsible for managing the contract with the City
  - State: 1-3 years completed (depending on session)

**The Coordination:** Mayor Morris, Council President Sal Peralta (when available), the City Manager Adam Garvin, Community Development Director Heather Richards, Public Works Director Geoff Hunsaker, Library & Interim Parks & Recreation Director Jenny Berg, and the City’s state lobbyist, Doug Riggs, meet bi-weekly to coordinate legislative priorities. During these meetings, the group works to move the priority projects forward. On occasion, the group may invite Representative Elmer, Senator Starr, and their policy staff. In preparation for the Federal Direct Appropriations process, there are also coordination meetings and visits with the Federal Delegation and their field staff. These will likely be scheduled through the Office of the Mayor and supported by Staff.

### **The 2027 Legislative Timeline**

Spring 2026 – **Review current Priority Project List** with city leadership, lobbyist, and city staff focusing on direct appropriations.

April 14, 2026, CC WS – **Confirm Priority Projects List** is ready to go with 2-3 projects identified for potential State & Federal Funding Requests

May ‘26 –Jan. ‘27- Work with Rep. Elmer, Sen. Starr, and Wyden/Merkley/Salinas field staff to discuss FY27-29 State Requests and FY28 Federal Appropriations.

Sept./Oct. ‘26, submit State ‘27 CIP form to Rep. Elmer and Sen. Starr. Continue to **advocate for projects by hosting visits and regular check ins.**

Jan. – Feb. ‘27 – **Submit FY28 Federal Appropriations Community Initiated Project(CIP)/Community Funded Project (CFP)** to Wyden/Merkley/Salinas. City will know if project is in queue; with awards being made with the passage of a Federal Budget.

Jan. ‘27 (in session max 160 days) – During the **Oregon Legislature, the City should promote the projects in 1:1 meetings, consistent communications, distribution of one-pagers, and should submit testimony & letters of support.** If passed & signed by Governor, the agency will have contracts out in about 8-10 months.

## **2027 Legislative Preparation**

To prepare for the City Council legislative work session, the Staff met with several stakeholders to review the 2026 priority projects, seek comments (i.e., additions, updates, etc.), and determine project readiness for 2027. The following represents the groups who helped to develop the proposed list of 2027 Priority Projects.

- Coordination Team (meets bi-weekly)
- Council Leadership
- City Administration
- Executive Leadership Team
- Department leadership in Planning, Engineering, Public Works, Library and Parks and Recreation

## **Discussion**

There will be a brief overview of the legislative work to date, a look at how the process works in Salem, and how the City is positioning itself for success. The City Council will review and discuss the proposed 2027 Priority Projects List in preparation for the upcoming legislative effort.

Doug Riggs from Northwest Policy Advocates, the city's state lobbyist, will be available at the work session to answer questions and provide insight on how to best position the City for success with legislative requests.

## **Staff Seeking Direction:**

The Staff is seeking direction on the proposed '27 Priority Projects list.



April 14, 2026

STATE OF OREGON	)	
County of Yamhill	) ss.	OATH OF OFFICE
City of McMinnville	)	

I, **CARSON BENNER**, do solemnly swear that I will support the Constitution and laws of the United States and of the State of Oregon, and that I will, to the best of my ability, perform the duties of the office of **Councilor**, of the City of McMinnville during my continuance therein, so help me God.

\_\_\_\_\_  
Carson Benner

Subscribed and sworn to before me this 14<sup>th</sup> day of April, 2026.

\_\_\_\_\_  
Arnold Poole, Judge



## PROCLAMATION

**WHEREAS**, in 1872 Julius Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

**WHEREAS**, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska and is now observed throughout the United States and world; and

**WHEREAS**, trees provide countless benefits to our community, including improving air and water quality, reducing stormwater runoff, conserving energy, providing wildlife habitat, and enhancing property values and the overall quality of life; and

**WHEREAS**, trees in our city increase property values, enhance the economic vitality of our business areas, and beautify our community; and

**WHEREAS**, the planting and care of trees strengthens community pride, promotes environmental stewardship, and ensures a greener future for generations to come;

**WHEREAS**, the City of McMinnville is celebrating its 29th year as a certified Tree City USA as recognized by the Arbor Day Foundation in honor of its commitment to effective urban forest management.

**NOW, THEREFORE, I**, Kim Morris, Mayor of the City of McMinnville, do hereby proclaim Friday, April 24, 2026 as

### ARBOR DAY

In the City of McMinnville, and I urge all residents to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and to plant trees that will benefit present and future generations.

**In Witness Whereof**, I have hereunto set my hand and caused the Official Seal of the City of McMinnville to be affixed this 14th day of April, 2026.

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Kim Morris, Mayor

**From:** [Zack Geary](#)  
**To:** [Claudia Cisneros](#)  
**Subject:** Fw: Contract details  
**Date:** Tuesday, March 31, 2026 11:47:01 AM  
**Attachments:** [image.png](#)  
[image.png](#)

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**From:** Angela Flood [REDACTED]  
**Sent:** Tuesday, March 31, 2026 6:55 AM  
**To:** Adam D. Garvin <[adam.d.garvin@mcminnvilleoregon.gov](mailto:adam.d.garvin@mcminnvilleoregon.gov)>  
**Cc:** Mayor Kim Morris <[Kim.Morris@mcminnvilleoregon.gov](mailto:Kim.Morris@mcminnvilleoregon.gov)>; Sal Peralta <[Sal.Peralta@mcminnvilleoregon.gov](mailto:Sal.Peralta@mcminnvilleoregon.gov)>; Chris Chenoweth <[Chris.Chenoweth@mcminnvilleoregon.gov](mailto:Chris.Chenoweth@mcminnvilleoregon.gov)>; Daniel Tucholsky <[Daniel.Tucholsky@mcminnvilleoregon.gov](mailto:Daniel.Tucholsky@mcminnvilleoregon.gov)>; Zack Geary <[Zack.Geary@mcminnvilleoregon.gov](mailto:Zack.Geary@mcminnvilleoregon.gov)>; Scott Cunningham <[Scott.Cunningham@mcminnvilleoregon.gov](mailto:Scott.Cunningham@mcminnvilleoregon.gov)>  
**Subject:** Contract details

**This message originated outside of the City of McMinnville.**

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There are two sections of your contract in the packet that say 'TO BE NEGOTIATED'.

Were these items negotiated at the meeting? Or are they still outstanding?

What was the vote to approve the contract?

**SECTION III: SEVERANCE**

- A. In the event Termination by the City without Cause, the City agrees to offer the City Manager a severance agreement. Severance shall include **[TO BE NEGOTIATED]**. Payment of severance shall be contingent upon execution of a mutually acceptable release of claims consistent with applicable law.

**SECTION VI: RESIDENCY**

**[TO BE NEGOTIATED]**.

I also note the last posting for meeting minutes was for 10/28/2025.

Where might I find minutes for meetings after that time, as it appears they are not in the packets or on the agenda for approval?

Angela Flood

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Virus-free. [www.avast.com](http://www.avast.com)

City Council of McMinnville

I read about your Cet revenue

Please take out the wording

BIPOC - LGBTQ - It is insulting  
to put groups like this on  
your requirements?

Never fought for our country

No disrespect, but no one  
should go to the front of the  
line - Except Veterans or  
disabled - That's it

No special treatment or  
invitations

Thank you

Marie Frugia  
Carlton Oregon

A voter

RECEIVED

APR 02 2026

City of McMinnville

## Liquor License Recommendation

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BUSINESS NAME / INDIVIDUAL: **Chipotle Mexican Grill Inc**  
BUSINESS LOCATION ADDRESS: **2696 NE Hwy 99W, McMinnville**  
LIQUOR LICENSE TYPE: **Limited On-Premises Sales**

Is the business at this location currently licensed by OLCC  
 Yes  No

If yes, what is the name of the existing business:

Proposed business operations:

**Indoor Consumption**  
**Proposing to Allow Minors**

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Tritech Records Management System Check: Yes  No

Criminal Records Check: Yes  No

Recommended Action: Approve  Disapprove

Scott Fessler, Captain

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Chief of Police / Designee

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City Manager / Designee



## OREGON LIQUOR & CANNABIS COMMISSION

# Local Government Recommendation – Liquor License

Per OAR 845-005-0304(3): The Commission requires an applicant for issuance of a new license issued under ORS chapter 471, to provide written notice of the application to the local government in the form of a complete, accurate, and legible Commission form.

The local government is as follows:

- (a) If the address of the premises proposed to be licensed is within a city's limits, the local government is the city.
- (b) If the address of the premises proposed to be licensed is not within a city's limits, the local government is the county.

### INSTRUCTIONS:

**Step 1:** Applicant completes all of Section 1 (including top of Page 2).

**Step 2:** Applicant submits both pages of the form to the appropriate local government. NOTE: The local government may require additional forms and/or fees.

**Step 3:** Local government completes at least Section 2 and returns all pages of the form, or a copy thereof, to the applicant. The local government is allowed up to 45 days to complete Section 3.

**Step 4:** Applicant takes the form with at least Sections 1 and 2 completed and includes it with their CAMP application to meet the Local Government Recommendation document requirement. Submissions that do not have at least Sections 1 and 2 completed will not be accepted.

**Step 5:** The local government issues its final recommendation in Section 3 and returns the completed form to the applicant. If the applicant has already submitted their initial application via CAMP, they hold on to the final recommendation and provide it to their investigator, when requested. If they have not already submitted their application, they upload the fully completed Local Government Recommendation form with their initial application submission.

**Applicants within the city of Portland ONLY:** After completing the attached form, please follow these steps to complete the Local Government Recommendation process:

- Apply via the [City of Portland website](#).
- Once you have completed the application with the City of Portland, you will receive an email notifying you that your application has been accepted, usually within two business days. The email will contain an attachment titled "ABC Public Notice."
- Upload the ABC Public Notice document with your CAMP application to meet the Local Government Recommendation document requirement.

NOTE: This document only provides proof of submission. Once you receive your final recommendation from the City of Portland, you will need to provide that to your assigned OLCC investigator.



OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

Annual Liquor License Types

Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

Section 1 – Submission – To be completed by Applicant:

License Information

Legal Entity/Individual Applicant Name(s): Chipotle Mexican Grill, Inc.

Proposed Trade Name: Chipotle Mexican Grill

Premises Address: 2696 NE Highway 99W

Unit:

City: McMinnville

County: OR

Zip: 97128

Application Type:  New License Application  Change of Ownership  Change of Location

License Type: Limited On-Premises  Additional Location for an Existing License

Application Contact Information

Contact Name: Chipotle, Attn: Licensing

Phone: [REDACTED]

Mailing Address: [REDACTED]

City: Columbus

State: OH

Zip: 43218

Email Address: [REDACTED]

Business Details

Please check all that apply to your proposed business operations at this location:

- Manufacturing/Production
- Retail Off-Premises Sales
- Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

- Indoor Consumption  Outdoor Consumption
- Proposing to Allow Minors

Section 1 continued on next page



OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

**Section 1 Continued – Submission - To be completed by Applicant:**

Legal Entity/Individual Applicant Name(s): Chipotle Mexican Grill, Inc.

Proposed Trade Name: Chipotle Mexican Grill

**IMPORTANT:** You MUST submit this form to the local government PRIOR to submitting to OLCC. Section 2 must be completed **by the local government** for this form to be accepted with your CAMP application.

**Section 2 – Acceptance - To be completed by Local Government:**

**Local Government Recommendation Proof of Acceptance**

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name: McMinnville

Optional Date Received Stamp

Date Application Received: 03/16/2026

Received by: Scott Fessler

**Section 3 – Recommendation - To be completed by Local Government:**

- Recommend this license be granted**
- Recommend this license be denied** (Please include documentation that meets [OAR 845-005-0308](#))
- No Recommendation/Neutral**

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.

## Liquor License Recommendation

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BUSINESS NAME / INDIVIDUAL: **Turley Bird LLC dba Hazel's Wine Shop**  
BUSINESS LOCATION ADDRESS: **636 NE Baker ST, McMinnville**  
LIQUOR LICENSE TYPE: **Limited On-Premises Sales**

Is the business at this location currently licensed by OLCC  
 Yes  No

If yes, what is the name of the existing business:

Proposed business operations:

- Retail Off-Premises Sales**
- Retail On-Premises Sales & Consumption**
  - Indoor Consumption**
  - Outdoor Consumption**
  - Proposing to Allow Minors**

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Tritech Records Management System Check: Yes  No

Criminal Records Check: Yes  No

Recommended Action: Approve  Disapprove

Scott Fessler, Captain

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Chief of Police / Designee

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City Manager / Designee



OREGON LIQUOR & CANNABIS COMMISSION  
**Local Government Recommendation – Liquor License**

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Per OAR 845-005-0304(3): The Commission requires an applicant for issuance of a new license issued under ORS chapter 471, to provide written notice of the application to the local government in the form of a complete, accurate, and legible Commission form.

The local government is as follows:

- (a) If the address of the premises proposed to be licensed is within a city’s limits, the local government is the city.
- (b) If the address of the premises proposed to be licensed is not within a city’s limits, the local government is the county.

**INSTRUCTIONS:**

- Step 1:** Applicant completes all of Section 1 (including top of Page 2).
- Step 2:** Applicant submits both pages of the form to the appropriate local government. NOTE: The local government may require additional forms and/or fees.
- Step 3:** Local government completes at least Section 2 and returns all pages of the form, or a copy thereof, to the applicant. The local government is allowed up to 45 days to complete Section 3.
- Step 4:** Applicant takes the form with at least Sections 1 and 2 completed and includes it with their CAMP application to meet the Local Government Recommendation document requirement. Submissions that do not have at least Sections 1 and 2 completed will not be accepted.
- Step 5:** The local government issues its final recommendation in Section 3 and returns the completed form to the applicant. If the applicant has already submitted their initial application via CAMP, they hold on to the final recommendation and provide it to their investigator, when requested. If they have not already submitted their application, they upload the fully completed Local Government Recommendation form with their initial application submission.

**Applicants within the city of Portland ONLY:** After completing the attached form, please follow these steps to complete the Local Government Recommendation process:

- Apply via the [City of Portland website](#).
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- Upload the ABC Public Notice document with your CAMP application to meet the Local Government Recommendation document requirement.

NOTE: This document only provides proof of submission. Once you receive your final recommendation from the City of Portland, you will need to provide that to your assigned OLCC investigator.



# Local Government Recommendation – Liquor License

## Annual Liquor License Types

Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

## Section 1 – Submission – To be completed by Applicant:

### License Information

Legal Entity/Individual Applicant Name(s): Turley Bird LLC / Scott Green  
Proposed Trade Name: Hazel's Wine Shop  
Premises Address: 636 NE Baker St. Unit:  
City: McMinnville County: Yamhill Zip: 97128  
Application Type:  New License Application  Change of Ownership  Change of Location  
License Type: Limited on Premises Sales  Additional Location for an Existing License

### Application Contact Information

Contact Name: Scott Green Phone: [REDACTED]  
Mailing Address: [REDACTED]  
City: McMinnville State: OR Zip: 97128  
Email Address: [REDACTED]

### Business Details

Please check all that apply to your proposed business operations at this location:

- Manufacturing/Production
- Retail Off-Premises Sales
- Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

- Indoor Consumption  Outdoor Consumption
- Proposing to Allow Minors

Section 1 continued on next page



# Local Government Recommendation – Liquor License

## Section 1 Continued – Submission - To be completed by Applicant:

Legal Entity/Individual Applicant Name(s): Turley Bird LLC / Scott Green

Proposed Trade Name: Hazel's Wine Shop

**IMPORTANT:** You MUST submit this form to the local government PRIOR to submitting to OLCC.  
Section 2 must be completed *by the local government* for this form to be accepted with your CAMP application.

## Section 2 – Acceptance - To be completed by Local Government:

### Local Government Recommendation Proof of Acceptance

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name: McMinnville

Optional Date Received Stamp

Date Application Received: 03/19/2026

Received by: Scott Fessler

## Section 3 – Recommendation - To be completed by Local Government:

- Recommend this license be granted
- Recommend this license be denied (Please include documentation that meets [OAR 845-005-0308](#))
- No Recommendation/Neutral

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.



## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Claudia Cisneros, City Recorder  
**SUBJECT:** Request to Permit a Waiver of the Noise Ordinance from Virna Darling for live music for events (Charity Garden Concerts) on June 28, 2026 & July 26, 2026

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### **Report in Brief:**

This action is the consideration of a request to permit a waiver of the Noise Ordinance.

### **Background:**

Virna Darling would like to have live music on Sunday June 28, 2026, from 3:00pm to 7:00pm for a Charity Garden Concert at the location 250 SW Eckman St, McMinnville. The event will have live music and anticipate roughly 75-100 guests (by invitation only). If approved by the Council, the city will be requesting them to notify all residents/businesses within a block radius at a minimum.

Virna Darling would like to have live music on Sunday, July 26, 2026, from 3:00pm to 8:00pm for a Charity Garden Concert at the location 250 SW Eckman St, McMinnville. The event will have live music and anticipate roughly 75-100 guests (by invitation only). If approved by the Council, the city will be requesting them to notify all residents/businesses within a block radius at a minimum.

The McMinnville Municipal Code, Section 8.10.260, specifies that:

A. A person in charge of a premises must not permit, allow or cause to exist any loud, disturbing or unnecessary noise that is injurious or detrimental to the health, safety or peace of other persons or property.

E. The prohibition described in this section do not apply to:

1. Activities occurring within the scope of any permit issued by the city under the provisions of the McMinnville Municipal Code.

In granting previous waivers, the City has requested that the applicant provide notice in advance to affected neighbors.

**Attachments:**

1. McMinnville Municipal Code (MMC) section 8.10.260 Noises.

**Alternatives:**

**Alternative 1:** Approve both noise waivers, allowing the City Manager to write a letter to Virna Darling, letting her know that she has the Council's approval.

**Alternative 2:** Reject one or both noise waivers, denying Virna Darling's request.

**Alternative 3:** The Council may consider any other alternative not presented by staff.



**8.10.260 Noise.**

- A. A person in charge of a premises must not permit, allow or cause to exist any loud, disturbing or unnecessary noise that is injurious or detrimental to the health, safety or peace of other persons or property.
- B. It is prohibited for any person on a public way to cause to exist any loud, disturbing or unnecessary noise that either annoys, disturbs, injures or endangers the comfort, repose, health, safety or peace of other persons or property.
- C. For the purposes of this section, noise exceeding the following thresholds when measured 25 feet from the source if in the right-of-way or 25 feet from the property line if the source is on private property, is presumed to be a nuisance in violation of subsection [A](#) of this section:

ZONE	7:00 a.m. to 8:00 p.m.	8:00 p.m. to 7:00 a.m.
Residential	55 dBA	50 dBA
Commercial	60 dBA	55 dBA
Light Industrial	70 dBA	65 dBA
Industrial	80 dBA	75 dBA

- D. For the purposes of this section, “loud, disturbing or unnecessary noise” includes but is not limited to the following substances, conditions or acts:
  - 1. *Animals and Birds.* The keeping of any bird or animal that disturbs the comfort and repose of any person in the vicinity by causing frequent or long continued noise;
  - 2. *Dog Barking.* The keeping of a dog that barks for more than 10 minutes during any one-hour period when such barking is audible off the premises of the dog’s owner or keeper;
  - 3. *Animal Bells.* The attaching of a bell to any animal or allowing a bell to remain on any animal that is disturbing to any person in the immediate vicinity;
  - 4. *Vehicle Noises.* The use of any vehicle or engine, either stationary or moving, in a manner that causes or creates any loud or unnecessary grating, grinding, rattling or other noise, including the discharge in the open air of the exhaust of any steam engine, internal combustion engine, motor boat or motor vehicle except through a muffler or other device which will effectively prevent loud or explosive noises and the emission of annoying smoke;
  - 5. *Horns and Signaling Devices.* The sounding of any horn or signaling device on any vehicle on any street, public or private place, except as a necessary warning of danger;
  - 6. *Nonemergency Signaling Devices.* The sounding of any amplified signal from any bell, chime, siren,

whistle or similar device, intended primarily for nonemergency purposes, from any place for more than 10 consecutive seconds in any hourly period, except that the reasonable sounding of such devices by houses of religious worship, ice cream trucks, seasonal contribution solicitors or by the city for traffic control purposes are exempt;

7. *Construction Noise.* The erection, including excavation, demolition, alteration or repair, of any building in residential districts, other than between the hours of 7:00 a.m. and 8:00 p.m., except upon special permit granted by the city manager or designee;

8. *Noise Sensitive Areas: Adjacency to Schools, Churches and Hospitals.* The creation of any excessive noise on any street adjacent to any school, institution of learning, church or court of justice while the same are in use, or adjacent to any hospital or institution for the care of the sick or infirm which unreasonably interferes with the operation of such institution, or which disturbs or unduly annoys patients;

9. *Loudspeakers, Amplifiers, Public Address Systems and Similar Devices.* The use or operation of any automatic or electric piano, phonograph, radio, television, loudspeaker or any instrument for sound producing or any sound-amplifying device so loudly as to disturb persons in the vicinity thereof or in such a manner as renders the use thereof a nuisance; provided, however, that upon application to the city manager, permits may be granted to responsible persons or organizations to broadcast programs of music, news, speeches or general entertainment;

10. *Blowers and Similar Devices.* The operation of any noise-creating blower, power fan, power tools, or any internal combustion engine in a manner the operation of which causes noise due to the explosion of operating gases or fluids:

- a. In a residential district or noise sensitive areas between the hours of 8:00 p.m. and 7:00 a.m.; and
- b. In a manner that can be heard by persons on nearby residential property.

11. *Commercial Establishments Adjacent to Residential Property.* Unreasonably loud and raucous noise from the premises of any commercial establishment, including any outdoor area which is part of or under the control of the establishment, between the hours of 10:00 p.m. and 7:00 a.m., that is plainly audible to persons on any nearby residential property.

E. The prohibition described in this section do not apply to:

1. Activities occurring within the scope of any permit issued by the city under the provisions of the McMinnville Municipal Code;
2. Emergency response activities;
3. Vehicles performing repairs or upgrades in the right-of-way, including but not limited to street sweeping, sewer cleaning, construction and maintenance activities occurring between the hours of 7:00 a.m. and 8:00 p.m.



**City of  
McMinnville**

**City of McMinnville  
Administration**

230 NE Second Street  
McMinnville, OR 97128  
(503) 435-5702

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

F. In addition to any corrective action ordered by the city, a person found to have violated the provisions of this section may be assessed a civil penalty. The amount of the civil penalty assessed for each day of continuing violation will not exceed the amount established for a Class 5 code violation. (Ord. 5079 §1 (Exh. 1 (part)), 2019).



# STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Heather Richards, Community Development Director  
**SUBJECT:** Resolution No. 2026-21, Code Enforcement Liens

1. Resolution No. 2026-21, A Resolution approving code compliance liens on properties to recover unpaid abatements and civil penalty citations.

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### **Report in Brief:**

This is the consideration of Resolution No. 2026-21, approving liens on properties that have not paid civil penalty citations for violations of Section 8.10 of the McMinnville Municipal Code.

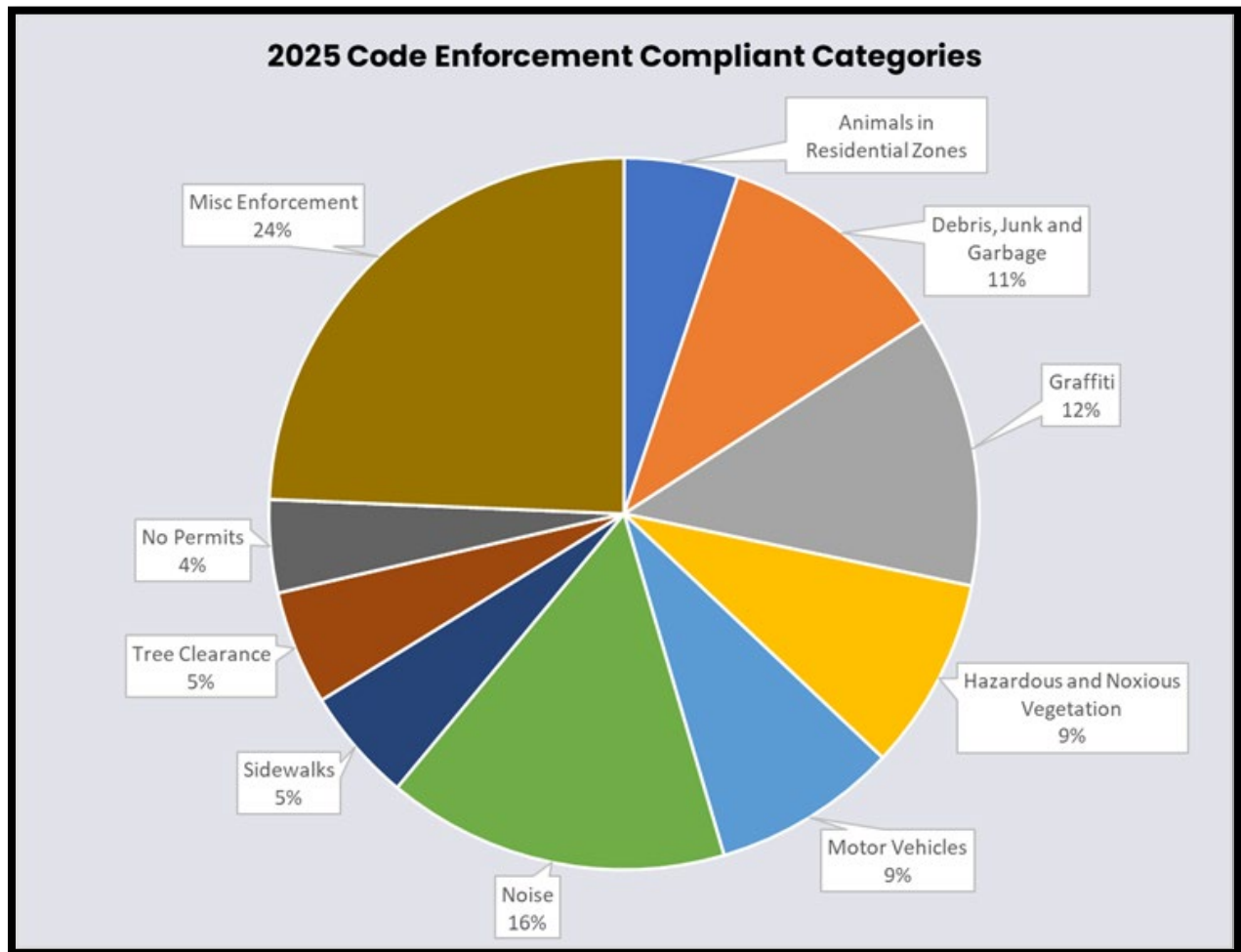
### **Background:**

In October 2019, City Council voted to approve amendments to Title 2 and Title 8 of the McMinnville Municipal Code. Those updates provided code compliance staff with more efficient tools for addressing property maintenance and health and safety concerns in an expeditious time frame. Since that time, code compliance staff have continued to resolve most complaints through voluntary compliance. For those property owners who do not voluntarily comply, the City may abate the nuisance and charge the property owner for the full cost recovery, including administrative costs and/or issue civil penalty citations. Per Section 2.50.250(E)(6) of the McMinnville Municipal Code, if the property owner refuses to pay the corrective action costs (abatement) or the civil penalty citation within 30 days of issuance, the City has the right to lien the property for the amount owed per the McMinnville Municipal Code after City Council approval.

