

Results of the McMinnville Chamber of Commerce Business Survey

Prepared for

Greater McMinnville Area
Chamber of Commerce

by

ECONorthwest

99 W. Tenth, Suite 400
Eugene, OR 97401
(541) 687-0051

Final Report

September 2001

TABLE OF CONTENTS

	Page
SUMMARY	II
INTRODUCTION	1
SURVEY RESULTS	3
OPINIONS ABOUT ECONOMIC DEVELOPMENT	3
BUSINESS DEVELOPMENT ISSUES	9
CHARACTERISTICS OF SURVEY RESPONDENTS	12
IMPLICATIONS	14
APPENDIX A SURVEY INSTRUMENT	A-1
APPENDIX B TRANSCRIPT OF WRITTEN SURVEY COMMENTS	B-1

SUMMARY

ECONorthwest conducted a survey of Chamber of Commerce members in June and July, 2001. About 25% of the 600 people contacted sent back responses.

The survey results suggest that respondents want McMinnville to grow at a manageable rate, that the City should work to retain existing businesses, that new businesses should not degrade the quality of life or the environment in McMinnville, and that various groups should work together to promote economic development that is compatible with the community. Specific findings are listed below.

- The results represent the attitudes and opinions of the 156 Chamber members that responded to the survey.
- The majority of respondents (56%) felt that McMinnville is better off than it was 10 years ago. Respondents pointed to downtown improvements and more services and businesses as factors that have improved McMinnville over the past 10 years.
- Only 20% of the respondents indicated they felt McMinnville is worse off than it was 10 years ago. Traffic and congestion and overcrowding were the most frequently cited reasons.
- A large majority of respondents (88%) felt that the City of McMinnville should work to *accommodate* growth, but not encourage or discourage growth.
- Respondents indicated that business recruitment and economic development efforts should be a shared responsibility with the City of McMinnville, the Greater McMinnville Area Chamber of Commerce, and McMinnville Industrial Promotions working together.
- Respondents indicated that quality of life/livability, location, and the local work force are factors that make McMinnville attractive to employers.
- Respondents indicate that transportation to Interstate 5 and Portland is a limiting factor in attracting additional employment to McMinnville.
- Respondents want policies that protect the environment and slightly favor expansion and retention of new businesses over business recruitment.
- Less than 25% of survey respondents think McMinnville has an adequate employment base.
- Finding quality employees and the economic slowdown were the most frequently cited concerns of survey respondents.

- About 45% of survey respondents indicated they plan to expand their business in the next five years. Those businesses estimate they will add more than 340 full-time jobs, of which nearly three-quarters will pay more than \$12.00 per hour. Only 20% of the businesses expressed a need for additional land to expand their business.

INTRODUCTION

BACKGROUND

In May 2001, the McMinnville Chamber of Commerce (the Chamber) was awarded grant funds for its proposal to conduct "a community-wide dialogue to define the City's economic development goals and objectives, and to build consensus among the various key stakeholder groups within the McMinnville area" At the same time, the City of McMinnville was conducting its state-required Periodic Review of its Comprehensive Land Use Plan. As part of that review, the City must update the economic element of the plan. Staff at the Chamber and the City recognized the overlap of the projects, and the opportunities that merging the two projects would provide.

The two projects are complementary. The City's work focuses on data collection and a description of current and likely future economic conditions. The Chamber's work focuses on community economic development goals. Those goals will be more realistic if they are informed by the analysis being conducted as part of the comprehensive plan update. ECONorthwest, a consulting firm in planning and economic development, was hired by both the City and the Chamber to assist with their respective projects.

PURPOSE

As part of a process to define economic development goals, ECONorthwest worked with Chamber staff on a survey of Chamber members. The survey solicited opinions from the business community about economic development in McMinnville. This report summarizes the results of the business survey. The survey addressed:

- Attitudes about past and future growth and development;
- Opinions about McMinnville's comparative advantages;
- Opinions about the role of various organizations in economic development;
- Information about business expansion plans; and
- Information on characteristics of survey respondents.

The Chamber used the survey results to facilitate a chamber-sponsored workshop, held in September 2001, to develop a more defined economic vision and a strategy.

METHODS

ECO and Chamber staff developed and administered the survey in June and July 2001. ECO developed a draft survey instrument that was then reviewed by the Chamber Executive Committee. ECO revised the survey instrument based on comments received from the Chamber.

The Chamber mailed the survey to 598 Chamber members on June 18, 2001. The surveys were sent back to the Chamber, whose staff then forwarded them to ECO. ECO received 148 valid responses to the initial survey mailing. The Chamber conducted a follow-up mailing on July 13. The Chamber accepted responses until July 30.

In total, the sample includes 156 valid survey responses, a response rate of 26%. That rate is 5 to 15 percentage points lower than what ECO estimated it would be, given the audience and topic. The likely reasons are that the survey (1) did not include an incentive, a technique ECO commonly uses to increase response rates; (2) was, of necessity, mailed in the middle of summer, when vacation schedules often reduce response rates; and (3) was mailed to the full Chamber mailing list, which included multiple people at some businesses.

Because the survey was sent only to Chamber members, and because there is no way on a quick survey like this one to test or correct for self-selection,¹ the survey sampling methodology was not a random sample, and is not intended to reflect the attitudes and opinions of all businesses in McMinnville. Rather, it reflects the attitudes and opinions of the individuals that represent the businesses that responded to the survey. This is consistent with the survey's purpose: to identify the range of attitudes and opinions of Chamber members concerning economic development in McMinnville.

Finally, ECONorthwest coded and analyzed the surveys using the computer program Statistical Package for Social Sciences (SPSS) for Windows. This program provides the capability to cross-tabulate survey responses of two or more questions to facilitate analysis.

