

McMinnville's
Economic Opportunities
Analysis Update and Urbanization
Study

Project Advisory Committee Meeting #1

July 16, 2019

Agenda Item	Time
1. Call to order	4:30 (5 mins)
2. Project Overview a. Objectives, background, schedule, etc	4:40 (15 mins)
3. Economic Opportunities Analysis a. Local economic/employment data and trends b. Economic and employment forecast c. Commercial and industrial lands	4:55 4:55 (25 mins) 5:20 (25 mins) 5:45 (20 mins)
4. Urbanization Study a. Other residential land needs, account for employment uses on residential land and residential uses on employment land	6:05 (15 mins)
5. Next Steps	5:40 (30 mins)
6. Comments	6:10 (20 mins)
7. Adjourn	6:30

Introduction

Project & Purpose

- EOA Update
 - Update economic land sufficiency analysis (supply and demand)
 - Reflect 2018 Economic Development Strategy
 - Update to common planning period (2021-2041)
- Urbanization Study
 - Institutional, Public/Semi Public Land Needs
 - All land needs together
 - Update to common planning period
- Preliminary assessment of efficiency measures

What's been done already?

- City adopted EOA in 2013 (2013-33 planning period)
- City adopted Economic Development Strategic Plan in 2018
- Other work is in progress: Three-Mile Lane study, City Center Housing study

Potential outcomes...

- UGB amendment
- Establish Urban Reserve Areas
- Plan Database Amendments
- Plan (Policy) and Code (Implementation) amendments to reflect Economic Development Strategy and land needs
- Updated UGMA
- Framework strategies for managing expansion areas

What this project is...and is not

- This project is...
 - An opportunity to review 2013 EOA in context of 2018 Economic Development Strategy
 - Opportunity to make sure land use plans reflect needs of new 2018 Economic Development Strategy
- This project is not...
 - Intended to be a new Economic Development Strategy

What are we asking of the Committee?

- Summary of Specific Questions and Decision Points:
 - Update land supply
 - Develop land need/consumption assumptions for 2019-2021
- Employment and other land needs
 - Review employment forecast
 - Review employment density assumptions
- Land Sufficiency (surplus or deficit)

What will we provide to you?

- New data and analysis
- Options, recommendations, and rationale
- The opportunity to ask questions

Meeting schedule

- July – project introduction; background data, employment forecast options; employment BLI
- August/Sept – Finalize employment forecast; review BLI; options for other land need estimates
- Sept – Comments on employment and other land need estimates; draft EOA
- Oct – Final comments on EOA and urbanization study

What is an EOA
and an Urbanization Study?

Economic Opportunities Analysis

- What is Goal 9?
- Statewide Planning Goal for Economic Development
 - “To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.”

Why do an Economic Opportunities Analysis?

- Legal requirements - Goal 9 – Economy
 - Economic opportunities analysis
 - Industrial and commercial development policies
 - Identify land deficits
 - Designation of lands for employment
- Understand existing conditions and forecast future conditions to inform:
 - Economic development strategy
 - Land use policy
 - Coordination

Overview of the EOA Work Program

- Update employment land sufficiency estimates
 - Inventory of buildable commercial and industrial land
 - Forecast Employment Growth
 - Compare land supply and demand

- Reflect the 2018 Economic Development Strategy in the updated EOA

- Update the land need estimates to a common planning period

Urbanization Study

- What is Goal 14?
- Statewide Planning Goal for Urbanization
 - To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities

Goal 14

- Requires cities to establish and maintain UGBs
- Provides guidance on land need related to maintaining a 20-year supply:
 1. Demonstrated need to accommodate long range urban population (20-years)
 2. Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories

Overview of the Urbanization Work Program

- Estimate land need and supply for
 - Institutional, public/semi-public land
 - All types together (residential, employment, public/semi-public)
- Update land need/supply to common planning period
- Initial assessment of efficiency measures
 - Already adopted by city
 - Steps in progress (downtown housing, 3-mile lane)
 - Other potential measures