**Discussion:**

These liens represent the few property nuisances that were not able to be resolved voluntarily in 2024 and 2025.

In 2024, 306 code enforcement cases were opened and resolved, and in 2025 241 code enforcement cases were opened and resolved.



**Attachments:**

1. Resolution No. 2026-21

**Fiscal Impact:**

The total amount of liens for Resolution No. 2026-21 is \$32,693.82, of which \$16,843.84 is recovery costs and \$15,849.98 are civil penalties.

**Alternatives:**

**Alternative 1 [Staff Recommendation]: Approve** Resolution No. 2026-21. thereby capturing the unpaid costs and penalties through property liens.

**Alternative 2: Do not approve** Resolution No. 2026-21 thereby not capturing the unpaid costs penalties in liens.

## RESOLUTION NO. 2026-21

A Resolution approving code compliance liens on properties to recover unpaid abatements and civil penalty citations.

### RECITALS:

**WHEREAS**, On August 13, 2019, the McMinnville City Council adopted Ordinances No. 5078 and 5079, amending the McMinnville Municipal Code to restructure the code compliance program with an emphasis on efficiency, timeliness, voluntary compliance, and the ability to abate properties and issue civil penalties when voluntary compliance was not achieved; and

**WHEREAS**, per Section 2.50.250(F) of the McMinnville Municipal Code, if the city needs to obtain a correction action warrant to abate properties that were not voluntarily abated for public safety, health, and welfare, the city can bill the property owner for the full cost recovery of that abatement; and

**WHEREAS**, per Section 2.50.250(F)(2) of the McMinnville Municipal Code, if the property owner refuses to pay the full costs of the correction action within thirty (30) days, the City Council can lien the property by resolution; and

**WHEREAS**, Per Section 2.50.250(F)(2) of the McMinnville Municipal Code, assessment of delinquent correction action costs to be entered in the docket of city liens must be made by city council resolution.

**WHEREAS**, Per Section 2.50.310(A) of the McMinnville Municipal Code, if it is found that a code violation exists and has not been corrected within ten (10) days of the date of the notice of code violation or the final order issued upon appeal of the notice, the city manager or designee may impose a civil penalty; and

**WHEREAS**, Per Section 2.50.310(E)(6) of the McMinnville Municipal Code, the amount of the civil penalty may become a lien on the property if not paid within thirty (30) days of invoicing; and

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

1. That the following properties have been assessed either corrective action costs or civil penalties that after due process and notification, the property owners have refused to pay within thirty (30) days and are now approved to be recorded as liens on the property:

<b>Property Address</b>	<b>Violation Type</b>	<b>Amount Per Incident</b>	<b>Amount for Lien</b>
120 SW Fleishauer Lane	Corrective Action Costs Corrective Action Costs Corrective Action Costs Civil Penalty Citation Civil Penalty Citation	\$1,718.40 \$4,936.80 \$615.62 \$750.00 \$500.00	<b>\$8,520.82</b>
240 NW 18 <sup>th</sup> Street	Corrective Action Costs	\$3,983.40	<b>\$3,983.40</b>
1935 SE Woodmill Ct	Corrective Action Costs	\$3,015.62	<b>\$3,015.62</b>
1941 NW Haun Drive	Corrective Action Costs Civil Penalty Citation Civil Penalty Citation	\$240.80 \$750.00 \$500.00	<b>\$1,490.80</b>
696 NW Fenton Street	Corrective Action Costs Civil Penalty Citation	\$2,333.20 \$500.00	<b>\$2,833.20</b>
917 SE Angela Court	Civil Penalty Citation Civil Penalty Citation	\$500.00 \$250.00	<b>\$750.00</b>
915 NW Alder Street	Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation	\$250.00 \$250.00 \$250.00 \$250.00 \$500.00	<b>\$1,500.00</b>
834 NE Hembree Street	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
1245 NW Michelbook Ln	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
648 SW Arthur Street	Civil Penalty Citation Civil Penalty Citation	\$500.00 \$500.00	<b>\$1,000.00</b>
765 SE Morgan Lane	Civil Penalty Citation	\$500.00	<b>\$500.00</b>
1200 NW St. Andrews St.	Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation	\$250.00 \$250.00 \$250.00	<b>\$750.00</b>
411 SE Baker Street	Civil Penalty Citation	\$350.00	<b>\$350.00</b>
130 SW Fleishauer	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
3248 NE Newby Street	Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation Civil Penalty Citation	\$250.00 \$250.00 \$250.00 \$250.00 \$250.00 \$250.00	<b>\$2,250.00</b>

	Civil Penalty Citation	\$250.00	
	Civil Penalty Citation	\$250.00	
	Civil Penalty Citation	\$250.00	
1570 SW Fellows St.	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
3017 NE McDonald St.	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
Tax Lot # R4421CD07100	Civil Penalty Citation	\$500.00	<b>\$1,500.00</b>
	Civil Penalty Citation	\$500.00	
		\$500.00	
1240 NW Yamhill St.	Civil Penalty Citations	\$750.00	<b>\$1,500.00</b>
	Civil Penalty Citations	\$750.00	
1141 NE Johnson St.	Civil Penalty Citation	\$250.00	<b>\$250.00</b>
510 SW Russ Lane	Civil Penalty Citation	\$500.00	<b>\$1,000.00</b>
	Civil Penalty Citation	\$500.00	
2482 NW Pinehurst Dr	Civil Penalty Citation	\$250.00	<b>\$250.00</b>

2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Council of the City of McMinnville at a regular meeting held the 14th day of April, 2026 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 14th day of April 2026.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder



## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, Interim City Manager  
**SUBMITTED BY:** Katie Henry, Finance Director  
**SUBJECT:** Amendment of ARPA projects

1. Resolution No. 2026-22, A Resolution amending the allocation of American Rescue Plan Act (ARPA) funds.

---

### **Report in Brief:**

This resolution reallocates ARPA funds following a March 18, 2026, review of project statuses and remaining balances from the original \$7.7 million allotment. This action returns \$194,812 from completed projects and \$392,286 from discontinued or reduced initiatives, while allocating \$465,000 to new initiatives, including the Linear Park stormwater line and community security barricades.

### **Background:**

In FY20-21, Federal American Rescue Plan Act (ARPA) Funds in the amount of \$7,716,939 were received by the City. The City has met all the federal requirements for these funds. Although we continue to refer to them as “ARPA funds”, they are just funds committed to projects as approved by Council.

The projects to be completed with these funds have been amended six times between FY20-21 and FY25-26 as projects have been completed and estimates have been revised. A work session was held on March 18, 2026 to present the status of existing projects and to ask for direction on any new projects and use of the remaining funds for the remainder of the year and into next fiscal year. This resolution is to formalize the discussion from the work session and document the decision of Council in this matter.

**Discussion:**

- Completed projects

There are several projects that have been completed since the last reconciliation that was done in March 2025. Staff requests that the budget for these projects be trued up to the actual amount and that any remaining funds be returned to the overall “ARPA funds” to be used on other projects. This totals \$194,812 as shown in the table below.

<b>Project Name</b>	<b>Amended Project Budget</b>	<b>Requested amendment</b>	<b>Revised Project Budget</b>
ARPA Grant Manager	192,504	(32,774)	159,730
Third Street Improvement Project	858,291	(7)	858,284
Financial Forecasting Software	43,854	(21,615)	22,239
Innovation Center	293,464	(4,012)	289,452
Storm Water Capacity Projects	632,916	(141,057)	491,859
Mobile Rec Station	82,000	4,653	86,653
<b>Total completed projects to close</b>		<b>(194,812)</b>	

- Returned funds – \$392,286

Each of the projects in this category has been discontinued or the scope has been reduced for a variety of reasons.

- Budget Software: The remaining costs associated with this will be ongoing annual costs. These are better covered with operating revenues rather than one-time revenues. Amount returned: \$63,585
- Update to Parks & Open Space Master Plan: The original plan is complete, and discussions remain open on next steps. Staff and Council agreed that it is better to close out this project. Amount to return: \$40,569
- Neighborhood Park Renovations: a very small amount has been spent on this project and work has been postponed due to the open nature of Parks discussions as well as the pending ADA assessment that is ongoing. \$249,400
- HR – DEI Implementation: This project covered several different items. All but one of the remaining items are ongoing operating costs that are better covered with operating revenues. \$25,000

will be left in this project to complete signage. Amount to return:  
\$38,732.

- Reallocated funds - \$465,000

After discussion at the work session on March 18, 2026, Council requested that two projects be brought forward for approval for use of designated funds.

- Stormwater line at Linear Park - \$350,000
- Community Security Barricades (1 set) - \$115,000

### **Attachments:**

1. Resolution No. 2026-22
  - a. Exhibit A: ARPA Projects & Corresponding Budgets

### **Fiscal Impact:**

This resolution reduces the total amount of allocated former ARPA funds from \$7,355,286 to \$7,233,188. It authorizes use of \$465,000 to two new projects while leaving \$483,751 in dedicated funds remaining unallocated to be assigned to projects at a later date.

### **Alternatives:**

**Alternative 1 [Staff Recommendation]:** Adopt the attached resolution amending the allocation of ARPA funds between projects. Completed projects will be closed and remaining funds reallocated to new projects.

**Alternative 2:** Direct Staff to amend the resolution with any of the options discussed at the last work session. This will cause added administrative work as numbers are already set for the proposed budget.

**Alternative 3:** Reject the attached resolution. If the attached resolution is rejected, staff will be unable to include needed projects in next year's proposed budget and full operating costs will not be captured in the operating budget.

**Alternative 4:** The Council may consider any other alternative not presented by staff.

## RESOLUTION NO. 2026-22

A Resolution amending the allocation of American Rescue Plan Act (ARPA) funds.

### RECITALS:

**WHEREAS**, on November 9, 2021, Council approved Resolution 2021-54 approving the allocation of ARPA funds ; and

**WHEREAS**, costs for proposed projects were estimated at the time of initial allocation; and

**WHEREAS**, over four years of significant economic changes with unanticipated price fluctuations have passed since that time; and

**WHEREAS**, on April 25, 2023, Council approved Resolution 2023-19 amending nearly all the individual project budgets; and

**WHEREAS**, on August 8, 2023 Council approved Resolution 2023-50 allocating additional ARPA funds to the Third Street Improvement Project; and

**WHEREAS**, on March 11, 2025, Council approved Resolution 2025-08 amending several individual project budgets; and

**WHEREAS**, several projects have been completed under budget; and

**WHEREAS**, on March 18, 2026, Council met in work session and discussed possible uses of remaining funds, recommending two new projects to be added; and

**WHEREAS**, staff have prepared a list of all projects, including those newly recommended, with associated project budgets, which list is attached hereto as Exhibit A.

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

1. The allocation of ARPA funds is hereby amended based on the list attached as Exhibit A.
2. This resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Council of the City of McMinnville at a regular meeting held the 14th day of April, 2026, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 14th day of April 2026.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

EXHIBITS:

- A. ARPA Projects & Corresponding Budgets

## Exhibit A: ARPA Projects & Corresponding Budgets

	Current Project Budget	Amended Project Budget
<b>Summary</b>		
Total "ARPA" funds	7,716,939	7,716,939
Less project budgets	(7,355,286)	(7,233,188)
<b>Amount unallocated</b>	<b>361,653</b>	<b>483,751</b>

<b>Project Name</b>	<b>Current Project Budget</b>	<b>Requested amendment</b>	<b>Amended Project Budget</b>
ARPA Grant Manager	192,504	(32,774)	159,730
Third Street Improvement Project	858,291	(7)	858,284
Financial Forecasting Software	43,854	(21,615)	22,239
Innovation Center - Public Infrastructure Feasibility Analysis	293,464	(4,012)	289,452
Storm Water Capacity Projects	632,916	(141,057)	491,859
Mobile Rec Station	82,000	4,653	86,653
<b>Returned funds from completed projects</b>		<b>(194,812)</b>	
Budget Software	201,496	(63,585)	137,911
Update to Parks and Open Space Master Plan	200,000	(40,569)	159,431
Park Maintenance: Neighborhood Park Renovations	262,600	(249,400)	13,200
HR - DEI Implementation	225,000	(38,732)	186,268
<b>Returned funds from discontinued/operating proj</b>		<b>(392,286)</b>	
Storm Water Capacity Projects		350,000	350,000
Community Security Barricades		115,000	115,000
<b>Reallocated funds to new projects</b>		<b>465,000</b>	

<b>Project Name</b>	<b>Current Project Budget</b>	<b>Requested amendment</b>	<b>Amended Project Budget</b>
<b>Ongoing projects</b>			
Emergency Manager	242,000		242,000
Park Maintenance: System Wide Irrigation Renovations	263,000		263,000
ADA Transition Plan	350,000		350,000
IS - Technology in Conference Rooms	148,895		148,895
Culturally competent communication and translations	100,000		100,000
Park Maintenance: Discovery Meadows Splash Pad Renovation	671,284		671,284
Muni Court Software	151,000		151,000
First Responders for Mental Health Crises	25,000		25,000
Community Center Elevator Repairs	142,750		142,750
<b>Closed projects</b>			
Navigation Center - Operating Funds	635,000		635,000
Stratus Village - Affordable Housing Project	300,000		300,000
Park Maintenance Fleet and Equipment Upgrades	397,155		397,155
Ambulance Replacement	285,000		285,000
IS - Replace Firewall / VPN system	130,754		130,754
Backlog in court cases	67,100		67,100
Library HVAC Replacement	7,250		7,250
Broadband access and technology training	-		-
Electric vehicle for Library home delivery	53,196		53,196
IS - Datacenter Move (CC to WWS)	-		-
Remodel: Muni Court more accessible	29,605		29,605
General Covid costs	364,172		364,172
<b>Total project budgets</b>	<b>7,355,286</b>		<b>7,233,188</b>

## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Geoffrey Hunsaker, Public Works Director  
**WRITTEN BY:** Logan Adams, Engineering Technician  
**SUBJECT:** 2026 Pavement Patching Contract Award

1. Resolution 2026-23: A Resolution authorizing the City Manager to execute a contract for the 2026 Pavement Patching Project, Project 2026-1, with K&E Paving, Inc. dba H&H Paving

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### **Report in Brief:**

This action is the consideration of a resolution to award a public improvement contract in the amount of \$196,169.00 to K&E Paving Inc. dba H&H Paving for the construction of the 2026 Pavement Patching project, Project 2026-1.

### **Background:**

In a continuing effort to improve the quality and service life of McMinnville's streets, this project will patch approximately 0.75 lane miles of residential street surfaces. The paving work is broken into 3 areas: NE 27<sup>th</sup> ST, NW Michelbook LN, and SW Brockwood AVE. The project vicinity map (attachment 2) reflects the work areas covered by the contract.

### **Discussion:**

On Thursday, April 2, 2026, eight bids were received, opened, and publicly read for the construction of the 2026 Pavement Patching project. The bid results are as follows:

- Roy Houck Construction, LLC \$232,892.00
- CPM Development Corp. dba. Siegmund \$295,819.00
- KNL Industries, Inc. \$262,934.00
- North Santiam Paving Co. \$341,860.00
- K&E Paving, Inc. dba H&H Paving \$196,169.00
- Knife River Corporation \$257,750.00
- Legacy Paving & Construction, LLC \$288,754.00
- S-2 Contractors, Inc. \$297,147.00

The bids were checked for completeness, including a review of the following:

- Was the bid submitted, on time, in a properly sealed and labeled envelope?
- Was the Bid Form properly filled out and executed?
- Was a Bid Bond included?
- Were the project addenda acknowledged?
- Was the First Tier Subcontractor Form turned in on time?

All eight of the bids were complete and met the City's requirements. A detailed breakdown of the received bids is on file in the Engineering Department. A comprehensive copy of the bid tabs is shown in attachment 3.

The bid from K&E Paving, Inc. dba H&H Paving, in the amount of \$196,169.00, was deemed to be the lowest responsible and responsive bid.

The project work is expected to start no earlier than July 1, 2026 and be completed by August 26, 2026.

**Attachments:**

1. Project Vicinity Map
2. Project Bid Results
3. Resolution 2026-23

**Fiscal Impact:**

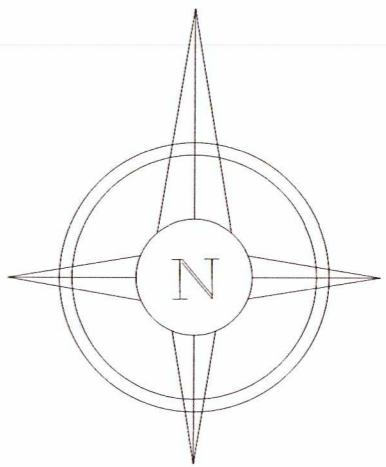
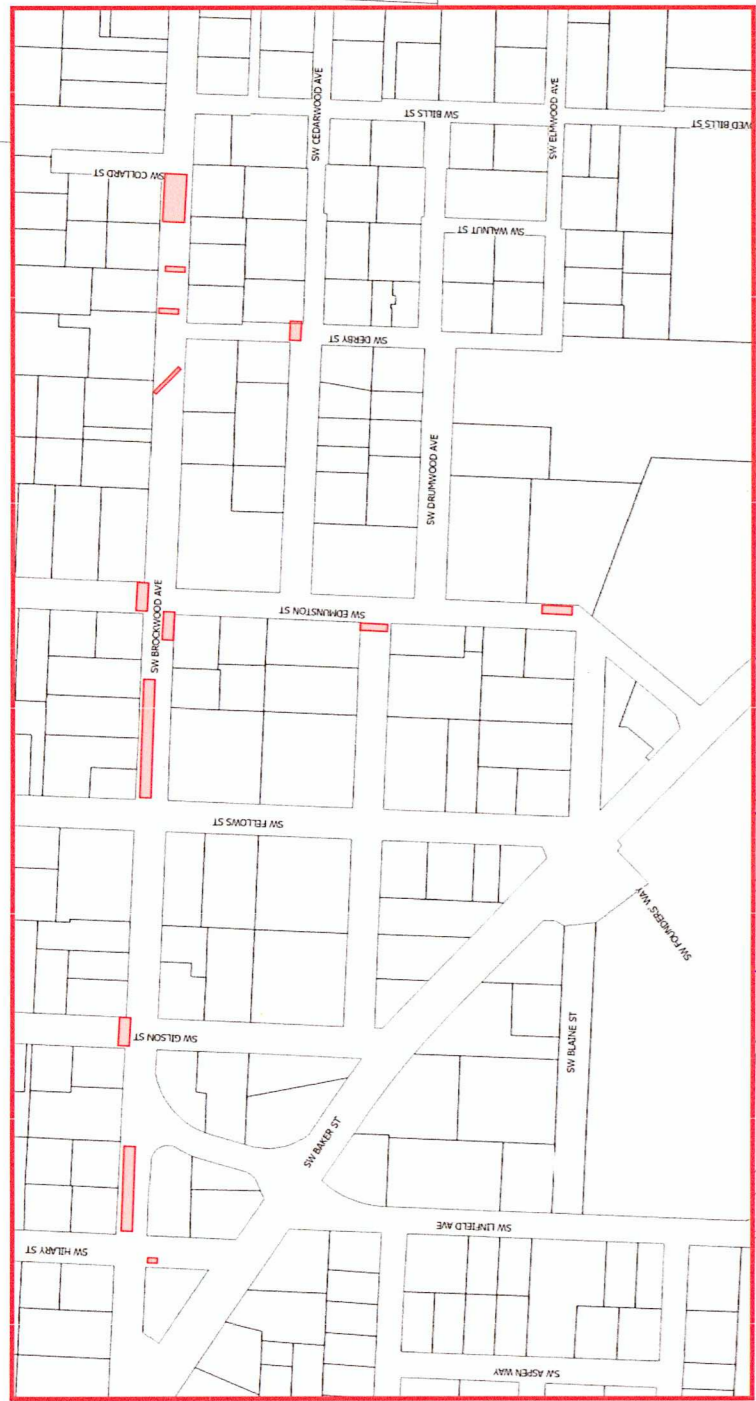
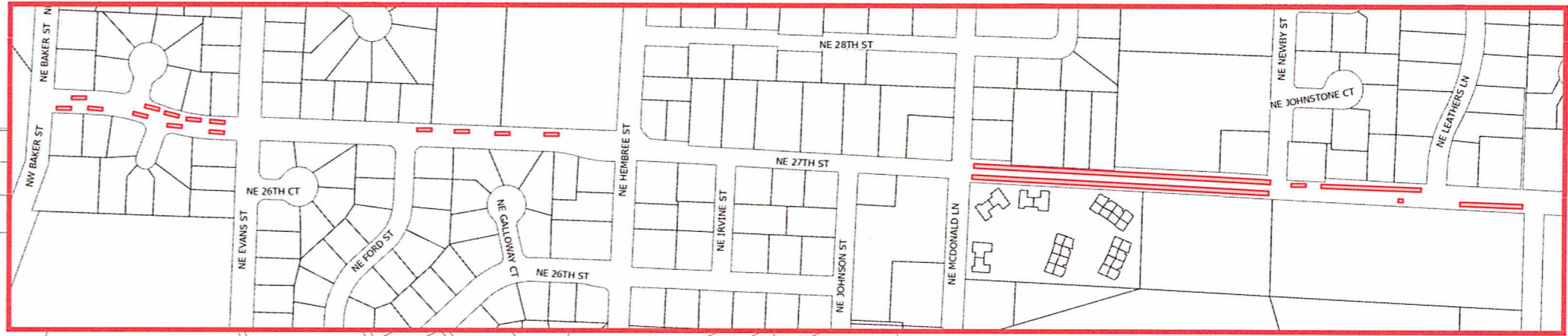
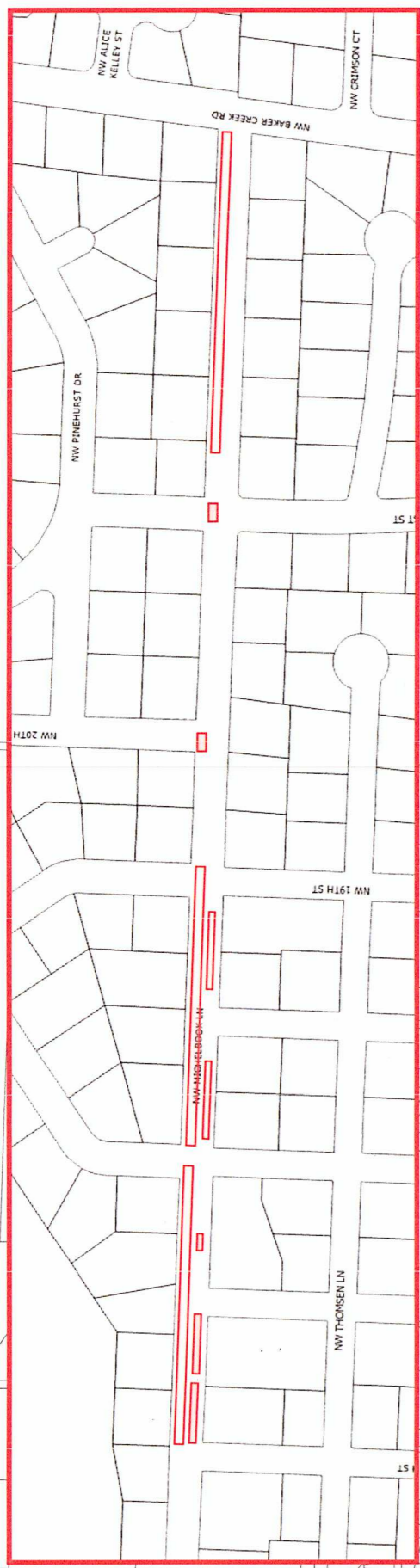
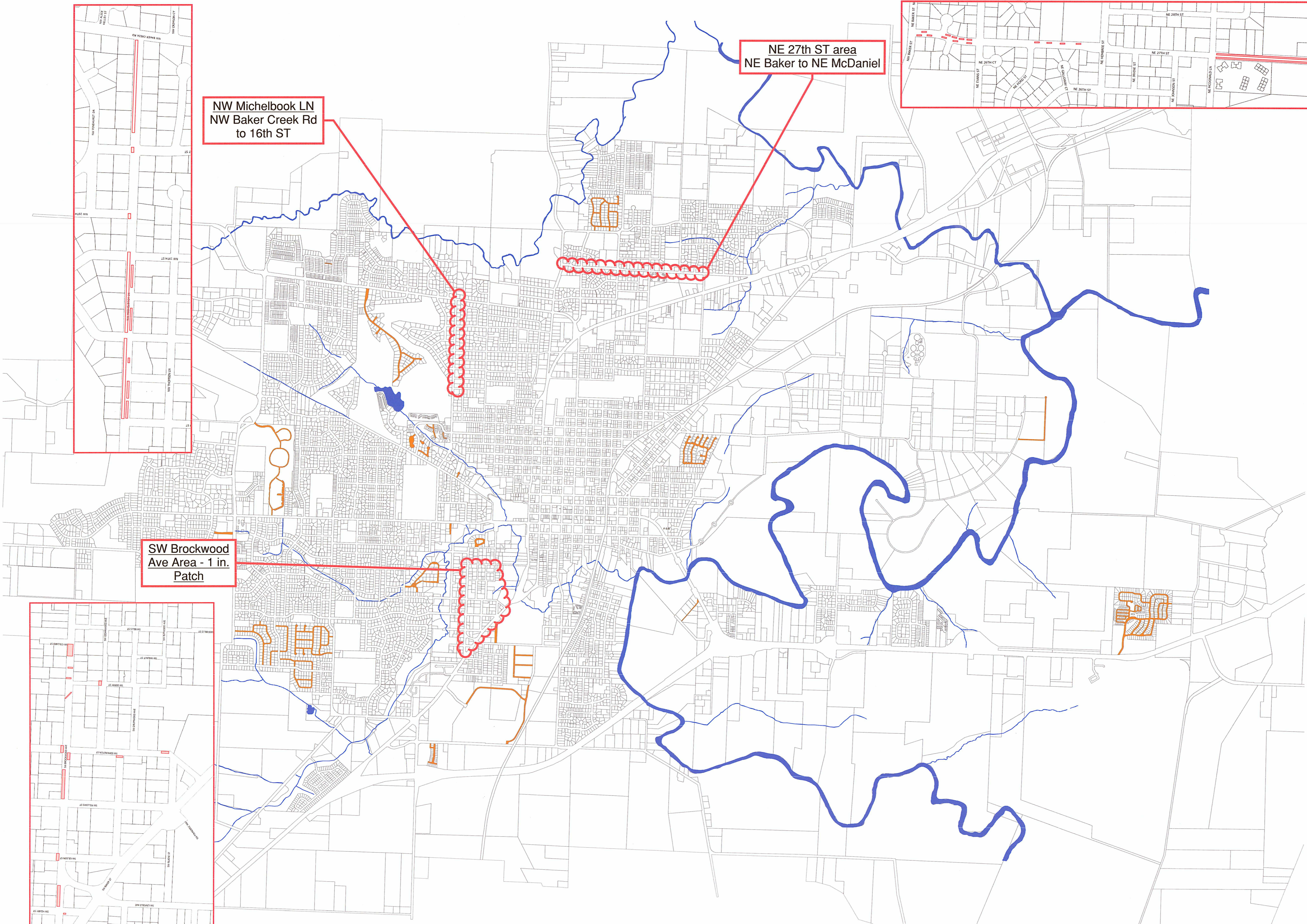
Project funding is included in the proposed FY26-27 Street Fund (20) budget for the project work.

