

ORDINANCE NO. 4840

An Ordinance adopting certain amendments to the McMinnville Urban Growth Management and Urbanization Plan (MGMUP), supporting Findings, Economic Opportunities Analysis, Comprehensive Plan and implementing ordinances.

RECITALS:

On October 14, 2003, the McMinnville City Council adopted the "McMinnville Growth Management and Urbanization Plan" and appendices (MGMUP), and Findings (ORD No. 4796), and the "Economic Opportunities Analysis," (ORD No. 4795), as part of the McMinnville Comprehensive Plan, Volume I. These documents were prepared in response to an analysis of the city's buildable lands and future land needs, which determined that there exists a shortfall of both residential and commercial land necessary to accommodate projected growth needs through the year 2023.

On October 20, 2003, the City provided notice of the ordinance adoptions and periodic review work task submittal to DLCD and interested parties. On April 20, 2004, the Director of the Department of Land Conservation and Development (DLCD) issued a response to written objections and exceptions filed by participants and the City pursuant to OAR 660-025-0160(3).

At the April 22 and September 10, 2004, Land Conservation and Development Commission (LCDC) hearings, the Commission heard oral argument from the City, DLCD staff and objectors and acknowledged certain elements of the MGMUP while remanding others. Portions of the MGMUP that pertain to efficiency measures and lands to be included within the urban growth boundary yet remain to be reviewed by the Commission.

In response to DLCD staff's position as regard these remaining elements, and consistent with the directives of the LCDC Remand Order, staff finds it prudent to propose certain amendments to the MGMUP, its supporting Findings document, the Economic Opportunities Analysis, and Comprehensive Plan and implementing ordinances. Those amendments are specific to the following issues: transit corridor enhancement policy; residential density within neighborhood activity centers (NACs); residential density definitions; amendment of NAC illustrative plans; rezoning of certain properties; accessory dwelling units and residential density; amendments to the C-1 (Neighborhood Business) zone; R-5 (Multi-family Residential) zone design standards; R-4 (Multi-family Residential) zone design standards; west McMinnville residential density policy; support areas of illustrative plans; and, reduction of buildable land need for parks.

The City Council held a public hearing on May 24, 2005, at 7:30 p.m. on these proposed amendments after due notice had been given in the local newspaper and to the Oregon Department of Land Conservation and Development. At that hearing, the McMinnville City Council, having received written and oral testimony relevant to these recommendations by City staff and testimony provided by interested parties, and having considered this information and testimony, found the amendments as proposed by staff to be appropriate. Now therefore,

THE CITY OF McMinnville ORDAINS AS FOLLOWS:

Section 1. That the McMinnville Growth Management and Urbanization Plan (MGMUP) shall be amended as follows:

- (a) That Table 7 (page 5-15), Figure 12 (page 7-29), and Attachment 2 (page F-10) be amended by deleting all reference to properties identified as Map ID numbers 1, 2, 3, 8, 11, 12, 13, 14, 17, and 18. Totals within this table and attachment shall be adjusted as follows:

Gross Acres	Existing Development	Gross Vacant Buildable Acres
Totals: 414.25	24.42 96.468.68	16.67 15.65
Adjustment to Industrial Buildable Land Supply		(13.82)
Adjustment to Residential Buildable Land Supply		16.18 15.62
Adjustment to Mixed Use Buildable Land Supply		(2.85)

- (b) That text found in Appendix F in reference to Map ID numbers 1, 2, 3, 8, 11, 12, 13, 14, 17, and 18 be deleted in their entirety.
- (c) That the "Impact on Land Use Efficiency" paragraph, found on pages 5-14 and F-10 be amended to read as follows:

"This measure results in the rezoning of 2010 parcels totaling ~~414.25~~ 24.42 acres. Of the ~~414~~ 24 total acres, over ~~96~~ eight acres were identified as developed in the City's buildable lands inventory. The proposed changes ~~do not affect~~ increase the amount of buildable commercial land need by less than one acre. They increase the amount of buildable residential land by slightly more less than 16 acres, while decreasing the amount of buildable industrial land supply be about ~~41~~ 13 acres."

- (d) That Table 14 (page 6-16) be amended as follows:

Residential Gross Buildable Acres	881.4 880.54
Residential Deficit (Surplus)	4019.2 1019.76
Commercial Gross Buildable Acres	402.4 101.84
Commercial Deficit (Surplus)	4019.2 106.49
Industrial Gross Buildable Acres	326.0 327.05
Industrial Deficit (Surplus)	(44.7) (45.75)

- (e) That Table 9 (page 5-24) be revised; the subsequent Tables within the MGMUP shall be sequentially renumbered; and that associated text on pages 5-22 and 5-24 be modified as follows:

- (i) Page 5-22, paragraph three, "Transit Corridor Enhancement Policy, Description:"

"[.] More specifically, the City proposes to adopt policies that encourage higher density residential development within five hundred ~~1,320~~ feet of an identified potential transit route (1,000 foot one-half mile wide corridor). Such opportunities are identified as shown in Figure 4. In addition, the City proposes to take action to legislatively rezone certain vacant parcels that now exist within this corridor."

In general, this policy should seek to realize an average density of ten (10) dwelling units per acre within the transit corridors. [..]"

- (ii) Page 5-23 [MGMUP]

That Figure 3 ("Transit Corridor Buildable Lands") be supplanted with the "Residential Density Enhancement Corridor – Buildable Lands – Located outside NACs" map (Exhibit "A").

- (iii) Page 5-24 [MGMUP]

"If the City adopts such policies and rezone actions, approximately 32 additional dwelling units (assuming gross density of 10 dwelling units per acre) could be accommodated within the current McMinnville urban growth boundary. A listing of the specific parcels that are proposed for rezoning, and map showing their location is provided in Table 9. The City intends to consider the rezoning of these parcels to permit higher density development as part of its Transportation System Plan analysis, for purposes of determining their potential impact on the City's transportation system and compliance with the State Transportation Planning Rule."

- (iii) That Table 9 [MGMUP] be supplanted with the table below:

Table 9. Summary of proposed transit corridor parcel rezonings

Tax Lot No.	Gross Acres	Gross Vacant Buildable Acres	Existing Zone	Historic Density	DU's at historic density	Potential Density	DU's at Proposed Density	Increased DU's	Property Owner
R16BC03201	2.60	2.35	LDR-9000	3.5	8	10	23	15	John Fuller
R16BD01600	1.00	0.57	R-3	5.4	3	10	5	2	David Logsdon
R4420CB00301	1.59	1.59	C-3 PD	0.0	0	10	15	15	Elton Thayer
Totals	5.19	4.51			11		43	32	
Adjustment to Commercial Buildable Land Supply (1.59)									

Section 2. That Volume II of the McMinnville Comprehensive Plan (Goals and Policies) and Appendix "D" of the MGMUP be amended to read as follows:

- a) Policy 71.01 [page D-6, MGMUP]

"The City shall plan for development of the property located on the west side of the City that is outside of designated Neighborhood Activity Centers or planned or existing transit corridors (500 feet either side of the route) to be limited to a density of six units per acre. Property that is located within a one-half mile wide corridor centered on existing or planned public transit routes, or within one-quarter mile from neighborhood and general commercial shopping areas is not subject to this density limitation, but shall be subject

to other locational and density related policies contained elsewhere in the McMinnville Comprehensive Plan. In order to provide for higher density housing on the west side, sewer density allowances or trade-offs shall be allowed and encouraged.

- b) Policy 71.09 [page D-8] and text under "Medium-Density Residential (R-3 and R-4)," page 7-24, MGMUP

~~"The majority of residential lands in McMinnville are planned to develop at medium-density range (4 – 8 dwelling units per net acre). Medium density residential development should be limited to the following uses include small lot single-family detached uses, single family attached units, duplexes and triplexes, and townhouses."~~

- c) Policy 71.11 [page D-9, MGMUP]

~~"High-Density Residential (R-5) – High density residential contains housing includes townhouses, condominiums, and apartments, with at densities of anywhere from 8 to 30 units per acre, depending on where the high-density dwellings are located (the highest densities being in the downtown commercial core." Typical uses include townhouses, condominiums, and apartments."~~

- d) Policy 71.13 [page D-10, MGMUP]

~~6. Areas within a 1,000-foot one-half mile wide corridor centered on existing or planned public transit routes.~~

~~7. Areas within ~~one-eighth~~ one-quarter mile from neighborhood and general commercial shopping centers or designated activity centers; and"~~

- e) Policy 90.00 [page D-12, MGMUP]

~~"Greater residential densities shall be encouraged to locate within one-quarter mile from neighborhood and general commercial shopping centers, within neighborhood activity centers and within a one-half mile wide corridor centered on existing or planned public transit routes the corridors that connect them with densities decreasing as distances increase from these larger traffic capacity roads."~~

- f) That a new Plan Policy 163.05 be added as follows:

"The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain. Linear parks, greenways, open space, trails, and special use parks are appropriate recreational uses of floodplain land to connect community and other park types to each other, to neighborhoods, and services, provided that the design and location of such uses can occur with minimum impacts on such environmentally sensitive lands."

Section 3. That the McMinnville Zoning Ordinance and Appendix E of the MGMUP shall be modified to read as follows:

- (a) Section 17.21.010(C) [MGMUP page E-16] shall be modified as follows:

"C. Multiple-family dwelling subject to the following:

1. The property on which the use will be located has direct access from a major collector or arterial street; and
2. The property is located within ~~500~~1,320-feet of a planned or existing transit route;
3. The property is within one-quarter mile from a planned or existing neighborhood or general commercial shopping areas;" and
4. ~~Adjacent lower density residential development can be adequately buffered from the multiple-family dwelling(s) in order to maximize the privacy of established low-density neighborhoods.~~

(b) That Section 17.22.055 [MGMUP page E-20] shall be deleted in its entirety.

(c) That Section 17.33.010 (3) shall be amended to read as follows:

"[...] (3). Multiple-family dwelling subject to the provisions of the R-4 zone."

(d) That Section 17.27.050, Lot Coverage, shall be deleted in its entirety.

(e) That Section 17.27.030(A) shall be amended as follows:

"A. There shall be a no required front yard of not less than thirty feet;"

Section 4. That the MGMUP Findings document shall be amended as follows:

(a) That properties identified as Map ID numbers 1, 2, 3, 8, 11, 12, 13, 14, 17, and 18 be removed from Table 73 [MGMUP Findings page 147].

(b) That the "Totals" provided in Table 73 [MGMUP Findings page 147] be consistent with those noted in Section 1 (a) of this ordinance.

(c) That the "Impact on Land Use Efficiency" text (page 146) be amended to read as follows:

"The October 2003 MGMUP included the rezoning of 20 individual parcels as a means of adding additional residential or commercial land capacity to the city's inventory, and, in some cases, to simply correct inappropriately applied zoning (residence zoned for industrial use in an area of other residential zoning, for example). Information regarding these parcels is found in Appendix F of the October 2003 MGMUP.

In their April 20, 2004 staff report to LCDC, the DLCD noted their objection to the rezoning of these 20 parcels, citing the need for a traffic analysis for each parcel to demonstrate compliance with Goal 12 (Transportation) requirements.

On September 10, 2004, the LCDC approved the City's rezoning of seven of these parcels. This action was taken following DLCD staff's amended recommendation to their Commission and after DLCD's consultation with staff from 1000 Friends of Oregon during a recess occurring at the September 10th hearing. Subsequently, when the hearing reconvened, DLCD recommended to the Commission that seven of those 20 parcels,

totaling 4.4 gross vacant buildable acres - for which no traffic analysis was either provided or requested – be so rezoned.

On February 8, 2005, the City took action to adopt additional traffic analysis and findings in support of the rezoning of three parcels that comprise the “brickyard properties” adjacent to South Davis Street. These three parcels were part of the 20 parcels originally objected to by DLCD and 1000 Friends as part of the MGMUP. In a letter dated October 4, 2005, DLCD approved the rezoning of these three properties as adopted by the McMinnville City Council.

In attempting to determine the standards under which the remaining rezoned parcels would be reviewed, the City requested clarification from DLCD. In a letter dated February 16, 2005, to the McMinnville Planning Department, DLCD states that for the remaining 10 parcels, the City should compare the daily and peak hour trip generation of each parcel under both the existing and proposed zoning designations. If the result is lower (or equal) under the proposed zoning, the City can conclude there will be no significant traffic impacts on transportation facilities. If the traffic impact would be higher under the proposed zoning, the City will need to evaluate and conclude whether this increased traffic will create a significant impact on transportation facilities.

A much needed perspective on this issue is that of these remaining 10 parcels, eight are improved and yield no additional developable land. They include the publicly held Airport Park property, a portion of the former McMinnville Concrete Products business located on Highway 99W, the Evergreen Doe Humane Society property on Three Mile Lane, an extension of the Doran Auto Dealership property located on 3rd Street (to include an 8,200 square foot parcel), and one 13,000 square foot parcel on which is constructed a single-family home. The two remaining parcels (a one-half acre parcel located at the intersection of South Davis and College Avenue owned by Linfield College, and the rear portion of the McMinnville Concrete Products property) yield approximately a combined one-acre of vacant developable land, or some four times less than was approved by LCDC on September 10 following consultation between DLCD staff and 1000 Friends.

Given the amount of effort and expense necessary to conduct the requested traffic analysis, and uncertainty as to future objections regarding this issue, City staff asked DLCD as to the City's obligation to complete this work. In their letter dated March 14, 2005 DLCD concurs that the City is not required to rezone any of these properties as part of the MGMUP (See the letter from Geoff Crook, DLCD Regional Representative, to Doug Montgomery, McMinnville Planning Director, dated March 14, 2005). As such, the City has amended the October 2003 MGMUP by removing reference to those parcels not already approved by LCDC. Individual plan and zone change amendments as regard each of these properties may be processed at any time in the future as Post Acknowledgment Plan Amendment applications.

In summary, this measure results in the rezoning of 20 parcels totaling 44.25 acres. Of the nearly 44.25 total acres, 7.91 acres were identified as developed in the City's buildable lands inventory. The proposed changes do not affect/increase the amount of buildable commercial land need-by-less-than-one-acre. They increase the amount of buildable residential land by 15.62 acres, while decreasing the amount of buildable industrial land supply by 12.77 acres.”

- (d) That certain text within the "Land Supply and Need, Comparison and Conclusions" section (page 14 – 17) be amended as follows:

"The redesignations add ~~commercial and~~ residential land, and remove land from the industrial and mixed-use designations."

"The land redesignations shown in Tables 11 and 12 will add approximately 16 acres of buildable land to residential uses. At an average density of 5.9 dwelling units per gross residential acre, the proposed land redesignations would accommodate approximately ~~925~~ new dwelling units."

- (e) That Table 11 [page 15] be amended as follows:

Commercial	0.49 0.00
Industrial	(13.82) 12.77
Mixed Use	(2.85)
Residential	16.18 15.62

- (f) That Table 12 [page 15] be amended to read consistent with Table 14 of the MGMUP, as amended in Section 1 (d) of this ordinance.

- (g) That Table 75 [page 154] be revised, the subsequent Tables within the document shall be sequentially renumbered, and that associated text on page 154 be modified consistent with the amendment described in Section 1 (e) of this ordinance, and as follows:

"To further support this policy, the city finds the following:

The "transit corridor" referenced in the October 2003 *McMinnville Growth Management and Urbanization Plan (MGMUP)* is centered on the transit routes as identified in the adopted McMinnville Transit Feasibility Study (June 1997). The residential density enhancement corridor adopted by the City as an efficiency measure of the October 2003 MGMUP is 1,000 feet in width (slightly less than one-quarter mile), centered on the adopted public transit route.

In DLCD's Responses to Objections (dated March 30, 2004), DLCD noted that the standard in the planning profession for transit supportive bus service is to utilize a residential density enhancement corridor width of 2,640 feet (1,320 feet on each side of the transit route). Due to the spacing of the City's existing and planned transit routes, a one-half mile wide residential density enhancement corridor would encompass some seventy percent of all land within McMinnville's existing Urban Growth Boundary (UGB). All land within these corridors would not, however, make them eligible, or appropriate for, higher density housing. Such final determinations would be based upon this transit supportive criterion, as well as other criteria found in Plan Policy 91.00, and other zone change criteria (to include compatibility). Application of such criteria, coupled with the limited supply of land inside the current urban growth boundary, will limit considerably the opportunities for increased density within these corridors (outside of NACs).

As part of its recommendation, DLCD notes that a program must be implemented to achieve an average of 10 dwelling units per acre (du/ac) within the corridor by identifying **additional** vacant, underdeveloped, and redevelopable parcels that may be suitable for medium- and high-density housing within this half-mile wide corridor (emphasis added). The City conducted an exhaustive buildable lands analysis, which is thoroughly documented in the "McMinnville Residential Land Needs Analysis" as amended. As a result of this analysis six properties were identified within the current McMinnville UGB that are vacant, underdeveloped, or redevelopable and situated within a 500-foot distance of proposed and existing transit routes. Since the adoption of the MGMUP in October 2003, five of the six properties proposed for rezoning to allow higher density residential use have since developed leaving only one such opportunity.

Application of this policy to property located within one-quarter-mile of proposed and existing transit routes yields three additional higher density housing opportunities. If the City were to adopt this density enhancement policy, and find it appropriate to rezone these properties (consistent with TPR, zone change criteria, etc), approximately 32 additional dwelling units (assuming a gross density of 10 dwelling units per acre) could be accommodated within the current McMinnville urban growth boundary. When applying the locational criteria of Plan Policy 91.00, the small number of properties is further reduced. Based upon a thorough review of buildable and redevelopable lands within the previously described corridor, the City finds that a program to achieve an average density of 10 dwelling units per acre within the proposed corridor cannot be achieved.

Although opportunities do not exist to enable achievement of an average residential density of ten dwelling units per acre within one-quarter mile of transit routes, the City finds that the adoption of this policy as a means of encouraging such housing within one-quarter mile of a transit route, when coupled with other locational criteria, is an appropriate policy.

- (h) That the "Goal 8 (Recreation Needs) findings be supplemented with the following text (pages 84 - 85):

LCDC's Remand Order (December 3, 2004) notes that testimony was provided at their September 10, 2004 hearing alleging that the city could accommodate a greater portion of its identified need for parks on land within the 100-year floodplain or on facilities shared with Linfield College or the school district, rather than on buildable lands. In response to this testimony, the City finds the following:

In DLCD's Responses to Objections (dated March 30, 2004), DLCD directs the City to take two actions to reduce community park land need: 1) assume future community parks will use floodplain land the same as has been used in the past; and, 2) reduce overall future parkland needs based upon the potential for sharing of such needs with the McMinnville School District and Linfield College.

By way of background, the City's Parks, Recreation and Open Space Master Plan was produced following a nearly two-year long citizen led planning process which included the direct involvement of over 500 McMinnville residents. This process included "in-house" departmental and inter-departmental workshops and interviews,

a thorough inventory of existing facilities and services, stakeholder interviews, a community-wide survey mailed to each of the more than 10,000 households in McMinnville, patron surveys at the various City recreation facilities, two community workshops soliciting citizen participation, several working sessions with the Parks Citizens' Advisory Committee, and, ultimately, public hearings before the Planning Commission and City Council. This plan was adopted in 1999.

The Parks, Recreation and Open Space Master Plan includes land need projections for three of the seven identified park types currently found within McMinnville, those being for community parks, neighborhood parks, and greenspace/greenways. No additional land has been allocated for future mini-parks, linear parks, special use parks, or trails as no standards for such projections were provided in the Master Plan. Currently, these latter park types occupy approximately 45 acres of land in McMinnville, all of which are situated on buildable land outside of identified 100-year floodplains.

Based upon the wording of DLCD's recommendation, the only parkland need projection in question is for community parks. To address DLCD's concern regarding the community parkland need projection, the City observes the following:

- McMinnville currently has five community parks: Joe Dancer Park; Wortman Park; Kiwanis Park; Discovery Meadows Park; and, City Park. According to the McMinnville Parks and Recreation Director, all of these parks are fully developed.¹
- Three of these existing community parks have lands within the 100-year floodplain (Joe Dancer, Kiwanis, and City Park). Approximately 52 percent of these three park's total land area is constrained by floodplain.²
- The City finds, based upon its extensive history of maintaining parkland in the floodplain, that it is fiscally unsound, environmentally irresponsible, and not in the best interests of its citizens to continue past practices of locating community parks within areas prone to flooding. It also holds strongly to the belief that the City's past use of floodplain land for community park purposes should not, and does not, restrict its ability to modify such practice if in doing so it is fiscally sound, environmentally responsible, and in the best interests of the residents of McMinnville.

The City also finds that allocating additional floodplain land for community park purposes to be impractical given the location of future growth, dispersal pattern of existing community parks, recommendations contained in the Parks, Recreation and Open Space Master Plan, lack of such constrained land in areas most appropriate and likely to accommodate future community park use, and availability of land on which to construct such parks. The City does find, however, that linear parks and trails (additional parks types identified in the Master Plan for which additional land is needed but not projected as the Master Plan did not provide a projection ratio) are appropriate to locate along the edge of, or within,

¹ Conversation with Jay Pearson, Parks and Recreation Director, April 7, 2005.

² Acreage figures based upon analysis of City GIS maps, April 2005.

identified floodplain areas for the reasons stated in the City's Parks, Recreation and Open Space Master Plan. More specifically:

- Extensive flooding occurred within the boundaries of Joe Dancer Park and Kiwanis Park in February, 1996. This flood caused thousands of dollars of damage to baseball backstops, benches, soccer goals, the concession stand, parking facilities, trails, accessways, irrigation system, and landscaping within the park. Similar flooding and damage occurred also to Lower City Park.³ Based upon this event, and many others that have preceded this flood, the City finds it fiscally unsound to plan for future community parks that would occupy lands prone to flooding. In so doing, expenses required to repair reoccurring flood related damage can be minimized, thereby allowing other pressing parkland needs to be addressed.
- Lands within floodplain areas are typically unsuitable for community park use for much of the year due to the presence of standing water or soggy conditions. McMinnville Parks and Recreation spring and fall soccer games scheduled on fields located within the 100-year floodplain are routinely cancelled during periods of heavy seasonal rain to prevent damage to the fields. Such conditions are not compatible with the needs of a community park or the residents of McMinnville.
- As a practical matter, use of floodplain land for community park purposes is predicated upon such lands being present and within the immediate vicinity of where community parks are needed or planned. Specific to McMinnville's situation, the Parks, Recreation and Open Space Master Plan identifies the location for a future community park. This site is generally situated within the west hills of McMinnville, far from any identified floodplain.⁴
- As regard DLCD's recommendation to adjust the City's allocation of parkland need based upon the potential for sharing park facilities with the School District and Linfield College, the City finds the following:
 - Linfield College is located in southern McMinnville, adjacent to a future elementary school site and existing industrial uses to the south, developed residential neighborhoods to the east, and commercial and residential uses to the west. This is a well-established neighborhood and there exists no additional vacant land on which to construct a neighborhood or community park. As indicated below, Linfield College intends to retain ownership of the balance of its currently vacant lands for its future campus needs.

³ Similar damage has happened in prior years, but we are able to document this only through conversation with the Parks and Recreation Director; no photographs are available to document the extent of damage, however.

⁴ The Plan does not identify a specific site within the west hills on which this future community park would be located. Even so, the nearest floodplain lands are more than two miles away.

- The residents of McMinnville enjoy many of the athletic facilities available on McMinnville School District and Linfield College campus property. These include gymnasiums , track, stadiums (for football), and field house (swimming, diving). However, the City's parkland needs are specific to neighborhood parks, community parks, and greenway/greenspace/natural areas. These are not land needs of the School District or Linfield College and are specific to the City. The schools and Linfield College do not provide, nor, as observed below, is there potential for, sharing of such parkland needs.

- The City's adopted Parks, Recreation and Open Space Master Plan does not include a recommendation for a community park within or adjacent to the Linfield campus. Other community parks exist to the west (Discovery Meadows Park, less than one mile distance) and Joe Dancer Park and Kiwanis Park to the northeast (approximately one mile distance). This area of McMinnville is already well served by such parks.

- City staff has consulted with the McMinnville Parks and Recreation Director, McMinnville School District Business and Finance Director, and Linfield College Vice-President of Finance as regard the potential of sharing park facilities.⁵ In summary, Linfield College intends to retain the balance of its campus property for its own use. Further, they express doubts that any joint use of facilities would work. The McMinnville School District provided a similar response.

- In addition to consulting with the above individuals, the City has looked to its own Parks, Recreation and Open Space Plan. Based upon this plan's review of such facilities, it finds the following: "It should be noted that the existing level of service for recreation facilities includes school facilities, many of which are in substandard condition and may not adequately meet community needs."

Section 5. That the McMinnville Comprehensive Plan Map shall be amended as follows:

- (a) That Map ID numbers 1 and 2, as shown on Table 7, page 5-15, be amended from a Commercial designation to an Industrial designation.
- (b) That Map ID number 3, as shown on Table 7, page 5-15, be amended from a Residential designation to an Industrial designation.
- (c) That Map ID number 8, as shown on Table 7, page 5-15, be amended from an Industrial designation to a Mixed Use designation.
- (d) That Map ID numbers 11, 12, 13 and 14, as shown on Table 7, page 5-15, be amended from a Commercial designation to a Mixed Use designation.
- (e) That Map ID number 17, as shown on Table 7, page 5-15, be amended from a Commercial designation to a Residential designation.

⁵ Conversations with Mr. Jay Pearson, McMinnville Parks and Recreation Director, April 13, 2005; and Mr. David Horner, McMinnville School District Director of Business Services, April 14, 2005; and email from Mr. Carl Vance, Linfield College Vice-President, Finance and Administration, April 15, 2005.

- (f) That Map ID number 18, as shown on Table 7, page 5-15, be amended from a Residential designation to an Industrial designation.
- (g) That Figure 13, page 7-30, be amended consistent with the above noted plan amendments.

Section 6. That the McMinnville Zoning Map shall be amended as follows:

- (a) That Map ID number 1 as shown on Table 7, page 5-15, be amended from a C-3 zone to an M-1 zone.
- (b) That Map ID number 2, as shown on Table 7, page 5-15, be amended from a C-3 zone to an M-1 zone.
- (c) That Map ID number 3, as shown on Table 7, page 5-15, be amended from an R-3 zone to an M-1 PD zone.
- (d) That Map ID number 8, as shown on Table 7, page 5-15, be amended from an M-2 PD zone to an A-H zone.
- (e) That Map ID numbers 11 and 14, as shown on Table 7, page 5-15, be amended from a C-3 zone to an A-H zone.
- (f) That Map ID numbers 12 and 13, as shown on Table 7, page 5-15, be amended from a C-3 PD zone to an A-H zone.
- (g) That Map ID number 17, as shown on Table 7, page 5-15, be amended from a C-3 PD zone to an R-4 zone.
- (h) That Map ID number 18, as shown on Table 7, page 5-15, be amended from an R-4 PD zone to an M-2 zone.

Section 7. That pages 6-4 through 6-7 of the Economic Opportunities Analysis, and Appendix B, Table 14 of the MGMUP be amended consistent with the text found in Exhibit "B," a copy of which is attached hereto and incorporated herein by this reference.

Section 8. That, for purposes of administering the provisions of ordinance, the amendments described herein shall not take effect until and unless approved by the Land Conservation and Development Commission as part of the City's current periodic review work program related to the expansion of the McMinnville Urban Growth Boundary.

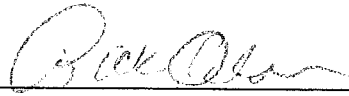
Section 9. That this ordinance shall be subject to the terms and conditions of Ordinance No. 3823 entitled "Initiative and Referendum" for a period of thirty (30) days.

Passed by the Council this 11th day of January, 2006, by the following votes:

Ayes: Hansen, Hill, Menke, Olson, Yoder

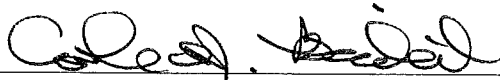
Nays: _____

Approved this 11th day of January, 2006.



COUNCIL PRESIDENT

ATTEST:



City Recorder

Approved as to form:



CITY ATTORNEY

Exhibit B

McMinnville Economic Opportunities Analysis Addendum

An Element of the City of McMinnville
Comprehensive Plan
January 2006

ECONOMIC OPPORTUNITIES ANALYSIS

Background

The City of McMinnville and Yamhill County Commission adopted the *McMinnville Economic Opportunities Analysis* (EOA) as part of the overall Growth Management and Urbanization Plan. The City received comments from 1000 Friends and DLCD pertaining to the section of the plan as regard employee per acre and employee per square foot assumptions (Appendix B, pages B-17 and B-18) and the EOA (pages 6-4, 6-6 and 6-7).

The City notes that provision of a floor area ratio (FAR) analysis is not required by statute and is not utilized in the EOA land needs model or otherwise relied upon for calculation of projected land use needs. Discussion of FARs would more appropriately occur during the policy phase of this project.

Considerable debate concerning the employment land need revolved around employee per acre assumptions. Table 4 shows existing employee per acre assumptions for McMinnville in 2001. The data show that the City had about 18 employees per net acre for commercial development and about 4 employees per net acre for industrial. These figures are considerably lower than the assumptions made in the EOA and Appendix B of the MUGMP.

Table 4. Actual employee per acre ratios, 2001

Plan Designation	2001	2001	EPA
	Employment (est)	Developed Acres	
Commercial	8,863	482.7	18.4
Industrial	4,450	1226.9	3.6
Public	964	na	
Total	14,277	1709.6	8.4

Source: Tables 5-7 and 6-4 of the McMinnville Economic Opportunities Analysis, 2001 employment figures extrapolated from 1999 base year.

The City of McMinnville makes the following findings based on the employee per acre analysis shown in Table 4:

- The actual employee acre ratios for commercial and industrial uses are lower than the assumptions to estimate commercial and industrial land need. The implications of this finding is that the assumptions may underestimate the amount of land needed for commercial and industrial uses if future development occurs at historical densities.

- McMinnville's growth management policies are intended to encourage future commercial and industrial development at higher densities. Given this policy, the higher employee per acre assumptions used for the land need forecasts are appropriate.

Thus, the employee per acre analysis (Table 4) supports the assumptions used in the Economic Opportunities Analysis and Appendix B of the MUGMP.

Proposed Amendments

Economic Opportunities Analysis

The text that follows is taken from pages 6-4 through 6-7 of the EOA. The proposed amendments are consistent with testimony by City staff and ECONorthwest at the September 2004 Land Conservation and Development Commission hearing. That testimony underscored that the land needs estimates were based solely on the employee per acre assumptions. The proposed amendments that follow are consistent with the original methodology and are intended to clarify the methods.

These amendments are:

"The next step in the analysis is to convert employment into land demand. Several assumptions must be made to convert employment growth to demand for land by the four land use categories shown in Table 6-1:

- **Percent of total employment growth that requires no commercial or industrial built space or land.** Some new employment will occur outside commercial and industrial built space or land. For example, some construction contractors may work out of their homes, with no need for a shop or office space on non-residential land. The Census reports 4.4% of workers in McMinnville worked at home in 1990. Metro, in its September 1999 Urban Growth Report Update applies a sector-level "home occupation" factor in its analysis of land needed for non-residential uses. The factor ranges from 0% for the Government sector to 15% for the Service sector. We use an aggregate assumption of 5% for this study.

This figure is slightly higher than the 4.4% reported by the Census in 1990 for McMinnville, and lower than the aggregate assumption of 11% for Metro. Census data, however, indicate that cities tend to have much lower rates than the Metro assumptions. The statewide percentage of persons that worked at home was 3.6% in 1990 and ranged from a low of 0% in 18 incorporated cities to a high of 15% in Coburg. The assumption used in this report accounts for a slightly increased rate of home employment.

- **Percent of employment growth on non-residential developed land currently developed.** Some employment growth will be accommodated on existing developed land, as when an existing firm adds employees without expanding

space. There is little empirical research on the amount of employment growth accommodated in existing developments. This factor overlaps with other assumptions: if a jurisdiction has high vacancy rates or large amounts of square footage per employee, then more of the future employment growth can be accommodated in existing buildings. We assume rates between 7% and 10% depending on the land use category.

- **Vacancy rate.** Some employment growth can be accommodated in vacant buildings on non-residential land; for example, a new business can open in a vacant store. Interviews with local realtors suggest that vacancy rates in McMinnville, as elsewhere, are cyclical. For example, while vacancy rates for commercial and industrial structures in McMinnville have been relatively low (less than 5%) in recent years, vacancy rates during a good portion of the 1980s were over 10%. Local realtors suggested that 5% is a good assumption for long-term commercial and industrial vacancy rates in McMinnville.
- **Employees per acre.** This variable is defined as the number of employees per acre on non-residential land that is developed to accommodate employment growth. There are few empirical studies of the number of employees per acre, and these studies report a wide range of results. Ultimately the employees/acre assumptions reflect a judgment about average densities and typically reflect a desire for increased density of development. Employees/acre ratios used in a recent analysis of land demand for the City of Salem were 22 for commercial and office, 11 for industrial, and 35 for government.¹ The Lane Council of Governments assumed an aggregate employee per acre ratio of about 25 for the 1992 *Eugene-Springfield Metropolitan Area Industrial Lands Study*.

For this study we assume the same employee per acre ratios as the Salem study: 22 for commercial and office, 11 for industrial, and 35 for public.

- ~~• **Floor area per employee.** The few studies that exist report a wide range of results for the amount of built space (square footage) per employee. This assumption reflects a judgment about average densities and typically reflects a desire for increased density of development. Square feet per employee assumptions used in a recent analysis of land demand for the City of Salem were 350 for commercial and office, 650 for industrial, and 400 for government.~~

~~For this study, we use the same floor area per employee assumptions as the Salem study: 350 sq. ft. for commercial and office, 650 sq. ft. for industrial, and 400 sq. ft. for public.~~

- ~~• **Implied Floor Area Ratio (FAR).** This is a measure of the floor area ratio (FAR) calculated by the assumptions of employees per acre and built space per~~

¹ *Salem Futures Buildable Lands Analysis*, Mid-Willamette Valley Council of Governments, October 2000.

employee. This measure is included to indicate the reasonableness of the assumptions for land and built space per employee.

- **Percent of employment growth on redeveloped land.** Some employment growth will be accommodated on land that is redeveloped—for example, an existing building that is renovated or torn down and replaced with a new building. Redevelopment potential can be estimated from the supply side or the demand side.

Supply side methods typically use an improvement-to-land value ratio threshold to identify lands with redevelopment potential. Lands below the threshold are considered potentially redevelopable: the lower the value of improvements relative to the value of land, the more likely is redevelopment. An improvement-to-land value ratio of 1 to 1 is a common threshold. This method has several limitations, the chief of which is that a *higher probability* of redevelopment is not a *certainty* of redevelopment. Not all land (perhaps not even a majority of it) below the threshold will redevelop, and some of it above the threshold *will* redevelop. Many factors—for example, location, economic conditions, and technology—affect the functionality of land. The improvement-to-land value ratio only considers the value of improvements on the site.

More robust supply-side models look at the value of improvements on the site and nearby sites. This approach considers the broader character of the area and the relative value of improvements on the subject site compared to uses surrounding the site. This approach typically considers properties with improvement values 50% or less of surrounding sites as having redevelopment potential.

Less common, but in our opinion superior for the purposes of estimating future consumption of buildable land, are demand-side methods, which assume that a certain percentage of new employment will be accommodated on sites that are classified as developed. This approach considers complicating factors such as home employment, increases in the efficiency of space use, increases in employment density, as well as redevelopment. Metro uses this approach for its studies. The details are discussed in a 1999 Metro memorandum titled *Nonresidential Refill (Redevelopment and Infill)*.

Based on conversations with local realtors and review of studies by Metro and the City of Salem, we assume that redevelopment will accommodate 5% of the forecasted growth in employment for all employment types.

- **Redeveloped land relative density.** Redevelopment of land generally increases the employment density on that land. An assumption of 50% indicates that employment density on redeveloped land will be 50% greater than the assumption of density applied to vacant land.

Table 6-2 summarizes the assumptions used to develop non-residential land demand estimates.

Table 6-2. Assumptions for non-residential land demand

Assumption	Land Use Type			
	Commercial	Office	Industrial	Public
% of total emp growth that requires no non-res built space or land	5%	5%	5%	1%
% of emp growth on existing developed land	5%	5%	7%	7%
Vacancy rate	5%	5%	5%	5%
Emp/ acre	22.0	22.0	11.0	35.0
Sq. ft. floor area/ emp	350	350	650	400
Implied Floor Area Ratio (FAR)	0.18	0.18	0.16	0.32
Redeveloped Land				
% emp growth on redev. land	5%	5%	5%	5%
Relative density increase (emp/acre)	50%	50%	50%	50%

Source: ECONorthwest.

Table 6-3 shows the results of applying the relevant assumptions (summarized in Table 6-2) to allocate the projected employment growth to 2023. McMinnville will have approximately 6,141 employees to accommodate in new building space, with approximately equal shares (about 30% each) for commercial, office, and industrial uses. The assumptions lead to the result that about 18% of future employment growth (1,120 jobs) will be accommodated through expansions or redevelopment on existing lands, and by home based employment. This assumption is slightly lower than the 21% Metro uses for the redevelopment and infill in its buildable lands studies. Approximately 364 new jobs will be accommodated on redeveloped land.

Table 6-3. Allocation of employment growth in McMinnville, 1999–2020

Land Use Type	Total emp growth	Requires no non-res built space or land	On existing developed land	On redev. land	Requires vacant non-res land
Commercial	2,179	109	109	109	1,852
Office	2,092	105	105	105	1,777
Industrial	2,212	111	155	111	1,835
Public	778	8	54	39	677
Total	7,261	333	423	364	6,141

Source: ECONorthwest.

Table 6-4 shows the amount of new land and built space needed for each land use type in McMinnville over the 2003–2023 period. The amount of land needed (in acres) is calculated by dividing employment growth that will require new space (the last column of Table 6-3) by the employees/acre assumption in Table 6-2 (middle row) for each land use type, with an adjustment for vacancy. Square feet of building

space needed is calculated by multiplying employment growth that will require new building space by the square feet per employee assumption in Table 6-2 for each land use type, with an adjustment for vacancy.

Table 6-4. McMinnville vacant land and new built space need by land use type, 2003–2023

Land Use Type	Acres vacant non-res of land		Sq. Ft. of new building space	
Commercial	88.6	24%	682,346	24%
Office	85.0	23%	654,684	23%
Industrial	175.6	48%	1,255,526	44%
Public	20.4	6%	285,053	10%
Total	369.6	100%	2,877,579	100%

Source: ECONorthwest.

Table 6-4 shows that about 370 acres of vacant non-residential land ~~new development~~ and ~~2.88 million square feet of building space~~ are needed to accommodate the 6,141 new employees forecasted for the next 20 years to be accommodated in buildings that will be constructed on vacant land. ~~Industrial uses are projected to need the most building space, almost 1.26 million square feet.~~ About 1,120 new employees will be accommodated on existing developed or redeveloped land.”

Staff also recommend amendments to Appendix B of the MUGMP. The specific pages are on B-17 and B-18. The recommended amendments are shown below. These amendments are:

“Land needed for employment, 2003-2023²

Table 13 shows total employment growth by land use type in McMinnville for 2003, and 2023. The forecast of employment is derived from employment data shown in Table A-4 of the memorandum titled “*Justification for Population and Employment Projections.*” The employment projection indicates McMinnville will add 7,420 new employees between 2003 and 2023.

² Land need includes lands designated for commercial and industrial uses needed for employment and for public and semi-public uses that will locate on commercial and industrial lands.

Table 13. Total employment growth by land use type in McMinnville UGB, 2003–2023

Land use category	Growth			
	2003	2023	2003-2023	Percent
Commercial	3,302	5,540	2,239	30%
Office	5,873	7,978	2,105	28%
Industrial	4,600	6,870	2,269	31%
Public	966	1,773	807	11%
Total	14,741	22,161	7,420	100%

Source: ECONorthwest.

The land need estimates that follow are based on the same set of assumptions described in Chapter 6 of the *McMinnville Economic Opportunities Analysis*.

Table 14 shows the amount of new land and built space needed for each land use type in McMinnville over the 2003–2023 period. The results indicate McMinnville will need approximately 367 gross acres to accommodate employment for the 2003–2023 period. An additional 122 acres of commercial and industrial land is needed for public and semi-public uses in addition to those needed for employment shown in Table 14.³

Table 14. McMinnville vacant land and new built space needed for employment by land use type, 2003–2023

Land Use Type	Acres vacant non-res of land		Sq. Ft. of new building space	
Commercial	88.6	24%	682,316	24%
Office	85.0	23%	654,684	23%
Industrial	175.6	48%	1,255,526	44%
Public	20.4	6%	285,053	10%
Total	369.6	100%	2,877,579	100%

Source: ECONorthwest.”

³ ECO estimates land needed for public and semi-public uses (not including parks) at 197.2 total acres. Not all of this land need will occur on commercial and industrial lands. ECO estimates that public and semi-public uses will require 75.2 residential acres. Thus, 197.2 – 75.2 = 122.0 non-residential acres).

PROPOSED COMPR ZONING CHANGES -

A. Accessory Dwelling Units (ADU) to be allowed in residential zones as a means of encouraging infill development and increased density.

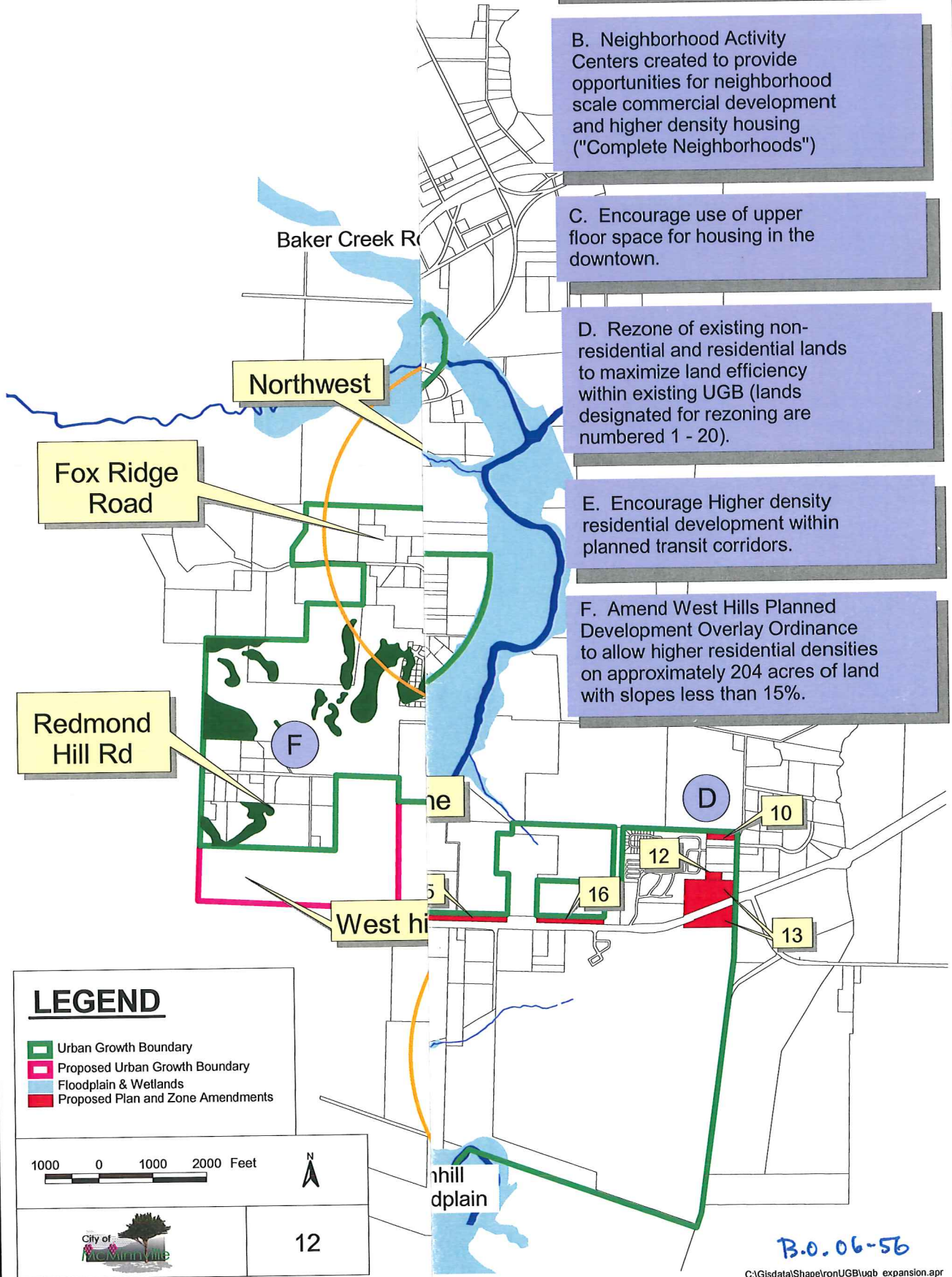
B. Neighborhood Activity Centers created to provide opportunities for neighborhood scale commercial development and higher density housing ("Complete Neighborhoods")

C. Encourage use of upper floor space for housing in the downtown.

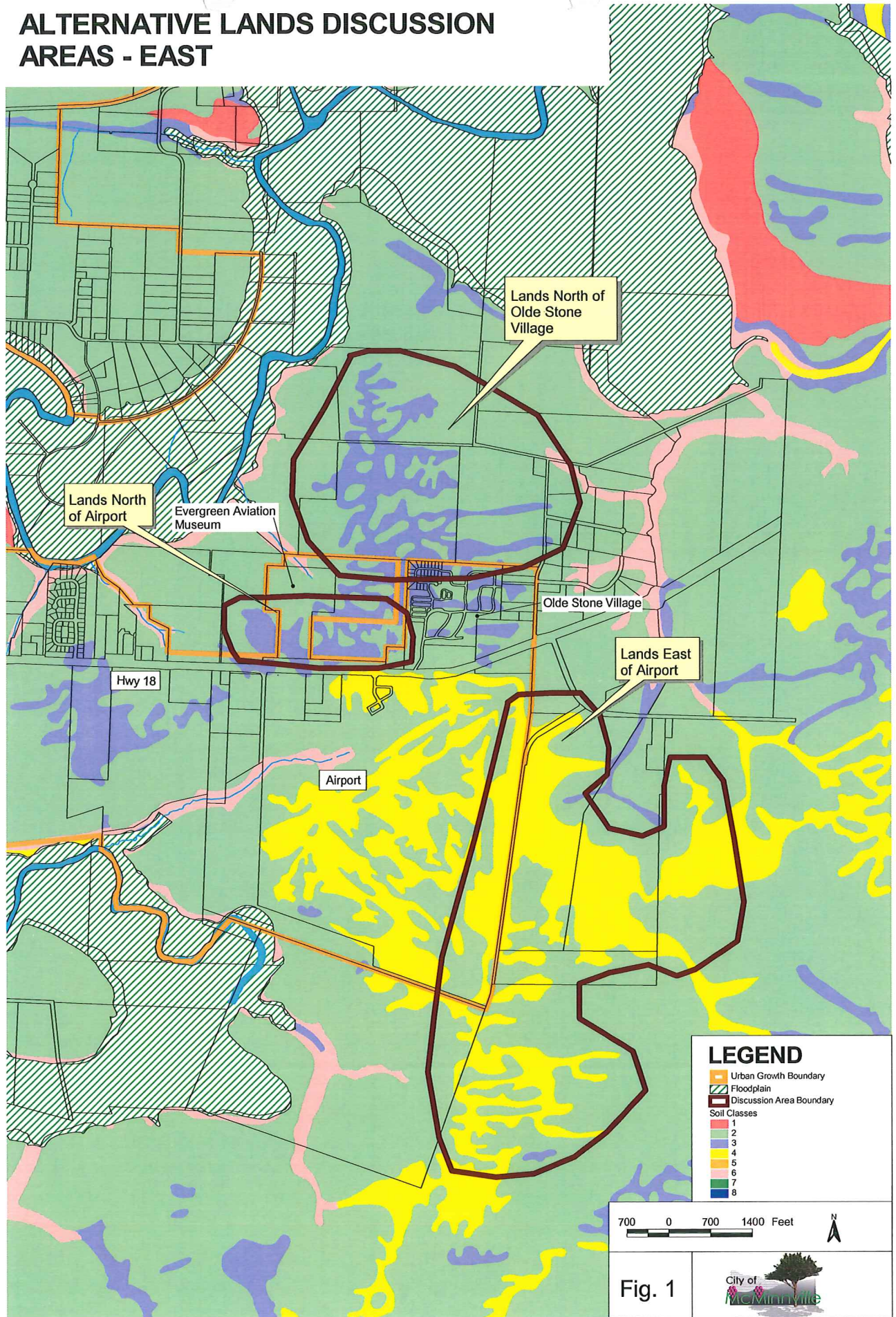
D. Rezone of existing non-residential and residential lands to maximize land efficiency within existing UGB (lands designated for rezoning are numbered 1 - 20).

E. Encourage Higher density residential development within planned transit corridors.

F. Amend West Hills Planned Development Overlay Ordinance to allow higher residential densities on approximately 204 acres of land with slopes less than 15%.



ALTERNATIVE LANDS DISCUSSION AREAS - EAST



ALTERNATIVE LANDS DISCUSSION AREAS - WEST

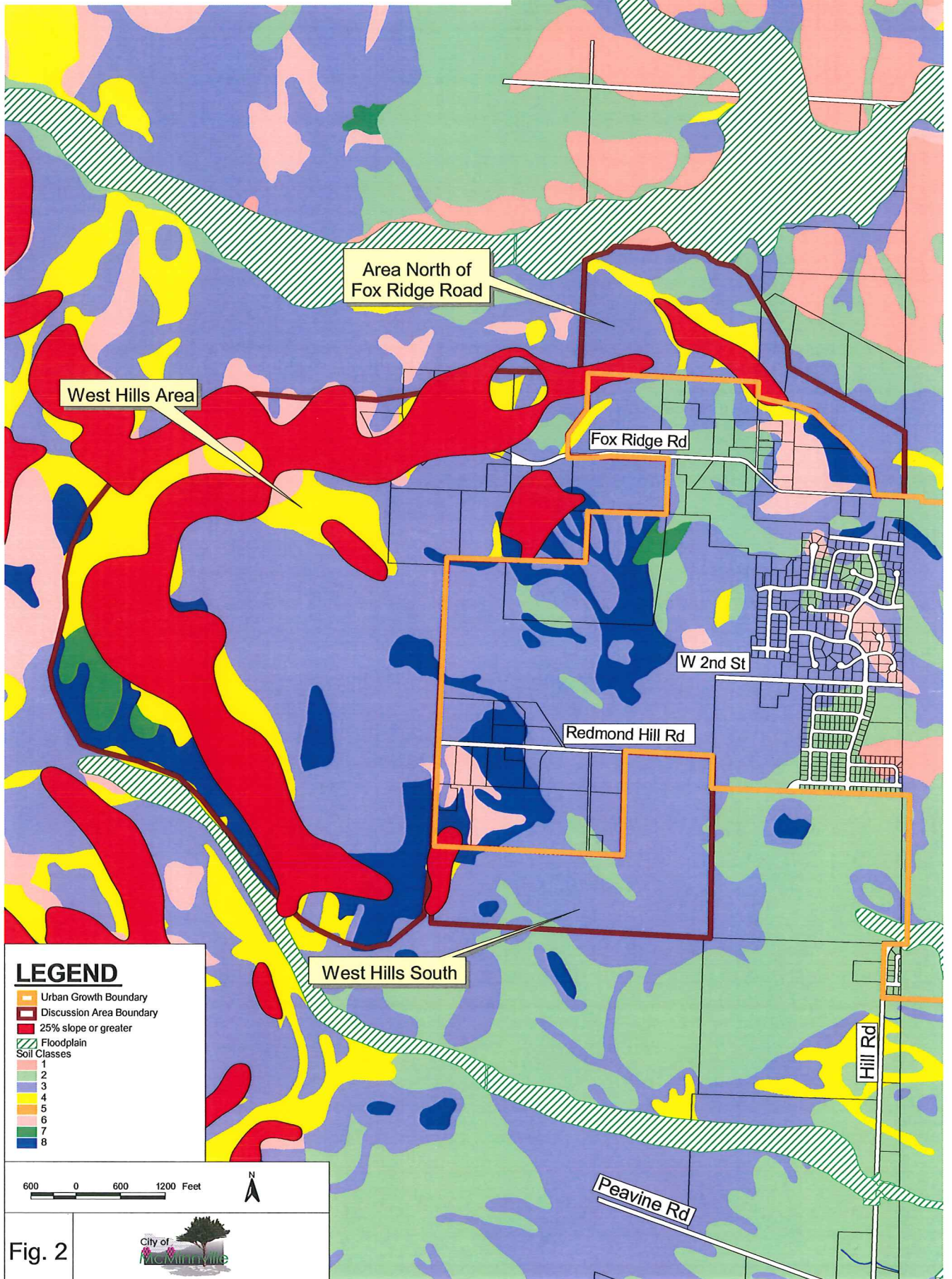
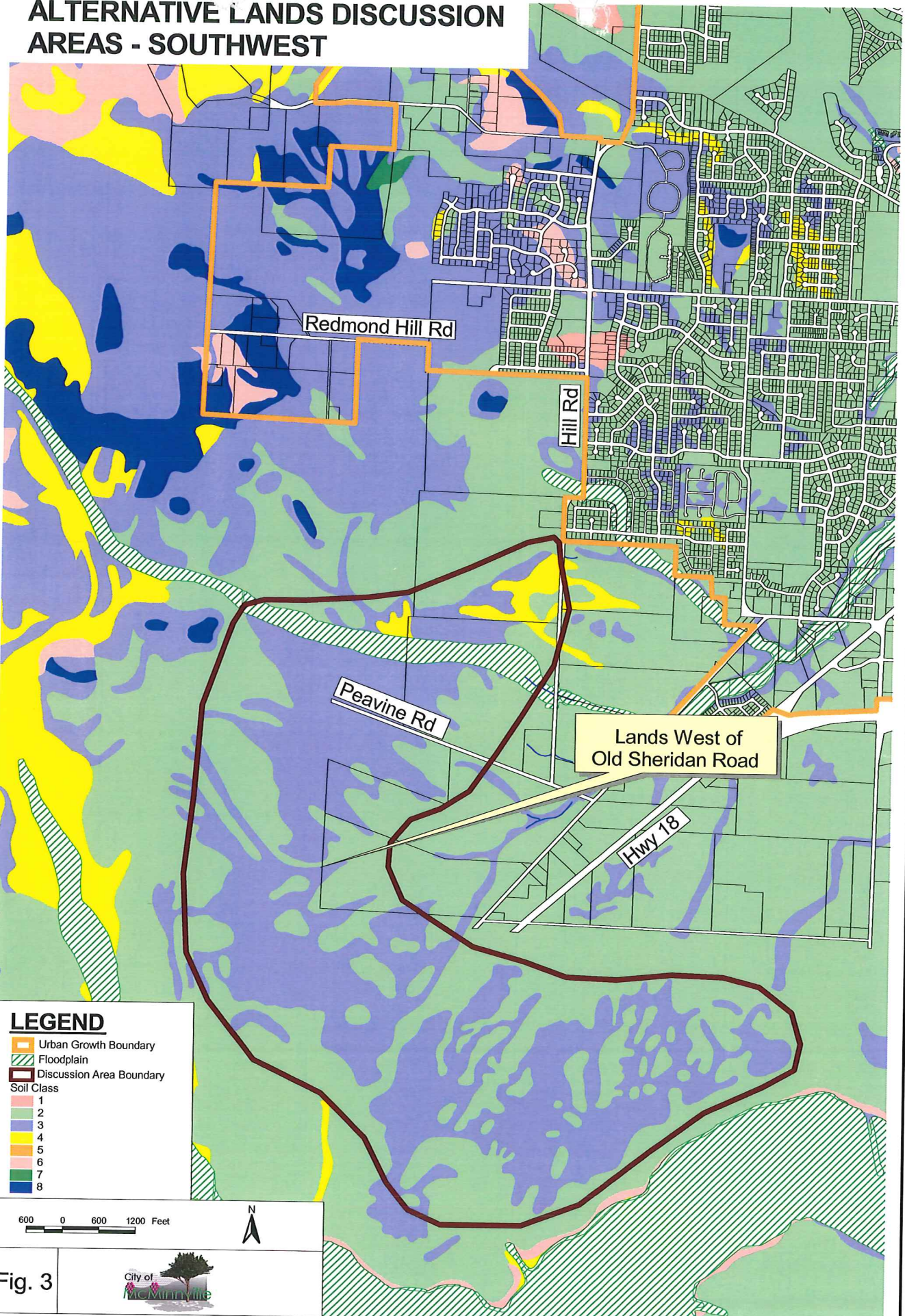


Fig. 2

ALTERNATIVE LANDS DISCUSSION AREAS - SOUTHWEST



LEGEND

- Urban Growth Boundary
- Floodplain
- Discussion Area Boundary

Soil Class

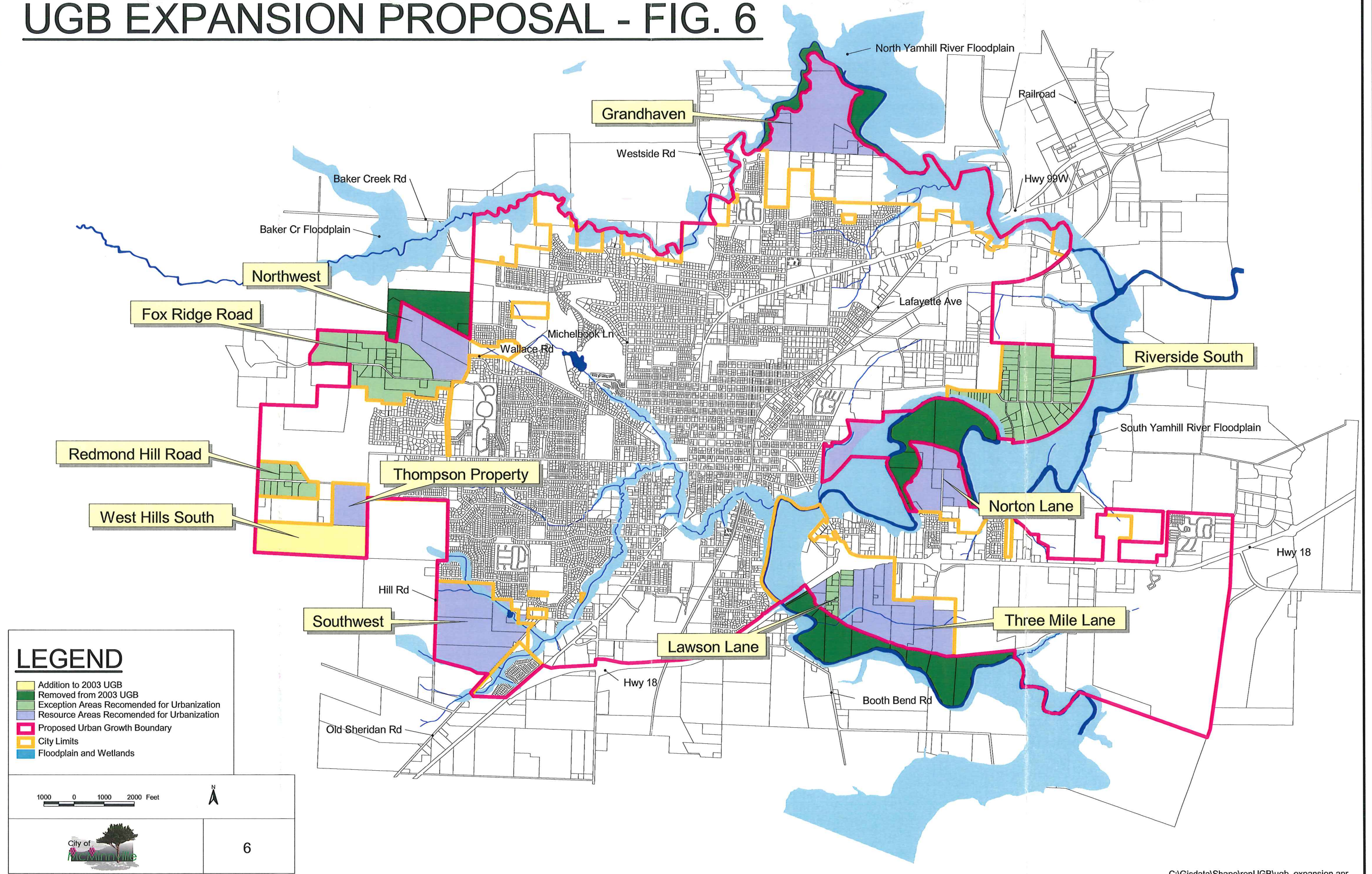
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8



Fig. 3

City of McMinnville

UGB EXPANSION PROPOSAL - FIG. 6



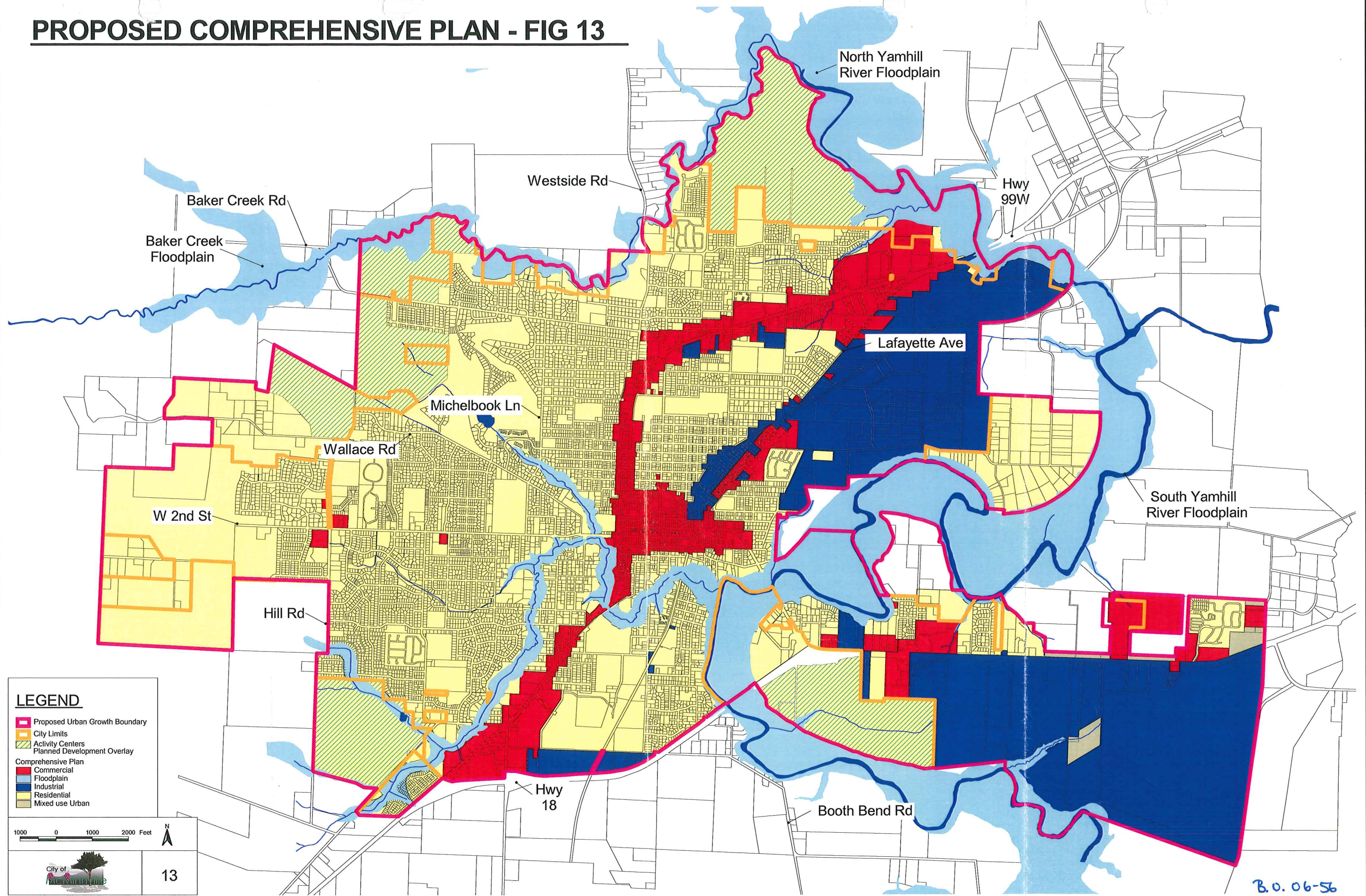
LEGEND

- Addition to 2003 UGB
- Removed from 2003 UGB
- Exception Areas Recommended for Urbanization
- Resource Areas Recommended for Urbanization
- Proposed Urban Growth Boundary
- City Limits
- Floodplain and Wetlands

1000 0 1000 2000 Feet



PROPOSED COMPREHENSIVE PLAN - FIG 13



LEGEND

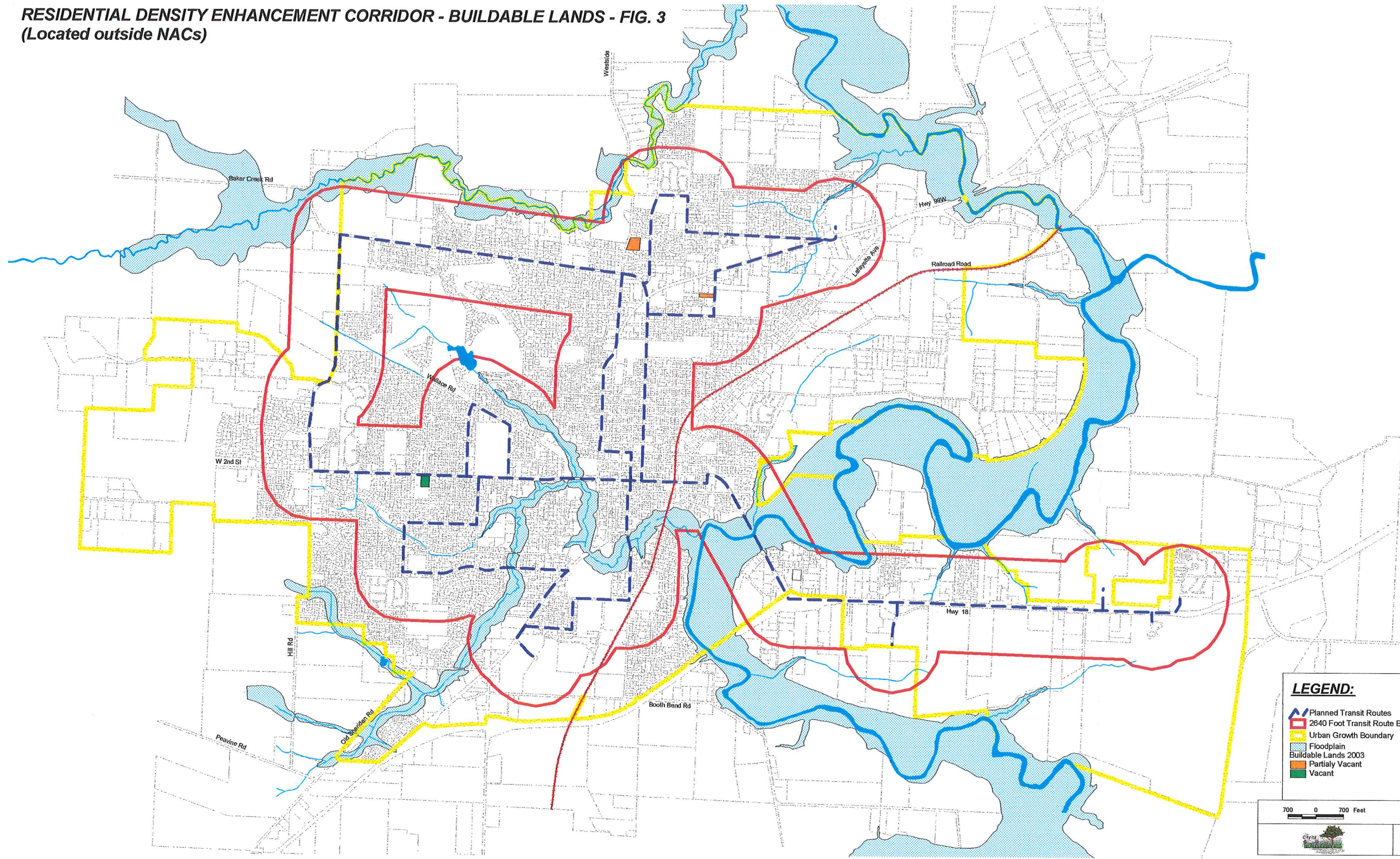
- █ Proposed Urban Growth Boundary
- █ City Limits
- Activity Centers Planned Development Overlay
- Comprehensive Plan**
- █ Commercial
- █ Floodplain
- █ Industrial
- █ Residential
- █ Mixed use Urban

1000 0 1000 2000 Feet



13

RESIDENTIAL DENSITY ENHANCEMENT CORRIDOR - BUILDABLE LANDS - FIG. 3
 (Located outside NACs)



LEGEND:

- Planned Transit Routes
- 2640 Foot Transit Route Buffer
- Urban Growth Boundary
- Floodplain
- Buildable Lands 2003
- Partially Vacant
- Vacant

700 0 700 Feet

5-23