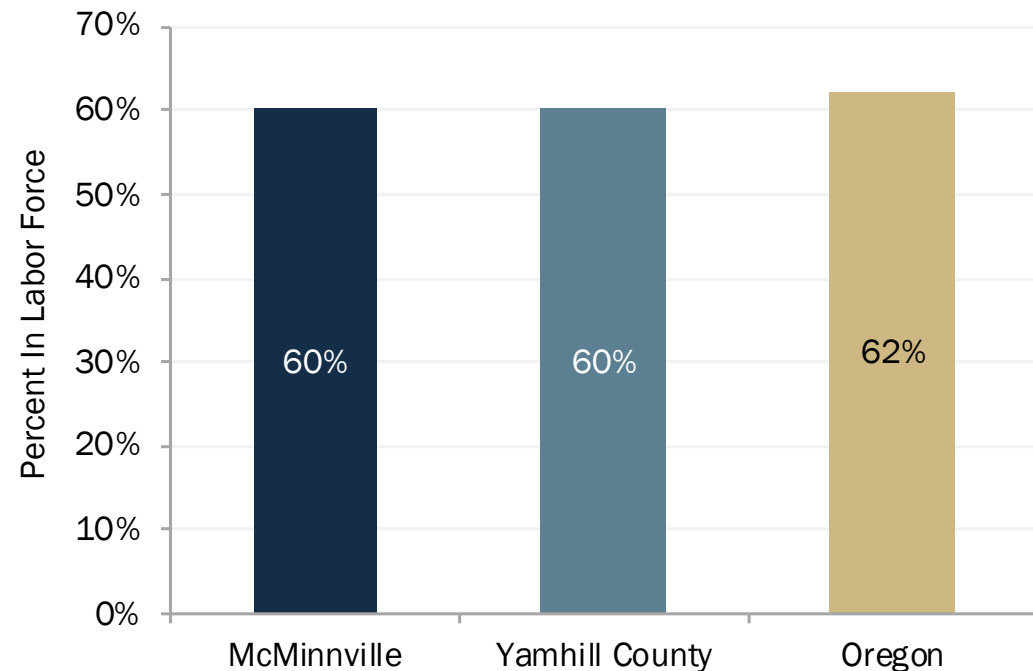
EOA - Local Economic Trends

Key Factors Affecting Economic Growth

- Low unemployment (OR 4.2%, Yamhill Co 3.8%)
- Aging of the population
 - Resulting need for replacement workers
- Long-term slow growth in income

Labor Force Participation Rate, McMinnville, Yamhill County, and Oregon, 2013-17

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates.



Change in Employment: 2001-2018

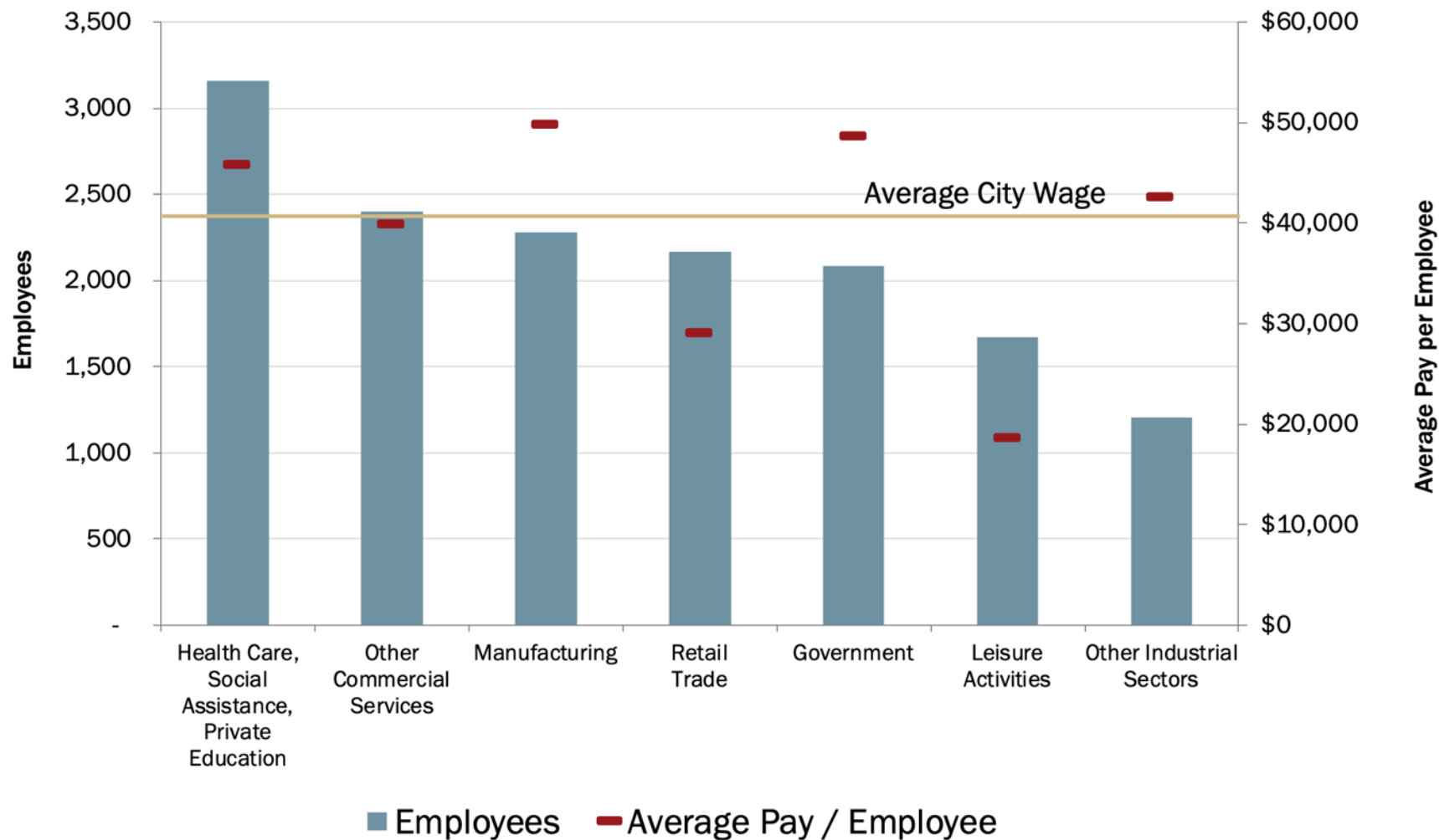
Covered Employment by Industry, Yamhill County, 2001-2018