**Recommendation:**

**Alternative 1 [Staff Recommendation]:** Adopt the attached resolution authorizing a contract for pavement patching with K&E Paving, Inc., dba H&H Paving.

**Alternative 2:** Reject the attached resolution. Direct staff to re-advertise for bids or discontinue efforts toward the 2026 Pavement Patching Project.

**Alternative 3:** The Council may consider any other alternative not presented by staff.



# City of McMinnville

CITY OF McMINNVILLE, OREGON  
 ENGINEERING DEPARTMENT  
 2026 PAVEMENT PATCHING  
 PROJECT VICINITY



SCALE: N/A  
 Drawn: LA  
 Checked:  
 Date: March 2nd, 2026  
 Project No. 2026-1  
 SHEET 1 of 4

**2026 Pavement Patching  
Project 2026-1**

				Roy Houck Construction LLC		CPM Development Corporation dba Siegmund Excavation and Construction		KNL Industries, INC.		North Santiam Paving Co.		K&E Paving Inc. dba H&H Paving		Knife River Corporation - Northwest		Legacy Paving & Construction, LLC		S-2 Contractors, Inc.	
BASE BID	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
<b>TEMPORARY FEATURES AND APPURTENANCES (00200)</b>																			
10	Mobilization (00210)	LS	ALL	\$ 15,000.00	\$ 15,000.00	\$ 26,820.00	\$ 26,820.00	\$ 10,000.00	\$ 10,000.00	\$ 51,000.00	\$ 51,000.00	\$ 15,000.00	\$ 15,000.00	\$ 22,725.00	\$ 22,725.00	\$ 6,500.00	\$ 6,500.00	\$ 13,000.00	\$ 13,000.00
20	Temporary Protection and Direction of Traffic (00221)	LS	ALL	\$ 20,000.00	\$ 20,000.00	\$ 18,625.00	\$ 18,625.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 15,000.00	\$ 15,000.00	\$ 14,400.00	\$ 14,400.00	\$ 14,750.00	\$ 14,750.00	\$ 25,000.00	\$ 25,000.00
<b>WEARING SURFACES (00700)</b>																			
30	6" Asphalt Concrete Pavement Repair (excludes AC) (00748)	SY	3,188	\$ 9.00	\$ 28,692.00	\$ 23.00	\$ 73,324.00	\$ 18.00	\$ 57,384.00	\$ 25.00	\$ 79,700.00	\$ 6.75	\$ 21,519.00	\$ 18.75	\$ 59,775.00	\$ 43.00	\$ 137,084.00	\$ 16.00	\$ 51,008.00
40	Level 3, 1/2" Dense WMAC (000744)	TN	1,090	\$ 140.00	\$ 152,600.00	\$ 143.00	\$ 155,870.00	\$ 135.00	\$ 147,150.00	\$ 150.00	\$ 163,500.00	\$ 115.00	\$ 125,350.00	\$ 135.50	\$ 147,695.00	\$ 110.00	\$ 119,900.00	\$ 175.10	\$ 190,859.00
50	Over-Excavation (per Details 37)	CY	20	\$ 150.00	\$ 3,000.00	\$ 90.00	\$ 1,800.00	\$ 150.00	\$ 3,000.00	\$ 300.00	\$ 6,000.00	\$ 200.00	\$ 4,000.00	\$ 169.00	\$ 3,380.00	\$ 135.00	\$ 2,700.00	\$ 150.00	\$ 3,000.00
60	Level 3, 3/8" Dense WMAC (000744)	TN	68	\$ 200.00	\$ 13,600.00	\$ 285.00	\$ 19,380.00	\$ 300.00	\$ 20,400.00	\$ 245.00	\$ 16,660.00	\$ 225.00	\$ 15,300.00	\$ 143.75	\$ 9,775.00	\$ 115.00	\$ 7,820.00	\$ 210.00	\$ 14,280.00
				<b>TOTAL</b>	<b>\$ 232,892.00</b>	<b>TOTAL</b>	<b>\$ 295,819.00</b>	<b>TOTAL</b>	<b>\$ 262,934.00</b>	<b>TOTAL</b>	<b>\$ 341,860.00</b>	<b>TOTAL</b>	<b>\$ 196,169.00</b>	<b>TOTAL</b>	<b>\$ 257,750.00</b>	<b>TOTAL</b>	<b>\$ 288,754.00</b>	<b>TOTAL</b>	<b>\$ 297,147.00</b>

Bid Signed?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Addenda Acknowledged?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bid Bond?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1st Tier Submittal?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**RESOLUTION NO. 2026 - 23**

A Resolution authorizing the City Manager to execute a contract for the 2026 Pavement Patching project, Project 2026-1, with K&E Paving, Inc. dba H&H Paving.

**RECITALS:**

**WHEREAS**, in a continuing effort to improve the quality and service life of McMinnville’s streets, the City has planned a 2026 Pavement Patching Project; and

**WHEREAS**, this project will patch approximately 0.75 lane miles of residential street surfaces in 3 areas: NE 27th ST, NW Michelbook LN, and SW Brockwood Ave.; and

**WHEREAS**, at 11:00am on April 2, 2026, 8 bids for the Project, were publicly opened and read aloud. The bid from K&E Paving, Inc. dba H&H Paving, in the amount of \$196,169.00, met all the bid requirements and should be considered the lowest responsible and responsive bid; and

**WHEREAS**, project funding is included in the proposed FY26-27 Street Fund (20) budget for the pavement patching work.

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

1. The City Manager is authorized to enter into a public improvement contract, in a form acceptable to the City Attorney, with K&E Paving, Inc. dba H&H Paving, in the amount of \$196,169.00, with a substantial completion date of August 28, 2026, for the 2026 Pavement Patching project, Project 2026-1.
2. This resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 14th day of April, 2026, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 14th day of April 2026.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder



## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** David Ligtenberg, City Attorney  
**SUBJECT:** Sale of 25<sup>th</sup> Street and Tice Park Air Easements

1. Resolution No. 2026-24, A Resolution directing staff to pursue sale of City-owned air easements affecting certain properties between NW 25<sup>th</sup> Street and Tice Park
2. Resolution No. 2026-04, A Resolution authorizing the City Manager to release air easements affecting certain properties adjacent to Tice Park along NW 25<sup>th</sup> St.

---

### **Background:**

On January 27, 2026, City Council heard a presentation on a series of Air Easements owned by the City over eight properties between the north side of NW 25<sup>th</sup> St. and Tice Park. Some of those property owners have requested the City release the easements so they might develop the currently-undevelopable “Option Tracts” that historically served as a buffer between those residences on NW 25<sup>th</sup> St. and Tice Park. The Council directed staff to return with appraisals of the relevant property in order to consider sale of the Air Easements in question.

### **Discussion:**

The Option Tracts were included in the original Contract of Sale with George and Gladys Tice, dated June 27, 1978. They were conveyed to the City along with the requirement that the City would sell them to the adjacent property owners along NW 25<sup>th</sup> St., so long as each of the property owners exercised their option to purchase—that is, either everybody purchased or nobody would. The options were exercised and the property sold at a price also set out in the Tice Agreement with the City, \$8,000/acre. City staff have not found particular records of those sales from 1978, but that should have equated to about \$1,750-\$2,000 per parcel.

On January 27, staff conveyed an understanding that the Option Tracts were conceptualized as a buffer between the park and the southern adjacent residences. Further research has born out that understanding in references from the Tice Master Plan of 1979, which states, “The subdivision which fronts on 25<sup>th</sup>

Street borders the Tice Property on the south. It is this area in which the property owners purchased a 100 foot strip from the City for a buffer between their homes and the future park.”

In order to maintain that buffer, Air Easements on the Option Tracts were recorded in favor of the City. Those easements have encumbered those lots since that time of original sale by the City. They are set to automatically terminate upon Tice Park ceasing to be held or used for park purposes. But with no such plans currently in place, the City may also consider terminating or selling the Air Easements as discussed in January.



According to the attached appraisal, dated for February 10, 2026, the properties encumbered by the Air Easements would increase in value by between \$40,000 and \$85,000 when the air easements are removed. To be specific, from west to east, the blue-highlighted properties were calculated to increase by the following amounts:

245	227	209	151	149	131	123	115
\$76,768	\$76,768	\$57,582	\$83,764	\$83,764	\$41,882	\$83,764	\$83,764

The air easement limits the lots to structures less than ten feet tall, rendering the lots as unbuildable for residential development. All of the lots though are zoned R1 and meet the minimum lot size of 9,000 square feet. Thus if the air easement was removed they would be considered buildable lots.

Only one lot (245) has direct frontage to a public street. All other lots would require an access easement to serve the “option tract”. The City of McMinnville allows access easements to serve up to three lots. The access easement can be in the setback, but must be fifteen feet wide, with a ten foot paved driveway.

It should be noted that on page 38 of the attached appraisal, the following statement is erroneous:

imposed by R1 zoning (10 feet minimum interior side yards). To preserve the 10-foot required side lot setbacks and establish a 12 to 14-foot minimum width driveway, the distance between homes would need to be at least 32 feet, and likely more.

This was pointed out to the appraiser and they did not believe that it had any material impact on their appraisal of value of the air easements.

For comparison, the Yamhill County Tax Assessor provided the following table of estimate 2025-2026 RMV of these lots with the air easement, and the RMV if the air easements were removed.

Map	R4417AD 00190	R4417AD 00290	R4417AD 00490	R4417AD 00590	R4417AD 00690	R4417AD 00790	R4417AD 00890	R4417AD 00300
Account	343998	344069	344167	344210	344443	344498	344568	137854
2025-2026 Land RMV	\$ 39,403	\$ 39,403	\$ 42,993	\$ 32,245	\$ 42,993	\$ 42,993	\$ 42,993	
2025-2026 Improvements RMV	0	0	0	0	30,192	0	0	
2025-2026 RMV	\$ 39,403	\$ 39,403	\$ 42,993	\$ 32,245	\$ 73,185	\$ 42,993	\$ 42,993	
2025-2026 AV	\$ 4,330	\$ 4,330	\$ 5,149	\$ 5,149	\$ 27,531	\$ 5,149	\$ 5,149	
2025-2026 Tax Rate	17.8067	17.8067	17.8067	17.8067	17.8067	17.8067	17.8067	
2025-2026 Taxes	\$ 77.10	\$ 77.10	\$ 91.69	\$ 91.69	\$ 490.24	\$ 490.24	\$ 490.24	
<b>RMV Separate Buildable lot</b>	<b>\$ 157,006</b>	<b>\$ 157,006</b>	<b>\$ 161,364</b>	<b>\$ 161,364</b>	<b>\$ 191,556</b>	<b>\$ 161,364</b>	<b>\$ 161,364</b>	<b>\$ 198,324</b>
2025-2026 CPR	0.538	0.538	0.538	0.538	0.538	0.538	0.538	
Separate Est AV	\$ 84,469	\$ 84,469	\$ 86,814	\$ 86,814	\$ 103,057	\$ 86,814	\$ 86,814	
2025-2026 Est. Taxes	\$ 1,504.12	\$ 1,504.12	\$ 1,545.87	\$ 1,545.87	\$ 1,835.11	\$ 1,545.87	\$ 1,545.87	
Estimated Tax Increase	\$ 1,427.02	\$ 1,427.02	\$ 1,454.18	\$ 1,454.18	\$ 1,344.87	\$ 1,055.63	\$ 1,055.63	
TCA Code McMinnville	40.0	40.0	40.0	40.0	40.0	40.0	40.0	
Land Square Feet	9,121	9,121	9,952	9,952	9,952	9,952	9,952	19,194

\* Current value given -25% access reduction, removed for 1/1/2026

\*\* An improvement GPB 1,080 s.f

\*\*\* One Developed lot with SFR

NOTE: The above highlighted line represents the estimated RMV for vacant land without On Site Developments (OSD's) with adequate street access. Estimated Average OSD cost \$20,300.

The assessor's calculations estimate a difference in RMV of (note the graphic above orders the properties differently; the table below is by address, west to east, and matches the similar table on p.2 of this report):

245	227	209	151	149	131	123	115
\$117,603	\$117,603	-	\$118,371	\$129,119	\$118,371	\$118,371	\$118,371

However, the assessor's calculations are based on adequate street access.

The appraisal assumes that the option tracts would continue to serve as accessory lots to the NW 25<sup>th</sup> street residential lots and not be sold as independent residential lots due to potential issues with access easements.

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Valuation (larger parcel)</b>								
<i>"Before" With Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	H&B Use(s)	H&B Use(s)	Large lot w/restrictions	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)
<i>Unit Value (/SF)</i>	\$14.00	\$14.00	\$15.00	\$14.00	\$14.00	\$16.00	\$14.00	\$14.00
<i>"Before" Value</i>	\$268,688	\$268,688	\$287,910	\$293,174	\$293,174	\$335,056	\$293,174	\$293,174
<i>"After" Without Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.
<i>Unit Value (/SF)</i>	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
<i>"After" Value</i>	\$345,456	\$345,456	\$345,492	\$376,938	\$376,938	\$376,938	\$376,938	\$376,938
<b>Change in Value +/-</b>	\$76,768	\$76,768	\$57,582	\$83,764	\$83,764	\$41,882	\$83,764	\$83,764
<i>(After - Before Values)</i>								

**Attachments:**

1. Appraisal
2. Resolution No. 2026-24
3. Resolution No. 2026-04

**Fiscal Impact:**

Sale of the Air Easements could produce revenue for the City. The above-referenced appraisal cost \$4,900.

**Alternatives:**

**Alternative 1:** Adopt Resolution 2026-24 directing staff to pursue sale of the air easements over the NW 25<sup>th</sup> Street Option Tracts. Staff will schedule a public hearing and pursue sale of the Air Easements.

**Alternative 2:** Adopt Resolution 2026-04 authorizing staff to terminate Tice Park Option Property Air Easements. Council should also indicate to staff which process they should follow to terminate said easements.

**Alternative 3:** Do not adopt either Resolution. Continue to hold air easements over Tice Park Option Properties for the public benefit.

**Alternative 4:** The Council may consider any other alternative not presented by staff.

***APPRAISAL REPORT***

Air Easement Determination of Value  
115-245 NW 25th Street  
McMinnville, Oregon 97128  
February 10, 2026

***PREPARED FOR***

City of McMinnville  
Attn: Mr. Adam Garvin, Interim City Manager  
231 NE 5th Street  
McMinnville, Oregon 97128

***PREPARED BY***

**RSP & Associates LLC**  
Ryan S. Prusse, MAI  
*ryan@rspa-pdx.com*  
PO Box 365  
Wilsonville, Oregon 97070  
(503) 805-4059

*AF#26004*

*RSP & Associates LLC  
PO Box 365  
Wilsonville, Oregon 97070  
(503) 805-4059  
www.rspa-pdx.com*

February 24, 2026

City of McMinnville  
Attn: Mr. Adam Garvin, Interim City Manager  
231 NE 5th Street  
McMinnville, Oregon 97128

Subject: Appraisal Report  
Air Easement Determination of Value  
115-245 NW 25th Street  
McMinnville, Oregon 97128

Dear Client:

At your request, we have prepared a before-after narrative appraisal of the eight tax lots at 115-245 NW 25th Street, in McMinnville, Oregon.

The purpose of this appraisal is to estimate the change in value of the (larger) eight residential parcels. The exception is Parcel III, a singular tax lot, similar to the surrounding lot pairings. The effective date of values is **February 10, 2026**. This report is prepared in compliance with current Uniform Standards of Professional Appraisal Practice (USPAP), as formulated by the Appraisal Foundation

After investigating all the pertinent data regarding the subject property, in our opinion, the change in value of the subject properties (eight larger parcels), estimated as of **February 10, 2026**, is summarized in the following table:

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Valuation (larger parcel)</b>								
<i>"Before" With Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	H&B Use(s)	H&B Use(s)	Large lot w/restrictions	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)
<i>Unit Value (/SF)</i>	\$14.00	\$14.00	\$15.00	\$14.00	\$14.00	\$16.00	\$14.00	\$14.00
<b>"Before" Value</b>	<b>\$268,688</b>	<b>\$268,688</b>	<b>\$287,910</b>	<b>\$293,174</b>	<b>\$293,174</b>	<b>\$335,056</b>	<b>\$293,174</b>	<b>\$293,174</b>
<i>"After" Without Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.
<i>Unit Value (/SF)</i>	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
<b>"After" Value</b>	<b>\$345,456</b>	<b>\$345,456</b>	<b>\$345,492</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>
<b>Change in Value + / (-)</b>	<b>\$76,768</b>	<b>\$76,768</b>	<b>\$57,582</b>	<b>\$83,764</b>	<b>\$83,764</b>	<b>\$41,882</b>	<b>\$83,764</b>	<b>\$83,764</b>
<i>(After - Before Values)</i>								

A legal description of the subject properties is included in the body of the attached report. The difference in value is based solely on the hypothetical removal of a long-standing easement limiting rights of use. In this regard, we utilize larger parcel methodology based upon contiguity, unity of use and common ownership.

Reference to the Assumptions and Limiting Conditions section of the attached report is recommended for a complete understanding of the basis on which the value conclusion is predicated. A copy of the client's (City of McMinnville) engagement letter is included in the Addenda of the attached appraisal report. We have sufficient education and experience in valuing similar properties to satisfy the competency rule of the Uniform Standards. The reported value was not based upon a requested valuation or on specific loan approval.

### **Extraordinary Assumptions**

None.

### **Hypothetical Conditions**

- In the preparation of BEFORE AND AFTER appraisals, it is necessary to invoke a hypothetical condition that presumes alteration of BEFORE property ownership/rights as dictated by the easement document(s) reviewed. Specifically, the AFTER valuation involves analysis and quantification of the same land area, increased rights of use, elimination of height restrictions and/or reconsideration of expansion or redevelopment potential.

The above-detailed extraordinary assumptions and hypothetical conditions may have a material impact on the value conclusions.

The basis for these conclusions is explained in detail in the contents of the attached appraisal report.

Sincerely,

***RSP & ASSOCIATES LLC***



Ryan S. Prusse, MAI  
*Oregon Appraiser Certification No. C000498*

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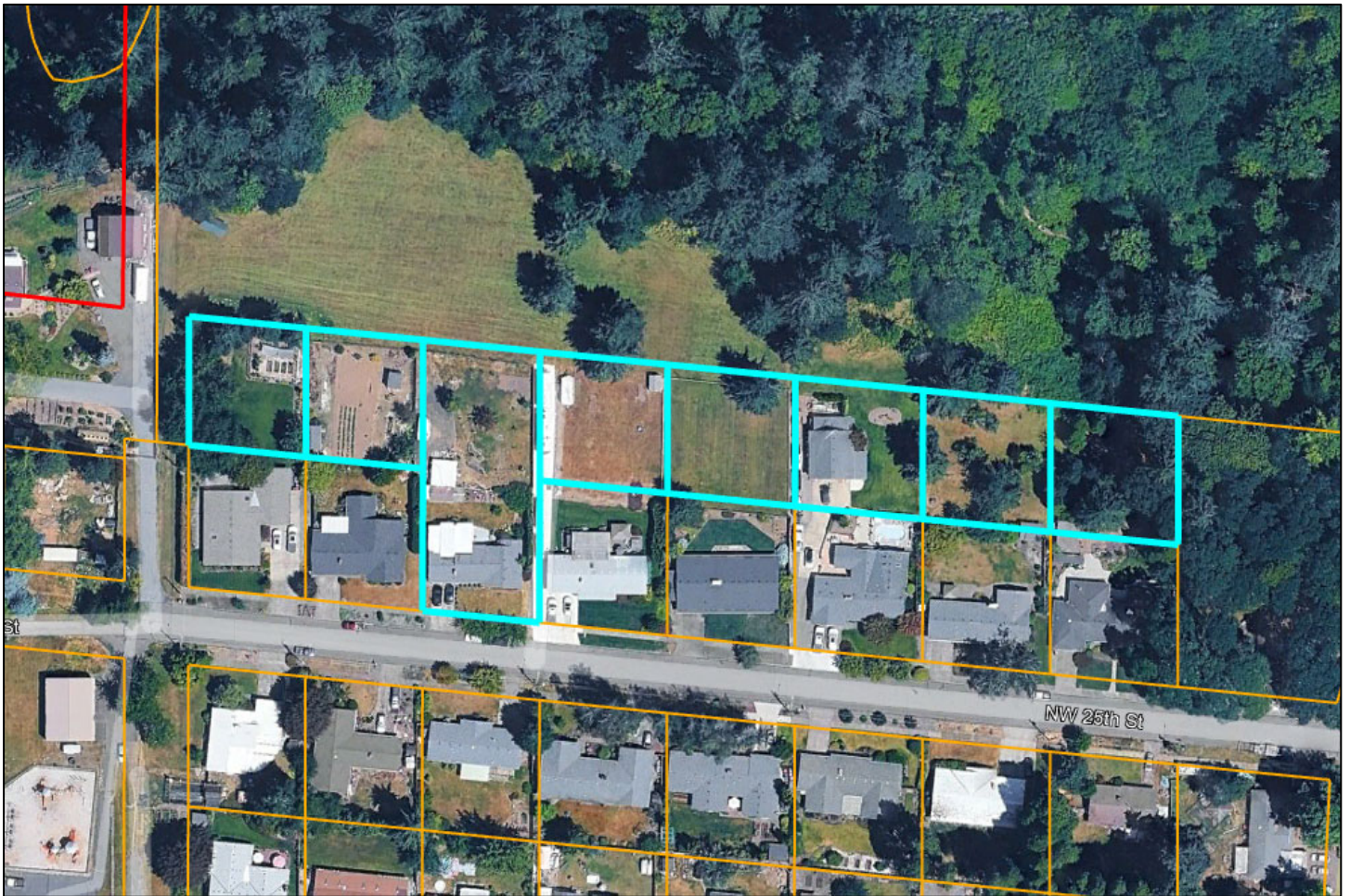
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<i>I. Firm/ Appraiser Qualifications</i>	
<i>II. Engagement Letter</i>	
<i>III. Yamhill County Assessor Summaries</i>	
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<i>V. Portland MSA Labor Trends</i>	
<i>VI. 1-, 3-, 5-mile Demographics</i>	

# *EXECUTIVE SUMMARY*

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Area (SF)</b>	9,121	9,121	19,194	9,952	9,952	9,952	9,952	9,952
<b>County RMV (land)</b>	\$39,403	\$39,403	\$221,593	\$42,993	\$32,245	\$42,993	\$42,993	\$42,993
<b>County RMV (land/SF)</b>	\$4.32	\$4.32	\$11.54	\$4.32	\$3.24	\$4.32	\$4.32	\$4.32
<b>Paired With (front Tax Lot)</b>	100	200	Not applicable	400	500	600	700	800
<b>County Parcel</b>	137765	137827	Not applicable	137881	137934	137961	137989	138005
<b>Land Area (SF)</b>	10,071	10,071	Not applicable	10,989	10,989	10,989	10,989	10,989
<b>RMV (land)</b>	\$182,223	\$182,223	Not applicable	\$186,189	\$186,143	\$186,184	\$186,189	\$186,189
<b>RMV (land/SF)</b>	\$18.09	\$18.09	Not applicable	\$16.94	\$16.94	\$16.94	\$16.94	\$16.94
<b>RMV (improvement)</b>	\$232,524	\$259,965	\$240,421	\$204,536	\$236,430	\$282,872	\$229,696	\$310,375



## ***EXECUTIVE SUMMARY (Cont.)***

<b><i>Utilities:</i></b>	All public
<b><i>Zoning:</i></b>	R1 (Low-Density Residential) City of McMinnville, Oregon
<b><i>Flood Zone Designation:</i></b>	Zone X, areas of minimal flood hazard FIRM #41071C 0402D, 3/2/2010

***Land Comments:*** Appraised property consists of eight (8) residentially zoned lots located backing to Tice Park, north of NW 25th Street. Seven of eight parcels were originally created as “Option Tracts” in connection with the city of McMinnville’s 1978 acquisition of Tice Park, and are generally rectangular in configuration, similar in size, and function as extended yard areas for the adjacent front lots/homes along NW 25th Street. The exception is TL 300, a singular (double) lot. Each lot is encumbered by a recorded “air easement” benefiting the City that prohibits development of structures that exceed 10 feet in height and also prohibits construction of new living space. Just one of the rear lots (TL 690) includes an approximate 1,400 SF shop/garage legally permitted/constructed around 2008. Despite legitimate Permit #569-07B0685, it is our understanding the shop was “inadvertently allowed.”

***Larger Parcel Considerations:*** Seven of the eight subject property lots are paired with adjacent (front) lots that have been held under common ownership. Combined (or singular, in the case of III), the subject properties are improved as mid-grade residential improvements (size, quality, condition). Without the existing air rights easement, and assuming vacant, the combined two-lot pairs possess enhanced highest and best use(s). Therefore, each of the subject properties are analyzed herein on the basis of the larger parcel perspective.