ORGANIZATION

The remainder of this memorandum is organized around the survey results. We begin by evaluating respondents' opinions regarding economic development in McMinnville. Next, we evaluate issues affecting local business, including plans for expansion. We conclude by describing the characteristics of the individuals and the businesses they represent.

Two appendices supply more detail. Appendix A is a copy of the survey, showing all the questions, exactly as asked. Appendix B summarizes the written responses to the open-ended questions on the survey (the ones where a respondent writes an answer rather than checks a box or fills in a number).

¹ For example, maybe the 25% of the sample that responded are the ones that are most concerned about economic development, and, because of that concern, are most in favor of policies that encourage economic development.

SURVEY RESULTS

OPINIONS ABOUT ECONOMIC DEVELOPMENT

The survey began by asking if McMinnville is a better place to live than it was ten years ago. Table 1 shows the respondents' answers. A majority of the respondents (56%) felt that McMinnville is better off than it was 10 years ago. About 20% indicated they felt McMinnville is *not* better off, while 18% felt it is about the same.

Table 1. Is McMinnville better off than it was 10 years ago?

Response	Number of respondents	Percent of respondents
Yes	83	56%
No	29	20%
About the same	27	18%
Don't know	9	6%
Total	148	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

Table 2 shows a crosstabulation the results of question 1 (Is McMinnville better off than it was 10 years ago?) by length of residency. The results show that the percentage of respondents that felt McMinnville is not better off increases with length of residency; nearly 30% of respondents that have lived in McMinnville for 21 or more years felt McMinnville was not better off.

Table 2. Crosstabulation of Question 1 by length of residency

Length of residency	Is McMinnville better off than it was 10 years ago?				Total
	Yes	No	About the same	Don't know	
Five or fewer years	60%	0%	24%	16%	100%
Six to twenty years	61%	18%	16%	4%	100%
Twenty-one or more years	55%	28%	17%	0%	100%
Total	56%	20%	18%	6%	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

It is easy to hypothesize about the reason for this difference (which, by the way, are probably typical). People who have lived in McMinnville longer have a higher probability of being older, and a longer perspective on "the McMinnville I used to know."

Respondents were asked to explain their answers concerning McMinnville's change over the last ten years. Table 3 lists the most frequent reasons for answering "yes" or "no" to question one. While 90 percent of those who answered "no" explained their answer, only 78 percent of the "yes" respondents explained theirs. Nearly 30 percent of those who explained why

they felt McMinnville has improved pointed to downtown improvements as the primary reason. A similar percentage of those who supported their "no" answer cited increased traffic and congestion. Twenty-three percent of the respondents that answered "no" to question one indicated that McMinnville had become "too crowded."

Table 3. Reasons for "Yes" or "No" response to question 1

Top Five Reasons for "Yes" Responses	Number of respondents	Percent of respondents
Top Reasons for "Yes" Responses (n=65)		
Downtown improvements	19	29%
More service options	11	17%
Variety of businesses	10	15%
Livability	6	9%
Diverse, friendly population	4	6%
Top Reasons for "No" Responses (n=26)		
Traffic and congestion	7	27%
Too crowded	6	23%
Losing small town atmosphere	3	12%
Crime increase	2	8%

Source: McMinnville Business Survey, ECONorthwest, 2001

Table 4 summarizes the manner in which respondents feel city policy should affect growth. A large majority (nearly 90%) of the respondents indicated that the City should *accommodate* growth. Those who want the City to *encourage* growth slightly outnumber the people who feel that growth should be *discouraged* by the City.

Table 4. Approach the City should take with respect to growth

Response	Number of respondents	Percent of respondents
The City should <i>encourage</i> rapid growth (try to get more of it, sooner)	10	7%
The City should <i>accommodate</i> growth (manage growth)	130	88%
The City should <i>discourage</i> growth (try to slow it down)	8	5%
Total	148	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

This is a striking finding. In other cities where ECO has done this type of work, it is common to find members of a chamber of commerce or other business group in support of encouraging or stimulating economic development with policies like business recruitment or tax incentives. An 88% response to any question about growth is rare enough, but to have 88% of a business group support *accommodation* over *encouragement* is even more

striking. It bodes well for the City, suggesting that there could be broad support for moderate-growth policies.

The survey asked respondents to indicate who should be responsible for business recruitment (Table 5). There are three major groups in the position to recruit new business to McMinnville. Over half of the respondents felt that each of these groups (the municipal government, the Chamber of Commerce, and McMinnville Industrial Promotions) should engage in business recruitment, with nearly three-fourths selecting both the Chamber and McMinnville Industrial Promotions. In summary, respondents' felt that business recruitment should be a shared responsibility.

Table 5. Groups that should actively engage in business recruitment

Response	Number of respondents	Percent of respondents
The City (municipal government)	88	56%
The Greater McMinnville Chamber of Commerce	118	76%
McMinnville Industrial Promotions	110	71%
Nobody—let the market work on its own	17	11%

Source: McMinnville Business Survey, ECONorthwest, 2001

Note: Respondents could indicate more than one response.

Only a tenth of the respondents feel that businesses should not be actively recruited to McMinnville. This response is interesting when compared to the response to the previous question: 88% in favor of just accommodating (not encouraging) growth, but 89% in favor of business recruitment. The reasons for this apparent inconsistency should be explored in future work on this project.

Table 6 summarizes the qualities that, according to respondents, attract businesses to McMinnville. The question asked respondents to list up to three factors that make McMinnville attractive to employers. The table summarizes the to seven factors, however, respondents identified 33 different factors. Factors dealing with the general conditions of the city (such as livability, the small town atmosphere, and safety) were frequently cited as attractive qualities. The presence of Linfield College and the skilled labor force that it produces were also commonly listed as attractive qualities.