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Sector	2001	2018	Change 2001 to 2018		
			Difference	Percent	AAGR
Natural Resources and Mining	2,824	3,668	844	30%	1.6%
Construction	1,492	1,977	485	33%	1.7%
Manufacturing	5,584	6,901	1,317	24%	1.3%
Wholesale trade	560	629	69	12%	0.7%
Retail trade	3,157	3,728	571	18%	1.0%
Trade, Transportation, and Utilities	645	468	-177	-27%	-1.9%
Information	269	242	-27	-10%	-0.6%
Financial Activities	972	1,007	35	4%	0.2%
Professional and Business Services	1,371	1,936	565	41%	2.1%
Educational Services	1,166	1,512	346	30%	1.5%
Health care and social assistance	2,792	4,881	2,089	75%	3.3%
Arts, entertainment, and recreation	172	350	178	103%	4.3%
Accommodation and food services	2,145	3,441	1,296	60%	2.8%
Other Services	852	1,378	526	62%	2.9%
Unclassified	19	10	-9	-47%	-3.7%
Government	4,090	4,184	94	2%	0.1%
Total	28,110	36,312	8,202	29%	1.5%

Employment in McMinnville, 2017

Covered Employment, Quarterly Census of Employment and Wages, State of Oregon



Key Factors Affecting Economic Growth

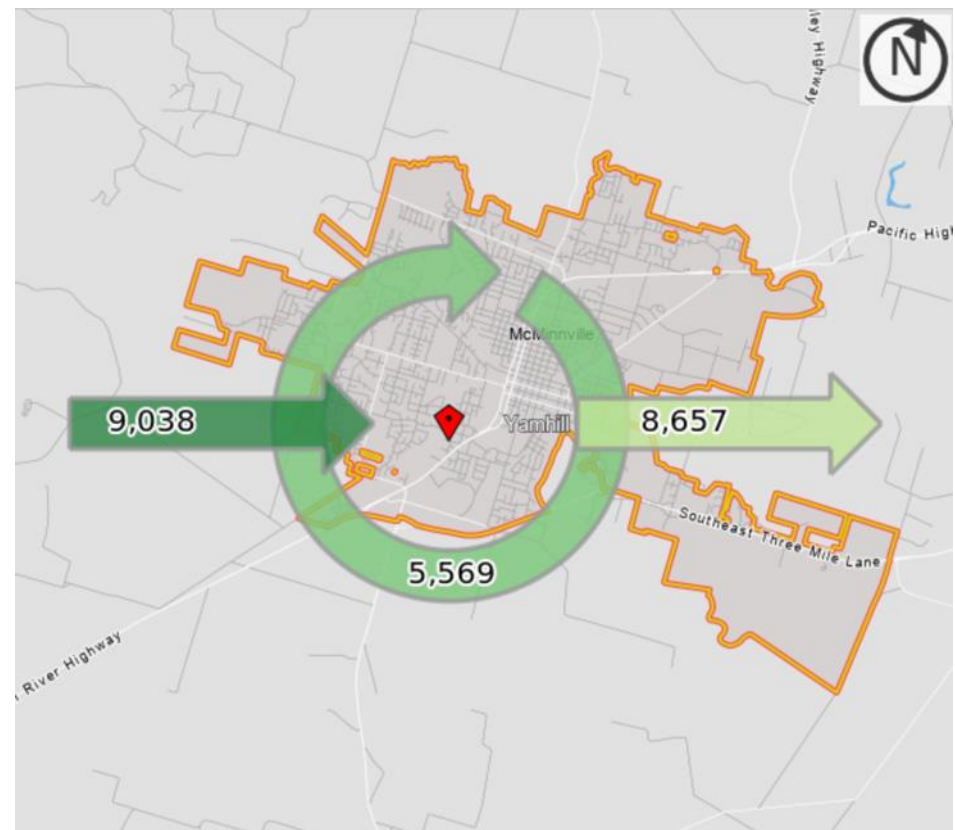
- Commuting is common
- Wages at McMinnville business are about the same as the County