## EXECUTIVE SUMMARY (Cont.)

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Larger Parcel Summary</b>								
<b>Total Land Area (SF)</b>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<b>Total RMV (land)</b>	\$221,626	\$221,626	\$221,593	\$229,182	\$218,388	\$229,177	\$229,182	\$229,182
<b>Total RMV (land/SF)</b>	\$11.55	\$11.55	\$11.54	\$10.94	\$10.43	\$10.94	\$10.94	\$10.94
<b>Current Use (larger parcel)</b>	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front & RV pad (cov.) at rear	Double lot w/home in front	Double lot w/home in front; pool & shop behind	Double lot w/home in front	Double lot w/home in front
<b>Improvements (rear lot only)</b>			<i>(already combined)</i>					
<i>Utilities</i>	None (irrigation)	None (irrigation)	Full (all)	Partial to RV pad	None	Power/water (irr.)	None	None
<i>Fencing</i>	Partial	Yes	Yes	Partial (sides)	Yes	Partial (sides)	Partial (sides)	Yes (full hog wire)
<i>Landscaping</i>	Lawn/plants/garden	Garden, plants	Front/rear (modest)	Limited (lawn)	Lawn/tree(s)	Lawn/plants/garden	Lawn/tree(s)	Lawn/tree(s)
<i>Road / Driveway</i>	None	None	Front only	Concrete (new)	None	Concrete/gravel	None	None
<i>Structures</i>	Small shed	Small sheds	Home & small shed	Non-permanent	None	Shop w/loft ('06)	None	Small shed(s)
<b>Highest &amp; Best Use (larger parcel)</b>								
<b>"Before" With Air Easement</b>								
<i>SFR &amp; Large Rear Yard</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Divisibility (2nd SFR)</i>	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home
<i>Assemblage w/side lot(s)</i>	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely
<i>Outbuilding (10' tall)</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Outbuilding (&gt; 10')</i>	No	No	No	No	No	Yes (permitted in error)	No	No
<i>Accessory Dwelling</i>	No, not w/o home on same lot	No, not w/o home on same lot	Yes, assuming suitable access & extension of utilities	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot
<i>Cottage Cluster</i>	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety
<b>"After" Without Air Easement</b>								
<i>SFR &amp; Large Rear Yard</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Divisibility (2nd SFR)</i>	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home
<i>Assemblage w/side lot(s)</i>	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely
<i>Outbuilding (10' tall)</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Outbuilding (&gt; 10')</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Accessory Dwelling</i>	No, not w/o home on same lot	No, not w/o home on same lot	Yes, assuming suitable access & extension of utilities	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot
<i>Cottage Cluster or 2, 4-plexes</i>	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo

## ***EXECUTIVE SUMMARY (Cont.)***

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Valuation (larger parcel)</b>								
<i>"Before" With Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	H&B Use(s)	H&B Use(s)	Large lot w/restrictions	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)
<i>Unit Value (/SF)</i>	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$16.00	\$14.00	\$14.00
<b>"Before" Value</b>	<b>\$268,688</b>	<b>\$268,688</b>	<b>\$268,716</b>	<b>\$293,174</b>	<b>\$293,174</b>	<b>\$335,056</b>	<b>\$293,174</b>	<b>\$293,174</b>
<i>"After" Without Air Easement</i>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.
<i>Unit Value (/SF)</i>	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
<b>"After" Value</b>	<b>\$345,456</b>	<b>\$345,456</b>	<b>\$345,492</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>
<b>Change in Value + / (-)</b>	<b>\$76,768</b>	<b>\$76,768</b>	<b>\$76,776</b>	<b>\$83,764</b>	<b>\$83,764</b>	<b>\$41,882</b>	<b>\$83,764</b>	<b>\$83,764</b>
<i>(After - Before Values)</i>								

***Effective Date of Value:***

February 10, 2026

***Date of Inspection:***

February 10, 2026

***Interest Appraised:***

Fee simple (with & without air easement)

***Appraiser(s):***

Ryan S. Prusse, MAI

## ***PURPOSE OF APPRAISAL***

The purpose of this appraisal is to estimate the before and after **market values** of the eight larger parcels, as of the **February 10, 2026**, inspection date. Based upon the hypothetical removal of the existing air rights easement, the difference is effectively wholly attributable to its existence.

## ***FUNCTION OF APPRAISAL***

The intended use of the appraisal report is to assist the client, City of McMinnville in evaluating the existing air rights easement(s). The intended users include the client, applicable legal venues and designated assignees.

This report is intended for no other use(s).

## ***APPRAISAL DEFINITIONS***

### **Larger Parcel**

Property that has unity of ownership, contiguity, and unity of use; three conditions integral in the consideration of severance damages. Also known as the “parent parcel,” unity of use considers both the highest and best use and current use(s) of the property.

### **Market Value**

This is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. Continual refinement is essential to the growth of the appraisal profession. The applicable definition for this report’s intended use is as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

### **Property Rights Appraised**

**Leased Fee Estate**, is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), as:

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others: The rights of lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

**Fee Simple Estate**, is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Leasehold Interest**, is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), as:

The tenant’s possessory interest created by a lease.

**Sandwich Leasehold Estate**, is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), as:

The interest held by the original lessee when the property is subleased to another property; a type of leasehold estate.

### **Exposure Time/Marketing Period**

Exposure time is defined within the *USPAP*, Statement 6, as:

The estimated length of the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

## ***APPRAISAL DEFINITIONS (Cont.)***

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. As such, a similar time period of six to 12 months is supported for the subject property's marketing period. This conclusion is based upon the assumption that no soil contamination exists and deferred maintenance is cured to the satisfaction of typical investor parameters.

## ***ASSUMPTIONS & LIMITING CONDITIONS***

- The analysis assumes that the Yamhill County Assessor's office legal descriptions accurately represent the subject property. A survey has not been provided to RSP & Associates LLC. If further verification is required, a survey by a qualified surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable.
- All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or land use violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless noted.
- Information presented in this report has been obtained from what are believed to be reliable sources. It is assumed that the information obtained from trusted third party sources is accurate.
- This report shall be used for its intended purpose only. Possession of the report does not include the right of publication.
- RSP & Associates LLC staff will not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.
- The statements of value and all conclusions shall apply as of the dates shown herein. The appraisers have no present or contemplated future interest in the property which is not specifically disclosed in this report.
- Neither all, nor any part, of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of RSP & Associates LLC and its employed staff.
- This report must be used in its entirety. Reliance on any portion of the report out of context may lead the reader to erroneous conclusions regarding the property and/or its value(s). No portion of the report is intended to stand alone without approval from RSP & Associates LLC.
- The valuation stated herein assumes professional management and operation of the building(s). Inherent in this assumption is an adequate maintenance and repair program.
- The valuation is based on the projection that the property will maintain stabilized occupancy as defined herein. Specific to this definition is the existence of tenants paying market level rents.
- The liability of RSP & Associates LLC and staff is limited to the client only. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.
- Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. The party for whom the appraisal report was prepared may distribute copies, in its entirety, to such third parties as may be selected.
- The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property. The appraisers assume that there are no hidden or non-apparent conditions of the property, subsoil, or structures which would render it more or less valuable.
- In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements, or cost, regardless of outcome; the client will hold RSP & Associates LLC completely harmless.

## ***ASSUMPTIONS & LIMITING CONDITIONS (Cont.)***

- The appraisers are not qualified to detect the non-apparent presence of toxic or hazardous substances or materials that may influence or be associated with the property or any adjacent properties. No investigation or analysis as to the presence of such materials has been made. The duty to note the presence of such materials has been expressly disclaimed. Therefore, irrespective of any degree of fault, RSP & Associates LLC its principals, agents, and employees, shall not be liable for costs, expenses, damages, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids, or gases, waste materials or other irritants, contaminants, or pollutants.
- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*, which prescribes specific building standards which may be applied based on factors such as building age, historical significance, amenability to improvement, and costs of renovation. RSP & Associates LLC its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting directly from non-compliance.
- Except as otherwise noted herein, this appraisal assumes that the subject complies with all ADA standards appropriate to the subject improvements; if the subject is not in compliance, the eventual renovation costs and/or penalties may negatively impact the present value of the property. If RSP & Associates LLC were advised of necessary renovation costs, time period needed for renovation, and penalties for non-compliance, appropriate adjustments would be made to the value conclusion(s) reported herein.
- This appraisal assumes the proposed construction (horizontal and vertical improvements) is completed based upon the costs/specifications provided by the owner, and in the timeline provided.

### **Extraordinary Assumptions**

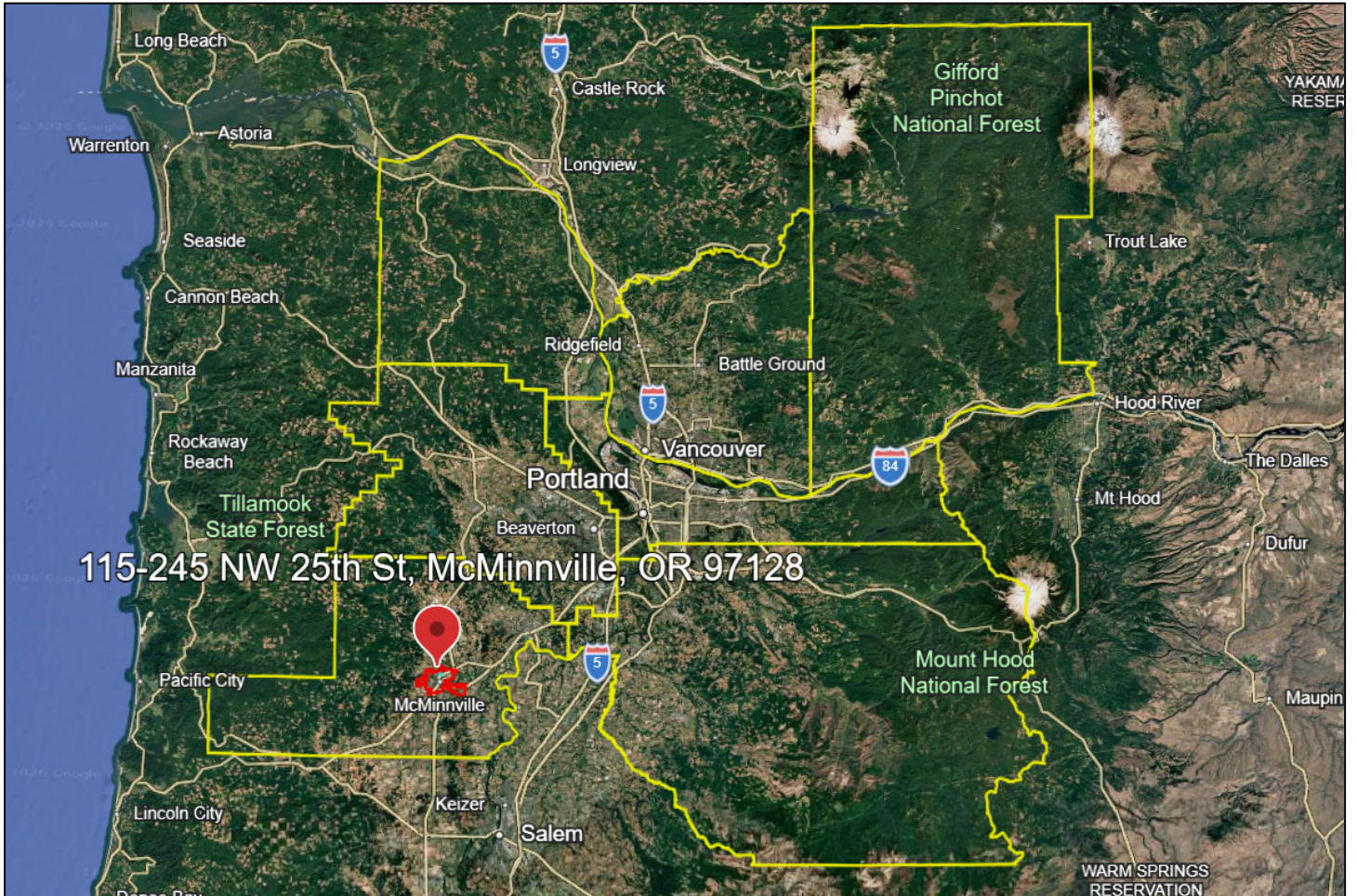
- We assume the eight lots are as described herein, including size/dimension, availability of utilities, buildability and navigable slope.

### **Hypothetical Conditions**

- In the preparation of BEFORE AND AFTER appraisals, it is necessary to invoke a hypothetical condition that presumes alteration of BEFORE property ownership/rights as dictated by the easement document(s) reviewed. Specifically, the AFTER valuation involves analysis and quantification of the same land area, increased rights of use, elimination of height restrictions and/or reconsideration of expansion or redevelopment potential. No hypothetical conditions apply in this appraisal.

The above-detailed extraordinary assumptions and hypothetical conditions may have a material impact on the value conclusions.

## *MARKET AREA ANALYSIS – Portland MSA*



The Portland-Vancouver-Hillsboro MSA is a group of seven contiguous counties surrounding Multnomah County and the Portland, Oregon city limits, which is positioned at the confluence of the Willamette and Columbia Rivers. It is a US top 25 metropolitan market with just a few Fortune 500 businesses headquartered. As of the 2020 census, the region had a population of 2,512,859, an increase of over 12 percent from 2010. Employment is skewed heavily toward technology, apparel design/marketing, manufacturing, transportation, healthcare and government. Historically, quality of life attributes has drawn residents and employers to the region's relative home affordability, recreation opportunities and cultural attractions.

The market area boasts strong demographic characteristics with above average income and educational attainment levels, while also providing a large pool of highly educated professionals and an overall skilled labor force. Corresponding with the region's higher levels of educational attainment, households in the Portland MSA have a cost of living approximately 16 percent higher than the national average. Despite this, the region's high quality of life, competitive wages, and variety of employment opportunities make it an attractive location for potential new residents, particularly in comparison to the West Coast's other major cities.

## ***MARKET AREA ANALYSIS – Portland MSA (Cont.)***

Over the past decade, the Portland–Vancouver–Hillsboro MSA has demonstrated moderate but consistent economic growth, supported by a diversified employment base and strong in-migration during much of the pre-COVID-19 pandemic period. From 2015 through early 2020, the region generally experienced expanding employment, rising household incomes, and sustained population growth, driven in part by domestic migration from higher-cost West Coast markets.

Beginning in early 2020, the global COVID-19 pandemic negatively-impacted many industries and led to spiked unemployment in select sectors. However, the region did benefit from some COVID-19-era population trends. Many employees in higher-priced coastal metros like the Bay Area and Puget Sound worked remotely during the pandemic, and those who were no longer required to commute to their jobs in expensive areas began relocating to more affordable options like Portland (and other smaller metros). The influx of well-paid new residents translated into increased retail sales. However, recent trends show that growth has slowed significantly since 2020, particularly in Multnomah County which has experienced a sizable population decline. The region’s overall population is now largely dependent on net in-migration, as natural population change has effectively flattened. Key drivers of these trends include housing affordability challenges, remote work flexibility, and rising local tax burdens.

The regional economy continues to adapt from the impacts of the COVID-19 pandemic and the unique economic crisis that followed, and the Portland MSA has shown mixed performance. According to a 2024 State of the Portland Economy report, comparing the GDP growth rate to peer regions, the Portland MSA economy grew by 14.1 percent from 2017-2022, placing it behind peer cities such as Austin, Texas (+37.2 percent) and Denver, Colorado (+23.5 percent). Despite, its home pricing and cost of living advantages, the Portland metropolitan region is significantly impaired by a combination of both objective and subjective adversities, that include the unhoused population, safety/crime rates, rates of taxation and effectiveness of local government(s). From the perspective of in-demand metropolitan regions, Portland ranks at the bottom among the top 80-plus US markets; two years running.

According to the Oregon Employment Department, total nonfarm payroll employment declined by approximately 9,000 to 12,000 jobs over the most recent 12-month period (roughly late 2024 through late 2025), translating to a contraction of about 0.7 percent to 1.0 percent (depending on the month of measurement). Job losses accelerated during the spring and summer of 2025 and were only partially offset by modest gains late in the year. As a result, employment levels remained below prior-year benchmarks for much of 2025, with downward revisions to prior estimates reinforcing the overall trend of declining employment levels relative to the previous year. Labor market conditions also softened, with the metro area’s unemployment rate increasing from roughly 4.0-4.1 percent in late 2024 to around 4.8-5.0 percent by late 2025. The number of unemployed residents rose by roughly 12,000 to 17,000 year over year, even as the labor force continued to expand modestly, indicating that job growth did not keep pace with labor force growth.

Performance varied sharply by industry during 2025. Manufacturing was the weakest major sector, shedding roughly 4,000–7,000 jobs year over year, with losses concentrated in durable goods and

## **MARKET AREA ANALYSIS – Portland MSA (Cont.)**

semiconductor-related manufacturing. Construction also trended downward, losing approximately 3,000–4,000 jobs, reflecting higher interest rates, reduced residential construction activity, and softer commercial development. Professional and business services also declined, particularly within administrative and employment services.

By contrast, health care and social assistance have served as the primary stabilizing force, adding approximately 5,000–7,000 jobs over the year despite short-term volatility tied to labor disputes earlier in 2025. Transportation and warehousing also posted net gains, reflecting continued regional logistics activity, while leisure and hospitality recorded modest growth overall, though with notable month-to-month variability and weaker performance during parts of the summer. Government employment, particularly local education, contributed incremental gains.

The following table from the Oregon Employment Department’s monthly Labor Market Report summarizes the most recent (December 2025) industry employment levels for the Portland MSA.

<b>Portland-Vancouver-Hillsboro, OR-WA MSA Current Labor Force and Industry Employment</b>					
	<b>December 2025</b>	<b>November 2025</b>	<b>December 2024</b>	<b>--Change From--</b>	
				<b>November 2025</b>	<b>December 2024</b>
<b>Labor Force Status</b>					
Civilian labor force	1,390,681	1,404,514	1,381,774	-13,833	8,907
Unemployed	67,939	66,461	56,981	1,478	10,958
Unemployment rate	4.9%	4.7%	4.1%	0.2	0.8
<i>Unemployment rate (seasonally adjusted)</i>	5.0%	5.0%	4.2%	0.0	0.8
Employed	1,322,742	1,338,053	1,324,793	-15,311	-2,051
<b>Nonfarm Payroll Employment</b>					
Total nonfarm employment	1,238,600	1,241,300	1,250,800	-2,700	-12,200
<i>Total nonfarm employment (seasonally adjusted)</i>	1,230,900	1,231,300	1,242,300	-400	-11,400

Overall, recent data indicates that the Portland MSA has experienced slowing economic conditions over the past year, with employment declines across several major sectors and a rising unemployment rate. While growth persisted in health care, logistics, and parts of the public sector, these gains were not sufficient to offset broader employment losses

The region’s housing market continues to reflect a mix of stabilization and ongoing supply constraints. According to the most recent Market Action publications by RMLS (December 2025), average and median sale prices have remained relatively stable over the past year, following the volatility of 2022–2023. During 2025, the median home sale price generally ranged between approximately \$540,000 and \$570,000, with late-summer and early-fall figures near \$545,000 to \$550,000, while average sale price has remained near the low-\$600,000 range. Inventory has modestly improved compared to pandemic-era lows but remains short at less than three months, and total market time has increased to 81 days, indicating a slower but still competitive market environment. Affordability remains a significant concern; despite modest price stabilization, higher interest rates have pushed the RMLS Affordability Index into the high-80s to low-90s, indicating that a household earning the regional

## *MARKET AREA ANALYSIS – Portland MSA (Cont.)*

median income of approximately \$124,100 cannot afford a full mortgage payment on a median-priced home under typical financing assumptions. Longer-term housing production continues to lag estimated regional needs, and this structural undersupply—combined with regulatory constraints and affordability pressures—is expected to continue limiting housing accessibility across much of the Portland MSA region.

Portland Metro Residential Highlights		New Listings	Pending Sales	Closed Sales	Average Sale Price	Median Sale Price	Total Market Time
2025	December	1,005	1,234	1,633	596,400	535,000	81
	November	1,437	1,628	1,520	599,700	535,000	72
	Year-To-Date	30,316	22,120	22,023	612,100	549,000	65
2024	December	1,068	1,326	1,534	578,300	525,000	74
	Year-To-Date	29,586	21,961	21,715	608,600	543,000	57
Change	December 2024	-5.9%	-6.9%	6.5%	3.1%	1.9%	9.8%
	Prev Mo 2025	-30.1%	-24.2%	7.4%	-0.6%	0.0%	12.5%
	Year-To-Date	2.5%	0.7%	1.4%	0.6%	1.1%	14.3%

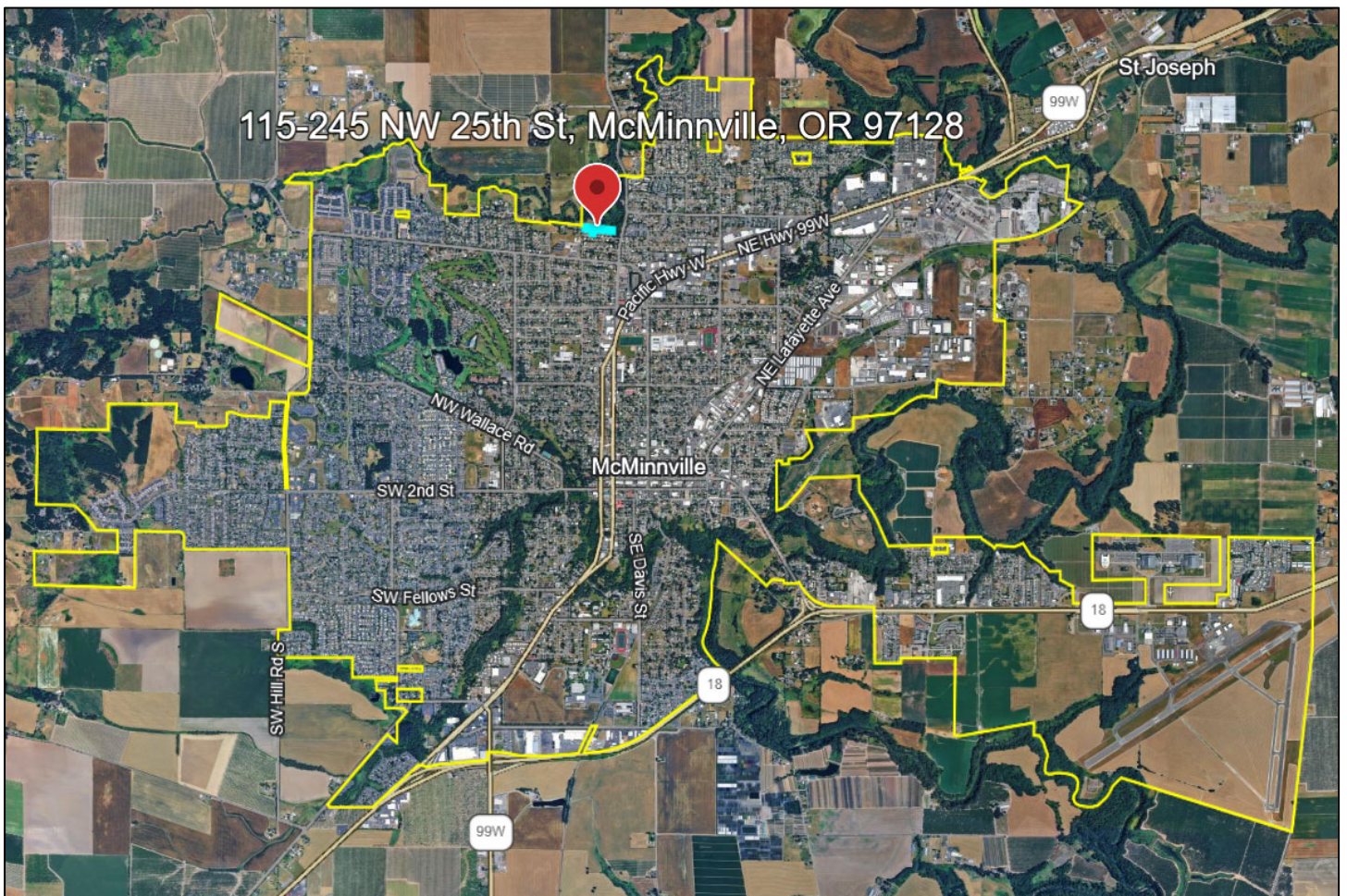
Overall, The Portland MSA is undergoing a period of economic recalibration marked by slowed population growth, uneven job recovery, and persistent housing affordability challenges. While the region’s GDP has rebounded from the pandemic and workforce participation remains high, job growth has lagged the national average in recent years, and key sectors like manufacturing and leisure and hospitality have yet to fully recover. Population declines in Multnomah County and reduced in-migration suggest a shift in the region’s long-standing growth patterns. Housing supply continues to fall short of demand, driving up prices and constraining affordability, while commercial real estate faces high vacancy rates, particularly in Portland’s CBD office/retail buildings. Despite these challenges, the region benefits from a well-educated labor force, a diversified economy, and ongoing public and private sector efforts aimed at promoting inclusive growth, revitalizing business districts, and supporting long-term economic resilience.

# IMMEDIATE MARKET AREA ANALYSIS

## Location

The subject property is located within the city of McMinnville, Oregon, which is situated in the northern Willamette Valley and the outer-Portland Metropolitan region. McMinnville is located in Yamhill County along Highway 99W approximately 30 miles southwest of downtown Portland. The subject property is situated less than one-half mile northwest of Highway 99W and immediately south of Tice Park near McMinnville's northern city limits.

The following map displays the subject property's location in relation to the McMinnville city limits (highlighted in yellow).



McMinnville originally developed as a small farming and trading community, and the arrival of the railroad in the late-19th century spurred further development. McMinnville was incorporated in 1876, and over time the city has expanded into a regional center for agriculture, education, and light industry. McMinnville generally serves as a bedroom community for the outer-Portland metropolitan area, and the city is also widely recognized for its role in Oregon's wine industry, with Yamhill County having the largest area of any Oregon county planted in vineyards which make McMinnville a major destination for wine tourism.

## IMMEDIATE MARKET AREA ANALYSIS (Cont.)

### Population & Growth

The city of McMinnville is the county seat and largest city in Yamhill County, and according to the US Census Bureau the city encompasses an area of 10.6 square miles and has a current population estimate of 34,319 (2020 census). The following table from the Portland State University (PSU) Population Research Center details the current and historic population growth for Yamhill County and its primary cities and towns.

County and cities	July 1 Population Estimates				April 1 Census Population		
	<u>2024</u>	2023rev	2022rev	2021rev	2020	2010	2000
<b>OREGON</b>	<b>4,267,261</b>	<b>4,254,095</b>	<b>4,236,503</b>	<b>4,221,334</b>	<b>4,237,256</b>	<b>3,831,074</b>	<b>3,421,436</b>
<b>YAMHILL</b>	<b>109,682</b>	<b>108,866</b>	<b>108,009</b>	<b>107,702</b>	<b>107,722</b>	<b>99,193</b>	<b>84,992</b>
Amity	1,835	1,833	1,833	1,832	1,757	1,614	1,478
Carlton	2,414	2,391	2,311	2,267	2,220	2,007	1,514
Dayton	2,665	2,695	2,694	2,689	2,678	2,534	2,119
Dundee	3,249	3,245	3,242	3,241	3,238	3,162	2,598
Gaston (part)*	6	6	6	6	6		
Lafayette	4,563	4,539	4,439	4,435	4,423	3,742	2,586
<b>McMinnville</b>	<b>34,774</b>	<b>34,734</b>	<b>34,099</b>	<b>33,946</b>	<b>34,319</b>	<b>32,187</b>	<b>26,499</b>
Newberg	26,249	25,731	25,514	25,340	25,138	22,068	18,064
Sheridan	6,277	6,018	6,156	6,277	4,639	6,127	5,561
Willamina (part)*	1,322	1,321	1,320	1,319	1,315	1,180	1,128
Yamhill	1,222	1,212	1,212	1,210	1,147	1,024	794
Unincorporated	25,106	25,141	25,183	25,140	25,052	23,548	22,651

According to forecasts from the PSU Population Research Center, Yamhill County’s population is projected to grow to approximately 145,500 by 2070, reflecting a long-term slowdown in growth compared to earlier decades. Short-term growth through the 2030s is expected to be modest, with annual net in-migration of just over 1,100 people helping offset declines from natural change as births decrease and deaths rise in an aging population. McMinnville and Newberg are projected to anchor most of the county’s growth, each surpassing 45,000 residents by 2074, while smaller cities such as Lafayette are expected to grow steadily but remain under 10,000. Overall, population increases will be driven largely by migration rather than natural growth, with the county’s pace of expansion slowing gradually over the 50-year forecast horizon.