Table 6. Top reasons that make McMinnville attractive to employers

Response	First Reason (n=137)		Second Reason (n=99)		Third Reason (n=63)		Overall (n=299)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Quality of Life/Livability	29	21%	14	14%	4	6%	47	16%
Location	29	21%	10	10%	8	13%	47	16%
Work Force/Labor Market	23	17%	10	10%	3	5%	37	12%
Education	7	5%	16	16%	8	13%	32	11%
Small Town	15	11%	4	4%	5	8%	26	9%
Low Utility Costs	4	3%	3	3%	5	8%	12	4%
Safety	4	3%	3	3%	3	5%	10	3%

Source: McMinnville Business Survey, ECONorthwest, 2001

Table 7 shows respondents' opinions about the areas McMinnville could improve to make it more attractive to businesses. Again, respondents were asked to provide up to three responses. While the location of McMinnville was cited as one of the City's most attractive qualities, there was a commonly held belief among the respondents that McMinnville's employers cannot easily access its nearby resources. Over a quarter of all the respondents feel that transportation to Interstate 5 and Portland is inefficient and should be improved. Fifty percent wrote this in as their first choice. Another common response was that businesses should be given tax breaks and other economic incentives to move to McMinnville. [Again, the inconsistency with 88% response to accommodate, but not encourage, growth.] Other responses included education, marketing, and affordable housing.

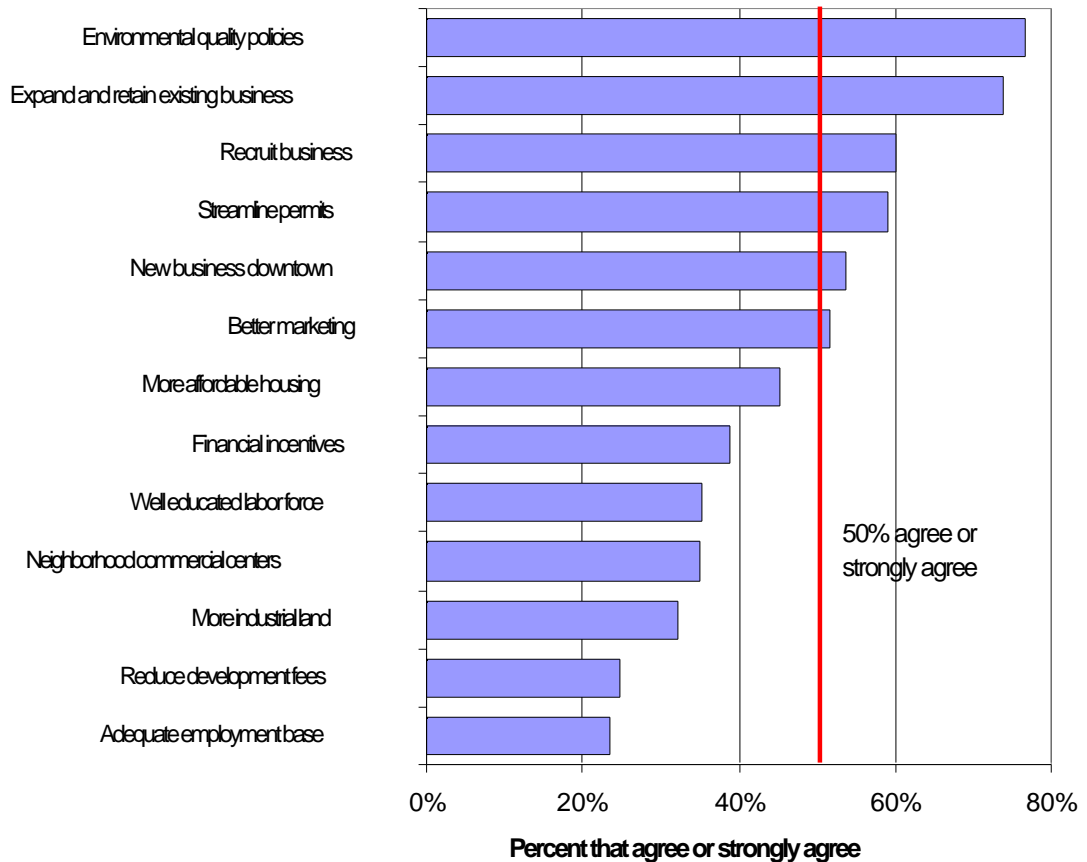
Table 7. Areas to improve to make McMinnville more attractive to employers

Response	First Reason (n=116)		Second Reason (n=36)		Third Reason (n=9)		Overall (n=161)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Transportation to I-5/PDX	58	50%	1	3%	3	33%	62	26%
Tax Incentives/Cuts/Breaks	8	7%	8	22%	1	11%	17	7%
Education	3	3%	4	11%	0	0%	7	3%
Better marketing/recruitment	6	5%	1	3%	0	0%	7	3%
Training/Well Trained Labor Force	4	3%	1	3%	1	11%	6	2%
More Affordable Housing	3	3%	3	8%	0	0%	6	2%

Source: McMinnville Business Survey, ECONorthwest, 2001

Figure 1 shows respondents opinions concerning a series of statements about economic development and economic conditions in McMinnville. The chart is ranked by the percentage of respondents that "agreed" or "strongly agreed" to each statement. More than 75% agreed with having strong policies to maintain environmental quality and of efforts to expand and retain existing businesses. Business recruitment, permit streamlining, having new businesses locate downtown, and better marketing all received more than 50% "agree" or "strongly agree" responses. Adding industrial land and reducing development fees appear to be lower priorities among survey respondents. The majority of respondents felt the City does not have an adequate employment base.