McMinnville: \$40,105

Yamhill Co: \$42,321

Commuting Patterns, McMinnville, 2015

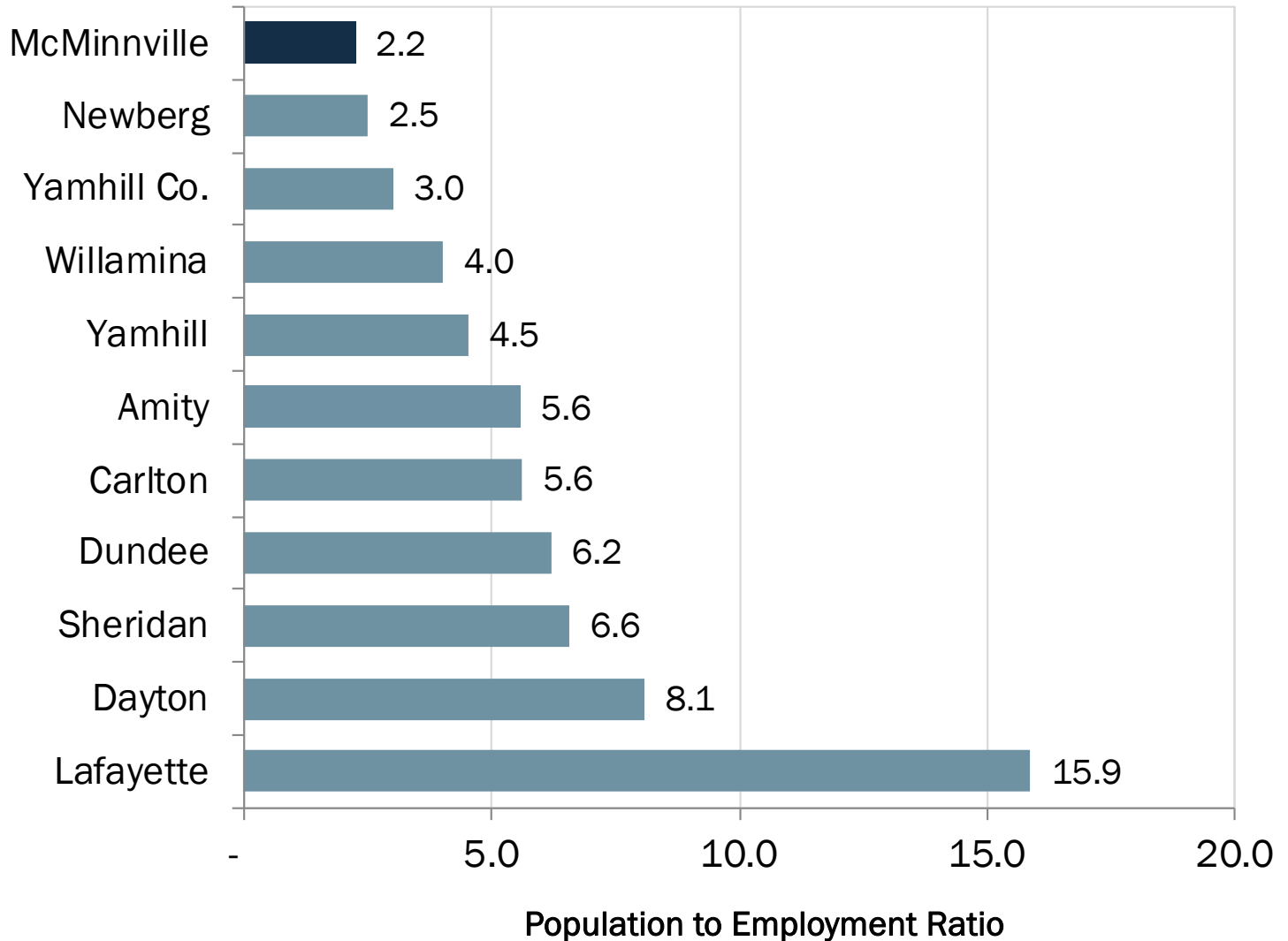
Source: U.S. Census, On the Map



Population to Employment Ratio

Population to Employment Ratio, UGBs in Yamhill County and Yamhill County, 2017

Source: Covered Employment, Quarterly Census of Employment and Wages, State of Oregon



McMinnville's Competitive Advantages and Disadvantages within the Mid-Valley Region

From the 2013 EOA

Advantages

- Location
 - Access to Portland and Salem
 - Proximity to wine regions
- Transportation
 - Highway 99W
 - Bypass
- Low utility rates
- Entrepreneurial environment
- Access to workforce
 - Community college

Disadvantages

- Links to major interstate
- Long-term water supply
- Limited visitor spending

Potential Growth Industries

- From the 2013 EOA
 - Advanced manufacturing
 - Healthcare/traded sector services
- From the 2018 Economic Development Strategy
 - Traditional industry and advanced manufacturing
 - Technology and entrepreneurship
 - Hospitality and place-based tourism
 - Craft beverages and food systems
 - Education, medicine and other science

Preliminary Economic Forecast & Assumptions

Employment Forecast: Assumptions

- Employment base
- Growth rates
- Employment in residential areas
- Mix of employment
- Employment density

Please note: The numbers in the employment forecast are subject to change, with refinement of the EOA

Covered to Total Employment, McMinnville, 2017

Based on county-level data from BEA and OED for Yamhill County

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, and Mining	356	356	100%
Construction	585	852	69%
Manufacturing	2,277	2,549	89%
Wholesale Trade	127	180	71%
Retail Trade	2,170	2,842	76%
Transportation and Warehousing and Utilities	140	250	56%
Information	127	211	60%
Finance and Insurance	459	912	50%
Real Estate and Rental and Leasing	113	867	13%
Professional and Technical Services	367	998	37%
Management of Companies	117	161	73%
Admin. and Support/Waste Mgmt/Remediation Serv.	584	1,044	56%
Health Care and Social Assistance; Private Education Serv.	3,159	4,457	71%
Arts, Entertainment, and Recreation	168	458	37%
Accommodation and Food Services	1,503	1,666	90%
Other Services	630	1,105	57%
Government	2,082	2,082	100%
Total Non-Farm Employment	14,964	20,990	76%

Employment Forecast (20-year period): Growth Rate - Safe Harbor Options

Year	Total Employment Low (OED Forecast)	Total Employment High (Population Forecast)
2021	21,957	22,157
2041	27,501	29,042
Change 2021 to 2041		
Employees	5,544	6,885
Percent	25%	31%
AAGR	1.13%	1.36%

Employment Forecast (20-year period): Mix of Industries

Employment growth by land use type,
High forecast as example (1.36% growth)

Land Use Type	2021		2041		Change 2021 to 2041
	Employment	% of Total	Employment	% of Total	
Industrial	4,431	20%	5,808	20%	1,377
Retail Commercial	2,880	13%	3,775	13%	895
Office & Commercial Services	12,629	57%	16,554	57%	3,925
Government	2,216	10%	2,904	10%	688
Total	22,157	100%	29,042	100%	6,885

Percentages based on share of
employment in McMinnville in 2017

Employment Forecast (46-year period): Mix of Industries

Employment growth by land use type,
High forecast as example (1.20% growth)

Land Use Type	2021		2067		Change 2021 to 2067
	Employment	% of Total	Employment	% of Total	
Industrial	4,404	20%	7,632	20%	3,228
Retail Commercial	2,862	13%	4,961	13%	2,099
Office & Commercial Services	12,550	57%	21,750	57%	9,200
Government	2,202	10%	3,816	10%	1,614
Total	22,018	100%	38,158	100%	16,141

Percentages based on share of
employment in McMinnville in 2017

How will McMinnville's economy change over next 20 years?

Land Use Types – previous EOAs

Figure 19. Changing & Forecast McMinnville UGB Job Mix by Land Use Type

Land Use Type	1999	2003	2010	2033
Commercial	57.1%	61.4%	64.4%	65.0%
Industrial	31.2%	25.3%	22.2%	23.0%
Institutional	11.7%	13.3%	13.4%	12.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: E. D. Hovee & Company, LLC from 2001 EOA and subsequent OED/BEA datasets per 2001 EOA methodology and EOA Advisory Committee recommendation.

Employment uses that do not require vacant land

- Non-employment land – including land designated for residential and/or open space use.
- Existing developed land – via added employment on sites with existing substantial building improvements.
- Reused land – involving redevelopment and intensified use of already developed sites.
- Vacant employment land – involving available commercial and industrial land in the McMinnville UGB.

Figure 20. Allocation of Job Growth by Land Use Type

Land Use Type	2001 / 03 EOA		2013 EOA Update	
	% Vacant Employment Sites	% Other Sites	% Vacant Employment Sites	% Other Sites
Commercial	85%	15%	83%	17%
Industrial	83%	17%	83%	17%
Institutional	87%	13%	83%	17%

Source: ECONorthwest, 2001 EOA and 2013 EOA Advisory Committee recommendation

Employment Forecast (46-year period): Growth Rate Options

Year	Total Employment Low (OED Forecast)	Total Employment High (Population Forecast)
2021	21,957	22,018
2067	36,853	38,158
Change 2021 to 2067		
Employees	14,896	16,140
Percent	68%	73%
AAGR	1.13%	1.20%

Other assumptions...employment density

Figure 21. Employment Density Assumptions (2001, 2013 EOAs)

Land Use Type	Employees per Acre	
	2001/03 EOA	2013 EOA Update
Commercial	22.0	26.0
Industrial	11.0	11.0
Institutional	35.0	35.0

Source: ECONorthwest, 2001 EOA and EOA Advisory Committee recommendation.

Key decisions

- Which employment forecast?
- What land use types?
- How much employment will not require vacant employment land? (e.g., emp in residential, infill/redevelopment)
- What employment density assumptions?

Employment Land Buildable Land Inventory (BLI)

Methodology

1. Develop land base
2. Classify land
3. Remove constraints
4. Verification
 - Aerial imagery
 - Staff review
5. Present draft results

Comparison to 2013 EOA BLI

- Working on obtaining GIS data from 2013 work
- Preliminary updated BLI classifications compared to 2013 PDF maps
- Reviewed for new developments
- Added a “public/exempt” category to align with residential BLI classifications
- Potential changes to constraints

Land Classifications

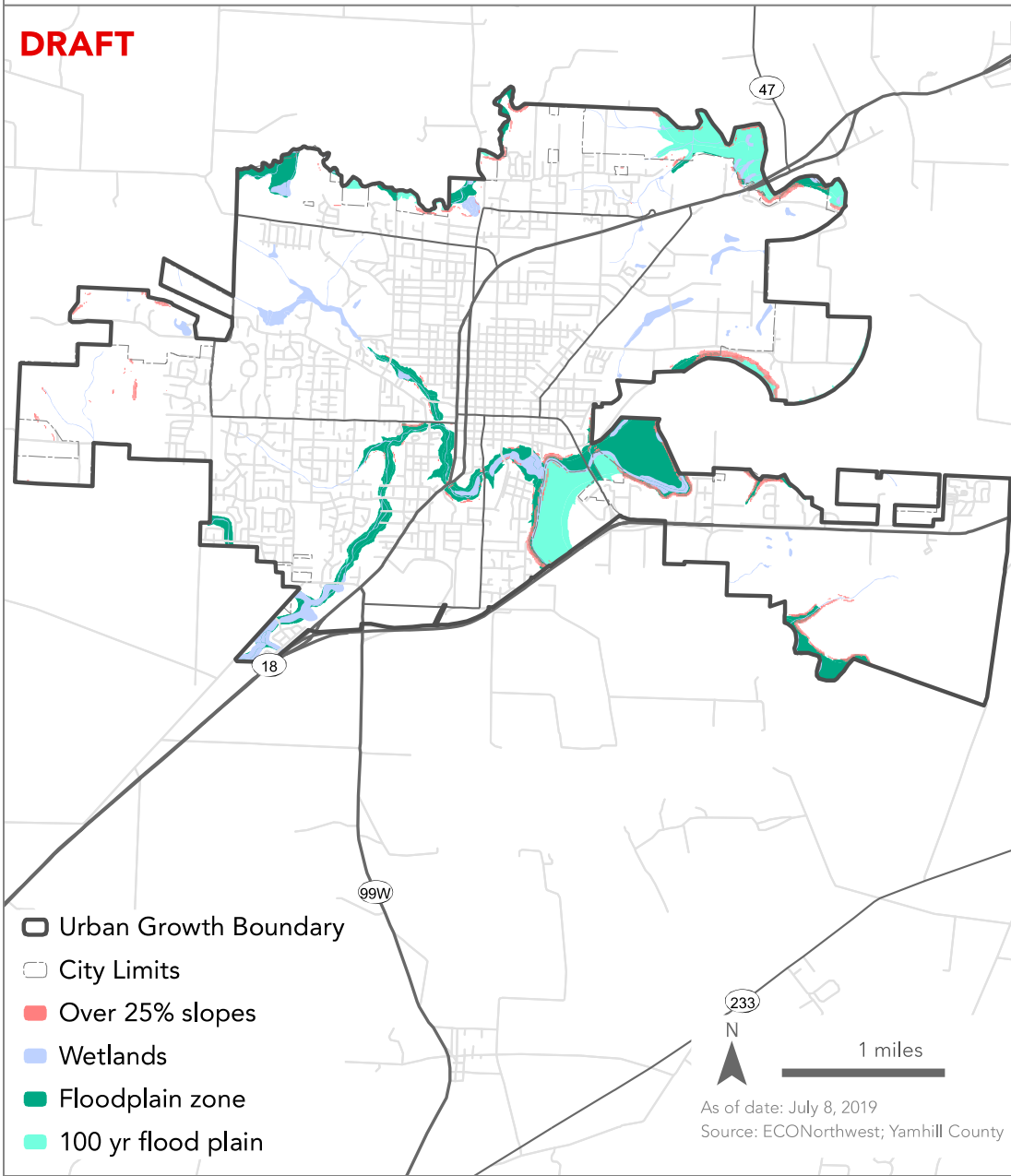
- **Developed**
 - Lots fully developed consistent with current zoning. Improved lots unlikely to redevelop within the 20-year period.
- **Vacant**
 - Lots that have no structures or have buildings with very little improvement value.
- **Partially vacant**
 - Lots occupied by a use, but contain enough land to be developed further in current zone.
- **Public or exempt**
 - Lands in public or semi-public ownership

Development Constraints

- Steep slopes
 - Greater than 25% (used in 2013 EOA)
 - Greater than 15% (alternative option)
- Regulated wetlands
 - National Wetland Inventory
- Floodplain zone and 100-year floodplain
 - McMinnville Floodplain zone, 100- year floodplain

McMinnville Buildable Lands Inventory Commercial/Industrial Constraints

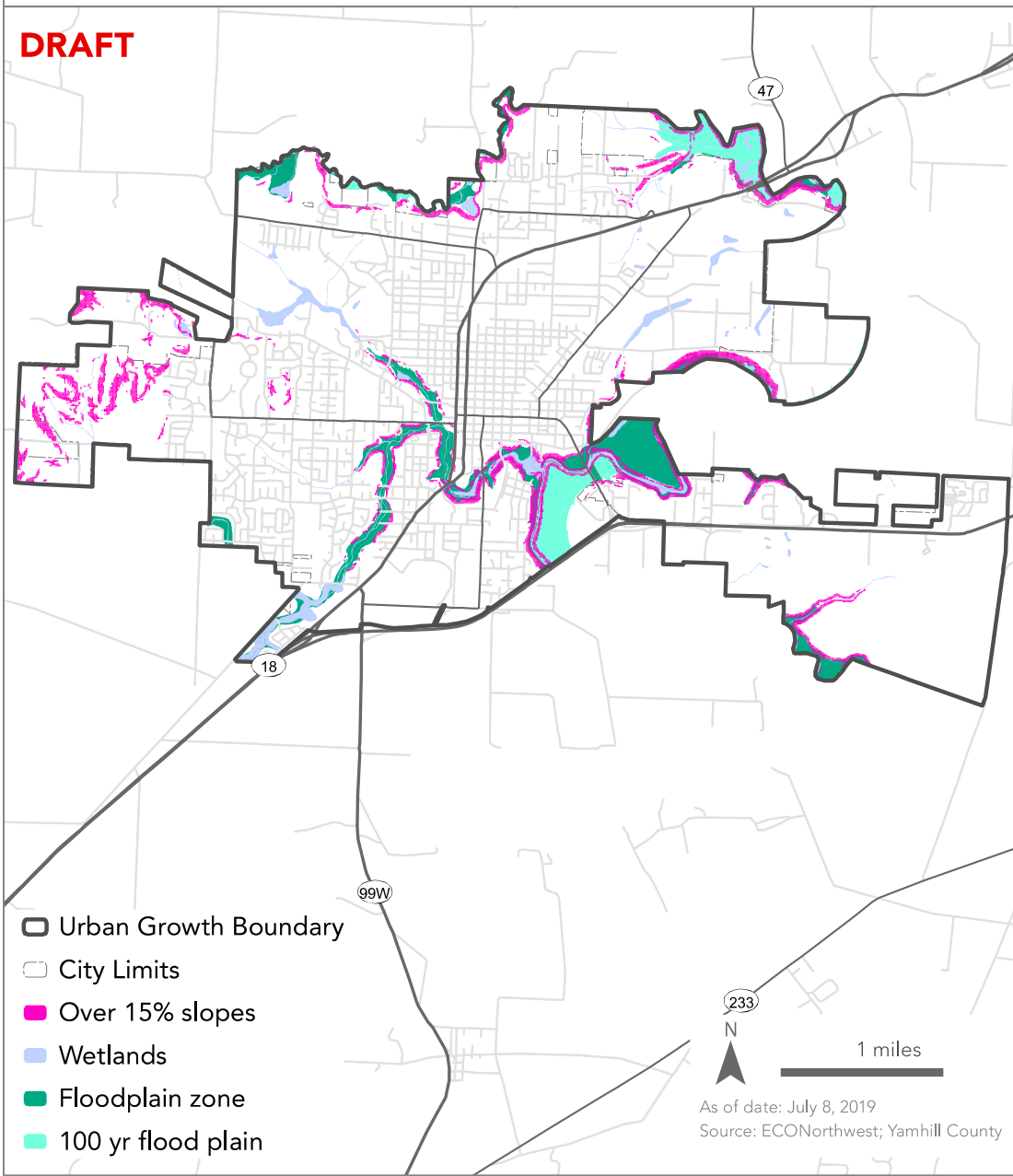
Constraints: Option 1



McMinnville Buildable Lands Inventory

Commercial/Industrial Constraints

Constraints: Option 2



Suitability assessment

- (2) “Development Constraints” means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

Next Steps

- PAC Meeting #2 in late August/early Sept
 - Review BLI
 - Review employment and land need projections
 - Review institutional, public, and semi-public land need data

ECONorthwest

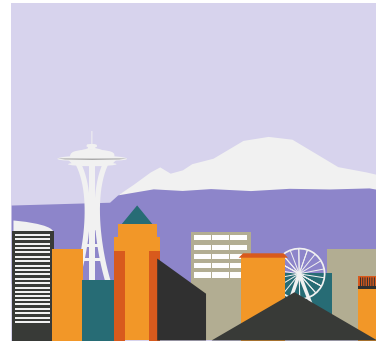
ECONOMICS • FINANCE • PLANNING



Eugene



Portland



Seattle



Boise