### Economic Trends

McMinnville benefits from its proximity to the Portland metropolitan core, and the diversified economy of Yamhill County and the broader Portland MSA help McMinnville to maintain a relatively stable economic position. Agriculture dominates economic activities outside McMinnville’s urban area, with an abundance of nurseries, vineyards, and wineries. The city also supports a strong manufacturing base, with firms producing everything from aerospace components to food products,

## **IMMEDIATE MARKET AREA ANALYSIS (Cont.)**

and benefits from the presence of major employers such as Cascade Steel and Meggitt Polymers & Composites. Healthcare, education, and government provide additional stability, anchored by Willamette Valley Medical Center, Linfield University, and county government offices. In recent decades, McMinnville has expanded its role as a visitor destination, with attractions such as the Evergreen Aviation & Space Museum and a revitalized downtown contributing to a thriving hospitality sector.

The following table from the city’s most recent Comprehensive Annual Financial Report displays the largest employers in McMinnville as of 2024, as well as historical employment data from 2015.

<b>City of McMinnville, Oregon</b>						
<b>Principal Employers</b>						
<b>Current Year and Nine Years Ago</b>						
<u>Employer</u>	<u>Fiscal Year Ended June 30, 2024</u>			<u>Fiscal Year Ended June 30, 2015</u>		
	<u>Number of Employees</u>	<u>Percentage</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage</u>	<u>Rank</u>
McMinnville School District #40	841	5.51 %	1	712	5.07 %	1
Yamhill County	690	4.52	2	447	3.18	4
Linfield University (Previously Linfield College)	553	3.63	3	431	3.07	5
Willamette Valley Medical Center, LLC	526	3.45	4	489	3.48	2
Cascade Steel Rolling Mills, Inc.	380	2.49	5	462	3.29	3
City of McMinnville (b)	284	1.86	6	203	1.44	9
Express Professionals	278	1.82	7	300	2.13	6
Parker-Meggitt (Previously Meggitt Polymer)	246	1.61	8	281	2.00	7
EMPWR Nutrician (a)	218	1.43	9	250	1.78	8
Wal-Mart Stores, Inc.	188	1.23	10	176	1.25	
Oregon Mutual Insurance Company	147	0.96		190	1.35	10
<b>Total principal employers</b>	<b>4,351</b>	<b>28.52</b>		<b>3,941</b>	<b>28.05</b>	
<b>All other employers (estimated)</b>	<b>10,903</b>	<b>71.48</b>		<b>10,111</b>	<b>71.95</b>	
<b>Total</b>	<b>15,254</b>	<b>100.00 %</b>		<b>14,052</b>	<b>100.00 %</b>	

The broader region around McMinnville maintains a heavy reliance on agriculture (vineyards, orchards, and nurseries are especially prominent), although it is also heavily influenced by proximity to the Portland metropolitan area, which provides commuting opportunities and a steady flow of visitors that help sustain local businesses and services. A large number of McMinnville residents commute outside the city for work and services. According to the US Census Bureau, approximately 15,928 people are employed within the city limits of McMinnville, and nearly 65 percent of those workers commute into the city from other areas, most notably Salem (4.4 percent), Portland (3.1 percent), and Newberg (2.8 percent). By comparison, approximately 10,037 McMinnville residents commute outside of the city for work, with nearly 22 percent of the city’s labor force commuting to the cities of Portland (6.9 percent), Salem (6.2 percent), Newberg (5.4 percent), and Hillsboro (3.1 percent).

McMinnville is located in the heart of Oregon wine country, with an estimated 250+ wineries located within a 20-mile radius of the city. The strength of the wine industry in McMinnville and the

## IMMEDIATE MARKET AREA ANALYSIS (Cont.)

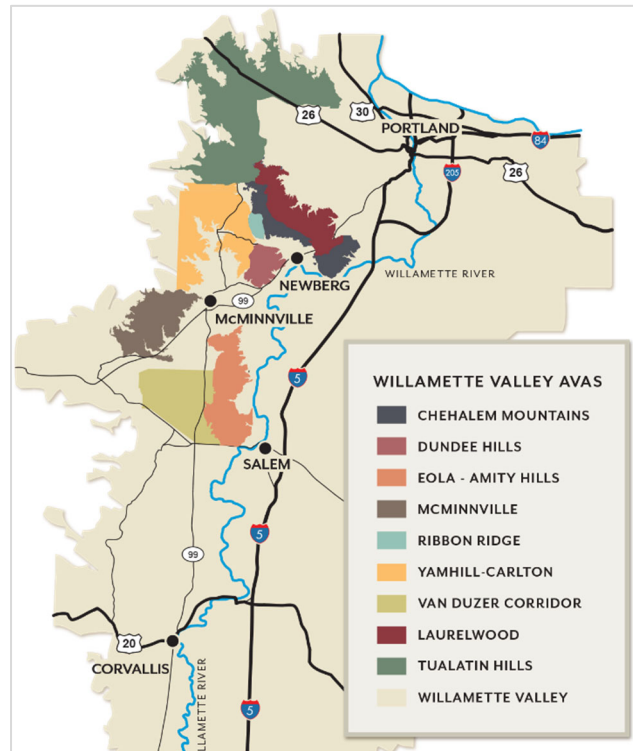
surrounding region has been a significant factor in growth of the local economy. Public wineries and tasting rooms are a natural draw for tourists, with many of the local wineries also hosting festivals, music performances, and picnics during the summer months. Each year in July, Linfield College (located in McMinnville) hosts the International Pinot Noir Celebration, which in the past has attracted participants from as far away as France, New Zealand and Australia. According to the Oregon Wine Board, the Oregon wine industry as a whole had a \$7.2 billion dollar per-year statewide economic impact.

The surrounding region is included as part of the larger Willamette Valley American Viticultural Area (AVA), which includes 11 nested AVAs and approximately 25,450 acres of vineyards. McMinnville is strategically located at the center of several Willamette Valley AVAs and is situated within the McMinnville AVA, which encompasses nearly 40,000 acres including several hundred acres planted in vineyards. A short distance east of McMinnville lies the Dundee Hills AVA, one of Oregon's oldest and most recognized wine regions, where vineyards planted in the late 1960s helped put Oregon Pinot Noir on the international stage. The Dundee Hills AVA covers roughly 12,500 acres, with more than 2,200 acres of planted vineyards and over 50 wineries, making it one of the most popular wine districts near McMinnville.

Beyond the wine industry, Yamhill County's agricultural economy is highly diverse and ranks among the state's leading producers in several other crop and livestock categories. According to the 2022 US Census of Agriculture (most recent available data), field and grass seed crops occupy the largest share of cropland in Yamhill County at more than 42,000 acres, while hazelnut orchards cover nearly 18,000 acres, making the county one of Oregon's top contributors to the state's dominance in nut production. Forage crops such as hay and haylage remain important for supporting the county's cattle inventory, while nursery and greenhouse operations represent another major agricultural sector, generating more than \$150 million in sales.

### Land Use & Development

Land uses within the city of McMinnville consist of primarily single-family residential neighborhoods, which generally range from older single-family homes in the historic core to newer subdivisions on the city's periphery. Commercial uses are concentrated in and around the historic downtown along Third Street, which functions as the city's primary retail, dining, and cultural district,



## IMMEDIATE MARKET AREA ANALYSIS (Cont.)

as well as along Highway 99W, where larger retailers, auto dealerships, and service businesses are located. Industrial land uses are primarily located in the southern and eastern parts of the city, including the McMinnville Industrial District near Highway 18 and the airport, where a mix of manufacturing, warehousing, and distribution facilities support the regional economy. Institutional uses are also significant, most notably Linfield University, McMinnville High School, and Willamette Valley Medical Center. Recent and ongoing development has included residential subdivisions on the city's edges to accommodate population growth, expansions within the industrial district to attract and retain employers, and reinvestment in the downtown core, including mixed-use redevelopment projects. The city has also seen development activity related to the wine and tourism industry, with new hospitality and tasting room projects complementing its established role as a hub for Yamhill County's viticulture.

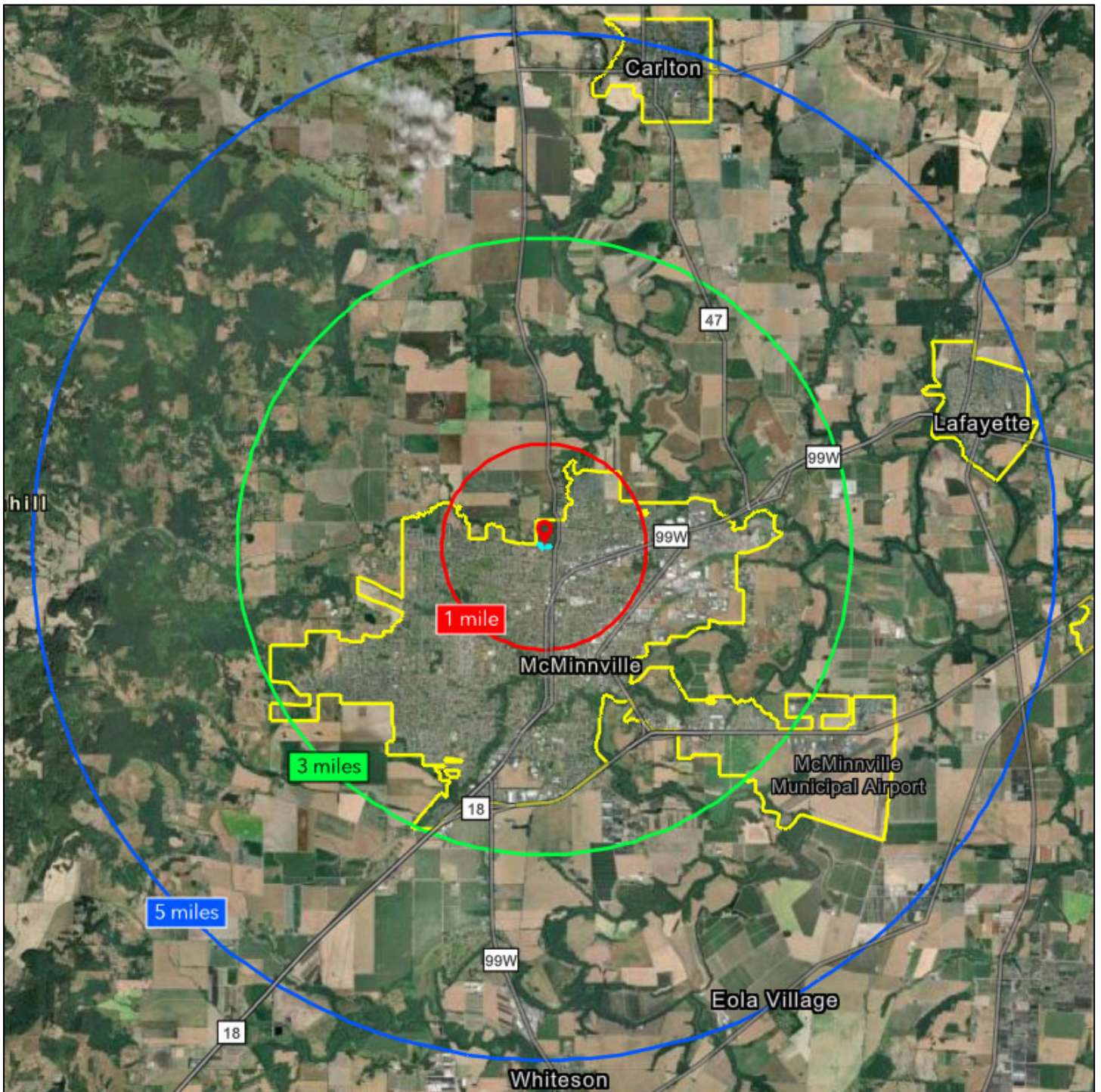


The subject property is immediately south of Tice Park, which encompasses approximately 33.4 acres just inside McMinnville's northern city limits. The property was acquired by the City in 1978 and developed as a nature-oriented park. Baker Creek meanders through the site and the park generally consists of wooded meadows, marshy areas, and steeply sloping topography near the park's southern boundary. The park also includes a modest walking trail and interpretive areas, although a majority of the park is undeveloped.

## IMMEDIATE MARKET AREA ANALYSIS (Cont.)


### Demographics

The following map identifies the one, three and five-mile radii from the subject property. Following the map is a tabulation of primary demographic characteristics of the concentric rings, including historic, current and projected figures.



## IMMEDIATE MARKET AREA ANALYSIS (Cont.)

The submarket displays relative uniformity across the concentric demographic rings. In general, the one-mile ring encompasses a mixed residential and commercial core of northern-McMinnville, and also includes several agricultural properties just outside the northern city limits. The three-mile ring extends to include effectively the entire city limits of McMinnville, as well as numerous rural residential/agricultural properties just outside the city's urban growth boundaries. The five-mile ring encompasses many additional agricultural properties of Yamhill County, as well as the entire city of Lafayette to the east and a majority of the Carlton city limits to the north.

 <b>esri</b> THE SCIENCE OF WHERE™		<b>Demographic and Income Comparison Profile</b>		
		115-245 NW 25th St, McMinnville, Oregon, 97218 151 NW 25th St, McMinnville, Oregon, 97128 Rings: 1, 3, 5 mile radii		Prepared by Esri Latitude: 45.22710 Longitude: -123.19939
	<b>1 mile</b>	<b>3 miles</b>	<b>5 miles</b>	
<b>Census 2020 Summary</b>				
Population	10,065	35,473	43,986	
Households	3,881	12,864	15,837	
Average Household Size	2.53	2.62	2.66	
<b>2025 Summary</b>				
Population	9,985	36,215	45,269	
Households	3,931	13,505	16,741	
Families	2,511	8,904	11,349	
Average Household Size	2.47	2.55	2.59	
Owner Occupied Housing Units	2,311	8,495	11,167	
Renter Occupied Housing Units	1,620	5,010	5,574	
Median Age	41.7	40.1	39.8	
Median Household Income	\$75,939	\$78,499	\$81,924	
Average Household Income	\$101,507	\$97,678	\$100,633	
<b>2030 Summary</b>				
Population	10,289	36,811	46,208	
Households	4,114	13,945	17,346	
Families	2,612	9,135	11,693	
Average Household Size	2.44	2.51	2.56	
Owner Occupied Housing Units	2,465	8,971	11,811	
Renter Occupied Housing Units	1,649	4,975	5,535	
Median Age	42.7	40.9	40.7	
Median Household Income	\$88,298	\$89,907	\$93,732	
Average Household Income	\$114,899	\$109,786	\$113,086	
<b>Trends: 2025-2030 Annual Rate</b>				
Population	0.60%	0.33%	0.41%	
Households	0.91%	0.64%	0.71%	
Families	0.79%	0.51%	0.60%	
Owner Households	1.30%	1.10%	1.13%	
Median Household Income	3.06%	2.75%	2.73%	

Population within the one-mile ring exceeds 9,985 and 3,931 households for an average household size of 2.47 people. The one-mile ring is the most heavily populated in terms of density of the three concentric rings (3,178 people per square mile). Growth projections predict 0.60 percent annual population increases in the one-mile demographic ring through 2030. The broader three- and five-mile rings predict a slightly weaker growth rate between 0.33-0.41 percent, respectively. There is a

## ***IMMEDIATE MARKET AREA ANALYSIS (Cont.)***

predominance of both traditional single- and multi-family residential uses throughout the immediate area, with a majority of owner-occupied housing in the one-, three-, and five-mile demographic rings. Median household incomes increase slightly in the three- and five-mile rings; however, incomes are expected to grow at the highest rate within the one-mile demographic area.

### **Summary**

McMinnville is well situated as an economic hub in eastern Yamhill County and the broader Portland MSA region. The city's economy benefits from its proximity to the Portland metropolitan area while maintaining its own employment base in manufacturing, healthcare, education, and local government. Surrounded by fertile farmland and situated in the heart of Oregon's wine country, the city attracts steady in-migration and a growing tourism market that supports its role as both a residential and economic hub for the region.

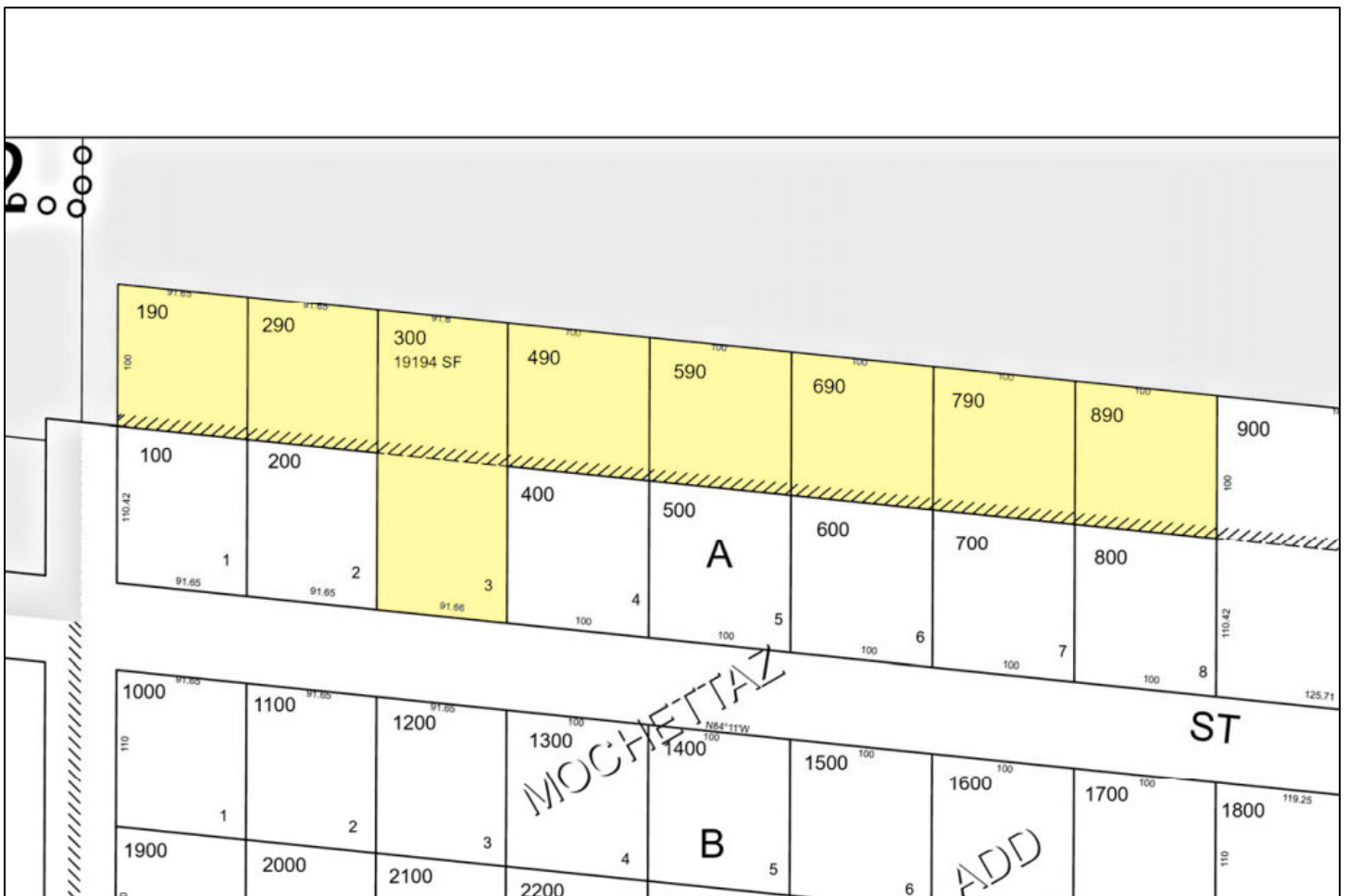
McMinnville is expected to experience gradual appreciation of property values in most segments, while demand will be dictated by specific supply/demand factors on a regional basis. Commercial property values are anticipated to be stable to increasing in the near-term in accordance with general trends for investment properties region-wide. The immediate submarket is well-positioned for future growth and development as a desirable location with excellent proximity to major interstate transportation routes.

As of the date of this appraisal, the area does not appear to suffer any significant adverse influences that would negatively impact property values in the long term. The future demand and economic viability of the immediate area appear positive. With steady population increase, demand for housing and retail/commercial services in the area is expected to be strong. The overall outlook for the area is considered positive, with typical suburban characteristics, few externalities and low- to medium-density land uses.

## **LOCATION & LEGAL REFERENCE**

The subject property includes the eight parcels located immediately south of Tice Park and north of the adjacent residential lots/properties addressed as 115-245 NW 25th Street, McMinnville, Oregon 97128. The subject parcels were originally created as “Option Tracts” in connection with the city of McMinnville’s 1978 acquisition/establishment of Tice Park, and are generally rectangular in configuration, similar in size, and function as extended yard areas for the adjacent homes along NW 25th Street. The exception is TL 300, which has already been combined with the fronting lot; accessible from NW 25<sup>th</sup> Street.

The map below illustrates the subject property’s shape and boundaries in greater detail. A brief legal description of the site is included in the Addenda of this report.



## ***PROPERTY HISTORY***

The historic use of the subject properties has been single-family residential. The following table displays the subject properties' recent ownership histories in greater detail.

<i>Tax Lot</i>	<i>Account</i>	<i>Owner</i>	<i>Sale Date</i>	<i>Sale Price</i>
190	343998	Steven A Rex & Judith G Rex	No Sales History	
290	344069	Willis Survivors Trust; Wayne H Willis, Trustee	1/25/2013	\$0
490	344167	Rena Langlitz; Jason Atkinson	10/1/2021	\$465,000
590	344210	Speece Family Trust; Celia M Speece; Andrea L Murray	12/2/2010	\$0
690	344443	Wayne M Dykes; Virginia M Dykes	5/18/2006	\$310,000
790	344498	Norman L Van Fleet; Janice B Van Fleet	No Sales History	
890	344568	John Lynch ; Kathryn Lynch	No Sales History	
300	137854	Heather Franks; Daniel J Franks	11/12/2024	\$0

The city of McMinnville acquired the land for the adjacent Tice Park property in 1978 and created a series of buffer lots commonly referred to as the "option tracts" (subject properties) along the south edge. Each tract adjoined the lots/homes fronting NW 25th Street. According to city documents, owners of the properties fronting NW 25th Street at that time were concerned about the Tice property becoming a public park "in their backyard," so they requested that the option tracts be made available as a buffer.

At the same time, the city recorded an "air easement" over the subject lots, which was a stipulation of the Tice family as part of the park's origin. The easement limits usage of airspace above 10 feet and above ground level over each of the designated option tracts, and was established with the intent of preventing "any development which would be detrimental to the future park." The restriction remains in effect so long as the park tract (Tice Park) continues to be held and used for park purposes.

The following graphic displays an example of the recorded air easement for TL 790, which is said to be same/similar to the other seven parcels.

SUBJECT TO THE CONDITION that the City of McMinnville retains an air easement for all of the air space ten (10) feet and above the level of ground on each respective tract as established by the City of McMinnville aerial contour maps dated February 11, 1968, as compiled by David C. Smith, program-  
tist, Portland, Oregon, and on file in the office of the City Engineer. In the event that the "Park Tract" ceases to be held or used for park purposes, then this air easement shall automatically terminate.

The true and actual consideration for this transfer is One Thousand Eight

## ***PROPERTY HISTORY (Cont.)***

In recent years, property owners along NW 25th Street have raised questions about the continued applicability of the 1978 air easement affecting the option tracts behind homes. The issue was brought to the City's attention in 2021 by the owners of 151 NW 25th Street, prompting City planning staff, the Parks and Recreation Director, and legal counsel to research the original purchase documents and easement language. That review confirmed that the 10-foot air easement had been enacted by City Council action at the time of the Tice Park acquisition and that, because it was established as a policy action, any removal would likewise require formal action by the Council.

Following that research and continued inquiries from affected property owners, the City Council adopted Resolution No. 2026-04 in early-2026, which authorizes the Interim City Manager to begin taking steps necessary to release the City's air easements affecting the subject properties.

The information presented above is all the information available regarding the recent sale history of the subject property.

## **TAX & ASSESSMENT DATA**

The subject property is liable for annual real estate taxes levied by the Yamhill County Assessor's Office. The following table summarizes the applicable tax account(s), the real market assessed value, the maximum assessed tax value, and 2025-26 tax liability.

<i>Tax Lot</i>	<i>Account</i>	<u><b>Real Market Value (RMV)</b></u>			<i>Maximum Assessed Value</i>	<i>2025-26 Taxes</i>
		<i>Land</i>	<i>Improvement</i>	<i>Total RMV</i>		
190	343998	\$39,403	\$0	\$39,403	\$4,330	\$77.10
290	344069	\$39,403	\$0	\$39,403	\$4,330	\$77.10
490	344167	\$42,993	\$0	\$42,993	\$5,149	\$91.69
590	344210	\$32,245	\$0	\$32,245	\$5,149	\$91.69
690	344443	\$42,993	\$30,192	\$73,185	\$27,531	\$490.24
790	344498	\$42,993	\$0	\$42,993	\$5,149	\$91.69
890	344568	\$42,993	\$0	\$42,993	\$5,149	\$91.69
300	137854	\$221,593	\$240,421	\$462,014	\$270,483	\$4,816.41
<b>Subject Total</b>		<b>\$504,616</b>	<b>\$270,613</b>	<b>\$775,229</b>	<b>\$327,270</b>	<b>\$5,827.61</b>

The 2025-26 total millage rate is about \$17.8067 per \$1,000 of assessed value for the real property components (land and improvements).