Figure 1. Respondents' opinions of economic development statements (agree or strongly agree)



Source: McMinnville Business Survey, ECONorthwest, 2001

Table 8 shows the specific responses to the statements shown in Figure 1. The responses are ranked in descending order by the percentage of respondents that “agree” or “strongly agree.” Respondents were most evenly divided on the issue of the City government providing financial incentives to attract new development.

The results shown in Table 8 underscore the typical tension between preserving community character and economic development. The statements that received the greatest percentage of “agree” and “strongly agree” responses are that the City should take steps to retain and expand existing businesses, the City should actively recruit businesses, and the City should have strong policies to maintain environmental quality. Business growth and development are not always incompatible with environmental quality,² but any development disrupts a landscape with potential environmental consequences. ECO’s interpretation of these results are that respondents

² In particular, they may develop carefully and also pay taxes that a City can use to enhance environmental quality at that site or elsewhere.

prefer a specific type of economic development: businesses with low environmental impact, and businesses that locate downtown are examples.

Table 8. Respondents' opinions of economic development statements

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't Know
The City should have strong policies to maintain environmental quality	1%	4%	18%	34%	43%	1%
The City should take steps to retain and expand existing businesses	4%	5%	17%	36%	38%	0%
The City should actively recruit businesses	10%	9%	20%	31%	29%	1%
The City should streamline the development permitting process	3%	9%	19%	25%	34%	10%
The City should encourage new businesses to locate downtown	6%	12%	26%	30%	24%	3%
The City needs to market itself better to new businesses	4%	5%	31%	24%	27%	8%
The City should adopt policies that will create more affordable housing for workers	7%	14%	32%	27%	18%	3%
The City should provide financial incentives to attract new employment	19%	13%	26%	25%	14%	3%
The City has a well-educated labor force	5%	13%	38%	27%	8%	9%
The City should encourage development of neighborhood commercial centers	8%	20%	32%	24%	11%	5%
The City needs to have more industrial lands	9%	15%	34%	17%	15%	9%
The City should reduce development fees	19%	16%	31%	12%	13%	9%
The City has an adequate employment base	12%	21%	36%	17%	7%	7%

Source: McMinnville Business Survey, ECONorthwest, 2001

Results on statements such as “the City should provide financial incentives to attract new employment” suggest a range of opinions that are potentially difficult to reconcile. About one-third of the respondents disagree or strongly disagreed with that statement, while nearly 40% strongly agree or agree, and 25% were neutral.

The survey asked respondents to list types of businesses that they felt are appropriate for McMinnville (Table 9). Rather than provide a list of businesses, the survey asked respondents to write in the types of businesses. Respondents identified 38 different business types and wrote in up to four responses.

When added together, 16 percent felt that attracting high-tech industry was important to the City. This sentiment could be a result of the recent loss of the Hewlett Packard plant. One respondent commented, "We need Hewlett Packard type business here—McMinnville has become a retirement center". The loss of Hewlett Packard may also explain the high number of respondents indicating a desire for more manufacturing. One respondent wants the City to "replace the manufacturing jobs lost when Hewlett Packard and Pillsbury left town".

Table 9. Respondents' opinions of the most appropriate businesses for McMinnville

Response	Number of Respondents	Percentage of Respondents
High Tech	42	16%
Manufacturing	35	13%
Retail	31	12%
Industrial	28	10%
Tourism	14	5%
Service	13	5%
Low Environmental Impact	13	5%
Restaurants	10	4%
Living Wage Business	10	4%
Wine Industry	9	3%

Source: McMinnville Business Survey, ECONorthwest, 2001

Note: the survey left space for respondents to write in responses; respondents wrote in up to four business types. We combine them here to provide an aggregate indicator of the most appropriate businesses.

BUSINESS DEVELOPMENT ISSUES

The survey asked a series of questions regarding business development issues in McMinnville. Table 10 shows the two biggest issues respondents indicated their business is currently facing. Many of the respondents indicated that it is difficult to find and keep well-trained employees. This is consistent with findings from the Oregon Employment Department that suggest the Oregon labor market is tight. This may seem surprising considering the amount of college graduates produced by Linfield every year. However, one respondent observed that the existing businesses are not capable of keeping recent graduates in the area. The recent economic slowdown, and the resulting increase in competition and decrease in demand were also common issues facing McMinnville businesses.

Table 10. Summary of biggest issues facing responding businesses in July 2001

Response	Number of Respondents	Percentage of Respondents
Finding Quality Employees	33	14%
Economic Slowdown	22	10%
Competition	15	7%
High Operating Costs	14	6%
Traffic	11	5%
Employee Retention	10	4%
Low Funding	10	4%
Low Demand	10	4%

Source: McMinnville Business Survey, ECONorthwest, 2001

Note: the survey asked respondents to include their top three choices; we combine them here to provide an aggregate indicator of issues.

Table 11 shows the respondents' plans for future expansion. While more respondents answered "yes" than "no" when asked whether they would

expand their business in the near future, there is a significant number of respondents who said that their expansion plans depended on certain factors. This is not surprising: most businesses expansion plans depend on marketing, availability of capital, and various economic factors. Over half of the respondents who answered "depends" said that their expansion plans depend on the future condition of the market and the economy. An additional twenty percent said that they will expand in the next five years if funding is available.

Table 11. Will You Expand Your Business in the Next Five Years?

Response	Number of respondents	Percent of respondents
Yes	65	45%
No	51	35%
Depends	28	19%
Total	144	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

Respondents who indicated that they were going to expand their business in the future were asked to estimate how many new full time equivalent (FTE) employees they expected to hire (Table 12). Thirty percent of these respondents indicated that they plan to hire two new employees. On average, six new employees will be hired for every respondent who indicated that he would be expanding his workforce. The 57 respondents that plan on expanding their businesses estimated they would hire more than 340 new full-time equivalent employees. Seventy percent of the businesses planning on expanding plan on hiring five or fewer employees.

The survey also asked respondents to indicate the number of full-time equivalent jobs that would pay \$12.00 or more per hour. Overall, respondents indicated that about 73% or 250 of the jobs created would pay \$12.00 or more per hour. In general, the data suggest that firms with four or fewer employees will generate a smaller percentage of jobs that pay over \$12.00 per hour.

It should be noted that the number of new employees added by local business expansion could actually be higher, since most of the respondents who responded "depends" did not indicate their potential number of new employees.

Table 12. Number of employees added by potential expansion of McMinnville businesses in the next five years

Number of Employees	Number of respondents	Total New Employees	Total Jobs that pay > \$12.00/hr	Percent of Jobs that pay > \$12.00/hr
1	6	6	3	50%
2	17	34	12	35%
3	9	27	14	52%
4	4	16	9	56%
5	4	20	18	90%
6	3	18	12	67%
7	1	7	0	0%
9	1	9	9	100%
10	7	70	61	87%
15	1	15	15	100%
20	1	20	12	60%
25	2	50	45	90%
50	1	50	40	80%
Total	57	342	250	73%

Source: McMinnville Business Survey, ECONorthwest, 2001

Respondents with plans to expand were also asked how much new floor space their business would need. Table 13 shows the number and percent of respondents by square feet needed, as well as total square feet needed. The results show that nearly half the respondents that indicated they had expansion plans will not need any additional floor space to accommodate new employees. Slightly more than one-fourth of the survey respondents indicated they would need more between 1000 and 5000 square feet, with the same percentage indicating they would need between 5000 and 35000 square feet. In total, respondents indicated they would need just over 164,000 square feet of floor area for business expansion.

Table 13. Additional floor area needed for business expansion in the next five years

Square Feet Needed	Number of respondents	Percent of respondents	Total Sq Ft Needed
None	20	45%	0
1000-4999	12	27%	16,012
5000-9999	3	7%	13,003
10000-19999	4	9%	25,004
20000-35000	5	11%	110,005
Total	44	100%	164,024

Source: McMinnville Business Survey, ECONorthwest, 2001

The survey also asked respondents that indicated that they planned on expanding their business in the next five years how much land would be required for that expansion. Table 14 shows the additional land area needed

for respondents' business expansion in the next five years. A large majority (80%) of the respondents indicated that they did not need any land for business expansion. The nine businesses that did indicate they needed additional land need about 21 acres. Three firms indicated a need for less than 0.5 acres, one firm indicate need for between 0.5 and 1 acre, while two firms indicated a need for 1-2 acres. Three firms indicated a need for more than 2 acres, with the largest expansion requiring sites between 7 and 10 acres.

Table 14. Additional land area needed for business expansion in the next five years

Area needed (Acres)	Number of respondents	Percent of respondents	Total Acres Needed
None	35	80%	0
<1/2 Acre	3	7%	0.7
1/2-1 Acre	1	2%	0.6
1-2 Acres	2	5%	2.6
More than 2 Acres	3	7%	17.0
Total	44	100%	20.9

Source: McMinnville Business Survey, ECONorthwest, 2001

CHARACTERISTICS OF SURVEY RESPONDENTS

The survey included a series of questions regarding the characteristics of survey respondents and the businesses they represented. These questions included length of residency in McMinnville, the type of business the respondent represents, and the number of employees in their business.

Table 15 shows the number of years the respondent had lived in McMinnville. The average number of years lived in McMinnville was 21, while the median (the value with 50% of the responses above it and 50% below it) was 17.5 years. The most frequent response was five years.

Table 15. Number of years respondent lived in McMinnville

Years	Number of respondents	Percent of respondents
0-1	8	6%
2-5	17	12%
6-10	23	16%
11-15	18	13%
16-20	11	8%
21-25	17	12%
26 or more	48	34%
Total	142	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

Table 16 shows the type of business the respondent represented. A slight majority of respondents indicated they represented service businesses. About 23% represented professional business, while 13% represented retail businesses.

Table 16. Type of business respondent represents

Business Type	Number of respondents	Percent of respondents
Professional	31	23%
Construction	2	1%
Retail Trade	17	13%
Wholesale Trade	1	1%
Manufacturing	10	7%
Services	73	54%
Total	134	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

Table 17 shows the number of employees in each respondent's business. Slightly more than 20% of the respondents represented businesses with more than 100 employees. Forty-five percent of the respondents indicated their firm had fewer than 10 employees.

Table 17. Number of employees in responding businesses

Number of Employees	Number of respondents	Percent of respondents
1-4	41	28%
5-9	25	17%
10-19	27	18%
20-49	19	13%
50-99	6	4%
100 or more	31	21%
Total	149	100%

Source: McMinnville Business Survey, ECONorthwest, 2001

IMPLICATIONS

The survey results suggest several points for further discussion among community leaders, business representatives, and residents of McMinnville:

- How to balance respondents' preference that the City *accommodate* growth, with responses that suggest a more active economic development approach (business recruitment) and that the City has an inadequate employment base.
- If agreement can be achieved on the previous point, what types of economic development activities are appropriate for McMinnville?

Survey responses suggest that respondents are divided on a number of typical economic development approaches.

- What roles the various organizations (the City, the Chamber, and McMinnville Industrial Promotions) should play in economic development?
- What types of businesses are appropriate for McMinnville?
- What types of policies should the City adopt to attract those types of businesses while preserving the City's quality of life?

APPENDIX A. COPY OF THE SURVEY AND COVER LETTER

Developing an Economic Vision for McMinnville (July 2001)

WHAT IS THIS PROJECT ABOUT?

In May, the McMinnville Chamber of Commerce was awarded grant funds for its proposal to conduct "a community-wide dialogue to define the City's economic development goals and objectives, and to build consensus among the various key stakeholder groups within the McMinnville area" At the same time, the City of McMinnville is doing its state-required Periodic Review of its Comprehensive Land Use Plan. As part of that review, the City must update the economic element of the plan. Both groups recognized the overlap between the Chamber's project and the City's comprehensive plan update, and the opportunities that merging the two projects would provide.

The two projects are complementary. The City's work will focus on data collection and a description of current and likely future economic conditions. The Chamber's work will focus on community goals. Those goals will be more realistic if they are informed by the analysis being conducted as part of the comprehensive plan update. ECONorthwest, a consulting firm in planning and economic development, has been hired by both the City and the Chamber to assist with their respective projects.

WHY IS THIS PROJECT NECESSARY?

McMinnville changed substantially over the past decade. Population increased by nearly 50% from 17,894 to 26,499. The average age of residents remained relatively constant. The percentage of the population that is Hispanic nearly doubled from 8% to nearly 15%.

The structure of McMinnville's economy is changing. The City retained a good balance of population and employment balance (about 2.1 persons per job in 1990 and 1999—a figure comparable with statewide averages). But the City has lost several large employers in the last five years, including Hewlett-Packard, Diane's Foods, and Hazelwood Farms.

The City is projected to grow by more than 13,000 persons between 2000 and 2020. Now is the time to plan for continued job growth, and to determine what type of economic development is appropriate for McMinnville.

HOW WILL THE ECONOMIC VISION BE DEVELOPED?

The first step in the Chamber's project is to let its members know that the planning for economic development is occurring, and to get some ideas from its members about current and future development issues. This material meets both of those objectives.

The attached survey will provide information concerning the attitudes and opinions of business leaders regarding community development issues. The Chamber will use the survey results to prepare for a workshop to develop a more defined economic vision and a strategy later this summer. The results of that workshop will be provided to City staff and elected officials for consideration during the review of the comprehensive land use plan.

The City will follow a parallel track with the technical analysis. The Statewide planning program requires the City to complete an "Economic Opportunities Analysis." That analysis will include evaluation of local economic trends, an employment forecast, the identification of target industries, and an evaluation of land needed to accommodate future employment.

WHAT CAN YOU DO TO HELP?

Please help by completing the attached survey. It is purposely short and should take you no more than five to ten minutes. This survey is being distributed to Chamber members to identify issues and concerns about economic development in McMinnville and to help build an economic development vision for McMinnville. Feel free to submit additional comments on a separate piece of paper. **Please complete the survey and mail it or fax it back to the Chamber of Commerce at the address or fax number on the survey.**

The survey is anonymous: no individual person or business will be quoted when we report the summary results of the survey. If you are interested in getting more involved in the project (for example, in the upcoming workshop) you may either write a note to that effect, with a name and phone number, on the survey, or call the Chamber.

WHAT ARE THE NEXT STEPS?

The completed surveys will be provided to ECONorthwest for analysis. ECO will use the results to develop a report and presentation for a meeting to discuss the economic vision later this summer. We will inform you of the time and location of that meeting and encourage you to attend.

Thank you for your assistance with this project.

McMinnville Economic Vision Survey (July 2001)

This survey is being distributed to members of the Chamber of Commerce to get their opinion about issues related to economic development in McMinnville and to help define the City's economic development vision. **Please complete the survey and mail or fax it back to the Chamber at 503-472-6198 by July 13, 2001.** If you have any questions, please contact Celia Williams at the Chamber.

1. Do you think McMinnville is a better place to live than it was 10 years ago [or since you have lived in McMinnville or the McMinnville area]?

- Yes Number of years I have lived in the McMinnville area _____
- No
- About the same
- Don't know

Please explain why _____

2. Municipal governments can adopt policies that affect the rate of growth. Please check the box that most closely represents the approach you think the City of McMinnville should take with respect to growth.

- The City should *encourage* rapid growth (try to get more of it, sooner)
- The City should *accommodate* growth (manage growth)
- The City should *discourage* growth (try to slow it down)

3. Who do you feel should be working to recruit new business to the City? (check all that apply)

- The City (municipal government)
- The Greater McMinnville Chamber of Commerce
- McMinnville Industrial Promotions
- Nobody—let the market work on its own

4. What makes McMinnville attractive to employers?

5. What could be improved to make McMinnville more attractive to employers?

6. Please circle the number that best represents your opinion on the following statements about what the City could do to increase economic development.

Statement	Strongly Disagree					Strongly Agree	No opinion
The City should actively recruit businesses	1	2	3	4	5		
The City should reduce development fees	1	2	3	4	5		
The City needs to have more industrial lands	1	2	3	4	5		
The City should have strong policies to maintain environmental quality	1	2	3	4	5		
The City should streamline the development permitting process	1	2	3	4	5		
The City has an adequate employment base	1	2	3	4	5		
The City should provide financial incentives to attract new employment	1	2	3	4	5		
The City should encourage development of neighborhood commercial centers	1	2	3	4	5		
The City should adopt policies that will create more affordable housing for workers	1	2	3	4	5		
The City should take steps to retain and expand existing businesses	1	2	3	4	5		
The City should encourage new businesses to locate downtown	1	2	3	4	5		
The City has a well-educated labor force	1	2	3	4	5		
The City needs to market itself better to new businesses	1	2	3	4	5		

7. What types of new businesses do you think are most appropriate for McMinnville?

8. What type of business do you work for:

- Professional firm
- Construction
- Retail trade
- Wholesale trade
- Manufacturing
- Services

Specify the type of business: _____

9. How many employees are in your business?

- 1-4
- 5-9
- 10-19
- 20-49
- 50-99
- 100 or more

10. What are the two biggest issues facing your business at this time?

1. _____

2. _____

11. Do you plan to expand your business within the next five years?

- Yes
- No (SKIP TO QUESTION 12)
- Depends (please explain) _____

12. If you plan on expanding your business within the next 5 years, please indicate how you expect your business to grow.

Number of new employees (Full time equivalent) _____

How many of these jobs will pay \$12.00/hr or more? _____

Additional floor area needed _____ sq. ft.

Additional land needed _____ sq. ft.

13. Please write any other comments you have in the space below. **We encourage you to submit additional comments on a separate piece of paper.**

Thank you!

Please mail or fax your survey back to the Greater McMinnville Chamber of Commerce:
417 NW Adams, McMinnville, Oregon 97128, FAX: 472-6198

APPENDIX B. TRANSCRIPT OF WRITTEN SURVEY COMMENTS

INTRODUCTION

Typically, survey instruments attempt to bound responses into a set of fixed categories to make data entry and analysis more manageable. Because the majority of questions are closed-ended (i.e., the respondent is provided a limited number of options to select), we always invite respondents to share any other comments with us. The survey instrument ECO administered included such a question. Specifically, question 14 asked:

“Please write any other comments you have in the space below. We encourage you to submit additional comments on a separate piece of paper.”

About one-third of the respondents provided written comments. The remainder of this appendix provides a verbatim transcript of respondents' comments.

TRANSCRIPT OF WRITTEN SURVEY COMMENTS

GROWTH AND DEVELOPMENT

- The "Friends of Yamhill County" is a small, but very active group of people who have had a huge negative effect on planning decisions and growth issues in the last 3-4 years. And worse yet their "No Growth" views have received enough publicity that it seems to me that they have swayed the majority of McMinnville citizens into opposing growth too. This group is a huge threat to McMinnville getting quality long term plans approved. It will take an organized group in favor of well-planned growth and pointing out the positive aspects of long term planning and quality growth to win back public sentiment. The chamber is the perfect group to do this. Hopefully they will.
- McMinnville's population is expected to continue ramping up – the increase will accelerate when the Newberg-Dundee bypass is built. The city and the chamber need to find a shared vision real fast!
- Development of former HP property to generate income, a return on that part of our investment - long term project.
- I think Mac's economic vision should, to a large degree, serve the people who already live here, especially the emerging work force - ie recent graduates. Is the connection between local education & business environment being studied? What is happening to non college bound students with no mill to work in? Seems to be an abundance of these types & there must be certain environmentally friendly biz/industries that can use them.

- I am opposed to the active participation of local government in driving economic development. Government has a more passive role to play in minimizing the regulatory obstacles that hinder business opportunity.
- Growth hurts small locally owned independent businesses because it brings in the big boxes that pull customers away from downtown. Everybody's quality of life suffers from the increased traffic, overcrowded schools, higher taxes to subsidize the new houses.
- Growth for growth's sake is not beneficial... I hope we can better manage the growth in the next 10 yrs. Its been too much, too fast without apparent thought to congestion and overcrowding in the schools. - If you want proof of overdevelopment... look at all the unsold homes on the market.
- I dislike the concept of building more housing creates growth. Growth means more jobs, attracting small businesses.
- Growth is generally good for the large chains, not the small locally owned businesses.
- With the development of the wine business, the Air Museum and being "on the way to the beach" citizens of the metro area are becoming aware of what a great and beautiful country we have. I think your projections of 13,000 additional citizens is on the low side. What you are doing with this process is vital to how we are going to be successful in handling this growth. Thanks for your efforts.
- Currently, younger professionals can earn more money in Portland. This tends to be cyclical with the economy and the livability of Portland vs. McMinnville both being factors. We would not need any new land or floor area to expand and all jobs are over \$12/hr. Making McMinnville more vibrant/exciting would help us grow.
- McMinnville should be the magnet for businesses & jobs. We must not become a bedroom community.
- McMinnville would be better served if we developed satellite communities and allowed growth in them, while keeping McMinnville as small as possible.
- Most everyone here loves this city and wants to keep it liveable. Managed growth by adding a few key businesses. Steady growth and not one major employer. Better off to have several small companies. Getting through to Mac Planning Dept. can be difficult and does stall some growth plans of area businesses.
- City should concentrate on basics - power, water, roads, police.
- City should concentrate efforts to make Mac "Better Not Bigger".

- The no-growth sentiment in our community and cost of development will kill our community.
- I think the city needs to make sure that additional costs incurred by growth are not spread out over the entire tax base. Those who build new homes, industrial centers, etc. ought to bear all the costs incurred including sewage expansions, road work, etc. This ought to be included in the initial building and development process. Not handed to existing residents through increased property taxes.
- Need to let residents know of value of business & need for sustaining our community. Continue to bring our school to "superior" rating. Joint venture capitalists.

DOWNTOWN

- I enjoy historic downtown Mac. I show it off as often as possible. The 3rd street area has helped "sell" the area a few times.
- McMinnville is unique in that the downtown is accessible but not on the main route (99 W). Downtown needs to develop with shops selling useful things (not just antiques) and businesses and living accommodation on upper floors. Ease the building permit process for 2nd story residential. Mix the zoning to allow appropriate commercial within residential neighborhoods to reduce use of cars.
- I believe that there has been too much emphasis placed on attracting "small" business to downtown - those relate to very few employees, lower paying jobs (not a living wage) - it looks nice, but if your out of a job and hungry, you can't eat it, nor can the community gain nourishment from it that it needs to stay alive. Good quality people working on it - expand their efforts to the entire community. I think that although MIP has done good things in the past, that it has not accomplished much in the last several years, and what it has accomplished needs to be more public - good things foster good things. Take a look at Michelbook - it is a perfect example of what is going on in our community. Fees are high and it offers little and always has its hand out - just like the City and County government.
- More parking needed downtown. This is still a great place to live, work & raise a family.
- New businesses will not be successful downtown until parking becomes available.
- Build business offices or complexes on 2nd Street to get more people in the downtown area - Build a Town Square. A large mercantile shop.

BUSINESS GOALS

- We are in the process of completing our internet work & working hard to establish a commercial gift base. Thanks!
- We have thought of hiring landscape workers to help work on these projects - which would give others employment, but have not pursued this further. May do so in the future.
- Some of our growth will be handled by more automation & more efficient use of present equipment.
- Our local economy needs to replace the manufacturing jobs lost when Hewlett Packard and Pillsbury left town. Hopefully the city and Chamber can help MIP attract some new industry as soon as possible.

EMPLOYMENT/RECRUITING

- We need Hewlett Packard type business here - McMinnville has become a retirement Center - 55% of new comers are coming to retire.
- I think the city needs to be involved in the business of recruiting new businesses to town but I think MIP, the Chamber & the MDA are the organizations who need to be actively recruiting. All of us needs to know what the other is doing.
- It would be great to see a superplay or family fun center come to Mack. Some more mature fun stuff for the older kids. Having the Cinema 8 come to town with all the Dolby digital sound equipment was great. Now we have good selection. Ruby Tuesday's makes McMinnville all grown up. Now we don't need to leave McMinnville for a night on the town.
- I think McMinnville needs to actively recruit new businesses. Although I am not for high growth, we need to offset the companies that have left. It needs to be a continual process to maintain a good # of jobs for the community.
- McMinnville is and has been a great community. One major factor has been many of our residents also work here and are involved in the community. We have lost some of this the past few yrs as some of our employers have left. We need to continue to create new jobs for our residents.
- Prison employee families have helped replace families lost from H-P and Diane's Foods.
- The chamber should play a more active roll in the community - recruit more members & plan more networking opportunities. We are growing so quickly it is important to start with a strong and cohesive support system.

- I am very concerned about the City's construction process. The Evans Street project is a great example. It has been closed for a long time and doesn't appear to be nearing a conclusion. Maybe the City could add a construction progress page to their website. Also have concerns about last year's tree trimming. Mine was butchered. MIP & the Chamber should be recruiting business to McMinnville, not the City. The City has a big enough job doing their business.

QUALITY OF LIFE

- McMinnville is a great community. From my perspective, the Chamber of Commerce and Downtown Association do an outstanding job for this community. To me the biggest drawback is the lack of outdoor recreation. At my place of employment we are currently losing a well-educated mid 20's professional because of the lack of outdoor activities. He is re-locating to southern Oregon for the rivers, streams, lakes, hiking, skiing, etc. I am a late 20's professional and have been frustrated with the lack of outdoor activities. In the summer when it's hot, there is almost no outdoor place to swim. It may be good for the city to partner with the county to further develop some county parks near the city, such as those on Baker Creek Road or further develop land at Rainbow Lodge. I believe this is a big deal. If we want to attract active, professional people, outdoor recreation is important and we need to take a more active role in working with the county. The passage of the city parks bond is great. However, city parks and rural parks serve different roles. People are attracted to McMinnville because it has the feel of Ashland, Cannon Beach, etc., but both of these communities have strong outdoor appeal.
- With all the work done to make Mac attractive to the eye. I'm always shocked to see the old hospital left the way it is. The taxi business on Baker is also an eyesore.
- Livability is an important issue for those living and working in Mac. New businesses and added traffic needs to be better balanced with more family attachment to the community like expanded bike paths in conjunction with the county to offer longer rides to parks like those at the end of Baker Creek Rd. Indoor rec centers. Kid-friendly businesses on 3rd St. Expand 3rd Street businesses to 4th and 5th Streets.
- Quality of life issues are very important, but overlooked in the rush to establish, promote, conserve business.

TOURISM

- I think it's great that the City & Chamber can work together. I know there is a movement going on for tourism. I do think this is something to capitalize on, especial that involved in the wine industry.

- It is my opinion that the wine industry will propel the economic base for the area. I don't see any large scale manufacturing on the horizon. (Too isolated) Tourism needs to be marketed, especially in view of the air museum & high quality pinot noir wines being produced. City needs to go "upscale" with everything (see Ashland). People need to want to come here & spend \$ here.

TRANSPORTATION

- McMinnville is dependent on Portland, must have a freeway.
- Too many trucks in inter-city area - dump trucks etc - establish truck rts. to keep them out of city center (1st - 4th sts).

COMMENTS ON THE SURVEY/PROCESS

- Anyone who uses just this survey for answers gets a very narrow picture of the real problems and concerns of the business community.
- Thanks for undertaking the survey.

HOUSING

- City should concentrate efforts to encourage upscale housing instead of low-end housing.
- The city of McMinnville is not a retirement home and should not be treated like that. It could be a vibrant and expanding city that provides good paying jobs at reasonable housing rates.

OTHER COMMENTS

- In a small community, I hear customers who would prefer to support the local economy/businesses but must go outside Mac to get what they need. There is a loyalty among customers & businesses but outside businesses tempt the local consumer to go farther for cheaper products/services.
- Thank you for the great job you do for this community!!!