



## McMinnville Economic Vitality Leadership Council Wednesday, February 14, 2024 – 3:00 PM

### HYBRID Meeting IN PERSON – 231 NE Fifth Street or ZOOM Online Meeting

(Please note that this meeting will be conducted via ZOOM meeting software due to the COVID-19 event.)

<https://mcminnvilleoregon.zoom.us/j/89826790447?pwd=G7fXdl4ZimZ4luYtIVK5AIFDIiVfKq.1>

Meeting ID 898 2679 0447

Meeting Passcode: 406921

Or join ZOOM Meeting by phone via the following number: 1-669-900-9128

#### Council Members

#### Agenda Items

Carson Benner, Chair  
McMinnville School District

Mike Morris, Vice-Chair  
Chamber of Commerce

Trena McManus,  
McMinnville Water and Light

Chris Chenoweth,  
City of McMinnville

Steve Patterson,  
Chamber of Commerce

Dani Chisholm, MDA

Heather Miller, MDA

John Dietz,  
MEDP

Deven Paolo,  
MEDP

Erin Stephenson,  
Visit McMinnville

Gerardo Ochoa,  
Linfield University

Michael Mulkey,  
Willamette Valley Medical Center

Vacant,  
City of McMinnville

Vacant,  
Visit McMinnville

#### 1. Call to Order / Introductions

#### 2. Discussion Items

- Business Assistance/Resiliency Grant (8212) –  
Workforce Development Update  
(Presentation at the meeting)
- Industrial Land Supply (MEVLC Priority 2023/24)  
(Exhibit 1)

#### 3. Rumor Mill

#### 4. Citizen Comments

#### 5. Committee Member Comments

#### 6. Staff Comments

#### 7. Adjournment

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 24 hours in advance by contacting (503) 434-7311 – 1-800-735-1232 for voice, or TDY 1-800-735-2900.

\*Please note that these documents are also on the City's website, [www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov). You may also request a copy from the Planning Department.



**City of McMinnville**  
**Community Development**  
231 NE Fifth Street  
McMinnville, OR 97128  
(503) 434-7311  
[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## EXHIBIT 1 – STAFF REPORT

**DATE:** February 14, 2024  
**TO:** McMinnville Economic Vitality Leadership Council  
**FROM:** Heather Richards, Community Development Director  
**SUBJECT:** Industrial Land Supply

### STRATEGIC PRIORITY & GOAL:



#### **ECONOMIC PROSPERITY**

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

### **OBJECTIVE/S: Foster opportunity in technology and entrepreneurship**

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#### **Report in Brief:**

This is a discussion about the City of McMinnville's available industrial land supply that is shovel-ready for development which was one of the priorities selected by the McMinnville Economic Vitality Leadership Council (MEVLC) on August 9, 2023.

The priority reads as follows:

- **IDENTIFY AVAILABLE LAND** - Under the goal of "Maintain and Enhance McMinnville's Positive Business Climate" this project would identify available shovel-ready land for development and prepare a marketing proforma on the need for and success of speculative industrial development space in McMinnville.

This discussion will focus on the available land supply and a future meeting will explore how to develop a marketing proforma on the need for and success of speculative industrial development space in McMinnville.

#### **Background:**

At the meeting on August 9, 2023, the McMinnville Economic Vitality Leadership Council voted on the following priorities for FY 2023/2024.

- **THIRD STREET IMPROVEMENT PROJECT** – Continue to advocate for the successful implementation of the Third Street Improvement Project by applying for state and federal funds.

- **INNOVATION CAMPUS** – Continue to steward the master planning and public infrastructure feasibility analysis to develop a 150-acre campus hosting and attracting research and development industrial companies with high-density jobs and higher wages. This was a priority project for the FY 2022/2023 work plan and the MEVLC successfully secured funding for the master planning and public infrastructure feasibility analysis.
- **WORKFORCE HOUSING** – the MEVLC would study ways to increase the availability of workforce housing in McMinnville.
- **STREAMLINE PERMITTING PROCESS** – Under the goal of “Maintain and Enhance McMinnville’s Positive Business Climate” this project would evaluate the City’s permitting process for streamlining opportunities for business development.
- **IDENTIFY AVAILABLE LAND** - Under the goal of “Maintain and Enhance McMinnville’s Positive Business Climate” this project would identify available shovel-ready land for development and prepare a marketing proforma on the need for and success of speculative industrial development space in McMinnville.

### **Discussion:**

Attached to this staff report is a map of the commercial and industrial buildable land in McMinnville’s city limits and urban growth boundary (identified in light blue). Overlaid on this, is the property that is currently available for sale.

Most of the available land for sale are larger tracts of land. Some of these tracts of land are not considered shovel-ready due to some known infrastructure constraints associated with the property.

The City of McMinnville is currently considering the adoption of a McMinnville Economic Opportunity Analysis (EOA). Part of this analysis included a description of site characteristics and needed sites, which is provided below.

### **Site Characteristics and Needed Sites**

*Oregon Administrative Rule (OAR) 660-009-0015(2) requires the EOA to “identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses.” The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.*

*The rule, OAR 660-009-0015(2), states that “[i]ndustrial or other employment uses with compatible site characteristics may be grouped together into common site categories.” The rule suggests, but does not require, that the City “examine existing firms in the planning area to identify the types of sites that may be needed.” For example, site types can be described by: (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or*

use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, McMinnville groups its future employment uses into three general categories based on land use types: (1) commercial (includes retail commercial, office & commercial services, and tourism services)<sup>1</sup>; (2) industrial; and (3) sites needed to meet specific economic development objectives (e.g., other land needs not addressed in the employment forecast as discussed above).

In short, in addition to estimating the acreage needed to accommodate current and future employment, it is necessary for the city to determine if it has sites with characteristics suitable for the development to address needs and opportunities. This includes site size, topography, access, utilities, and other characteristics such as location and proximity to other uses and amenities.

As a first step, the City analyzed the size distribution of developed employment sites in McMinnville by land use type. Exhibit 60 shows the results. The majority of commercial lots are small – 88% of commercial lots are less than 1 acre, and 42% of the commercial land (in acres) is in lots less than 1 acre. No developed commercial lots are larger than 20 acres. (Some shopping centers include multiple tax lots).

Industrial sites show a different pattern. Seven industrial sites (about 2 percent of all industrial sites) are greater than 10 acres but account for 25% of all industrial land in acres. While McMinnville has 122 industrial sites less than 1 acre, those sites account for only 7% of developed industrial land (in acres). Some industrial users occupy multiple buildings and/or tax lots.

**Exhibit 1. Size distribution of developed employment sites by land use type, McMinnville UGB, 2019**

Land Use Type	Developed acres size									Total
	<0.50 acre	0.50-0.99 acres	1.00-1.99 acres	2.00-4.99 acres	5.00-9.99 acres	10.00- 19.99 acres	20.00- 25.00 acres	25.01- 49.99 acres	50.00+ acres	
<b>Commercial</b>										
Acres	96	54	57	90	26	34	-	-	-	357
Percent of Acres	27%	15%	16%	25%	7%	9%	0%	0%	0%	100%
Tax Lots	509	80	41	30	4	3	-	-	-	667
Percent of Tax Lots	76%	12%	6%	4%	1%	0%	0%	0%	0%	100%
<b>Industrial</b>										
Acres	12	19	43	87	91	61	25	-	79	417
Percent of Acres	3%	4%	10%	21%	22%	15%	6%	0%	19%	100%
Tax Lots	96	26	32	29	13	5	1	-	1	203
Percent of Tax Lots	47%	13%	16%	14%	6%	2%	0%	0%	0%	100%

In addition to basic logistical considerations, there are workforce considerations for locating within a community. For example, in the Three Mile Lane study, it was found that employers located to the area because there were sites that had land needed for expansion; however, employees preferred to be in amenity-rich locations. Employers have had to adjust business practices to accommodate employees in these locations absent the presence of amenities, such as those which were available in prior locations before relocating to accommodate space needs. This largely illustrates the need for the

<sup>1</sup> At early stages of the EOA, McMinnville broke commercial out into separate land use categories, but found that many overlap and do not have distinct site needs from other commercial categories by NAICS sector.

city's growth management strategy of balanced land uses that provide for a nearby mix of uses and opportunities to reduce vehicle miles travelled.

The City analyzed the existing distribution of developed sites by size (Exhibit 60) and applied it to overall land need for the 2021-2041 period. Exhibit 63 summarizes needed sites by size class. Exhibit 64 allocates needed sites to target sizes within those size class ranges. This was based on the range and distribution of site sizes for larger industrial sites described in the MEDP letter (Attached. Site Need Letters). Exhibit 63 and Exhibit 64 now also incorporate smaller site sizes less than 0.5 acres, as described in the buildable lands inventory methodology.

**Exhibit 2. Revised Employment Site Size Classes and Assignment of Needed Sites**

Original Size Classes and Assignments			Revised Size Classes and Assignments		
Original Size Classes	Needed Sites	Ac Range	Revised Size Classes	Needed Sites	Ac Range
NA (By definition in OAR 660 Division 9, undeveloped sites less than ½ acre are not defined as vacant sites)	NA	NA	<0.5 acre	23	0-12
0.5-0.99 ac	10	5-10	0.5-0.99 ac	10	5-10
1.00-1.99	12	12-24	1.00-1.99	12	12-24
2.00-4.99	4	8-20	2.00-4.99	4	8-20
5.00-9.99	3	15-30	5.00-9.99	3	15-30
10.00-19.99	10	100-200	10.00-19.99	10	100-200
20.00-49.99	8	160-400	20.00-25.00	7	140-175
			25.01-49.99	1	25-50
50.00+	0	0	50.00+	0	0
<b>Total</b>	<b>47 sites</b>	<b>300-684 ac</b>	<b>Total</b>	<b>70 sites</b>	<b>305-521 ac</b>

### **Needed Industrial Sites Provide for at Least an Adequate Supply**

Goal 9 and ORS 197.712(2)(c) specify that Comprehensive Plans for urban areas shall: ...“Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies.”

The employment forecast and employment density factors identified a need for 153 industrial acres. The needed sites identified above in Exhibit 64, appropriately located, would provide for at least an adequate supply of sites of suitable sizes for a variety of industrial uses consistent with plan policies, as required by Goal 9. To be competitive, this would assure there would be a supply of available sites with a variety of sizes and characteristics to meet a variety of needs at any given time during the planning period.

**Exhibit 3. Needed sites, competitive supply and choice consistent with IFA criteria**

Site Size Class	Needed Sites By Class	Ac Range for Needed Sites	Needed Sites By Target Size	Ac for Needed Sites
<0.5	23	0-12	23@0.48 ac	11.0
0.5-0.99 ac	10	5-10	5@0.5 ac 5@ 1ac	2.5 5.0
1.00-1.99	12	12-24	6@1 ac 6@2 ac	6.0 12.0
2.00-4.99	4	8-20	2@2 ac 2@4 ac	4.0 8.0
5.00-9.99	3	15-30	3@5 ac	15.0
10.00-19.99	10	100-200	5@10 ac 5@15 ac	50.0 75.0
20.00-25.00	7	140-175	4@20 ac 3@25 ac	80.0 75.0
25.01-49.99	1	25-50	1@40ac	40.0
50.00+	0	0	0	0
<b>Total</b>	<b>70 sites</b>	<b>305-521 ac</b>	<b>70 sites</b>	<b>384 ac</b>

Note: MIP/MEDP Input re: Size Class Distribution – Size Assigned. Appendix D. Site Need Letters provides letters from MIP and MEDP stating needed site sizes.

*Exhibit 65 provides a detailed summary of the needed sites between 5 and 50 acres listed in Exhibit 64. The sites listed in this table are identified based on industries listed in the IFA matrix (Exhibit 62) and the target sectors identified in McMinnville's 2019 Economic Development Strategic Plan. The results of Exhibit 64 and Exhibit 65 show that McMinnville needs 384 acres for industrial land over the 20-year period.*

**Exhibit 4. Needed industrial and traded sector employment sites**

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinnville	Needed Site Sizes	Size Class				
						5-9.9	10-14.9	15-19.9	20-25	25.1-50
<b><u>Production Manufacturing</u></b>	EDSP: Traditional Ind.& Advanced Manuf.	A. Preferred	<b>4:</b> 2	10-25 ac	(1) 15ac, (1) 25ac			1	1	
A. Heavy Industrial / Manufacturing (10-100+ ac)	2013 EOA: Advanced Manufacturing	B. Preferred	2	5-25 ac	(1) 10ac, (1) 25ac		1		1	
B. High Tech/Clean Tech Manufacturing (5-100+ ac)										
<b><u>Value-Added Manufacturing &amp; Assembly</u></b>	EDSP: Craft Beverages and Food Systems	C. Preferred	<b>4:</b> 2	5-25 ac	(1) 5ac, (1) 10ac	1	1			
C. Food Processing (5-25+ ac)	EDSP: Traditional Ind. & Advanced Manuf.	D. Not Required	2	5-25 ac	(1) 15ac, (1) 20ac			1	1	
D. Advanced Manufacturing and Assembly (5-25+ ac)										
<b><u>Light/Flex Industrial</u></b>	EDSP: Technology and Entrepreneurship	E. Preferred	<b>6:</b> 3	5-15 ac	(1) 5ac, (1) 10ac, (1) 15ac	1	1	1		
E. General Manufacturing (5-15+ ac)	EDSP: Education, Medicine and Other Sciences	F. Preferred	1	25-50 ac	(1) 40ac (Innovation Campus)					1
F. Indust. Business Park and R&D Campus (20-100+ ac)	2013 EOA: Healthcare/Traded Sector Services	G. Not Required	2	5-15 ac	(1) 5ac, (1) 10ac	1	1			
G. Business / Admin Services (5-15+ ac)										

Infrastructure Finance Authority (IFA) Industrial Development Competitive-ness Matrix	2019 EDSP Target Sectors 2013 EOA Cluster Targets	Rail Access Per IFA?	Needed Sites	Needed Range for McMinn- ville	Needed Site Sizes	Size Class				
						5- 9.9	10- 14.9	15- 19.9	20- 25	25.1- 50
<b><u>Warehousing &amp; Distribution</u></b> H. Regional Warehouse / Distribution (20-100+ ac) I. Local Warehouse / Distribution (10-25+ ac)	EDSP: Craft Beverages and Food Systems	H. Preferred	<b><u>5:</u></b> 2	20-25 ac	(1) 20ac, (1) 25ac		1	1	2	1
	EDSP: Craft Beverages and Food Systems	I. Preferred	3	10-25 ac	(1) 10ac, (1) 15ac, (1) 20ac					
<b><u>Specialized</u></b> J. UAV Manufacturing / Research (10-25+ ac) K. Data Center (10-25+ ac) L. Rural Industrial (5-25+ ac)	EDSP: Traditional Industry and Advanced Manuf.	J. Not Required	<b><u>2:</u></b> 1	10-25 ac	(1) 15ac			1		
	EDSP: Technology and Entrepreneurship	K. Avoid L. N/A	1	10-25 ac	(1) 20ac				1	
			N/A	5-25 ac	N/A					
<b>Total:</b>			<b>21 sites of 5-40 acres</b>		<b>SUM: 21 sites 5ac-40ac (335 ac.) (Rail Preferred for 14 sites)</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>1</b>

\*RP=Rail Preferred



**Attachments:**

- List of Vacant Land Available for Sale
- Map of Commercial and Industrial Buildable Land and Available Land for Sale.
- MEDP Letter (approximately 2020) from Scott Cooper, identifying industrial land need.

**Actions:**

No action requested. Information only.

## Bare Land For Sale Listed

### Land For Sale on RMLS

- 2300 SE Stratus Avenue, R4427 0060, 5.4 Acres, Zoned M-1, \$2,000,000
- 1940 NE Colvin Ct, R4415 03305, 2000 SF Building on 1 Acre, Zoned M-2, \$695,000 Pending.
- 3850 SE 3 Mile Lane, R4426 00103, 24,850 SF Building on 3.89 Acres, Zoned M-2, \$4,850,000

### Land For Sale on Loopnet or Crexi

- 4150 NE Riverside Drive, R4414 01000, 45,280 SF Building on 9 Acres, Zoned M-1, \$6,000,000 Pending
- Colvin Court R4415 03300, 28 Acres, Zoned M-2, \$7,400,000
- 3225 N 99W at Doran Dr, Unable to find tax #, 10.08 Acres, Zoned C-3, Price?
- NE Miller Street and Riverside DR, R4415 03402, Zoned M-2, \$1,900,000

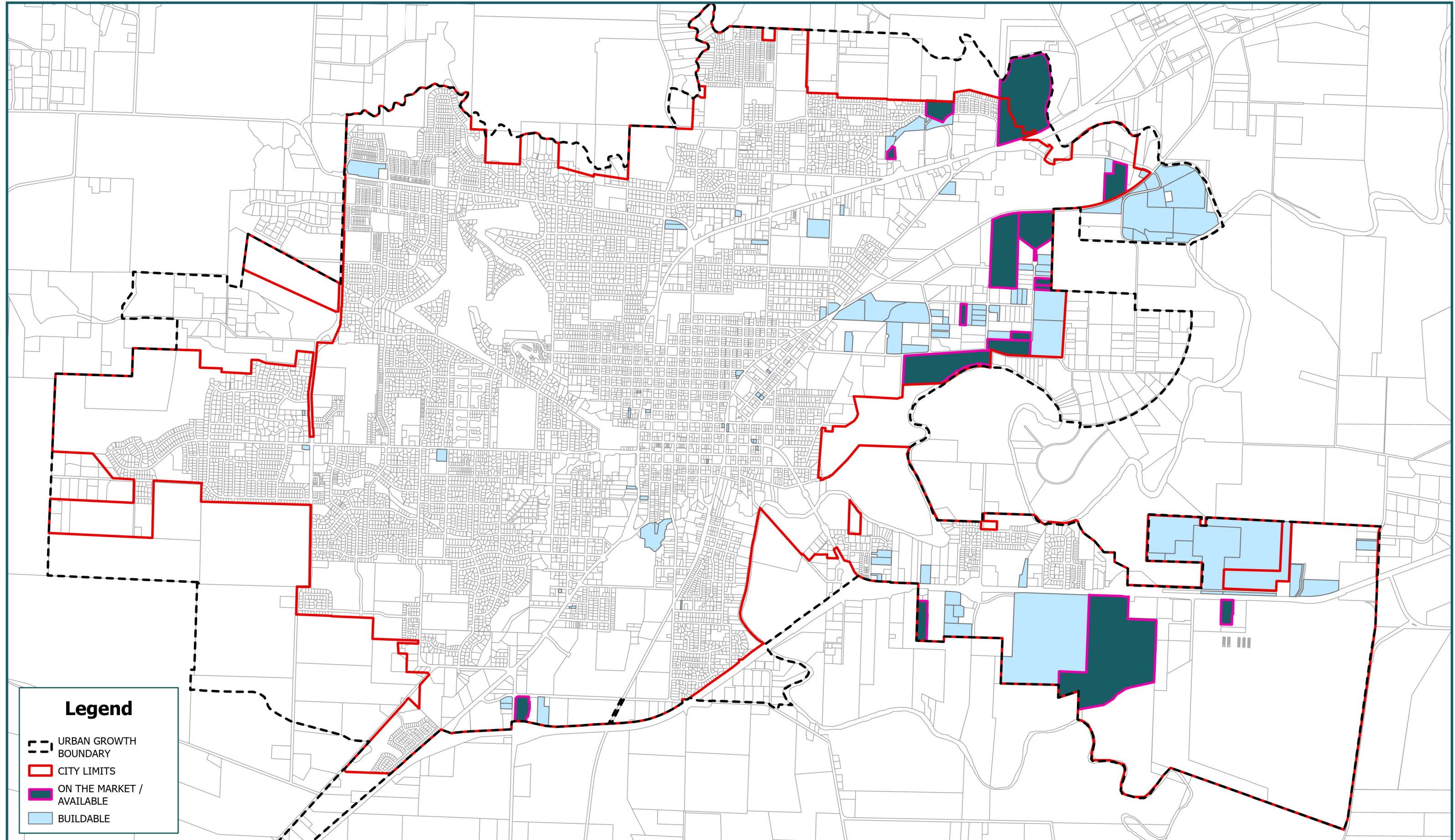
### Land For Sale on MEDP Website

- 3100 NE Orchard Ave MIP, R4415 03100, 26 Acres, Zoned M-2, Price?
- Colvin Court MIP, R4415 03404, 2.17 Acres, Zoned M-2, \$6.00 PSF = \$567,151, Pending
- Marsh Lane and Riverside Drive, Water & Light, R4422 02200, 27 Acres, Zoned M-1, MOU W/ City
- 2070 S 99W and Booth Bend Rd, R4429 02500, 4.6 Acres, Zoned C-3, \$2,000,000 Est,

### Properties Not Mapped

- Innovation Center
- Baker Rock
- Wade Miller
- Kauer

# McMinnville Vacant Land for Sale, Listed and Unlisted as of January 2024





Please accept these comments regarding the City of McMinnville's Economic Opportunity Analysis and the estimated future industrial land needs. MEDP has had the good fortune to work with many economic development partners over the years as we work to further our mission of advancing strategies that respond to the needs of McMinnville's traded-sector businesses. We do this through four economic development strategies guided by the City's MAC Town 2032 Economic Development Strategic Plan: 1) Business Retention & Expansion, 2) Business Attraction, 3) Workforce Development, and 4) Innovation Development.

Without available, buildable industrial lands the strategic plan cannot be fully realized. The historical job growth and the projected job growth of 27% over the next 20 years will struggle to take place without planning for necessary industrial land.

The current estimates state McMinnville will need 153 acres of buildable industrial lands by 2041 and 329 buildable acres by 2067. Currently, we have 323 acres of identified industrial land. The reality of those numbers is that 177 of those acres are on two sites. The highest and best use and market realities for these sites with Highway 18 frontage may make these sites impractical to retain as large industrial sites that would be available for industrial use. The potential unavailability of these sites for industrial use would place us well behind the projected need.

While acres available and acres needed may be close to matching up, the fact is there are few perfect sites. An available site may meet a company's minimum requirements, but its location, shape, slope, or infrastructure may not work. So, they will look for another similar sized site in a different location (hopefully) within the community. McMinnville has lost out on potential opportunities due to lack of rail-served sites, proximity to a major metro area, access to a major airport, or location close enough to an Interstate. It is critical we don't lose out on projects due to a lack of available sites for our targeted industries.

In order to address our targeted industry's needs of high-tech/clean-tech manufacturing, value-added manufacturing, UAV manufacturing, business park, innovation campus, and local and regional headquarters, we will need varying sizes of sites with various requirements. The minimum lot size for these sectors should be 5 acres with a span of up to 25 acres.

Rail served sites continue to be a requirement for some companies interested in a McMinnville location. An additional 5 sites of 5-25 acres would be a good use of rail-served industrial property.

Also, with over 80 manufacturers in McMinnville, we will need sites for existing companies that are growing out of 0.5 – 5-acre sites into larger sites of 10 -20 acres. An additional 5 sites would accommodate additional existing business expansions.

Potential developments associated with targeted sectors include the creation of a mixed-used Innovation Center that would require 20-40 acres, depending on density, and an Airpark allowing for local, regional headquarter space. This could require 3-5 sites of 5-25 acres, and an additional 10 sites between 2-25 acres for companies wanting access to the airport, or access to an Innovation Center.

The types of companies in the targeted sectors are meant to continually diversify the local economy and never rely heavily on a single business, or industry. The ability to have various site sizes and locations to choose from can assist with potential job growth. Available sites are like options that attract opportunity. Without multiple options of readily buildable industrial lands, you risk the loss of new business growth.

Sincerely,

Scott G. Cooper, CEcD  
Executive Director  
McMinnville Economic Development Partnership