## ***SUBJECT PHOTOGRAPHS***



Photo #1  
NW Birch St & Tice Park entrance from NW 25th St, facing north



Photo #2  
NW Birch St & Tice Park entrance from NW 25th St, facing south



Photo #3  
Tice Park and northern subject property boundary facing east



Photo #4  
TL 190 facing south



Photo #5  
NW corner TL 290, facing southwest



Photo #6  
Northern property boundary (TL 290) facing east

***SUBJECT PHOTOGRAPHS (Cont.)***



Photo #7  
TL 290 facing south



Photo #8  
TL 300 facing southeast



Photo #9  
Northern property boundary (TL 300) facing west



Photo #10  
NW corner TL 490, facing southeast



Photo #11  
TL 490 facing south



Photo #12  
NW corner TL 590, facing southeast

***SUBJECT PHOTOGRAPHS (Cont.)***



Photo #13  
Northern property boundary (TL 590) facing west



Photo #14  
NW corner TL 690, facing southeast



Photo #15  
TL 690 facing south



Photo #16  
Permitted Shop/ADU on TL 690, facing northwest



Photo #17  
TL 790 facing southeast



Photo #18  
Boundary between TL 790 & 890 facing southeast

***SUBJECT PHOTOGRAPHS (Cont.)***



Photo #19  
NW corner TL 890, facing southeast



Photo #20  
NE corner TL 890, facing south



Photo #21  
View between 115-123 NW 25th St, facing north



Photo #22  
View between 123-131 NW 25th St, facing north



Photo #23  
View between 131-149 NW 25th St, facing north



Photo #24  
View between 149-151 NW 25th St, facing north

***SUBJECT PHOTOGRAPHS (Cont.)***



Photo #25  
View between 151-209 NW 25th St, facing north



Photo #26  
View between 209-227 NW 25th St, facing north



Photo #27  
View between 227-245 NW 25th St, facing north



Photo #28  
View along NW 25th St facing west

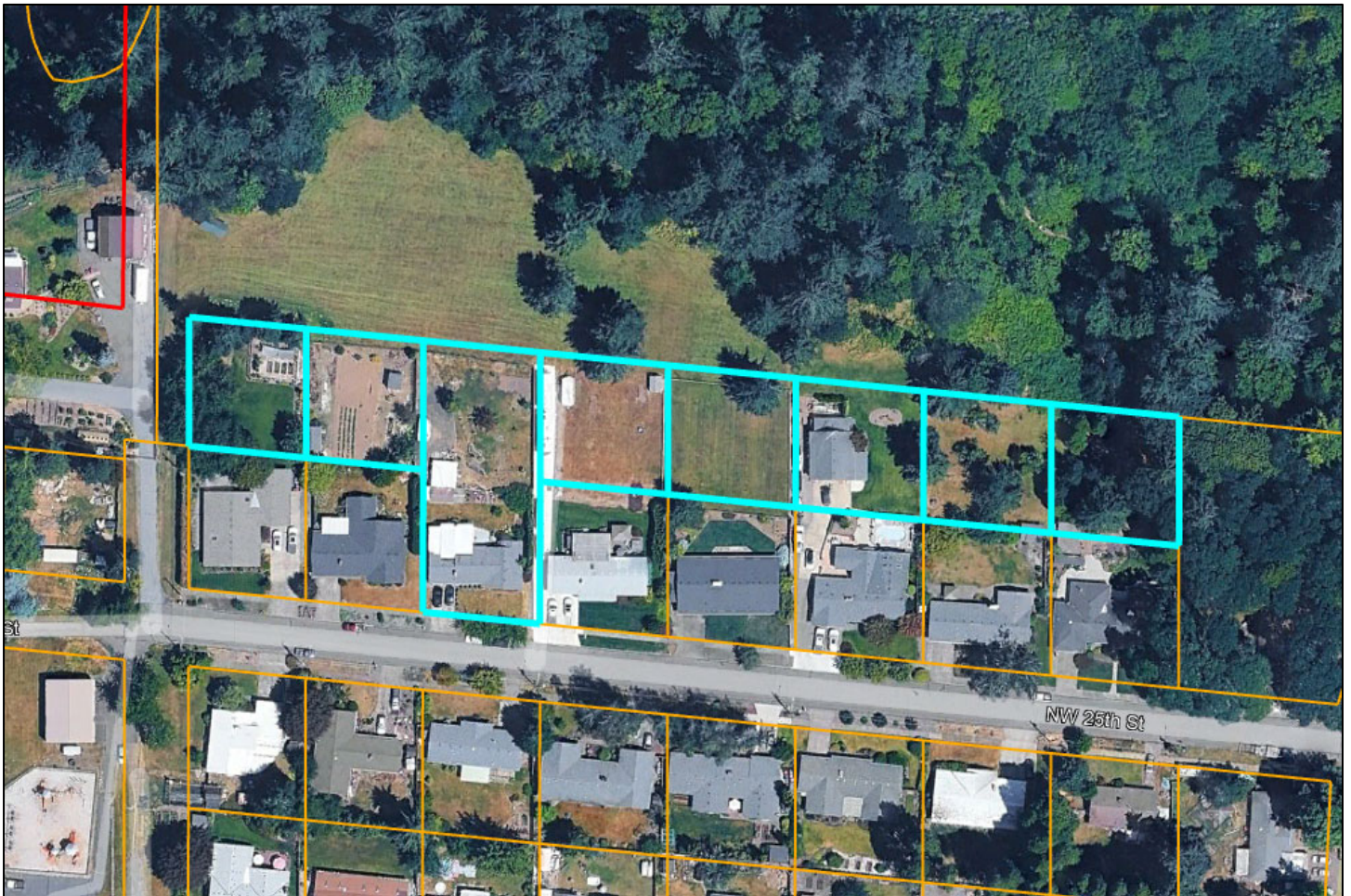
## ***PROPERTY DESCRIPTION – Site***

### **Location**

The subject property is comprised of the eight parcels located immediately south of Tice Park and north of the adjacent residential properties addressed as 115-245 NW 25th Street, McMinnville, Oregon 97128. A legal description of the site is included in the Addenda of this report.

### **Size/Shape**

According to the Yamhill County Plat Map (see prior page), the subject property consists of eight legal parcels totaling **87,196 SF**. Each lot ranges from 9,121 to 9,952 SF, except for TL 300 – the combined double lot shown below. For the purposes of this report the area outlined on the County Assessor’s Tax Plat Map is assumed to be correct. For a more detailed depiction of the site, a copy of the Plat Map is included on a prior page of this report.



### **Larger Parcel**

The following table describes the eight larger parcels applicable to the valuation of the subject properties. Larger parcel theory prevails based upon unity of title, unity of use and contiguity.

## ***PROPERTY DESCRIPTION - Site (Cont.)***

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Area (SF)</b>	9,121	9,121	19,194	9,952	9,952	9,952	9,952	9,952
<b>County RMV (land)</b>	\$39,403	\$39,403	\$221,593	\$42,993	\$32,245	\$42,993	\$42,993	\$42,993
<b>County RMV (land/SF)</b>	\$4.32	\$4.32	\$11.54	\$4.32	\$3.24	\$4.32	\$4.32	\$4.32
<b>Paired With (front Tax Lot)</b>	100	200	Not applicable	400	500	600	700	800
<b>County Parcel</b>	137765	137827	Not applicable	137881	137934	137961	137989	138005
<b>Land Area (SF)</b>	10,071	10,071	Not applicable	10,989	10,989	10,989	10,989	10,989
<b>RMV (land)</b>	\$182,223	\$182,223	Not applicable	\$186,189	\$186,143	\$186,184	\$186,189	\$186,189
<b>RMV (land/SF)</b>	\$18.09	\$18.09	Not applicable	\$16.94	\$16.94	\$16.94	\$16.94	\$16.94
<b>RMV (improvement)</b>	\$232,524	\$259,965	\$240,421	\$204,536	\$236,430	\$282,872	\$229,696	\$310,375
<b>Larger Parcel Summary</b>								
<b>Total Land Area (SF)</b>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<b>Total RMV (land)</b>	\$221,626	\$221,626	\$221,593	\$229,182	\$218,388	\$229,177	\$229,182	\$229,182
<b>Total RMV (land/SF)</b>	\$11.55	\$11.55	\$11.54	\$10.94	\$10.43	\$10.94	\$10.94	\$10.94

### **Access**

General access to the subject property and the city of McMinnville is gained via Highway 99W, which serves as the primary north/south arterial through eastern Yamhill County. The subject property is located approximately one half-mile northwest of Highway 99W near the northern McMinnville city limits, and is indirectly accessible via NE Baker Street, which extends north from Highway 99W a short distance to the south. NW 25th Street extends west from NE Baker Street, and the subject lots are situated immediately south of Tice Park and behind (north of) the residential properties addressed as 115-245 NW 25th Street. Average daily traffic totals approximately 7,500 vehicles per day along NE Baker Street, although exposure to the subject lots is relatively low due to their current accessibility.

Direct access to the subject lots is currently gained via the adjacent residential properties along NW 25th Street. The lots are also accessible via Tice Park from the north, which is itself accessible via an approximately 25-foot wide grass strip along the western boundary of the subject site and TL 190. None of these access strips are suitable for vehicles or satisfy city development requirements.

Overall, access to the site is good within the city of McMinnville and the greater Portland metropolitan region.

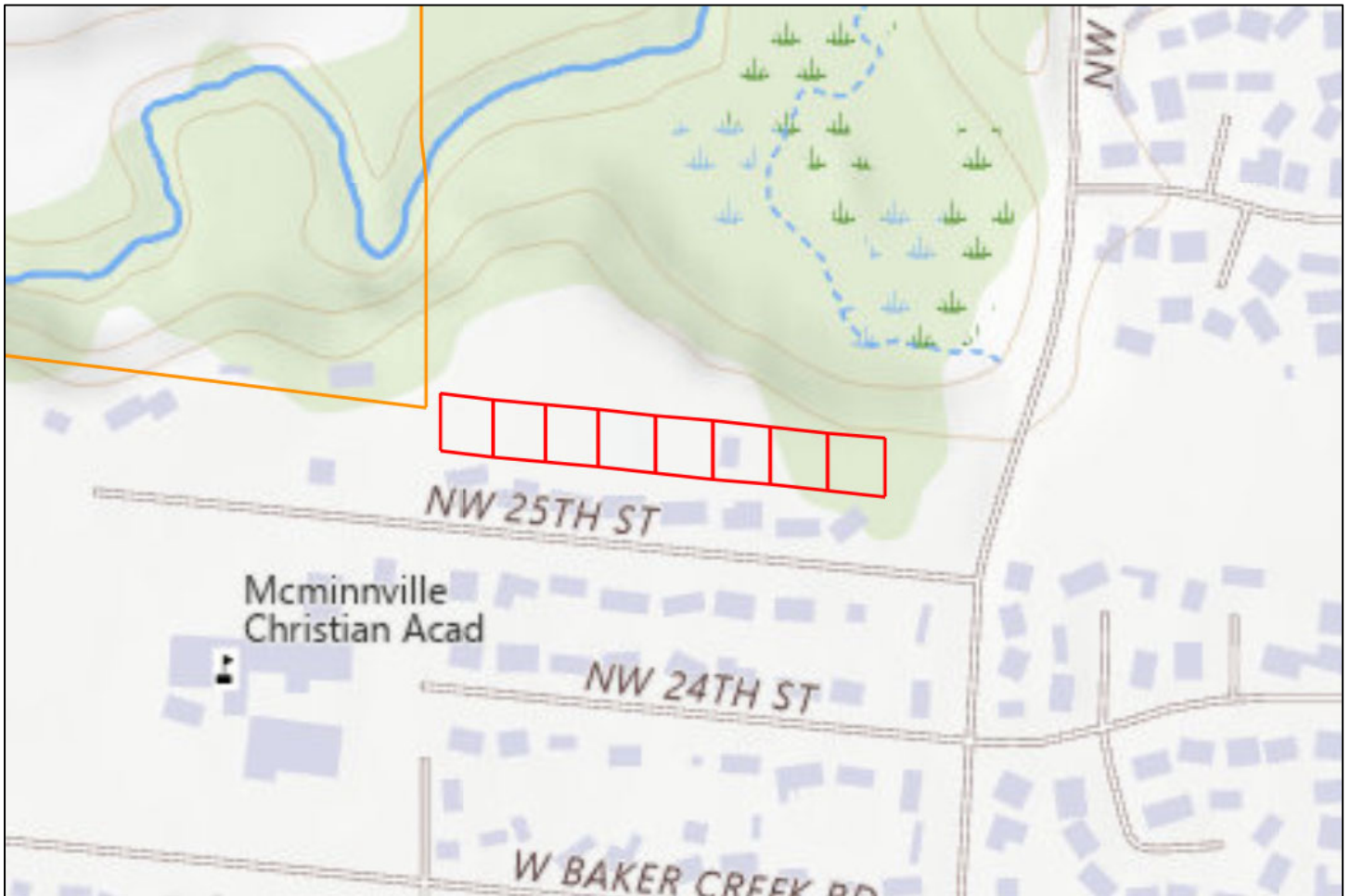
### **Soil & Subsoil Conditions**

No apparent drainage problems exist on the site. Soil and subsoil conditions appear stable and suitable for development compatible with other properties in the area. **This appraisal assumes that the site is free of contamination.**

## ***PROPERTY DESCRIPTION - Site (Cont.)***

### **Topography**

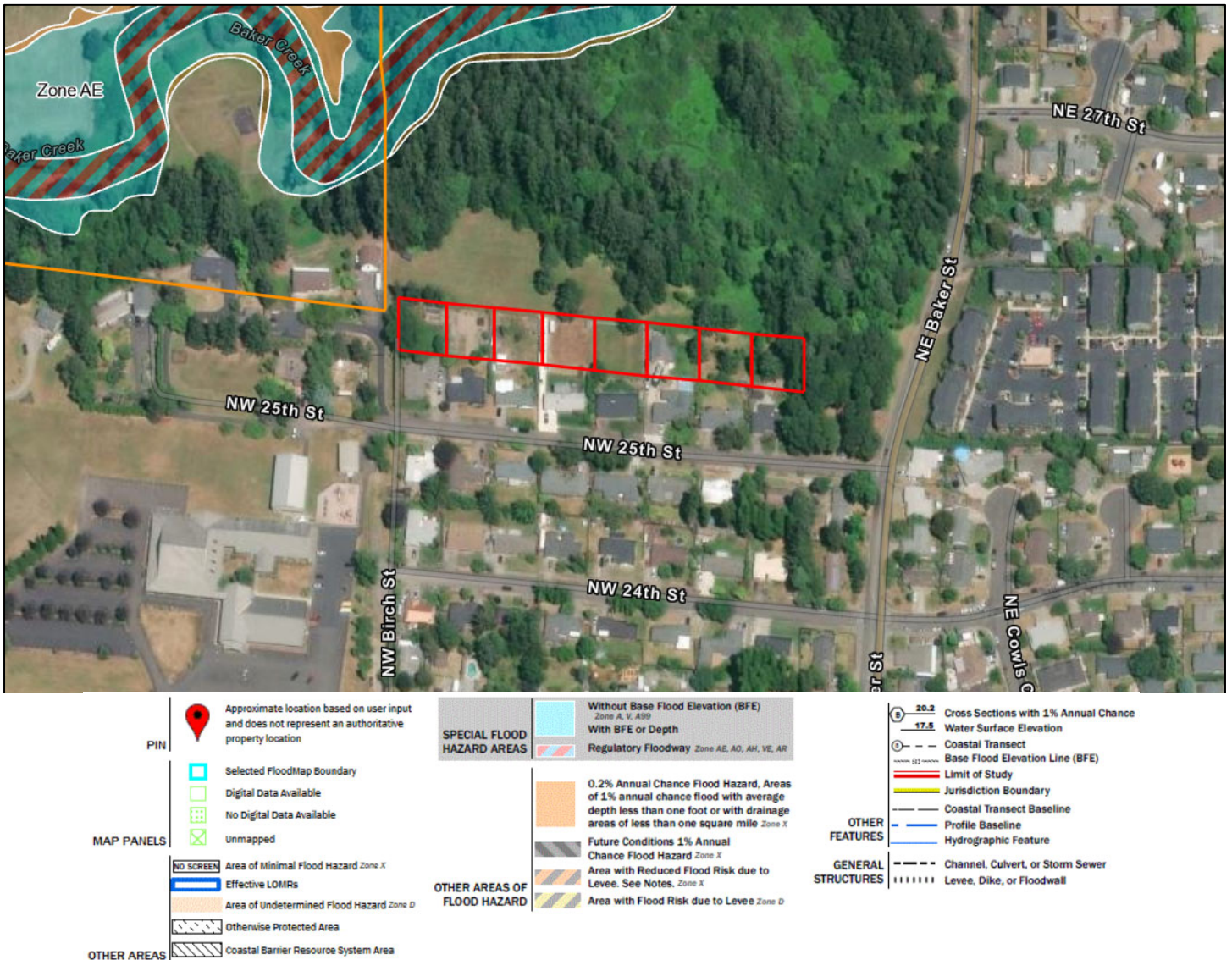
The subject property exhibits generally level topography, with an overall downward slope to the northeast of the subject lots towards Tice Park. No apparent topographic problems are noted which would hinder development of the subject lots. The following map displays the surrounding area's topography in greater detail, with contour lines measured at 10-foot increments.



### **Flood & Other Hazards**

According to Flood Insurance Rate Map 41071C 0402D, effective March 2, 2010, the site is located entirely in Zone X, which corresponds to areas of minimal flood hazard. Due to the proximity of Baker Creek, a flood zone boundary (Zone AE) lies immediately northwest of the subject property. The following Flood Map image identifies the surrounding area's flood plain status in greater detail.

## PROPERTY DESCRIPTION - Site (Cont.)

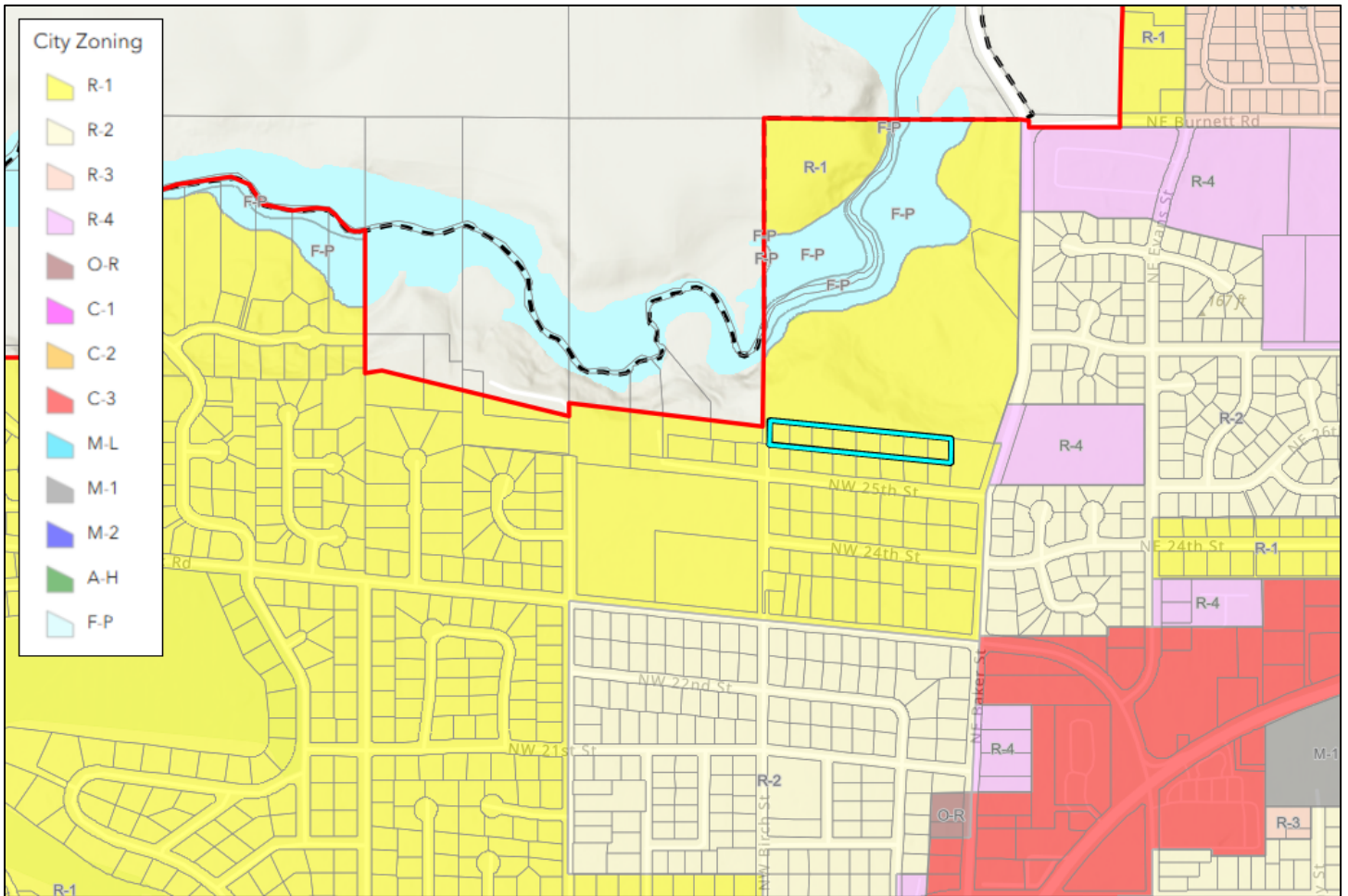


### Zoning

The subject site is zoned R1 (Low-Density Residential) by the City of McMinnville. The R1 zone permits single-detached dwellings, Class A manufactured homes, and a range of middle housing types including duplexes, triplexes, quadplexes, townhouses, cottage clusters, and accessory dwelling units, along with certain residential care, child care, and home occupation uses. The zone requires a minimum lot size of 9,000 SF with minimum yard setbacks of 20 feet in the front and rear, 10 feet on interior side yards, and 20 feet on exterior side yards for corner lots. Buildings in the R1 zone are restricted to a maximum height of 35 feet, and the maximum allowable density is four dwelling units per 9,000 SF.

A copy of the applicable city of McMinnville zoning ordinance is included in the Addenda of this report. The following map displays the subject property's layout within the R1 zone.

## PROPERTY DESCRIPTION - Site (Cont.)



### Utilities

Public utilities are currently available to the eight larger parcels (combined lots). In the event of rear development, public utilities require extension northward from NW 25th Street.

### Easements/Encroachments

The rear 100 feet of each larger parcel is encumbered by the aforementioned airspace easement at 10 feet and above ground level. At present, several of the lots are out of compliance with the easement, including a 1,400 SF shop structure (TL 690), as well as minor sheds/shelters with gable-style roofs.

A Preliminary Title Report was not provided for review. No other obvious encroachments were evident during inspection. It is assumed that customary slope/utility easements do not adversely impact the subject property.

### Summary

The appraised properties include eight larger parcels; each with R1-zoning and NW 25<sup>th</sup> Street frontage. The front sections of each is improved as a primary residence, and the rear 100 feet vary

## ***PROPERTY DESCRIPTION - Site (Cont.)***

widely in the existence of improvements, historic usage and accessibility. The subject properties' location, access and physical characteristics make them well-suited for a wide variety of residential uses, though the existence of residential improvements is a limiting factor for divisibility and/or redevelopment options. Public utility services are currently available to the front of each larger parcel.

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Larger Parcel Summary</b>								
<b>Total Land Area (SF)</b>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<b>Total RMV (land)</b>	\$221,626	\$221,626	\$221,593	\$229,182	\$218,388	\$229,177	\$229,182	\$229,182
<b>Total RMV (land/SF)</b>	\$11.55	\$11.55	\$11.54	\$10.94	\$10.43	\$10.94	\$10.94	\$10.94
<b>Current Use (larger parcel)</b>	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front & RV pad (cov.) at rear	Double lot w/home in front	Double lot w/home in front; pool & shop behind	Double lot w/home in front	Double lot w/home in front
<b>Improvements (rear lot only)</b>			<i>(already combined)</i>					
<i>Utilities</i>	None (irrigation)	None (irrigation)	Full (all)	Partial to RV pad	None	Power/water (irr.)	None	None
<i>Fencing</i>	Partial	Yes	Yes	Partial (sides)	Yes	Partial (sides)	Partial (sides)	Yes (full hog wire)
<i>Landscaping</i>	Lawn/plants/garden	Garden, plants	Front/rear (modest)	Limited (lawn)	Lawn/tree(s)	Lawn/plants/garden	Lawn/tree(s)	Lawn/tree(s)
<i>Road / Driveway</i>	None	None	Front only	Concrete (new)	None	Concrete/gravel	None	None
<i>Structures</i>	Small shed	Small sheds	Home & small shed	Non-permanent	None	Shop w/loft ('06)	None	Small shed(s)

# ***HIGHEST & BEST USE ANALYSIS***

## **Introduction**

Highest and best use is a market-driven concept that identifies the most profitable and competitive use to which a property can be put. It is further defined as follows:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity<sup>1</sup>

The concept of highest and best use is fundamental to real property value. In one application of the concept, a site is valued as though vacant and available for development to its highest and best use. In another application, the highest and best use of the property as improved is estimated. A site may have one highest and best use as though vacant, while the improved site may have another optimal use.<sup>2</sup>

Highest and best use is essentially a market driven concept that identifies the ideal use(s) of a property which follows logical market criteria. It attempts to mirror the thinking of a buyer in the marketplace. Analysis pertaining to the legal, physical, financial and most productive uses of the site, both as though vacant and as improved narrows, development options to those best fitting the demand for the property. Once highest and best use is established, the appraisal process focuses on the identified sub-market, selecting parameters for meaningful analyses.

The highest and best use of the subject land and improvements has been tested separately against the four criteria in the following analysis.

## **Before/After – Larger Parcels**

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.<sup>3</sup>

## *Legally Permissible*

The subject sites are zoned R1 (Low-Density Residential), which allows a range of medium density residential development, including a complementary ADU for single family residences. As such, the typical historical subdivision density of three to six units to the acre is doubled per state-wide mandates. The minimum lot size for R1 is 9,000 SF. Based on the range of larger parcel sizes from 19,192 to 20,941 SF, there is the potential for two lots of record, combining as a single lot or plex/cottage development under new Middle Housing standards. A copy of the City of McMinnville zoning code (R1) is included in the Addenda of this report.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, Fifth Edition. Chicago: Appraisal Institute, 2010. Page 93.

<sup>2</sup> The Appraisal of Real Estate, 14th Edition. Chicago: Appraisal Institute, 2013. Page 337.

<sup>3</sup> The Dictionary of Real Estate Appraisal, Fifth Edition. Chicago: Appraisal Institute, 2010. Page 93.

## HIGHEST & BEST USE ANALYSIS (Cont.)

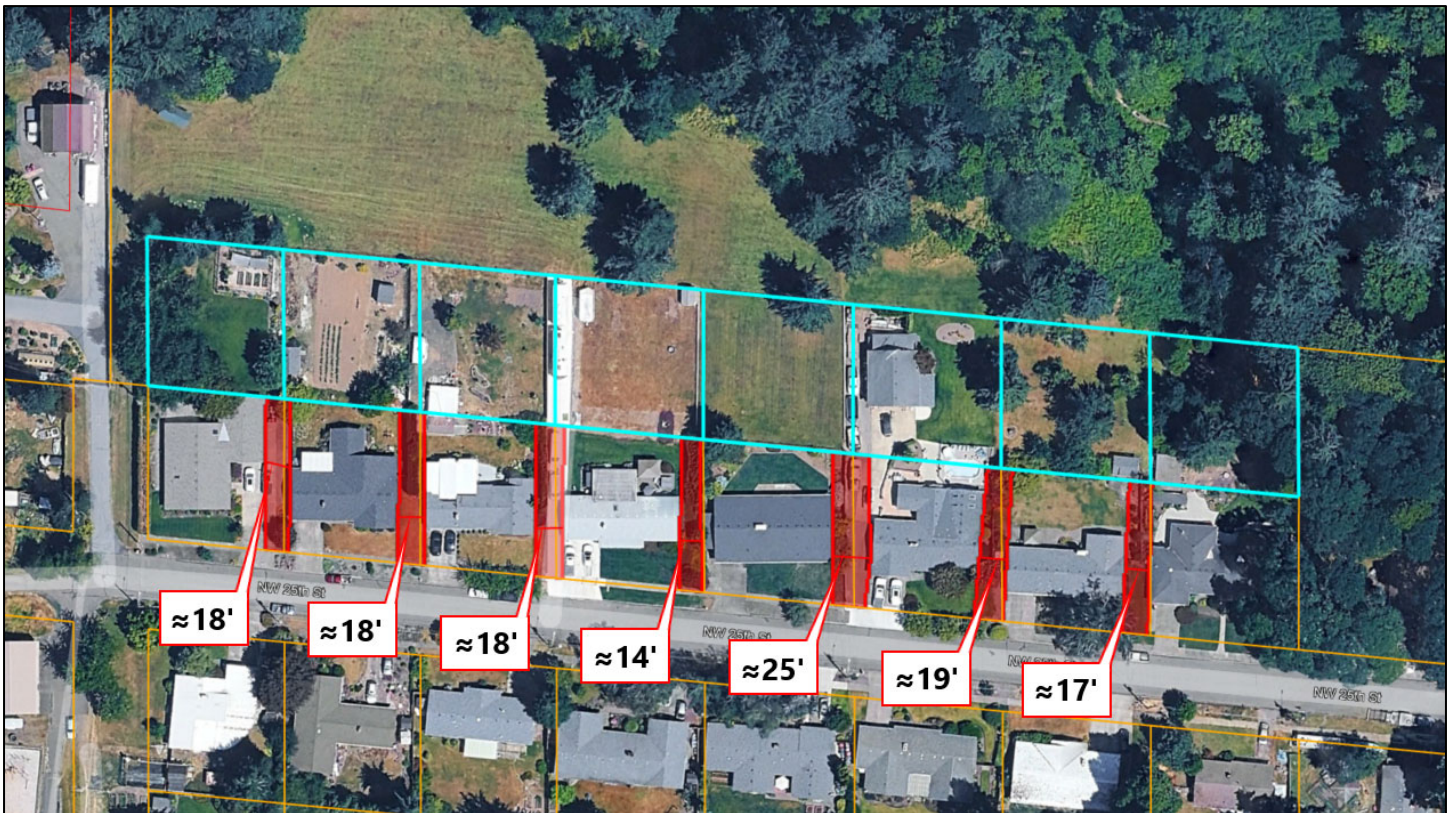
On a before basis, only the front portions of the larger parcels can be developed as structures of significance. The rear sections of the larger parcels would be restricted excess yard area, small sheds/shelters and/or storage.

### *Physically Possible*

Topography is mostly level and the lot dimensions are generally near 100 feet wide by 200 feet deep for the larger parcels described herein. Soil conditions do not offer any impediments to development. The sites have sufficient size, frontage and topography to allow a variety of residential development possibilities.

The potential to develop each of the applicable lot pairs as single family homes is reduced/eliminated with the presence of the front homes. Creating new access strips from NW 25th Street to the rear lots is unlikely due to the narrow space between the existing homes combined with setback requirements imposed by R1 zoning (10 feet minimum interior side yards). To preserve the 10-foot required side lot setbacks and establish a 12 to 14-foot minimum width driveway, the distance between homes would need to be at least 32 feet, and likely more.

The following graphic displays the approximate distances between the existing homes on the larger parcels accessed via NW 25th Street.



Specifically, none of the measurements is near the 32-foot threshold described.

## ***HIGHEST & BEST USE ANALYSIS (Cont.)***

### *Financially Feasible*

The Yamhill County area experienced significant activity in all areas of residential development from the market expansion that occurred during the economic downturn in the mid-2000s. Specifically, the collapse of some mortgage sources that led to the Great Recession hindered home buyer demand in the midst of significant supply build-up (lots and homes). Interest rates and mortgage availability/affordability improved to the point of record-high affordability (about three percent) during and through the COVID-19 pandemic. Home prices began an unprecedented spike in direct response to lock-downs and work-from-home changes. In response to Federal Reserve monetary tightening during Spring 2022, mortgage interest rates began rising to a current level above six percent. As a result, home affordability has declined market-wide and home prices have stabilized during 2025-26. To date, year-over-year home prices show only modest appreciation, likely at or below the pace of inflation. Rental rates have also stabilized where supply additions were significant; however, the foreseeable new supply is only modest.

The market has continued to adjust to higher interest rates and affordability constraints while maintaining modest price growth. Within the city of McMinnville, year-to-date closed sales declined across most subareas in 2025 relative to 2024, and both prices and market times varied minimally by submarket. Yamhill County's multifamily (rental) residential markets remain highly active, with scattered new construction activity. Per Costar, vacancy rates have fallen to all-time lows and rents continue to rise. Strong employment has allowed tenants to afford increased rents, and the costs of new development have pushed up threshold rents for Class A units.

New construction rents are at levels nearing the threshold point for commitment of development capital to acquire multifamily land, pursue entitlements and commence construction of market units. Some of the recent years' scattered new construction has been aided by public subsidy in the form of tax credits, revenue bonds, grants and other public leverage.

On a vacant lot basis, the most financially-feasible endeavor is to develop maximum residential occupancy in the near term. This conclusion applies to only the "after" condition; after removal of the air rights easement.

In both the before and after condition, on an improved basis, the larger parcels are restricted from full-scale redevelopment. Razing the existing homes would result in considerable lost value (waste); likely eclipsing any land value gain from the prospects of two-lot split, cluster project or plex option.

### *Maximally Productive*

Developers attempt to maximize the unit density to improve the site's utility and take advantage of the lowering incremental unit construction costs. Density tends to increase until the cost to build an additional unit exceeds the proportionate value created. It appears that increases in household incomes have not kept pace with increases in land and development costs. The steadily rising costs of labor, materials and site development have constrained development incentives.

## **HIGHEST & BEST USE ANALYSIS (Cont.)**

Homes or evolving multifamily rental units allow mixed density and productivity to the land. Current zoning for the site allows development of two to four units per lot of record (without air easement). On an encumbered basis (before), and in light of improvements, the maximal uses for the larger parcels is little more than the current observed use(s).

It is notable that TLs 600 and 690 possess enhanced rights based upon the existing shop structure (permitted in error). It is also noted that TL 300 is a combined double lot with the potential for a rear ADU based on the presence of a qualifying single family residence on the same lot.

### *Conclusion*

The following table describes the highest and best use(s) applicable to the larger parcels.

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Larger Parcel Summary</b>								
<b>Total Land Area (SF)</b>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<b>Total RMV (land)</b>	\$221,626	\$221,626	\$221,593	\$229,182	\$218,388	\$229,177	\$229,182	\$229,182
<b>Total RMV (land/SF)</b>	\$11.55	\$11.55	\$11.54	\$10.94	\$10.43	\$10.94	\$10.94	\$10.94
<b>Current Use (larger parcel)</b>	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front	Double lot w/home in front & RV pad (cov.) at rear	Double lot w/home in front	Double lot w/home in front; pool & shop behind	Double lot w/home in front	Double lot w/home in front
<b>Improvements (rear lot only)</b>			<i>(already combined)</i>					
<i>Utilities</i>	None (irrigation)	None (irrigation)	Full (all)	Partial to RV pad	None	Power/water (irr.)	None	None
<i>Fencing</i>	Partial	Yes	Yes	Partial (sides)	Yes	Partial (sides)	Partial (sides)	Yes (full hog wire)
<i>Landscaping</i>	Lawn/plants/garden	Garden, plants	Front/rear (modest)	Limited (lawn)	Lawn/tree(s)	Lawn/plants/garden	Lawn/tree(s)	Lawn/tree(s)
<i>Road / Driveway</i>	None	None	Front only	Concrete (new)	None	Concrete/gravel	None	None
<i>Structures</i>	Small shed	Small sheds	Home & small shed	Non-permanent	None	Shop w/loft ('06)	None	Small shed(s)
<b>Highest &amp; Best Use (larger parcel)</b>								
<b>"Before" With Air Easement</b>								
<i>SFR &amp; Large Rear Yard</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Divisibility (2nd SFR)</i>	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home
<i>Assemblage w/side lot(s)</i>	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely	Not likely
<i>Outbuilding (10' tall)</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Outbuilding (&gt; 10')</i>	No	No	No	No	No	Yes (permitted in error)	No	No
<i>Accessory Dwelling</i>	No, not w/o home on same lot	No, not w/o home on same lot	Yes, assuming suitable access & extension of utilities	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot
<i>Cottage Cluster</i>	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety	Not on the entirety
<b>"After" Without Air Easement</b>								
<i>SFR &amp; Large Rear Yard</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Divisibility (2nd SFR)</i>	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home	No rear access w/existing front home
<i>Assemblage w/side lot(s)</i>	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely	Slightly more likely
<i>Outbuilding (10' tall)</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Outbuilding (&gt; 10')</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Accessory Dwelling</i>	No, not w/o home on same lot	No, not w/o home on same lot	Yes, assuming suitable access & extension of utilities	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot	No, not w/o home on same lot
<i>Cottage Cluster or 2, 4-plexes</i>	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo	Yes w/front SFR demo

## ***APPRAISAL METHODOLOGY***

There are three basic approaches that may be used to estimate market value.

The **Cost Approach** involves deducting accrued depreciation from the cost new of the improvements. Cost new is estimated on the basis of current prices for the components of the improvements. Depreciation is computed after analyzing the disadvantages or deficiencies of the improvements. Land value and entrepreneurial profit are added to the cost new of the improvements. Land value is developed using sales of similar sites. Entrepreneurial profit is the difference between the market value of the subject and the cost to develop (cost of the improvements plus land value).

The **Income Capitalization Approach** is predicated on the assumption that there is a definite relationship between the income a property will earn and its value. Net income is the income generated before payment of any debt service. The process of converting net income into value is called capitalization. Net income is divided by a capitalization rate. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in the rate. Applying a capitalization rate based on indications from comparable sales reflects expectations of buyers and sellers in the market.

The **Sales Comparison Approach** analyzes sales of comparable properties with regard to the nature and condition of each sale. Logical adjustments and/or comparisons are made for varying physical characteristics. For land value, a common denominator is a price per SF or price per acre; for improved properties, it may be the price per SF, price per unit, or a gross income multiplier. This approach develops a good indication of value when sales of similar properties have occurred.

**Reconciliation** is the process by which the individual approach indications are weighed based on validity and applicability to the subject market. The indications often result in different values. After factors influencing each approach are carefully considered (i.e. quality and quantity of data, sophistication of the market, etc.), a final estimate of value is concluded.

All three approaches to value have been considered in determining the market value of the subject project. Due to the project's new/proposed age, a conventional Cost Approach was fully developed. Further, the Income Capitalization and Sales Comparison Approaches are developed herein as the primary valuation techniques.

## ***SCOPE OF APPRAISAL - Extent of Data Collection/Verification***

During the course of this appraisal assignment, a number of steps were taken to arrive at the final value conclusions.

Inspections of the property were performed by Ryan S. Prusse, MAI, on and after February 10, 2026. The inspection included location of the boundaries and photographs of the subject property and surrounding area.

A thorough search of all available resources including area real estate brokers, appraisers, office files, county records, and other property owners/managers was made to determine market trends, data, and other significant factors affecting the subject property.

Market data including lot and home sales were verified, photographed and inspected.

### **Prior Appraisal Activity**

Neither Ryan S. Prusse, MAI, nor RSP & Associates LLC, have provided appraisal of consulting services involving the subject property in recent years.

## ***LOT ANALYSIS & VALUATION – Larger Parcels***

### **General**

The Sales Comparison Approach is most useful when a number of comparable properties have recently been sold or are currently for sale in the subject property's market. Using this approach, a value indication is produced by comparing the subject property with similar properties. Included on the following table is information on wide-ranging lot sales city-wide.

### **Lot Sale Data**

We searched for sales of residential lots in Yamhill County, which represents the entirety of McMinnville. A finite number of relevant sales comparable to the subject property in location were identified. The table below identifies each of the comparable lot sales and the comparison features applicable to the analysis/valuation of the eight larger parcels.

<i>Comp.</i>	<i>Address / Lot / Parcel</i>	<i>Location</i>	<i>Sale Date</i>	<i>Lot Area (SF)</i>	<i>Sale Price</i>	<i>Price / SF</i>	<i>Comments - Slope / View</i>
1	SE Naomi Way (167116)	McMinnville, OR	2/9/2024	7,405	\$200,000	\$27.01	Duplex or 4-plex potential, 124 days on market
2	702 NW Morning View Court	McMinnville, OR	10/9/2024	10,454	\$245,000	\$23.44	Interior lot on looped cul de sac - 6 day close
3	789 NW Allen Court	McMinnville, OR	11/18/2024	10,446	\$210,000	\$20.10	Horizon Heights, nearly level, sold w/only 10 days exposure & 2-week close
4	Koch Street (129827)	McMinnville, OR	1/22/2025	12,641	\$250,000	\$19.78	Last lot in Koch's Addition, fully-buildable
5	SE Naomi Way (167116)	McMinnville, OR	2/19/2025	7,405	\$215,000	\$29.03	Duplex or 4-plex potential, 19 days on market @ \$225k
6	1495 NW Cato Court	McMinnville, OR	3/12/2025	9,912	\$249,900	\$25.21	Oak Ridge Meadows (new), cul de sac
7	525 NW Mt. Bachelor Street	McMinnville, OR	5/15/2025	11,326	\$265,000	\$23.40	Mt Hood & Coast Range views
8	2242 NW Victoria Drive	McMinnville, OR	8/29/2025	9,148	\$337,500	\$36.89	Golf course fronting lot (Michelbrook), level, interior
9	2233 NW Mahala Way	McMinnville, OR	9/25/2025	19,166	\$330,000	\$17.22	Last cul de sac lot in upscale neighborhood
10	1420 NW Cato Court	McMinnville, OR	1/5/2026	8,580	\$249,900	\$29.13	Oak Ridge Meadows (new), cul de sac
11	2166 NW Homer Ross Loop	McMinnville, OR	8/27/2024	30,056	\$293,000	\$9.75	West Wind Country Estates (mixed-use zoned), no public sewer (septic required) & interior fire sprinklers. Builder is Metro Homes for each
12	2156 NW Homer Ross Loop	McMinnville, OR	4/4/2025	29,621	\$295,000	\$9.96	
13	2166 NW Homer Ross Loop	McMinnville, OR	9/26/2025	30,056	\$305,000	\$10.15	
14	2150 NW Homer Ross Loop	McMinnville, OR	1/2/2025	21,780	\$296,000	\$13.59	
15	724 SW Edmunston Street	McMinnville, OR	Pending (1/2026)	9,583	\$225,000	\$23.48	Buyer to pay costs of approved division
16	Between 1506 & 1512 3rd Street (543838)	Newberg, OR	Current listing	17,424	\$189,000	\$10.85	Flag lot sloping down to creek
17	Between 1506 & 1512 3rd Street (543841)	Newberg, OR	Current listing	16,553	\$189,900	\$11.47	Flag lot sloping down to creek
18	NE 27th Street NE (481204)	McMinnville, OR	Current listing	22,216	\$395,000	\$17.78	Cleared w/easement access
			<i>Averages of Data Array</i>	<i>15,765</i>	<i>\$263,344</i>	<i>\$19.90</i>	
<b>Subject - 8 larger parcels</b>		<b>McMinnville, OR</b>	<b>As of 2/10/2026</b>	<b>20,941 - high</b>			
	115-245 NW 25th Street (odds)			<b>20,285 - average</b>			
				<b>19,192 - low</b>			

## LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)



Comp #1  
SE Naomi Way (167116)  
McMinnville, OR



Comp #2  
702 NW Morning View Court  
McMinnville, OR



Comp #3  
789 NW Allen Court  
McMinnville, OR



Comp #4  
Koch Street (129827)  
McMinnville, OR



Comp #5  
SE Naomi Way (167116)  
McMinnville, OR



Comp #6  
1495 NW Cato Court  
McMinnville, OR

## LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)



Comp #7  
525 NW Mt. Bachelor Street  
McMinnville, OR



Comp #8  
2242 NW Victoria Drive  
McMinnville, OR



Comp #9  
2233 NW Mahala Way  
McMinnville, OR



Comp #10  
1420 NW Cato Court  
McMinnville, OR



Comp #11  
2166 NW Homer Ross Loop  
McMinnville, OR



Comp #12  
2156 NW Homer Ross Loop  
McMinnville, OR

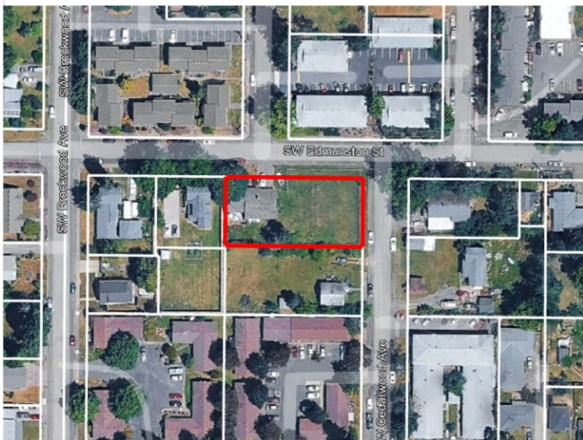
# LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)



Comp #13  
2166 NW Homer Ross Loop  
McMinnville, OR



Comp #14  
2150 NW Homer Ross Loop  
McMinnville, OR



Comp #15  
724 SW Edmunston Street  
McMinnville, OR



Comp #16  
Between 1506 & 1512 3rd Street (543838)  
Newberg, OR

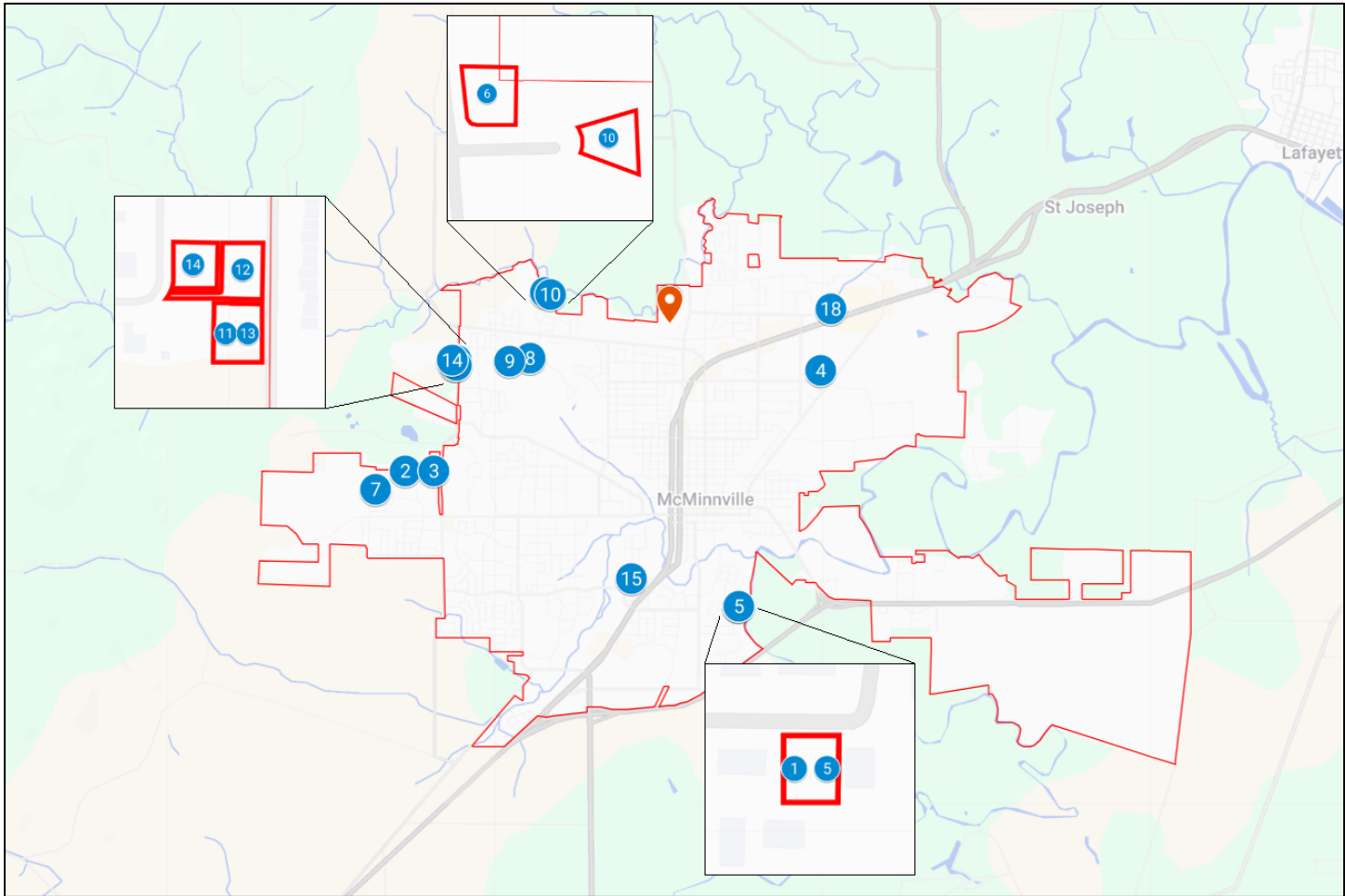


Comp #17  
Between 1506 & 1512 3rd Street (543841)  
Newberg, OR

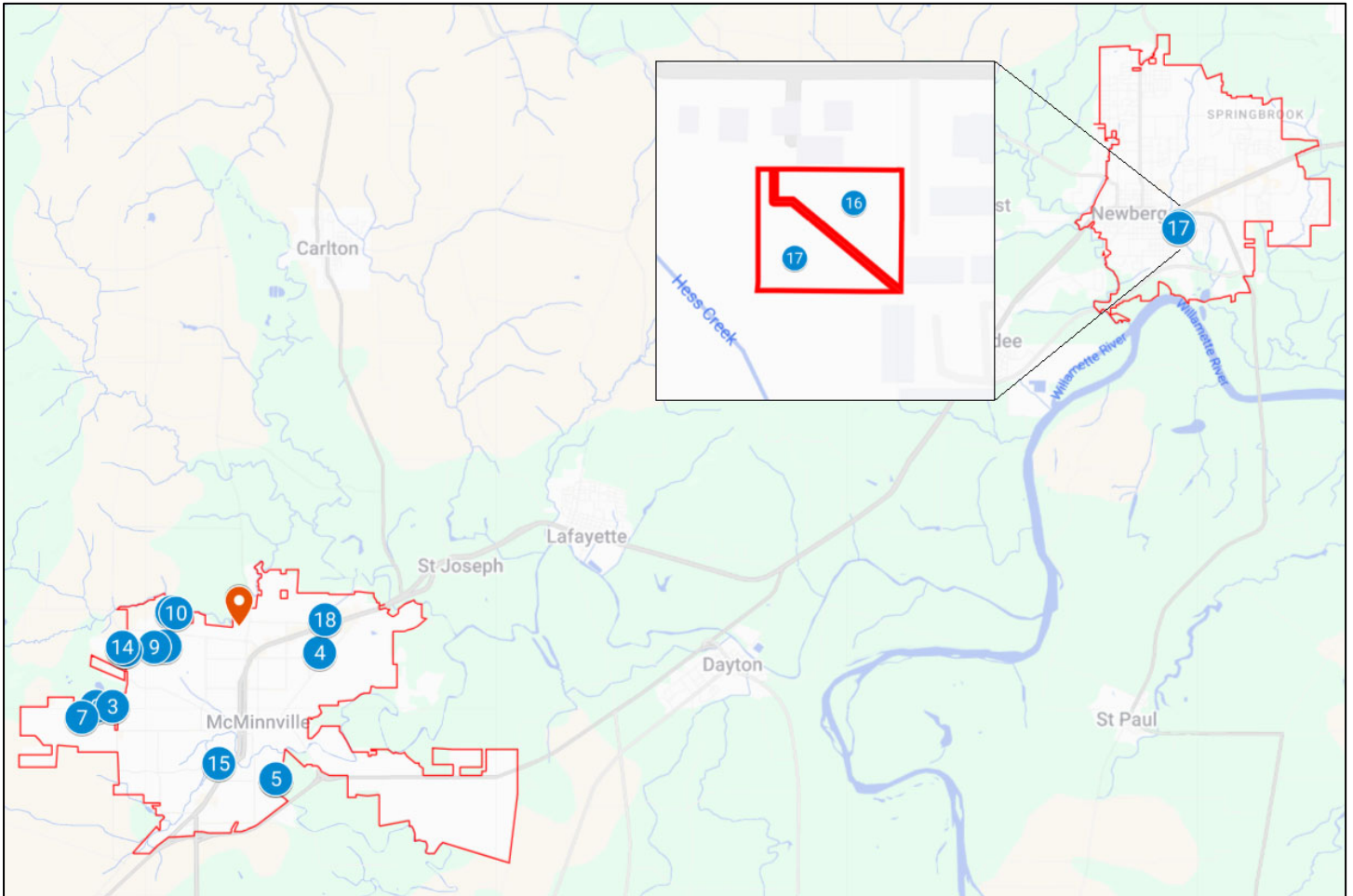


Comp #18  
NE 27th Street NE (481204)  
McMinnville, OR

**LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)**



## LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)



### Before Value – Encumbered by Air Rights Easement

A significant number of local/regional lot sales are presented above. Based on the eight subject properties (larger parcels), with combined lot areas from 19,192 to 20,941 SF (20,285 SF – average), the most relevant lot sales are the largest and those with reduced effective/buildable land area. The latter characteristic is intended to partially mirror the existence of the air rights easement at the rear halves of the eight appraised parcels.

Pricing since early 2024 suggests \$189,000 to over \$300,000 for 7,405 to 30,056 SF lots. The averages for the 18-point array are 15,763 SF and \$263,344 (\$19.90 per SF). On a “before” basis, the eight larger parcels suggest below average valuations due to the larger land areas and restrictive air rights easement. The appraised parcels range from restricted (III, VI) to very restricted (I, II, IV, V, VII, VIII).

One measure of lot/parcel value is derived from the Yamhill County Assessor, which shows current RMV land assessments from \$10.43 to \$11.55 per SF. The bulk of the land assessment (RMV) is on the front lots; developed as single family residences (\$16.94 to \$18.09 per SF). The marginal land assessments based on only the rear lots show much lower figures - \$3.24 to \$4.32 per SF.

## ***LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)***

For the “before” analysis, we apply a sliding-scale of \$14.00 per SF for the most restricted larger parcels, up to \$15.00/\$16.00 per SF for the lots rated slightly superior on the basis of property rights. Specifically, Property III is rated slightly superior based upon the combined/singular lot configuration. As a single lot, it is possible to add an accessory dwelling unit (ADU) to the rear excess yard area; assuming a height below the 10-foot threshold. Therefore, a marginally-higher larger parcel value of \$15.00 per SF is concluded. Property VI is also rated slightly superior based upon the existence of a 1,400 SF shop structure that was permitted in error, despite the air rights easement restriction. The grandfathered shop “right” is rated slightly superior to the ADU potential. Therefore, a marginally-higher larger parcel value of \$16.00 per SF is concluded.

### **After Value – Unencumbered**

Based on the same 18-point data set, and assuming removal of the air rights easement, the array of eight larger parcels warrants enhanced valuations within the established market range. The eight subject properties (larger parcels), with combined lot areas from 19,192 to 20,941 SF (20,285 SF – average), are near the top of the lot sales and about 5,000 SF greater than the mean. Pricing since early 2024 suggests \$189,000 to over \$300,000 for 7,405 to 30,056 SF lots. The averages for the 18-point array are 15,763 SF and \$263,344 (\$19.90 per SF). Therefore, a value basis below the \$19.90 per SF average is suggested.

On an “after” basis, the eight larger parcels suggest slightly below average valuations based on large land areas and general market scarcity. As noted, current RMV land assessments from \$16.94 to \$18.09 per SF are applied by the County for the front halves (unrestricted). For the “after” analysis, we apply a uniform \$18.00 per SF to all eight larger parcels.

### **Value Differences (“After” minus “Before”)**

The following summary table describes the two valuation scenarios for the applicable larger parcels. The bottom line figures (in bold and underlined) reflect the mathematical difference between the two scenarios.

## LOT ANALYSIS & VALUATION – Larger Parcels (Cont.)

<i>Subject Properties</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
<b>Address</b>	245 NW 25th Street	227 NW 25th Street	209 NW 25th Street	151 NW 25th Street	149 NW 25th Street	131 NW 25th Street	123 NW 25th Street	115 NW 25th Street
<b>City, ST</b>	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR	McMinnville, OR
<b>County Assessor Map</b>	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD	4S-4W-17AD
<b>Tax Lot</b>	190	290	300	490	590	690	790	890
<b>County Parcel</b>	343998	344069	137854	344167	344210	344443	344498	344568
<b>Land Valuation (larger parcel)</b>								
<b>"Before" With Air Easement</b>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	H&B Use(s)	H&B Use(s)	Large lot w/restrictions	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)	H&B Use(s)
<i>Unit Value (/SF)</i>	\$14.00	\$14.00	\$15.00	\$14.00	\$14.00	\$16.00	\$14.00	\$14.00
<b>"Before" Value</b>	<b>\$268,688</b>	<b>\$268,688</b>	<b>\$287,910</b>	<b>\$293,174</b>	<b>\$293,174</b>	<b>\$335,056</b>	<b>\$293,174</b>	<b>\$293,174</b>
<b>"After" Without Air Easement</b>								
<i>Land Area (SF)</i>	19,192	19,192	19,194	20,941	20,941	20,941	20,941	20,941
<i>Valuation Basis</i>	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.	Large lot w/home, plus shop, ADU, etc.
<i>Unit Value (/SF)</i>	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
<b>"After" Value</b>	<b>\$345,456</b>	<b>\$345,456</b>	<b>\$345,492</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>	<b>\$376,938</b>
<b>Change in Value + / (-)</b>	<b><u>\$76,768</u></b>	<b><u>\$76,768</u></b>	<b><u>\$57,582</u></b>	<b><u>\$83,764</u></b>	<b><u>\$83,764</u></b>	<b><u>\$41,882</u></b>	<b><u>\$83,764</u></b>	<b><u>\$83,764</u></b>
<i>(After - Before Values)</i>								

As shown, value enhancement is evident for all eight larger parcels after the hypothetical extinguishment of the air rights easement. The spread is least for those that possess restricted improvements (shop) or already combined as a singular lot of record (ADU potential).

## ***APPRAISER CERTIFICATION - Ryan S. Prusse, MAI***

The undersigned does hereby certify that, except as otherwise noted in this report:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject property of this report, and I have no personal interest or bias with respect to the parties involved.
- 4) I have performed no prior services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.
- 6) My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- 7) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 8) As of the date of this report, I, Ryan S. Prusse, have completed the requirements under the continuing education program of the Appraisal Institute.
- 9) I have personally inspected the subject property. I have not inspected all comparable properties identified in this report.
- 10) No one provided significant professional assistance beyond the signatories of this report.
- 11) I do not authorize the out-of-context quoting from or partial reprinting of this report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without my prior written consent.
- 12) This report is prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
- 13) My employment was not conditioned upon the consultation producing a specific price or a price within a given range. Future employment is not dependent upon reporting a specified price. Neither employment nor compensation is dependent upon the approval of a loan application.
- 14) I have acquired through study and practice the necessary knowledge and experience to complete this assignment competently.



**Ryan S. Prusse, MAI**

*Oregon Appraiser Certification #C000498*

# FIRM QUALIFICATIONS

RSP & Associates LLC has been serving the Pacific Northwest since formation in 1998. Our firm concentrates on complex commercial, industrial and multi-family valuation assignments for mortgage lenders, government agencies and municipalities, corporations and individuals. Work has been performed on a national scale. A sample of clients served by Mr. Prusse while a principal of RSP & Associates LLC and prior employment is included below.

## Financial:

Advanced Mortgage Resources  
Albina Community Bank  
American Pacific Bank  
Apartment Lending Corporation  
AT&T Capital Credit  
Baker Mortgage, Inc.  
Bank of America  
Union Bank of California  
Bank of the Cascades  
Bank of Clark County  
Bank of Portland  
Bank of Salem  
Bank of the West  
Bank of Vancouver  
Centennial Bank  
Centennial Mortgage  
Citizens Bank  
Clackamas County Bank  
Columbia River Bank  
Commercial Mortgage Corporation  
Continental Savings Bank  
Countrywide Home Loans  
Eagle Home Mortgage

Eykis Financial Services  
First Mutual Bank  
First Tennessee Bank  
First Security Bank  
First Security Leasing Company  
First Union Small Business Lending  
GE Capital Access  
GMAC Commercial Mortgage  
Hood River Bank  
Imperial Capital  
Interwest Mortgage & Investment  
Interwest Mortgage  
Juniper Banking Company  
Key Bank of Oregon  
LaSalle Bank (ABN AMRO)  
Lexington Funding  
LibertyBank  
Linn-Benton Bank  
The Money Store  
M&T Bank  
National Mortgage Company  
Norris, Beggs & Simpson  
Northern Bank of Commerce

Northwest Mortgage Group  
Pacific Continental Bank  
Pacific Crest Bank  
Pacific Mortgage & Investment Co.  
Pacific One Bank  
Pioneer Trust Bank, N.A.  
Prudential Mortgage Capital Company  
Rainier Bank  
Riverview Community Bank  
Seafirst Real Estate Advisory  
Southern Pacific Bank  
Sterling Savings Bank  
Umpqua Bank  
U.S. National Bank of Oregon  
Valley of the Rogue Bank  
Van Wijnen Canada  
Ward Cook Inc.  
Washington Federal Savings  
Washington Mutual Bank  
Wells Fargo Bank  
West Coast Bank  
Willamette Valley Bank  
Yakima Valley Bank

## Governmental:

Albany School District  
Benton County  
Bonneville Power Administration  
City of Albany  
City of Astoria  
City of Hillsboro  
City of Salem  
City of Silverton  
City of Woodburn  
Clatsop County  
Dallas School District

FDIC  
Housing Authority of Portland  
Marion County  
METRO Open Spaces Division  
Oregon Dept. of Transportation  
Oregon Division of State Lands  
Oregon Dept. of General Services  
Network Oregon Affordable Housing  
Port of Astoria  
Port of Portland  
Resolution Trust Corporation

Salem/Keizer School District  
Tualatin Hills Parks & Recreation District  
U.S. Army Corps of Engineers  
U.S. Bureau of Land Management  
U.S. Forest Service  
Washington Dept. of Fish & Wildlife  
Yamhill County Housing Authority

## Insurance/Medical:

Mutual of Enumclaw  
Mid-Valley Healthcare  
Harvard Medical Northwest Life Assurance  
GAB Robins North America, Inc.

Nationwide Insurance  
Safeco Insurance  
Salem Hospital  
Corvallis Clinic  
Good Samaritan Hospital (Corvallis)

MetLife Capital Insurance Company  
Equitable of Iowa  
Viking Insurance Company

## General:

Agripac, Inc.  
Aldrich Kilbride & Tatone  
Archdiocese of Oregon  
Atlantic Richfield Corporation  
Boys & Girls Club of Albany  
Boys & Girls Club of Salem  
Brand "S" Corporation  
Brown & Shay Partners  
Bullivant Houser Bailey  
Chevron, USA  
Chrysler Realty  
Colson & Colson Construction  
Cushman & Wakefield  
DAVII Investments  
George Suniga Enterprises  
First American Title

First Princeton Corporation  
First Virtual Properties LLC  
Hanna Kerns & Strader  
International Business Machines  
McDonalds Corporation  
Mennonite Mutual Aid Association  
Morrow Crane Inc.  
Mountain West Development  
Neilsen Manufacturing  
Nonpareil, Inc.  
Oregon Glass Company  
Pacific Conference Center  
Portland General Electric  
Portland Investments  
Rite Aid Corporation  
River Network

Saafeld, Griggs & Gorsuch  
Sycan Development  
Texaco Lubricants  
3-H Construction

## ***QUALIFICATIONS – Ryan S. Prusse, MAI***

**Ryan S. Prusse, MAI** is the director of RSP & Associates, LLC. He has been engaged in complex valuation assignments since 1991. Appraisal assignments include a broad range of property types: multi-family, industrial, office, wetlands, wildlife habitat, agricultural, church, food processing, box retail, subsidized housing, aqua-culture and contaminated properties.

### **Professional Affiliations**

State of Oregon Certified General Appraiser (#C000498)  
State of Washington Certified General Appraiser (#1100869)  
Member of the Appraisal Institute (#10667)  
Appraisal Institute Young Advisory Council, 1994-1996  
Environmental Assessment Association - Certified Environmental Specialist (CES)  
Appraisal Journal Review Committee (Appraisal Institute) – 1996 - 1999  
Director (AI - Greater Oregon Chapter) – 2004-2012  
Chapter President (AI - Greater Oregon Chapter) – 2013

### **Community**

Young Executive Board, Salem Boys & Girls Club  
Finance Committee, Salem Boys & Girls Club  
Assistant Varsity football coach, Regis High School  
Youth Sports Coach, Salem Boys & Girls Club  
Youth Sports Coach, Clackamas Little League  
Youth Sports Coach, Wilsonville Parks & Recreation

### **Education**

Willamette University, Salem, Oregon:  
Bachelor of Science, Major Economics, Minor Mathematics  
Appraisal Institute, Chicago, Illinois:  
Course SPPA, Standards of Professional Practice, Part A  
Course SPPB, Standards of Professional Practice, Part B  
Course 1A1, Real Estate Appraisal Principles (challenged)  
Course 1A2, Basic Valuation Procedures (challenged)  
Course 1BA, Capitalization Theory and Techniques, Part A  
Course 1BB, Capitalization Theory and Techniques, Part B (challenged)  
Course II540, Report Writing and Valuation Analysis  
Course II550, Advanced Applications  
American Society of Farm Managers & Rural Appraisers, Denver, Colorado:  
A-30, Advanced Rural Appraisal  
Rural Residential Appraisal  
Chemeketa Community College, Salem, Oregon:  
Applied Residential Appraisal  
Appraisal I

### **Experience**

Various positions from intern to owner at C. Spencer Powell & Associates (1990 – 1998)  
Founder/Director – RSP & Associates, LLC (1998 – present).

The seal of the State of Oregon is centered in the background. It features an eagle with wings spread, perched on a shield. The shield contains a plow, a sheaf of wheat, and a ship. The words "STATE OF OREGON" are written in a circular border around the eagle, and the year "1859" is at the bottom. The seal is rendered in a light gray color.

**Appraiser Certification and Licensure Board**

**State Certified General Appraiser**

*28 hours of continuing education required*

**RYAN S PRUSSE  
RSP & ASSOCIATES LLC  
PO BOX 365  
WILSONVILLE, OR 97070**

License No.: C000498  
Issue Date: July 01, 2024  
Expiration Date: June 30, 2026

A handwritten signature in blue ink, appearing to read "Chad Koch", is positioned above a horizontal line.

**Chad Koch, Administrator**



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February 5, 2026

Ryan S Prusse MAI  
RSP & Associates LLC  
PO Box 365  
Wilsonville, OR 97070

**RE: Engagement Letter – Air Easement Determination of Value**

Dear Ryan,

The City of McMinnville (“City”) is pleased to engage RSP & Associates LLC (“Appraiser”) to prepare an independent appraisal related to an existing air easement affecting certain properties within the City, subject to the terms outlined below.

**1. Scope of Engagement**

The Appraiser shall prepare an independent appraisal to determine the market value of an air easement interest affecting eight (8) residentially zoned parcels within the City of McMinnville. The appraisals shall analyze the difference, if any, between the market value of each parcel as encumbered by the air easement and the market value of each parcel as if unencumbered by the air easement, under stated assumptions and conditions.

The parcels subject to this engagement are identified as:

- R4417AD 00190
- R4417AD 00290
- R4417AD 00490
- R4417AD 00590
- R4417AD 00690
- R4417AD 00790
- R4417AD 00890
- R4417AD 00300

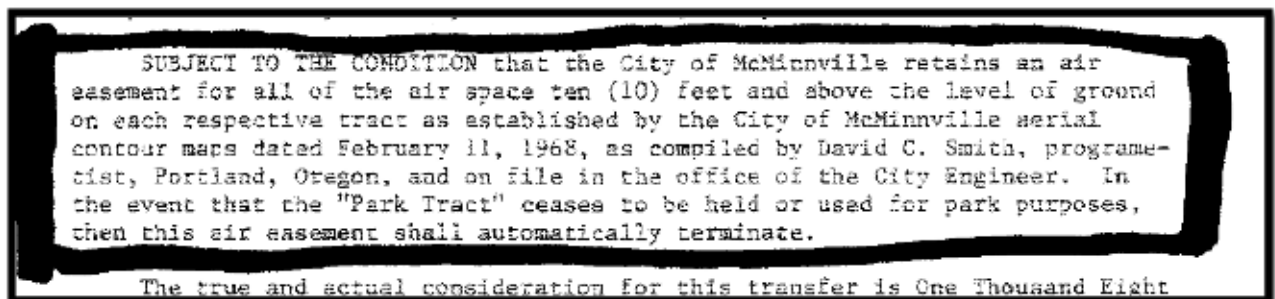
All parcels are similar in size, zoned R-1, and do not have street frontage.

## 2. Air Easement Background

The air easement was created in 1978–1979 and recorded as part of the warranty deeds for the affected parcels in connection with the City's acquisition of Tice Park. The easement requires the City to retain an air easement for all airspace ten (10) feet and above ground level, as established by City of McMinnville aerial contour maps dated February 11, 1968, on file with the City Engineer. The easement terminates automatically if the park tract ceases to be held or used for park purposes.

The appraisals shall rely on the recorded easement language and publicly available information. The Appraiser is not expected to provide legal interpretation of the easement.

Please see snapshot of the easement language below.



*SUBJECT TO THE CONDTION that the City of McMinnville retains an air easement for all of the air space ten (10) feet and above the level of ground on each respective tract as established by the City of McMinnville aerial contour maps dated February 11, 1968, as compiled by David C. Smith, programetist, Portland, Oregon, and on file in the office of the City Engineer. In the event that the "Park Tract" ceases to be held or used for park purposes, then this air easement shall automatically terminate. (Adopted December 8, 1978).*

## 3. Appraisal Standards and Requirements

The appraisals shall be prepared in full compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and shall clearly identify, at a minimum:

- Intended use of the appraisal
- Intended user(s) (the City of McMinnville)
- Effective date of value
- Property rights appraised
- Scope of work
- Any extraordinary assumptions or hypothetical conditions

The Appraiser may apply appropriate valuation approaches and comparable market data relevant to residential lots in the McMinnville R-1 zone.

#### 4. Intended Use and Reliance

The intended use of the appraisals is to assist the City in evaluating the value implications of the existing air easement. The appraisal is intended solely for use by the City of McMinnville. No other party may rely on the appraisal without the prior written consent of the Appraiser and the City.

#### 5. Independence

The Appraiser shall perform the assignment as an independent appraiser, without bias or advocacy, and shall have no present or prospective interest in the subject properties.

#### 6. Compensation

The City shall compensate RSP & Associates LLC a not-to-exceed amount of \$4,900, inclusive of all costs and expenses. Payment shall be made upon delivery and acceptance of the final appraisal report.

#### 7. Deliverables and Schedule

A signed final appraisal report for each property shall be delivered to the City in PDF format no later than March 6, 2026, unless otherwise agreed to in writing.

#### 8. Public Records


The Appraiser acknowledges that the City is subject to Oregon public records laws and that the appraisal and related materials may be subject to public disclosure.

#### 9. Acceptance


This letter constitutes the full agreement between the City and the Appraiser regarding this engagement. Any modification must be made in writing and signed by both parties.

If these terms are acceptable, please sign below.

---

  
Adam Garvin, Interim City Manager  
City of McMinnville

---

  
Ryan S Prusse  
RSP & Associated LLC

Date: 02.06.2026

Date: 2-6-2026

**RESOLUTION NO. 2026-24**

A Resolution directing staff to pursue the sale of City-owned air easements affecting certain properties between NW 25<sup>th</sup> Street and Tice Park

**RECITALS:**

**WHEREAS**, in 1978, the City of McMinnville acquired real property now known as Tice Park; and

**WHEREAS**, as part of that acquisition, the City retained air easements over certain adjacent properties located between Tice Park and residential properties along NW 25th Street, commonly referred to as the "Option Tracts"; and

**WHEREAS**, the air easements grant the City control of air space above ten (10) feet over the Option Tracts and were intended as a "buffer" to prevent significant construction in that space and provide a buffer between park property and adjacent residential development; and

**WHEREAS**, all contractual obligations associated with the acquisition of Tice Park, including restrictions on the use of the property, have been fully satisfied; and

**WHEREAS**, property owners have requested that the City consider releasing the air easements to allow development otherwise permitted by zoning; and

**WHEREAS**, the City Council finds that sale of the air easements to their underlying/adjacent property owners may be in the public interest, subject to a public hearing to be scheduled under ORS 221.725;

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

1. The City Manager is authorized to take necessary steps to sell the City's air easements affecting the Option Tract properties adjacent to Tice Park along NW 25th Street, including the posting of notice and scheduling of a public hearing.

Adopted by the Council of the City of McMinnville at a regular meeting held the 14th day of April, 2026, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 14th day of April 2026.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

## RESOLUTION NO. 2026-04

A Resolution authorizing the City Manager to release air easements affecting certain properties adjacent to Tice Park along NW 25th Street

### RECITALS:

**WHEREAS**, in 1978, the City of McMinnville acquired real property now known as Tice Park; and

**WHEREAS**, as part of that acquisition, the City retained air easements over certain adjacent properties located between Tice Park and residential properties along NW 25th Street, commonly referred to as the "Option Tracts"; and

**WHEREAS**, the air easements grant the City control of air space above ten (10) feet over the Option Tracts and were likely intended to prevent significant construction in that space and provide a buffer between park property and adjacent residential development; and

**WHEREAS**, all contractual obligations associated with the acquisition of Tice Park, including restrictions on the use of the property, have been fully satisfied; and

**WHEREAS**, property owners have requested that the City consider releasing the air easements to allow development otherwise permitted by zoning; and

**WHEREAS**, the City Council finds that authorizing release of the air easements may be in the public interest, subject to Council direction regarding the appropriate process for termination;

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

**1. Authorization.**

The City Manager, or designee, is authorized to take all actions necessary to release the City's air easements affecting the Option Tract properties adjacent to Tice Park along NW 25th Street, consistent with direction provided by the City Council.

**2. Execution of Documents.**

The City Manager is authorized to execute any documents necessary to effectuate the release of the air easements, subject to review and approval by the City Attorney.

**3. No Obligation as to Method.**

Nothing in this resolution obligates the City to release the air easements by any particular method, nor does it limit the City Council's discretion to require additional process, conditions, or consideration prior to release.

Adopted by the Council of the City of McMinnville at a regular meeting held the 14th day of April, 2026 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 14th day of April 2026.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder



## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Geoff Hunsaker, Public Works Director  
**WRITTEN BY:** John Paskell, Airport Manager  
**SUBJECT:** Contract Award for Fixed Base Operator Services

1. Ordinance No. 5176, awarding a lease and operating agreement for Fixed Base Operator Services with Trimble Aviation at the McMinnville Municipal Airport.

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### **Report in Brief:**

Ordinance No. 5176 authorizes the City Manager to enter into a new long-term lease and operating agreement for Fixed Base Operator (FBO) Services at the McMinnville Municipal Airport. The current FBO agreement expires on June 30, 2026.

### **Background:**

The City has an existing contract with Potcake Aviation, which was assigned from Konect Aviation in 2018, to provide Fixed Base Operator services for aircraft operating at the McMinnville Municipal Airport, and for airport operations, maintenance and management support. The current ten-year agreement expires on June 30, 2026 and the City issued a Request for Proposals (RFP) in January 2026 to seek a new vendor.

### **Discussion:**

In 2016 the City entered into an agreement with Konect Aviation to provide FBO services (primarily fueling) and airport management services to support the City's part-time Airport Administrator. That agreement was assumed by Potcake Aviation in 2018 and expires June 30, 2026. In late 2025 the City expressed its

desire to issue a Request for Proposals (RFP) to seek interest from entities interested in partnering with the City's airport and entering into a long-term land lease and operating agreement.

The RFP was issued on January 21, 2026 and closed on February 19, 2026. Three proposals were received from:

- Trimble Aviation
- KT Aero
- Nova Aviation

An RFP review and scoring committee was assembled, consisting of the Airport Manager, Public Works Director, and two members of the Airport Commission. The committee voted unanimously to recommend the contract award to Trimble Aviation, which has been in business at the airport for 20 years. The committee's scores are included as Attachment 2. The committee concurred that Trimble Aviation's proposal was the most comprehensive, including plans for development and significant investment in a terminal building and rehabilitation of existing City-owned structures, and that Trimble Aviation's vision for the future of the airport was most closely aligned with the City's vision.

In its special meeting of March 31<sup>st</sup>, the Airport Commission voted unanimously (5-0, 2 absent) to recommend that Council award the contract to Trimble Aviation.

### **Attachments:**

1. Ordinance No. 5176
2. Review Committee Scores

### **Fiscal Impact:**

A long-term lease of 30 years, with a possible ten-year extension, provides for financial certainty and stability for the McMinnville Municipal Airport, and encourages capital investment on the part of the service provider.

Conservatively, the added revenue to the airport will be at least \$25k annually, to start. Monthly lease revenue will be at least double the current revenue, fuel flowage fees are expected to increase by at least 50%, and newly established overnight aircraft parking fees will contribute to airport revenue.

Airport Rates and Fees will come to Council for adoption prior to the start of the new contract and new fiscal year.

**Alternatives:**

**Alternative 1 [Staff Recommendation]:** Adopt the attached Ordinance authorizing the City Manager to execute an agreement with Trimble Aviation in a form acceptable to the City Attorney.

**Alternative 2:** Reject the attached Ordinance, direct staff to restart negotiations to solve any issues the Council may have, or to reissue the RFP.

**Alternative 3:** The Council may consider any other alternative not presented by staff.

**ORDINANCE NO. 5176**

An Ordinance awarding a lease and operating contract for Fixed Base Operator services with Trimble Aviation at the McMinnville Municipal Airport.

**RECITALS:**

**WHEREAS**, the City of McMinnville owns and operates the McMinnville Municipal Airport, and the airport historically contracts with a Fixed Base Operator (FBO) to provide certain aviation services to the public at the Airport; and

**WHEREAS**, the current lease and operating agreement expires on June 30, 2026, and the McMinnville Municipal Airport desires to enter into a new long-term lease and operating agreement for such aviation services at the Airport; and

**WHEREAS**, a Request for Proposals was issued, and three proposals were received, and a review and scoring committee and Airport Commission are recommending the proposal from Trimble Aviation for consideration; and

**WHEREAS**, the lease and operating agreement is for a period of thirty (30) years, with a provision for a ten (10) year extension as outlined in the lease document.

**NOW, THEREFORE, THE CITY OF MCMINNVILLE ORDAINS, as follows:**

1. The contract for Fixed Base Operator services at the McMinnville Municipal Airport is awarded to Trimble Aviation.
2. The City Manager is authorized to enter into a long-term lease and operating agreement according to the terms listed above, and in a form acceptable to the City Attorney, with Trimble Aviation.
3. This Ordinance will take effect 30 days after passage by the City Council.

Passed by the McMinnville City Council this 14th day of April, 2026 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**McMinnville Municipal Airport  
Fixed Base Operator Services-2026**

<b>PROPOSER</b>	JP	GH	PH	GB	Average Score	Total Possible Score = 150
<b>Trimble Aviation</b>	120	105	105	130	115.0	77%
<b>KT Aero</b>	110	95	87	115	101.8	68%
<b>Nova Aviation</b>	80	60	77	65	70.5	47%

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## STAFF REPORT

**DATE:** April 14, 2026  
**TO:** Adam Garvin, City Manager  
**SUBMITTED BY:** Geoff Hunsaker, Public Works Director  
**WRITTEN BY:** John Paskell, Airport Manager  
**SUBJECT:** FAA Lease Extension and Amendment

1. Ordinance No. 5177, Authorizing a Supplemental Lease Agreement with the Federal Aviation Administration at the McMinnville Municipal Airport

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### **Report in Brief:**

Ordinance No. 5177 authorizes the City Manager to execute a lease amendment and extension with the Federal Aviation Administration for office space at the McMinnville Municipal Airport.

### **Background:**

The Federal Aviation Administration (FAA) leases office space at the McMinnville Municipal Airport. The previous lease expired on September 30, 2025 and FAA has requested a ten-year extension to the expired lease, which would date back to October 1, 2025.

### **Discussion:**

The FAA leases 616 sf of space in the Airport-owned building located at 3975 Cirrus Ave SE (commonly referred to as the Oregon State Police building), which is used as a technical operations office and equipment storage space, from which the FAA can maintain and repair the instrument landing system and approach lighting system on the airfield.

FAA would like to continue leasing the space from the City for an additional ten (10) years, including an immediate rate increase from the previous lease period, and which increases again in year five.

The amended lease adds new language, now required in all federal contracts and agreements, which prohibits the use of any equipment or services from a specific list of vendors (Huawei, ZTE, Hytera, Hikvision, Dahua, and others) on facilities owned or leased by the federal government. The City of McMinnville does not currently use any of these vendors and given that the lease is for space only and not products or services, it does not apply to this lease.

**Attachments:**

1. Ordinance No. 5177

**Fiscal Impact:**

The lease agreement provides additional \$3,475 in annual revenue for the airport in Years 1-5 (a 33% increase from the previous lease) and an additional increase of \$1,308 (10%) in Years 6-10.

**Alternatives:**

**Alternative 1 [Staff Recommendation]:** Adopt the attached Ordinance authorizing the City Manager to execute a ten-year Supplemental Lease Agreement with the FAA, in a form acceptable by the City Attorney.

**Alternative 2:** Reject the attached Ordinance. Staff would continue negotiating with the FAA for any provisions the City Council deems necessary.

**Alternative 3:** The Council may consider any other alternative not presented by staff.

**ORDINANCE NO. 5177**

An Ordinance authorizing a Supplemental Lease Agreement with the Federal Aviation Administration at the McMinnville Municipal Airport.

**RECITALS:**

**WHEREAS**, the City of McMinnville owns and operates the McMinnville Municipal Airport, and the Federal Aviation Administration (FAA) historically leases office space at the Airport; and

**WHEREAS**, the current space lease and operating agreement expired on September 30, 2025, and the McMinnville Municipal Airport desires to continue leasing space to the FAA at the Airport; and

**WHEREAS**, the FAA has prepared a Supplemental Lease Agreement for a period of ten (10) years, with a 33% rate increase in Years 1-5 and an additional 10% increase in Years 6-10; and

**WHEREAS**, the Federal government has added certain language prohibiting the use of equipment or services from specific vendors as outlined in the lease document.

**NOW, THEREFORE, THE CITY OF MCMINNVILLE ORDAINS, as follows:**

1. The City Manager is authorized to execute a Supplemental Lease Agreement with FAA including the terms listed above and in a form acceptable to the City Attorney.
2. This Ordinance will take effect 30 days after passage by the City Council.

Passed by the McMinnville City Council this 14th day of April, 2026 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder