

McMinnville Growth Management and Urbanization Plan

- Findings -



Adopted October 14, 2003, McMinnville City Council
Adopted October 16, 2003, Yamhill County Board of Commissioners



TABLE OF CONTENTS

INTRODUCTION & BACKGROUND **4**

I. STATEWIDE PLANNING GOALS 14 AND 2, AND ORS CHAPTER 197

A. GOAL 14 (URBANIZATION).....6

 1. FACTORS 1 AND 2.....7

 2. FACTOR 4; ORS 197.732(1)(C)(B) AND GOAL 2, PART II(C)(2).....17

B. PRIORITIZATION AND ASSESSMENT OF LAND TO ADD TO THE UGB.....22

 1. ORS 197.298 AND FACTOR 6.....25

 2. FACTOR 3.....54

 3. FACTOR 4.....66

 4. FACTOR 5; ORS 197.732(1)(C)(C) AND GOAL 2, PART II(C)(3).....66

C. SERVICEABILITY AND COMPATIBILITY OF LAND ADDED TO THE UGB.....70

 1. FACTOR 3.....70

 2. FACTOR 7; ORS 197.732(1)(C)(D) AND GOAL 2, PART II(C)(4).....71

D. CONVERSION FROM URBANIZABLE LAND TO URBAN USES.....74

 1. CONVERSION FACTOR 1.....74

 2. CONVERSION FACTOR 2.....74

 3. CONVERSION FACTOR 3.....74

 4. CONVERSION FACTOR 4.....75

E. GOAL 2 (LAND USE PLANNING).....75

II. STATEWIDE PLANNING GOALS 1, 3, 4, AND 5-13

A. GOAL 1 (CITIZEN INVOLVEMENT).....78

B. GOAL 3 (AGRICULTURAL LANDS).....80

C. GOAL 4 (FOREST LANDS).....80

D. GOAL 5 (NATURAL RESOURCES, SCENIC AND HISTORIC AREAS, AND OPEN SPACES).....81

E. GOAL 6 (AIR, WATER AND LAND RESOURCES QUALITY).....81

F. GOAL 7 (AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS).....82

G. GOAL 8 (RECREATIONAL NEEDS).....84

H. GOAL 9 (ECONOMY OF THE STATE).....87

 1. ECONOMIC OPPORTUNITIES ANALYSIS.....87

 2. ECONOMIC DEVELOPMENT STRATEGY.....88

 3. EMPLOYMENT PROJECTION AND NON-RESIDENTIAL LAND DEMAND.....91

 4. NON-RESIDENTIAL LAND SUPPLY.....93

 5. NON-RESIDENTIAL LANDSUMMARY.....94

 6. SUITABILITY OF AVAILABLE INDUSTRIAL AND COMMERCIAL SITES.....94

I. GOAL 10 (HOUSING).....94

 1. ACTUAL DEVELOPMENT.....94

 2. RESIDENTIAL BUILDABLE LAND INVENTORY.....100

 3. PROJECTED 20-YEAR RESIDENTIAL LANDS NEEDS.....109

 4. AFFORDABLE HOUSING POLICIES AND IMPLEMENTATION MEASURES.....145

 5. COMBINED UGB INCLUSION AREAS - NEED AND CAPACITY156

J. GOAL 11 (PUBLIC FACILITIES AND SERVICES).....157

K. GOAL 12 (TRANSPORTATION).....157

L. GOAL 13 (ENERGY CONSERVATION).....160

III. MCMINNVILLE COMPREHENSIVE PLAN GOALS AND POLICIES

- A. Chapter II - Natural Resources.....161
- B. Chapter III - Cultural, Historical, and Educational Resources..... 163
- C. Chapter IV - Economy.....163
- D. Chapter V - Housing and Residential Development..... 165
- E. Chapter VI - Transportation..... 166
- F. Chapter VII - Community Facilities..... 166
- G. Chapter VIII - Energy..... 167
- H. Chapter IX - Urbanization..... 168
- I. Chapter X - Citizen Involvement.....169

INTRODUCTION & BACKGROUND

Since 1980, McMinnville's population has almost doubled, increasing by more than 14,000 between 1980 and 2002. As of January 1, 2003, McMinnville had an estimated 28,500 residents.¹ McMinnville has been one of the fastest growing cities in Oregon and is now the 15th most populated city in the state.

The City estimates that the population will continue to grow in the next 20 years adding 15,545 people and bringing the total city population to 44,055 in 2023.² These new residents will require additional land for housing, commerce, industry, schools, parks, and places of worship, among other uses.

Over the course of the past few years, the City conducted an exhaustive review and study of its recent development history, national, state, and local housing trends, economic data, and characteristics of each of the more than 8,000 individual parcels of land within its present urban growth boundary in order to define its future urban land needs and ability to meet those demands. These studies, which culminated in the adoption of the "*McMinnville Residential Land Needs Analysis*" and the "*McMinnville Economic Opportunities Analysis*," in May of 2001 and November of 2001, respectively, provide extensive documentation and insight as to how McMinnville's future land use and development patterns may form, based upon our recent history and existing land use policies.

Using technically accepted and legally required procedures for estimating land needs to accommodate the expected growth, the City concludes that there is not enough buildable land remaining within the present urban growth boundary (UGB) to accommodate this projected need. If past land use policies and practices remain static, and market trends are as predicted, approximately 1,395 acres of vacant buildable land will need to be added to its present urban growth boundary in order to accommodate this need.

Under most any scenario, McMinnville will need to amend its current urban growth boundary in order to accommodate its projected land needs for the planning period. The extent to which this boundary will need to be adjusted is dependent upon several factors; perhaps most importantly upon the growth management strategies and measures adopted by the City, and the qualities and characteristics of the land on which expansion is directed. Over the course of this past year, the City has worked to craft a growth management strategy that would minimize this potential expansion while providing the quality environment it currently enjoys and wishes to maintain into the future. The results of that effort are documented in the *McMinnville Growth Management and Urbanization Plan* (MGMUP), which was submitted to the Department of Land Conservation and Development (DLCD) for review in June 2003. The City subsequently held public work sessions and hearings in July and August 2003 and, on August 12, 2003, took action to direct staff to prepare the findings and ordinances required to support their decision to adopt the Plan. The following pages address applicable statewide planning goals, local

¹ Portland State University estimated McMinnville's July 1, 2002 population at 28,200.

² Appendix A provides justification for the population and employment forecasts.

comprehensive plan goals and policies, and Oregon administrative rules and statutes and are offered in response to that direction.

Rather than addressing each of the Oregon Statewide Planning Goals in numeric sequence, the document begins with the findings and statement of reasons applicable to Goals 14 (Urbanization) and 2 (Land Use), and Chapter 197(Comprehensive Land Use Planning Coordination) of Oregon Revised Statute. A presentation of the findings and reasons applicable to each of the remaining goals, City plan policies, and other land use requirements follow from there. This has been done in an attempt to provide a better context and introduction in which to understand the City's decisions relative to the "McMinnville Growth Management and Urbanization Plan" and proposed urban growth boundary amendment.

FINDINGS OF FACT AND REASONING

I. Statewide Planning Goals 14 and 2 and ORS Chapter 197

A. Goal 14 (Urbanization)

To provide for an orderly and efficient transition from rural to urban land use.

Findings: Goal 14 requires cities to designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account (1) the growth policy of the area, (2) the needs of the forecast population, (3) the carrying capacity of the planning area, and (4) open space and recreational needs. It also specifies seven factors that must be considered in amending an established UGB.

The seven factors of Goal 14 are as follows:

1. Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;
2. Need for housing, employment opportunities and livability;
3. Orderly and economic provision for public facilities and services;
4. Maximum efficiency of land uses within and on the fringe of the existing urban area;
5. Environmental, energy, economic and social consequences;
6. Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and,
7. Compatibility of the proposed urban uses with nearby agricultural activities.

UGB amendments, however, are governed not only by the factors set out in Goal 14, but also by the priorities for adding land to a UGB set out in ORS 197.298, and by the goal exception requirements of ORS 197.732, Goal 2, Part II, and OAR 660-04-010(1)(c) and 660-04-020. Due to the overlapping nature of these standards, they are addressed in integrated form in this section. The relevant issues are addressed under the following three subheadings.

- A. The need to expand the City's UGB;
- B. The prioritization and assessment of land to add to the UGB; and
- C. The relative serviceability and compatibility (with adjacent rural uses) of the chosen alternatives.

The Need to Add Additional Land to the City's UGB

The Council finds that several applicable standards relate to this issue. Goal 14 factors 1 and 2 require the demonstration of a "need" to add land to the UGB, based on long range population projections, housing needs, providing employment opportunities and/or promoting livability. ORS 197.732(1)(c)(A) and Goal 2, Part II(c)(1) require that "reasons justify why the state policy embodied in the applicable goals should not apply." However, OAR 660-04-010(1)(c)(B)(i) specifically provides that this requirement can be satisfied by compliance with the seven factors

of Goal 14. Consequently, ORS 197.732(1)(c)(A) and Goal 2, Part II(c)(1) are not separately addressed in these findings.

ORS 197.732(1)(c)(B) and Goal 2, Part II(c)(2) require a demonstration that areas that do not require a new goal exception “cannot reasonably accommodate the use.” In the context of a proposed UGB amendment, this requires a showing that the needs for urban uses cannot be satisfied on land already within the UGB.³ This issue is also relevant to Goal 14 factor 4, which requires the consideration of “maximum efficiency of land uses” within the existing urban area.

The findings contained in this document support an expansion of the present UGB by approximately 1,539 gross acres (only slightly more than half of which -- 881 acres -- are buildable). This equates to a 19 percent increase in the gross land area contained within the present urban growth boundary to accommodate a 55% increase in population, and a 50% increase in employment for the period 2003-2023. This is the first significant amendment to the City’s urban growth boundary to occur in the 22 years since its adoption in 1981.

1. Factors 1 and 2

“(1) Demonstrated need to accommodate long range urban population growth requirements consistent with LCDC goals_[.j]”

“(2) Need for housing, employment opportunities, and livability_[.j]”

Findings: The information provided below summarizes findings pertaining to population growth, and land supply and demand. The information is also found in the findings supporting Goals 9 and 10.

Cities are legally required to adopt “coordinated” population projections under ORS 195.036. The Yamhill County Planning Department is the official coordinating body for population projections for Yamhill County cities. The McMinnville population projections for the period between 2003 and 2023 have been reviewed and accepted by Yamhill County.⁴

The state has no legal requirement for employment projections. Employment, however, is the key factor driving demand for commercial and industrial lands.

The population of the Willamette Valley grew considerably between 1980 and 2002. Table 1 shows population increases in selected Willamette Valley communities. The following observations can be made from the data:

- McMinnville more than doubled its population between 1980 and 2002. This equates to a 3.21% average annual growth rate during that period—a rate some 2.5 times faster than the state as a whole.
- McMinnville grew at an even more rapid pace during the 1990s—an average of 3.86% annually.

³ This is because placing needed urban uses on rural land outside a UGB would require exceptions to Goals 11 and 14 and, in many instances, also to Goals 3 and 4. The only exception might be if the needed urban uses could be accommodated in an “urban unincorporated community,” as that term is defined in OAR 660-22-010(8). However, there are no such areas in the vicinity of McMinnville.

⁴ “McMinnville Growth Management and Urbanization Plan,” May 2003, pg. A-9.

- Between 1980 and 2002, McMinnville grew faster than most of the comparable jurisdictions—with the exception of Gresham, Tualatin, and West Linn which are all cities on the fringe of the Portland Metropolitan region whereas McMinnville is not.
- The ratio of population in McMinnville to Yamhill County increased steadily between 1980 and 2002. In 1980, McMinnville accounted for 25.45% of the County's population; by 2002 this percentage had increased to 32.23%.

Table 1. McMinnville population change compared with other jurisdictions, 1980, 1990, 2000, and 2002

Area	1980	1990	% change (1980-90)	2000	2002	% change (1980- 2002)	AAGR (1980- 2002)	% change (1990- 2002)	AAGR (1990- 2002)
Oregon	2,633,156	2,842,321	7.9%	3,421,399	3,504,700	33.1%	1.31%	23.3%	1.76%
Yamhill County	55,332	66,551	20.3%	84,992	87,500	58.1%	2.10%	31.5%	2.31%
Albany	26,511	29,540	11.4%	40,852	42,280	59.5%	2.14%	43.1%	3.03%
Dallas	8,530	9,422	10.5%	12,459	12,850	50.6%	1.88%	36.4%	2.62%
Forest Grove	11,499	13,559	17.9%	17,708	18,520	61.1%	2.19%	36.6%	2.63%
Gresham	33,005	68,249	106.8%	90,205	92,620	180.6%	4.80%	35.7%	2.58%
Lebanon	10,413	10,950	5.2%	12,950	13,110	25.9%	1.05%	19.7%	1.51%
McMinnville	14,080	17,894	27.1%	26,499	28,200	100.3%	3.21%	57.6%	3.86%
Milwaukie	17,931	18,670	4.1%	20,490	20,550	14.6%	0.62%	10.1%	0.80%
Newberg	10,394	13,086	25.9%	18,064	18,750	80.4%	2.72%	43.3%	3.04%
Oregon City	14,673	14,698	0.2%	25,754	27,270	85.9%	2.86%	85.5%	5.29%
Salem	89,233	107,793	20.8%	136,924	141,150	58.2%	2.11%	30.9%	2.27%
Tualatin	7,483	14,664	96.0%	22,791	24,100	222.1%	5.46%	64.3%	4.23%
West Linn	11,358	16,389	44.3%	22,261	23,430	106.3%	3.35%	43.0%	3.02%
Woodburn	11,196	13,404	19.7%	20,100	20,860	86.3%	2.87%	55.6%	3.75%
McMinnville as a % of Yamhill County	25.45%	26.89%		31.18%	32.23%				

Source: Center for Population Research and Census, Portland State University, August 2000

McMinnville's 2000 Census population count was 26,499—a figure 2,079 persons higher than the 1999 population estimate of 24,420 provided by the Center for Population Research and Census at Portland State University. Despite McMinnville's rapid growth rate of 3.21% annually over the last 22 years, McMinnville has accepted, for planning purposes, a much lower population projection for the next 20 years. The assumed population growth rate for McMinnville is 2.2%—a rate considerably lower than the 3.21% average annual rate observed between 1980 and 2002, and much lower than the 3.86% average annual rate observed between 1990 and 2002.

Table 2 shows the official state population forecast (developed by the Department of Administrative Services, Office of Economic Analysis) for Yamhill County, and the coordinated population for McMinnville between 2000 and 2020. These are the figures the McMinnville City Council approved in the *McMinnville Residential Land Needs Analysis* in April 2001, and that were agreed to by DLCD.

The forecasts from that study indicated:

- Population in McMinnville will increase by about 13,567 people between 2000 and 2020. This is an overall increase of 54% or an average annual increase of about 2.2%.

- For purposes of comparison, during the timeframe used to inventory building activity within this analysis (1988 – 2000), the population increased an average of 3.6% annually, or 53% overall.
- McMinnville's average annual population increase for the 100-year period between 1900 and 2000 is 2.9%.
- The 2000 population estimate indicated McMinnville would account for 30% of the County's population. Data from the 2000 Census prove this forecast was already low by the year 2000; the 2000 Census indicated a population of 26,499 persons which accounted for 31.2% of total County population; a figure 1,346 persons lower than was previously estimated.
- The OEA year 2000 population estimate for Yamhill County was 83,826, a figure 1,166 persons lower than the 2000 Census data indicates.
- McMinnville's coordinated population forecast assumes a 2.2% average annual growth rate. Using the 2000 Census population of 26,499 and the 2020 coordinated forecast yields an average annual growth rate of 1.9% during the 20-year period. Using the PSU 2002 population estimate of 28,200 and the 2020 coordinated forecast yields an average annual growth rate of 1.78%.

Table 2. Population projection from Residential Lands Study, 2000-2020, Yamhill County and McMinnville

Year	Yamhill County	McMinnville	Ratio of McMinnville to County
1990	65,551	17,894	27.3%
1999	83,100	24,420	29.4%
Percent Change	26.8%	36.5%	
AAGR	2.7%	3.5%	
2000	83,826	25,153	30.0%
2020	119,589	38,720	32.4%
Percent Change	42.7%	53.9%	
AAGR	3.6%	4.4%	

Source: McMinnville Residential Land Needs Analysis
AAGR = Average Annual Growth Rate

The data above clearly demonstrate that the year 2020 coordinated forecast is:

- Lower than observed population growth rates;
- Has underestimated growth significantly in the first five years of a 20-year forecast period; and
- Will result in McMinnville planning for significantly less growth than is likely to occur.

McMinnville's population forecast was updated in 2003 using the 2002 PSU population estimate of 28,200 as the base and applying a 2.2% average annual growth rate (the same growth rate accepted by Yamhill County and DLCD in the prior analysis) through the year 2023. Using the same method as previously applied, ECO estimates McMinnville's 2003 population will be 28,510 and McMinnville's Year 2023 population will be 44,055. This amounts to a projected population increase of 15,545 between the years 2003 and 2023 (See Table 3).

Table 3. Coordinated population forecast, 2003-2023, Yamhill County and McMinnville

Date	Yamhill County	McMinnville	Ratio of McMinnville to County
2000 Census	84,992	26,499	31.2%
2020 PSU	87,500	28,200	32.2%
2003	88,887	28,510	32.1%
2023	125,144	44,055	35.2%
Change, 2003-2023			
Number	36,257	15,545	
Percent	40.8%	54.5%	
AAGR	1.7%	2.2%	

Source: US Census (2000); PSU CPRC (2002), ECONorthwest

Note: 2003 and 2023 Yamhill County extrapolated from 1997 OEA long-term forecast; 2003 and 2023 McMinnville figures assume a 2.2% average annual growth rate using the 2002 PSU estimate.

Chapter 5 of the *McMinnville Economic Opportunities Analysis* (EOA) describes the methodology ECO used to project employment between 1999 and 2020. The EOA concluded:

“The estimate of 1999 total employment in the McMinnville UGB area, 13,585, forms the basis from which we estimate future employment. At an average annual growth rate of 2.06%, total employment in McMinnville will grow from 13,585 in 1999 to 20,846 in 2020, an increase of 7,261 or 53% over the twenty-year period.”

The updated employment figures build from the same 1999 base of 13,585, and use the same average annual growth rate of 2.06%. The revised projection extends to 2003—and results in a total employment projection of 22,161 jobs in 2023. The extrapolated 2003 employment is 14,741 based on the 1999 base and a 2.06% annual growth rate. Table 4 summarizes the revised employment projection by sector. The adjustment increases total employment by 159 jobs over the original forecast presented in the *McMinnville Economic Opportunities Analysis*.

Table 4. Revised employment forecast by sector, 2003-2023

Sector	Total employment		Share of total		Growth	AAGR
	2003	2023	2003	2023	2003-2023	2003-2023
Agriculture, Forestry, Fishing	783	997	5.3%	4.5%	214	1.21%
Mining	75	111	0.5%	0.5%	36	1.97%
Construction	436	886	3.0%	4.0%	450	3.61%
Manufacturing	2,477	3,213	16.8%	14.5%	736	1.31%
Transportation & Utilities	537	1,108	3.6%	5.0%	571	3.69%
Wholesale Trade	292	554	2.0%	2.5%	262	3.26%
Retail Trade	3,296	5,540	22.4%	25.0%	2,244	2.63%
Finance, Insurance, & Real Estate	1,336	1,773	9.1%	8.0%	437	1.43%
Services	4,537	6,205	30.8%	28.0%	1,668	1.58%
Nonclassifiable	5	0	0.0%	0.0%	-5	-100.00%
Government	966	1,773	6.6%	8.0%	807	3.08%
Total Employment	14,741	22,161	100.0%	100.0%	7,420	2.06%

Source: ECONorthwest, 2003

Land needed for housing, 2003-2023

The housing need forecast estimates that McMinnville will need 6,014 new dwelling units between 2003 and 2023. Subtracting out the estimated residential capacity of lands within the current McMinnville UGB of 2,949 dwelling units yields a need for land capable of accommodating an additional 3,065 dwelling units.

Table 5 shows land needed to accommodate the additional 3,065 units at *needed* residential densities. The McMinnville City Council finds a **need for 537 gross buildable residential acres** beyond existing buildable land (e.g., outside the present McMinnville UGB) to accommodate new residential development.

Table 5. Additional land needed for housing outside the present McMinnville UGB, 2003-2023

Zone	Additional Dwelling Unit Need	Gross Density	Needed Gross Res Acres
R-1	368	3.5	104.1
R-2	1,011	4.3	236.8
R-3	429	5.4	78.9
R-4	705	8.8	80.4
R-5	552	15.0	36.7
All Other Zones	na	na	na
Total	3,065	5.7	536.9

Source: ECONorthwest, 2003

Table 6 shows total residential land need from 2003 to 2023. Including land needed for parks, schools, religious uses, government, semi-public services and infrastructure the Council finds a total need for 1,035 gross buildable residential acres.

Table 6. Total additional acres needed in the McMinnville UGB, 2003-2023

Category	Needed Gross Res Acres
New housing	536.9
Group Quarters	13.3
Parks	314.0
Schools	96.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
Total	1,035.4

Source: City of McMinnville, ECONorthwest
 Note: Parkland need assumes the City standard of 14.0 acres per 1,000 residents will be met. The recent \$9 million park bond is a strong indication of the City's commitment to this standard.

The Council finds that based on population forecasts, assumptions about household size, persons in group quarters, and vacancy rates, McMinnville will need about 6,014 new dwelling units between 2003 and 2023. The Council finds that at needed densities, this translates into a buildable land need of 1,053 acres for residential development. The Council finds that parks and other public and semi-public facilities are expected to require an additional 485 buildable residential acres for a total residential land need of about 1,538 acres.

The Council finds that as of December 31, 2002, McMinnville had an estimated 865 gross buildable residential acres within its UGB. Based on a tax lot level residential capacity analysis, the 865 gross acres of buildable residential land within the existing McMinnville UGB will accommodate 2,949 residential units. This results in a capacity deficit of 3,065 units. This translates into a need for an additional 537 buildable acres of land needed beyond the existing UGB to accommodate projected residential development. Added to this need are about 485 acres needed for development of public and semi-public uses that will also locate on residential land and 13 acres for group quarters housing. **Thus, the Council finds the total gross vacant buildable residential land need outside the present McMinnville UGB, according to analysis and findings consistent with ORS 197.296 and the DLCD *Planning for Residential Growth* workbook, necessary to accommodate projected growth is 1,035 gross acres (537 acres for residential dwelling units, 13 acres for group quarters, and 485 acres for public and semi-public uses).**

Land needed for employment, 2003-2023⁵

Table 7 shows total employment growth by land use type in McMinnville for the years 2003 and 2023. The employment projection indicates McMinnville will add 7,420 new employees between 2003 and 2023.

⁵ 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 7. 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 8 shows the amount of new land and built space needed for each land use type in McMinnville over the 2003–2023 period. The Council finds that McMinnville will need approximately 367 gross acres to accommodate employment for the 2003-2023 planning period. The Council also finds that 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 8.⁶

Table 8. McMinnville vacant land and new built space needed for employment by land use type, 2003–2023

Type	Acres of land		Sq. Ft. of building space	
Commercial	88.9	24%	684,398	24%
Office	83.6	23%	643,984	23%
Industrial	173.8	47%	1,242,836	44%
Public	20.4	6%	285,578	10%
Total	366.7	100%	2,856,796	100%

Source: ECONorthwest.

OAR 660-009-0025 (2) requires cities to designate sufficient land in each site category to accommodate, at a minimum, the projected land needs for each category during the 20-year planning period.

Table 9 shows a comparison of land demand and supply for the McMinnville UGB for the period 2003-2023. The Council finds that McMinnville has an overall deficit of buildable non-residential land of about 47 acres.⁷ When analyzed by plan designation, however, the results indicate the City has a commercial land deficit of about 117 acres, and an industrial surplus of 70 acres.

⁶ McMinnville 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).

⁷ This deficit assumes that the City would redesignate some industrial lands for commercial uses. The City's proposed industrial land retention policy would not typically allow such redesignations to occur. The City proposes to

Table 9. Comparison of commercial/industrial land demand and supply, McMinnville UGB, 2003-2023

	Plan Designation		Total
	Commercial	Industrial	
Buildable Acres	101.9	339.8	441.7
Vacant Land Demand			
Commercial	192.9		192.9
Industrial		173.8	173.8
Other uses	26.2	95.8	122.0
Surplus (deficit)	(117.2)	70.2	(47.0)

Source: ECONorthwest.

Note: we did not allocate any land demand to the mixed use plan designation.

Land Supply and Need, Comparison and conclusions

Table 10 summarizes buildable land supply by plan designation in the McMinnville UGB. The second column (Gross Acres, July 1, 2000) summarizes land inventory data presented in the *McMinnville Residential Land Needs Analysis* and the *McMinnville Economic Opportunities Analysis*. As of July 1, 2000 McMinnville had about 1,420 gross buildable acres. Between July 1, 2000, and December 31, 2002, an additional 114 acres were developed. The majority of this land (82 acres) was developed in residential uses. Subtracting land developed between July 1, 2000, and December 31, 2002, from the initial inventory leaves approximately 1,310 acres available for development in the McMinnville UGB.

Table 10. Buildable land supply, McMinnville UGB, December 2002

Plan Designation	Gross Acres (July 1, 2000)	Acres	
		Developed (July 1, 2000- Dec 31, 2002)	Gross Buildable Acres (Jan 2003)
Residential	947.0	82.1	864.9
Commercial	115.4	13.5	101.9
Industrial	358.1	18.3	339.8
Mixed Use	2.9	0.0	2.9
Total Buildable Land	1,423.4	113.9	1,309.5

Source: City of McMinnville

McMinnville also proposes to redesignate a number of parcels as part of the land use efficiency measures required by Goal 10 and Goal 14. Table 11 summarizes the impacts of land redesignations. The redesignations add commercial and residential designations, and remove land from the industrial and mixed-use designations.

redesignate a small amount of industrial lands to commercial and residential uses. This is essentially a housekeeping measure that reflects more appropriate uses of certain industrial lands. The redesignations are *not* reflected in Table 9.

Table 11. Effect of proposed land redesignations on buildable land supply

Plan Designation	Change in buildable acres
Commercial	0.49
Industrial	(13.82)
Mixed Use	(2.85)
Residential	16.18

Source: City of McMinnville

Table 12. Revised buildable land supply with land redesignations, McMinnville UGB, December 2002

Plan Designation	Gross Buildable Acres (Jan 2003)	Proposed land redesignations	Gross Buildable Acres (w/ redesignations; Jan 2003)
Residential	864.9	16.2	881.1
Commercial	101.9	0.5	102.4
Industrial	339.8	-13.8	326.0
Mixed Use	2.9	-2.9	0.0
Total Buildable Land	1,309.5	0.0	1,309.5

Source: City of McMinnville

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 95 new dwelling units.

Table 13 provides a summary of land needed, by plan designation, to accommodate forecast population and employment growth between 2003 and 2023. The estimates indicate that McMinnville will need about 2,027 acres of buildable land under the assumptions implicit in the provisional estimate. The majority of this land (1,538 acres) will be needed for residential uses.

The Council finds that McMinnville will need about 219 acres of commercial land, which will support commercial uses as well as public and semi-public uses that will locate on commercial land. McMinnville will need about 270 acres of industrial land, including industrial uses as well as public and semi-public uses that will locate on industrial land.

Table 13. Demand for land by plan designation and use, McMinnville, 2003-2023

Planned Land Use	Gross Acres
Residential Plan Designation	
New Housing	1,053.2
Parks	314.0
Public Schools	96.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
Residential Subtotal	1,538.4
Commercial Plan Designation	
New Commercial	192.9
Public Schools	0.0
Private Schools	0.3
Religious	7.8
Government	13.7
Semi-Public Services	3.5
Infrastructure	0.9
Commercial Subtotal	219.1
Industrial Plan Designation	
New Industrial	173.8
Public Schools	0.0
Private Schools	0.0
Religious	0.0
Government	66.3
Semi-Public Services	18.1
Infrastructure	11.5
Industrial Subtotal	269.7
Total Projected Land Need	2,027.2

Source: McMinnville Residential Lands Study;
McMinnville Economic Opportunities Analysis

Table 14 compares land supply and demand in the McMinnville UGB for the period 2003-2023. The comparison shows that, in the absence of changes in plan policy or implementing measures, McMinnville will require approximately 1,125 acres of buildable land beyond the supply presently in the City's UGB. Deficits exist in land designated for residential and commercial uses. McMinnville has a surplus of about 46 acres of buildable industrial land. The industrial land is not factored against the deficits because the City needs the industrial sites to support its economic development strategy. Further, the City finds that the parcels that comprise this 46 acres of buildable industrial land are inappropriate for commercial or residential use, as documented in Appendix "F" of the *McMinnville Growth Management and Urbanization Plan*.

Table 14. Comparison of land supply and demand, McMinnville UGB, 2003-2023

Plan Designation	Land Need (2003-2023)	Gross Buildable Acres (Jan 2003)	Deficit (Surplus)
Residential ^a	1,538.4	881.1	1,019.2
Commercial	219.1	102.4	106.0
Industrial	269.7	326.0	(44.7)
Total Buildable Land Need Outside UGB	2,027.2	1,309.5	1,125.2

Source: ECONorthwest, 2003

^a Application of residential carrying capacity analysis produces an unmet residential need of 537 acres and does not allow a simple supply/demand calculation to occur.

Notes:

Commercial land need is reduced by 11.7 acres. The City estimates that some commercial development will occur on industrial lands. The industrial land surplus is reduced by a similar amount.

Total buildable land deficit does not include the surplus of industrial land. McMinnville will maintain a 45 acre surplus of industrial land during the planning period.

In conclusion, the City finds that Goal 14, Factor 1 is satisfied and that the proposed amendments will assist the city in accommodating its long-range population growth requirements consistent with LCDC goals. Further, the City finds that the proposed amendments are consistent with the city’s need for housing, employment opportunities and livability, thus satisfying Goal 14, Factor 2.

2. Factor 4 -- Evaluation of Efficiency within the UGB and of Exception Areas: ORS 197.732(1)(c)(B) and Goal 2, Part II(c)(2)

“(4) Maximum efficiency of land uses within and on the fringe of the existing urban area.”

“(C)(2) Areas which do not require a new [goal] exception cannot reasonably accommodate the use.”

Findings: OAR 660-04-020(2)(b), which implements ORS 197.732(1)(c)(B) and Goal 2, Part II(c)(2), further requires that the location of possible alternative areas considered that do not require a new goal exception be described, and that there be an explanation of why the needed uses cannot be reasonably accommodated on such land. These standards require, in this instance, a demonstration that the projected needs for urban uses cannot be accommodated within the City’s existing UGB either by locating the needed uses on vacant buildable land within the UGB or by increasing the existing or future density and efficiency of uses within the existing UGB.

As a result of this legislative plan amendment process, the Council considered several alternatives and implemented several measures to increase the intensity and efficiency of land use in McMinnville prior to making its decision to amend the UGB. Alternatives considered included strategies to increase residential density and infill within the UGB, as well as an evaluation of all lands adjacent to the existing McMinnville UGB.

a. Efficiency of Land Use within the Existing Urban Area

The City's analysis, as contained in the *McMinnville Growth Management and Urbanization Plan* (Table 14, page 6-16) concluded that McMinnville will need approximately 1,125 gross acres of buildable land to accommodate population and employment growth between the years 2003 and 2023. Oregon Revised Statute, and specifically ORS 197.296(4), requires jurisdictions that determine that the urban growth boundary does not contain sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density to take one, or a combination, of the following actions:

- a. Amend the urban growth boundary to include sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density; or
- b. Amend the comprehensive plan, functional plan, or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years without expansion of the UGB.

To comply with this statute, the City proposes to adopt growth management strategies and measures to minimize expansion of the current urban growth boundary, and to expand the boundary where appropriate and as necessary to implement the objectives of the previously described concept plan.⁸ Existing and proposed efficiency measures are described in Section V of the *McMinnville Growth Management and Urbanization Plan*.

In the MGMUP, the city is designed so that people have more transportation choices (they are therefore less dependent on their cars), and its residents have a stronger connection to urban natural areas. Through the sensitive location of higher residential densities and mixed uses, smaller, neighborhood-based corner stores and offices, and future transit service is encouraged to develop. Retail, offices, and neighborhood-based parks, and jobs are convenient to walk to, bicycle to, or take transit to from nearby residences. Retail, office, and residential continue to be attracted back to the city core due to the high quality of life, safety, and pedestrian vibrancy. In addition, this growth plan alternative calls for improving the "public realm" outside downtown primarily by improving the aesthetics of buildings with design controls and generous landscaping. Livability also means avoiding incompatible land uses such as siting housing next to the City's sewage treatment plant and avoiding development in inappropriate locations such as wetlands, riparian corridors, and floodplains.

Urban growth boundary expansion is minimized due to McMinnville's aggressive application of

⁸ Goals 10 and 14, as well as ORS 197.296 have language that requires cities to adopt and implement land use "efficiency" measures before expanding UGBs. Land use efficiency measures can address several local issues including meeting housing need, increasing density, making efficient use of infrastructure and many other local objectives. LUBA, however, has established a much narrower interpretation of land use efficiency measures:

We held that the term "maximum efficiency of land uses" under Goal 14, factor 4 invokes a concern for "avoiding leapfrog or sprawling development inconsistent with the density and connectivity associated with urban development." 35 Or LUBA at 617 (citing to *1000 Friends of Oregon v. City of North Plains*, 27 Or LUBA 372, 390, *aff'd* 130 Or App 406, 882 P2d 1130 (1994)).

In short, the LUBA interpretation focuses on development *patterns*. For the purposes of the McMinnville Growth Management Plan, land use efficiency is used in a broader context: policies that achieve the type of development that is consistent with the principles described in Chapter 4 of the *McMinnville Growth Management and Urbanization Plan*, and meet the Goal 14 and other statutory requirements.

growth management policies and "smart growth" principles. The form of this expansion is contained within the natural and man-made edges that visually and physically define the McMinnville urban landscape. Linear extensions of the urban edge (urban growth boundary) into adjacent resource lands are strongly discouraged due to their propensity to encourage auto-dependent, strip commercial development, particularly at the city's gateways. Lands located beyond these edges typically require greater public cost to serve with infrastructure necessary to allow urban densities.

In summary, the major components of the City's approach are:

- Placement of neighborhood-scale commercial land uses within "activity centers" and infill areas along established major transportation corridors without encouraging the extension of strip commercial in these areas;
- Promotion and orientation of higher density residential uses adjacent to and within these activity areas and along major transportation corridors to achieve economic, housing, and transportation objectives;
- Integration of neighborhood-scale commercial uses, parks, churches, and other civic uses to provide for "complete" neighborhoods;
- Encouraging the conservation and preservation of environmentally sensitive lands;
- Directing future growth to areas that are more cost effective to serve with public infrastructure;
- Equitable distribution of high density housing to each activity center and along identified transit corridors so as to not overburden any one neighborhood and to remain consistent with the City's long standing multi-family dispersal policy;
- Creation of vibrant, healthy, and socially active residential neighborhoods;
- Preservation of existing historic neighborhoods; and
- Avoiding incompatible land use patterns such as siting housing near the City's sewage treatment plant.

Table 15 summarizes measures described in the Residential Lands Workbook, in ORS 197.296 (7), as well as additional measures considered by McMinnville in its policy review.

The City plans to implement the measures listed in Table 15 in order to realize increases in its residential density (from 5.9 to 7.2 dwelling units per net acre), shifts in housing mix (increase in multi-family residential housing; decrease in single-family detached housing), and decreases in the amount of land needed to accommodate future residents, public uses, and employment. The table shows that McMinnville either has in place, or proposes to adopt, measures that address all of the policies identified in state statute and the DLCD Planning for Residential Needs workbook.

Table 15. Summary of existing and proposed land use efficiency measures

	Existing Measures										Proposed Measures						
	Planned Development Process	Infill Flexibility	Narrow Street Standards	Westside Bike/Ped Corridor	Historic Downtown	Mixed Res / Commercial	Street Connectivity	Public Transit Plan	Interim Dev Standards	Amend plan / zone designations	Encourage infill & redev	Create Neighborhood Activity Centers	Protect areas of importance	Upper floor housing	Industrial land modifications	Establish exclusive multi-family zone (R-5)	Enact transit corridor policy
Measures described in ORS 197.296																	
1. Increase in the permitted density on existing residential land	✓										✓						✓
2. Financial incentives for higher density housing														✓			
3. Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer	✓				✓						✓		✓				✓
4. Removal or easing of approval standards or procedures	✓	✓															✓
5. Minimum density ranges											✓					✓	
6. Redevelopment and infill strategies	✓	✓			✓					✓			✓				✓
7. Authorization of housing types not previously allowed by the plan or regulations										✓							
8. Adoption of an average residential density standard																	
9. Rezoning or redesignation of nonresidential land									✓						✓		
Measures described in HB 2709 Workbook																	
10. Apply appropriate plan and zone designations					✓	✓			✓	✓	✓	✓		✓	✓	✓	✓
11. Remove/revise ineffective regulations			✓		✓	✓	✓	✓							✓	✓	✓
12. Revise or develop design standards and/or require master plans or specific development plans					✓						✓						
13. Provide research, education and up-front services					✓								✓				
14. Streamline the permitting and development process	✓																
15. Increase efficiency with which public infrastructure is provided	✓	✓	✓	✓	✓		✓	✓	✓		✓			✓	✓	✓	✓
16. Adjust fees and taxes; provide other financial incentives					✓								✓				
17. Assemble and dedicate land											✓						
18. Require that certain housing types and densities be planned and built	✓					✓					✓	✓			✓	✓	
19. Adopt interim development standards	✓								✓		✓						
Additional measures																	
20. Allow accessory dwelling units										✓	✓						
21. Provide multifamily housing tax credits																	
22. Allow density bonuses/TDR	✓										✓						
23. Decrease minimum lot sizes	✓										✓						
24. Implement minimum density requirement	✓										✓						
25. Allow small lots (<5000 sf)	✓										✓						
26. Create exclusive multifamily zone											✓					✓	

The intent of the proposed efficiency measures is to: (1) meet identified housing needs; (2) increase land use efficiency by increasing overall residential density; and (3) maintain a livable urban environment. The impact of the proposed measures is not additive. In other words, the impact of each measure cannot simply be added together to arrive at a net land savings. When taken together, the measures affecting residential lands will serve to increase the capacity of lands within the current urban growth boundary, as well as increase the likelihood that densities of new residential development will increase from 4.7 to 5.9 dwelling units per gross residential acre.

As a result of applying the measures described in this chapter, total land need decreases from 1,125 gross buildable acres in the revised analysis (see Appendix B, Table 20 of the *McMinnville Urbanization and Growth Management Plan*) to 900 gross buildable acres. This is a reduction of 225 gross buildable acres, or some 20 percent of the projected land need.

The cornerstone of the City's strategy is the Neighborhood Activity Center concept. The application of the Neighborhood Activity Center concept result in a "special need" for certain types of lands to implement the measure. As described in the *McMinnville Growth Management and Urbanization Plan*, a typical activity center will have between 28 and 70 acres. Activity centers have two components: focus areas and support areas. The focus area is where commercial, retail, park, and other primarily non-residential uses would occur. The support area is where the City would encourage higher density housing. Support areas will range from 20 to 40 acres, and could accommodate between 160 and 480 dwelling units at densities of between 8 and 16 dwelling units per gross buildable residential acre. The majority of housing in support areas will be multifamily or higher density single-family housing types.

- Activity center focus areas should include a mix of land uses: commercial, office, institutional, mixed-use residential, and possibly high-density residential. The presence of a single usage type in an entire focus area (e.g., commercial), does not meet the criteria for an activity center.
- Each activity center should incorporate some amount of formal outdoor space for public use, such as a formal park or plaza, as focal points for public interaction.
- Different land uses or activities may be placed adjacent to one another, or on different floors of the same building. Such mixing of land uses encourages a compact and pedestrian-oriented center.
- An activity center has a support area consisting of medium and higher density housing.

In summary, a Neighborhood Activity Center will require between 28 and 70 acres, not including adjacent residential uses that will support the activity center. The draft policies implementing the Neighborhood Activity Centers state:

"Neighborhood Activity Centers require locations that are not heavily parcelized, or characterized by numerous individual ownerships. Priority shall be given to locations that consist primarily of large vacant parcels in order to maximize the ability to realize such development in a cost effective, comprehensively planned manner."

An analysis of existing sites within the UGB shows only six sites designated for residential use that meet the acreage requirement (greater than 28 acres) for possible designation as a Neighborhood Activity Center. When the additional locational criteria proposed for Neighborhood Activity Centers are applied, none of the sites meet the criteria without the

addition of lands outside the UGB. Therefore, the McMinnville Council finds a special need for lands to accommodate proposed Neighborhood Activity Centers.

B. Prioritization and Assessment of Land to Add to the UGB

The selection of which specific parcels of land to add to the UGB is governed by several overlapping standards or sets of standards. ORS 197.298 establishes a system of priorities for selecting land to be added to a UGB. Both ORS 197.298(2) and Goal 14 factor 6 require that land with lower agricultural capability be given higher priority for inclusion. In addition, ORS 197.732(1)(c)(C) and Goal 2, Part II(c)(3) require that the long-term environmental, economic, social and energy (ESEE) consequences resulting from adding the selected areas to the UGB are not significantly more adverse than would result from adding alternative areas to the UGB. Goal 14 Factor 5 also requires consideration of the ESEE consequences of adding the selected areas to the UGB. Finally, pursuant to Goal 14 factors 3 and 4, the consideration of alternative areas should include their relative serviceability and efficiency of location in relation to the existing urban area.

Findings: McMinnville has completed an exhaustive parcel-level analysis of the eleven square miles of land that is now contained within its present urban growth boundary. From this analysis it was determined that there exists 1,309.5 acres of vacant buildable land, far less than needed for the planning period.⁹ In an attempt to minimize this expansion, and consistent with the requirements of statute, the City has identified several land use measures that, when implemented, will make more efficient use of land within the boundary and, therefore, reduce the identified land need (land use efficiency measures are described in Section V of the *McMinnville Growth Management and Urbanization Plan*). To provide for the remaining, unmet future need, McMinnville must inventory and assess the lands that surround its current boundary to determine those lands that are most appropriate to accommodate future urban development, consistent with Goal 14 and the City's plan policies.

In determining which lands to consider, State statute provides a specific list of priorities that cities must follow. This list, found in ORS 197.298, requires the city look first to "exception land" (land already partially urbanized, land with poor soils for agriculture, or reduced lot size) before considering farm or forestland. More specifically, this statute requires cities to consider lands in the following sequence:

1. Established Urban Reserves;
2. Exception land, and farm or forest land (other than high value farm land) surrounded by exception land;
3. Marginal lands designated pursuant to ORS 197.247;
4. Farm and forest land.¹⁰

⁹ Of these, 881.1 acres are designated for residential use, 102.4 acres for commercial use, and the balance, some 326 acres, for industrial use.

¹⁰ The City did not analyze sites with predominantly Class I agricultural soils because they are the last resort for inclusion in the urban growth boundary.

Specific to McMinnville, there are no urban reserve lands adjacent to its urban growth boundary, nor are there marginal lands. The task, therefore, is to first identify and analyze exception lands as to their ability to accommodate future urban land needs and, if inadequate to meet that need, then farm and forestlands are to be considered.

Consistent with this directive, the City first mapped and inventoried exception lands that are contiguous to the current urban growth boundary. There are nine such geographically distinct exception sub-areas, identified as follows:

- Westside Road
- Bunn's Village
- Riverside North
- Riverside South
- Lawson Lane
- Booth Bend Road
- Old Sheridan Road
- Redmond Hill Road
- Fox Ridge Road

The location of each of the exception sub-areas is provided Map 1.

MAP 1: EXCEPTION LAND SUB-AREAS

1. ORS 197.298

ORS 197.298(1) requires that the following priorities be used in selecting land for inclusion in a UGB (in order of higher to lower priority for inclusion):

- (1) Land designated as an urban reserve under ORS 197.298.

Finding: McMinnville has no lands designated “urban reserve,” therefore this criterion does not apply.

- (2) Exception areas or non-resource land adjacent to the UGB.

Findings: Following is a summary evaluation of factors affecting urbanization for each of the nine exception areas evaluated as part of the *McMinnville Growth Management and Urbanization Plan, Appendix C*.

A. Westside Road. The Council recommends the Westside Road exception area *not* be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development must be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the city limit line generally forms this sub-area’s eastern boundary. Consequently, and due to property line configurations, nine of the sub-area’s 13 parcels are adjacent to the McMinnville city limits and yield an average improvement value of just over \$212,000. These nine properties provide an average of 1.13 gross acres of buildable land each. With this relatively small average amount of acreage available for potential development on each of these parcels, and with the high current improvement values and pending public improvement costs, it is not anticipated that there would be much, if any, interest for those landowners to request annexation.

Transportation – Westside Road provides the only means of access from this sub-area, over Baker Creek, to the current McMinnville urban area. This road is currently not improved to urban standards, and access to it from properties within the sub-area would be limited due to safety concerns. As such, further urbanization of this sub-area would require the construction of a frontage or internal loop street, or the use of numerous private tracts and easements. As to the frontage or loop street, this would be unfeasible due to the combination of existing development and physical limitations of the site, and cost relative to the amount of developed land. For instance, most of the existing rural “estate-style” residences found in this sub-area are situated in the middle of their respective parcel. With an average market improvement value of over \$225,000 per parcel¹¹ for all properties within this sub-area it is unlikely that any of these residences would be removed to allow for the construction of a public or private street to serve new residential construction on smaller lots adjacent to Westside Road. Additionally, given this development pattern and the sub-area’s relatively narrow width, there does not appear enough depth for an internal street to be constructed, in even a reasonable

¹¹ Yamhill County Assessor’s Office

curvilinear fashion, to serve additional development within this sub-area. These observations, coupled with ODOT's concerns regarding the Westside Road Bridge, make this sub-area problematic to develop as regard necessary vehicular access.

Urban Form – Within this sub-area are found no commercial or industrial uses. The closest commercial location serving residents' needs are located approximately one-mile to the southeast along Highway 99W. The nearest public schools, Grandhaven Elementary School and Patton Middle School, are situated across Baker Creek and about one-half and 1.25 miles, respectively, from the center of this sub-area.

While inclusion of this sub-area into the urban area would not appreciably extend the UGB as it abuts farmland, it does distinctly change the urban edge. Expanding the current UGB to include the Westside Road sub-area would extend the boundary north of Baker Creek and allow the UGB to then directly abut resource land along the sub-area's western and northern edges. At present, Baker Creek serves to buffer McMinnville's urban development from the surrounding rural agricultural area.

B. Bunn's Village: The Council recommends the Bunn Village exception area *not* be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the city limit line forms this sub-area's southern boundary and a piece of the western boundary. However, it is important to note that occupying this length of the western boundary within the sub-area is the Evergreen Memorial Park cemetery. Given that the cemetery is developed, and that there is no conceivable benefit that would accrue to this property from annexation to the City, it is reasonable to assume that the owners of the cemetery property would not take such action in the future. Therefore, urbanization of this sub-area rests entirely upon at least one of the six properties located along the sub-area's southern border to seek, and gain, approval from the electorate, to annex to the city.

Specifically, those six properties are comprised of two developed and four partially vacant parcels. The following brief description of these parcels will proceed west to east. Tax lot R4410-900, while 10.0 acres in size, is currently improved with a single-family rural residence whose improvement value is slightly in excess of \$100,000, yields only 0.49 acres of buildable land due to the footprint of the existing development and the amount of the site that lies within the 100-year floodplain and is therefore unbuildable. Additionally, this property fronts solely along Highway 99W and, given future highway improvements as may be envisioned by ODOT, the developable area of this property may be further reduced. Any further densification of this site would also need to directly access Highway 99W.

The next property to the east, R4411-3000, is developed. The next property, R4411-3100, is 3.55 acres in size and is identified as partially vacant and yields 0.93 acres of buildable land. The same observations offered for the westernmost property can be applied here with the exception that the improvement value on this parcel is just under \$172,000. Adjacent to the east side of this parcel is another rural residential property

identified as developed. The remaining two parcels that abut the McMinnville city limit and thereby could afford annexation opportunities to other land within this sub-area are identified as R4411-3300 and R4411-3500 each yielding 2.54 and 21.75 acres of buildable land with improvement values of just under \$311,000 and \$77,000, respectively. Because of their remaining developable acreages, annexation of these two properties would then seem to be the most logical toward opening the possibility of annexation of other properties within this sub-area. Both of these properties have frontage along Youngman Road, a substandard rural county road, and would therefore not need to directly access Highway 99W.

These annexations, however, do not solve the problem for other properties in the sub-area to urbanize. Properties containing some further development potential are generally those that are most likely to request annexation. With that understanding, there are only two properties that realistically hold the key to all future annexation opportunities within this sub-area (see the Bunn's Village buildable lands map for a graphic representation of this observation). The two properties are the easternmost two previously described with the first one containing a rural residential improvement of almost \$311,000 and the other being a viable 28-acre rural farming operation. Even if annexation was requested, this larger parcel remains some 3,200 linear feet from the current UGB and across the North Yamhill River, beyond which utilities would need to still be extended and rights-of-way would need to be improved.

Water Service – McMinnville's current water service distribution is designed as a single-level pressure system providing service to those properties situated between 100 feet and 275 feet in elevation. This sub-area falls within those elevation parameters, however its location and separation from the current urban area necessitate construction of an extension across the North Yamhill River to provide service to an area that cannot be looped back into the existing system. Construction of such a "dead-end" system also creates low water pressurization issues similar to that currently experienced by properties along Three Mile Lane. Beyond the radial system design concern, construction of a system to serve this sub-area will be fairly costly. In 1996, water service to this sub-area was estimated by McMinnville Water & Light to be in the neighborhood of \$450,000. At that time, this sub-area was defined as an area one-half to one-third the current size. In addition, a good comparison of cost can be made by reviewing the current proposal to extend a water line from Riverside Drive, across the South Yamhill River, and southward along Norton Lane to connect to the existing radial system currently feeding the Three Mile Lane area. This will alleviate the pressurization concern within this development corridor, but at a cost believed to be clearly above one-million dollars. Creation of a new dead-end system to serve the Bunn's Village sub-area will require engineering and construction of a larger system at a cost that would exceed that of the Norton Lane water line extension.

Transportation – Highway 99W, where it crosses the North Yamhill River, provides the only access to this sub-area from the adjacent urban area. As noted in the January 27, 2003, letter from ODOT¹², Highway 99W is designated as a regional level of importance highway by the 1999 Oregon Highway Plan. In this area, the highway is generally four travel lanes and includes a "couplet" section for approximately 2,500 feet. Through

¹² January 28, 2003, letter from Daniel L. Fricke, Senior Transportation Planner, ODOT Region 2, to the City of McMinnville.

most of the area, the posted speed is 55 mph, however, it is slower in the couplet section where the road is relatively narrow. Additionally, a railroad line that has a grade-separated crossing of the highway bisects the area. Inclusion of this expansion area in the UGB will increase the potential for urbanization, which could adversely affect the highway. This area is wholly dependent on OR 99W for access to urban services in the City. The couplet section includes two bridges over the South Yamhill River, one of which has been designated "functionally obsolete."

As noted previously, none of the public streets within this sub-area are constructed to City standards as to right-of-way width, travel width, curbs, gutters, or sidewalks. The current condition of these streets, as regard their paved surface, range from fair to poor (gravel with potholes). All local streets within this sub-area are in need of substantial improvement, to include additional right-of-way for some, in order to bring them up to standards required to permit urban density development. Hawn Creek Road and Lone Oak Road, as examples, have platted right-of-way widths of 40 feet and 50 feet, respectively, and improved travel widths of approximately 25 feet each. These dimensions are substandard to City urban street section requirements that call for right-of-way distance of 70 feet and a travel of 36 feet (minor collector with bikeway standards to include sidewalks at the curb, and no planting strip). In addition, there are also intersection alignments within this sub-area that lack sufficient design and will need to either be realigned or closed. A full analysis of these options would be detailed in a transportation master plan for this area, incorporating design elements as specified by ODOT, that would be required prior to urbanization.

Rolling topography in conjunction with substandard intersection alignment angles, obsolete river crossing, existing development patterns, lack of additional public rights-of-way, and future transportation master planning obligation combine to make traffic circulation within this sub-area problematic.

Urban Form – Within this sub-area are found no commercial uses save the wide mix of businesses located within the interior of the Highway 99W couplet further described in Appendix C of the MGMUP. With the exception of the redevelopment of the existing commercial site and construction of improvements previously described, the closest commercial location serving residents' daily needs are located well over one mile to the west along Highway 99W. Other closest supporting uses are Grandhaven Elementary School and Patton Middle School both located about two miles away. Part of the significance of the location of local schools in relation to this sub-area would be the need for students to be bussed across the tandem Highway 99W bridges (one of which has been identified as functionally obsolete by ODOT), or, for elementary school children, being bussed eastward to Wascher Elementary School located in the city of Lafayette. The inclusion of this sub-area into the McMinnville UGB either places the obligation on the citizens and the city to allow urban development in a location separated from urban social services and employment opportunities, or to create these opportunities within this sub-area; a sub-area that, except for the short distance that abuts the current urban edge across the North Yamhill River, is surrounded by largely Class II resource land that is currently in agricultural use.

Property Values, Existing Development Patterns – There are some 126 gross vacant buildable acres within this sub-area, of which 121.02 acres are planned for residential use, 4.59 acres for commercial use, and 0.13 acres are planned for industrial use. The physical configuration of current lots, adjacent roadways and existing development, and cost to extend needed urban infrastructure, combine to severely limit the ability of this

sub-area to redevelop such that it could accommodate identified land needs, as described in the City's "Buildable Land Needs Analysis" study. Specifically:

- Further development of the residential "leg" of Hawn Creek Road, would involve the northernmost 14 parcels that yield a total of 16.52 buildable acres with an average developable acreage size of 1.18 acres. The improvement value of these rural residential properties totals \$1,757,872 (or just over 1.75 million dollars) yielding an average improvement value of \$125,562 per parcel. Gaining land use approval to partition any of these lots would require the extension of public facilities (sewer and water) a distance of approximately 2.8 and 2.2 linear miles as previously described, and acquisition of easements and/or public rights-of-way for these trunk line extensions. Given the magnitude of these extensions, the cost of providing this service would be high in relation to the relatively small amount of developable land in this area. This possibility also assumes successful annexation of a minimum of eight other properties to the west and south across Highway 99W in order to be provided with the opportunity to annex any of these residential properties; although with the current improvement values (seven of which are well over \$130,000) it is unlikely that further partitioning would occur.
- The other notable area of potential residential urbanization lies north of Highway 99W and between the CC Meisel Rock Quarry equipment yard and the separated grade Willamette & Pacific railroad overpass. This area is comprised of 14 parcels. Five of these parcels are already identified as developed leaving nine parcels that together yield 28.34 acres of developable land with an average developable acreage size of 3.15 acres. The combined improvement value of these properties totals \$1,127,843 yielding an average improvement value of \$93,987 per non-vacant parcel. Gaining land use approval to partition any of these lots would require the extension of public facilities (sewer and water) for the majority of the distances already noted and acquisition of easements and/or public rights-of-way for these trunk line extensions. Given the magnitude of these extensions, the cost of providing this service would be high in relation to the relatively small amount of developable land in this area. The possibility of urbanizing these properties also assumes its successful annexation and the successful annexation of a minimum of three other properties to the west and south across Highway 99W. However, with one of those properties being the currently developed Bunn's Village commercial area residing on the interior of the Highway 99W couplet, subsequent highway improvements prior to urban redevelopment would be determined through a transportation master plan in cooperation with ODOT¹³. It is understood that these improvements would not be minimal and therefore the incentive to annex somewhat lessened.
- As regard the projected commercial and industrial needs identified in McMinnville's Economic Opportunities Analysis, this sub-area offers very little to meet that need under existing zoning and current land use patterns. Only 4.72 acres of developable land (comprised of three separate tax lots) is identified to meet those Goal 9 needs. This land lies within the Highway 99W couplet and would, as previously described, be accompanied by a host of transportation and access issues.

¹³ January 28, 2003 letter from Daniel L. Fricke, Senior Transportation Planner, ODOT Region 2, to the City of McMinnville.

C. Riverside North: The Council recommends the Riverside North exception area *not* be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the city limit line forms this sub-area's northern boundary. However, it is important to note that occupying this length of this boundary is Willamette and Pacific railroad right-of-way, beyond which is located the Cascade Steel Rolling Mill and other heavy industrial manufacturing uses that are all within the current city limits. There are four parcels within this sub-area that are adjacent to the current city limits, all of which are identified as partially vacant. These parcels provide a total of 6.56 acres of buildable land averaging 1.64 acres per parcel with an average improvement value of \$69,292 per parcel. What is key about these four parcels is that the possibility of annexing and urbanizing the balance of the Riverside North sub-area rests with them (i.e., the remaining 29.49 buildable acres). Notably, only the three westernmost of these parcels are adjacent to the single largest development opportunity within the sub-area; the site of the agricultural commercial nursery stock operation located across Riverside Drive (R44-1600), yielding 16.56 developable acres. Also, of these three adjacent parcels, the easternmost parcel is contiguous to the large partially vacant nursery site by a distance of only some 11 linear feet. The most central of these parcels (R4414-601) is a one-acre property with an improvement value of \$138,212, and yields only 0.38 acres of developable land; this figure is prior to a future right-of-way dedication that would likely be necessary. It is not likely that this property would have much, if any, incentive to annex to the City given the cost of improvements necessary for that site to urbanize. As in any annexation proposal, it will be incumbent upon the applicant(s) to seek, and gain, approval from the City Council and the electorate. Critical to that request would be public improvement plans demonstrating the ability to provide sufficient services and transportation to support and serve urban development.

Water Service – Individual, private wells currently serve as the source of domestic water for the lands within this sub-area. Such wells would be abandoned over time either commensurate with urban development on the affected site or as triggered by failure of an individual well to generate sufficient potable water. McMinnville Water and Light estimates the costs for providing water to the Riverside North sub-area as *moderate* (ranging from \$200,000 to \$800,000). Affected lines would be enlarged and extended dependent upon the type and intensity of use proposed.

Transportation – Riverside Drive is the only public means of vehicular access within this sub-area. As described previously, the right-of-way dimension for this Yamhill County road measures 50-feet in width. As a prerequisite to allow urban density development, the road would need to be improved to City standards. As such, this would require an additional 28-feet of right-of-way width, removal and reconstruction of the existing subgrade (and/or possible realignment), construction of a paved travel surface a minimum of 48-feet in width, sidewalks on both sides of the street, and curbs and gutters.

In sum, slope, existing road alignment, and lack of public rights-of-way, and a future transportation master planning obligation combine to make traffic circulation within and through this sub-area problematic.

Urban Form – The development of this sub-area for urban density residential use would be difficult to achieve, and contrary to good planning. This is due in no small part to the adjacent industrial uses previously described which generally do not make visually or environmentally pleasing or otherwise compatible neighbors to residential uses. These industrial activities, which generate considerable noise, dust, and light, will have a marked negative effect upon the quality of life for future residents of the sub-area.

With the exception of the commercial agricultural nursery and a small auto body repair shop, all other uses within the sub-area are rural residential and small-scale farming. The closest commercial services to this sub-area are located some 2.0 miles to the west along Highway 99W. The nearest public schools, Grandhaven Elementary School and Patton Middle School, are located some 2.75 miles west of the center of this sub-area. Allowing the urbanization of an area that is situated some distance from essential commercial and public services is contrary to good transportation and land use planning.

Entrance into this sub-area from either available direction requires travel through established heavy industrial areas. Specifically, entering from the south first requires travel through the Riverside Drive industrial area within which is found a commercial transport company, concrete batch plant operation, printing business, and the City's wastewater treatment facility, amongst several other heavy and light industrial uses. Entering the sub-area from the north requires travel through an industrial area dominated by the Cascade Steel Rolling Mill and its slag storage and shipping operation, and the Kizer Excavating facility. Industrial uses effectively wrap the sub-area on three of its four borders (the North Yamhill River floodplain forms the remaining, or eastern, edge). Given this adjacent development pattern, the presence of the rail line, and isolated location (if planned for urban residential development) this area would appear to be best suited for future industrial development.

Adjacent Land Uses – The open side of the Cascade Steel Rolling Mill blast furnace faces southeasterly, and directly at the southwest corner of this sub-area. This blast furnace is located some 2,700 feet from the central portion of the sub-area; and some 1,300 feet from the sub-area's closest point. Additionally, the adjacent heavy rail line that runs along the northern edge of this sub-area provides transport of scrap metal to the mill as well as the exporting of processed slag for use in other locations. This slag bi-product is stored in large piles located between the sub-area and the blast furnace for convenience in loading the rail cars and tractor-trailers that move the slag for use in other locations. These heavy industrial uses produce significant amounts of noise and dust that is either adjacent to and/or aimed at this sub-area.

Other environmental concerns regard the proximity of this sub-area to the municipal Water Reclamation Facility (some 1,600 feet from the center of the sub-area). Additionally, the Yamhill County Sportsman's Association firing range is located adjacent to the northeast corner of this sub-area on land that has not been annexed to the City. The use of live ammunition at this site does create a noise impact to the sub-area. Further urbanization would likely conflict with this use and create an increased public safety risk. These two uses, with their close proximity to the sub-area, would create a negative environmental impact upon this sub-area in terms of odor and noise.

D. Riverside South: The Council recommends the Riverside South exception area be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the McMinnville city limit line generally forms this sub-area's western boundary. However, occupying this length of this portion of the sub-area's boundary is the McMinnville Industrial Promotions industrial park property on which exist, or are planned to exist, heavy industrial uses; the land is zoned M-2, General Industrial.

There are 13 partially vacant or vacant parcels within this sub-area that are contiguous to the current city limits. These parcels are located along Riverside Drive and Blossum Drive; 11 of which are identified as partially vacant, and two as vacant. The vacant parcels are 0.44 and 1.36 acres in size, and the remaining 11 parcels provide a total of 16.14 acres of buildable land averaging 1.24 buildable acres per parcel with an average improvement value of \$67,337 per parcel. Successful annexation of either of the two largest areas of buildable land, as previously identified, are dependant upon successful annexation of one or more of these partially vacant or vacant properties. The largest of these parcels yields 7.02 gross acres of buildable land, while the others average only 0.76 acres of buildable land each and are generally not contiguous. Given the road and utility improvements necessary to provide urban services to these sites, and the small amount of developable land within which to recoup such improvement costs, it is not likely that these properties would individually request annexation. A series of parcels including one of the larger development opportunity areas seeking annexation together would make necessary improvements more economical per developable acre. As in any annexation proposal, it will be incumbent upon the applicant(s) to seek, and gain, approval from the City Council and the electorate, to annex to the city. Critical to that request would be public improvement plans demonstrating the ability to provide sufficient services and transportation opportunities to support and serve urban development.

Transportation – Upon entering the sub-area from the west, Riverside Drive extends easterly some 1,900 feet and then turns 90-degrees to the north and extends an additional 1,900 feet before exiting the sub-area across resource zoned land. Connecting to Riverside Drive and creating a large rural loop road to the south is Riverside Loop. While Riverside Loop has been platted to continue northward an additional 1,650 feet to terminate in another cul-de-sac, these improvements have never been put in place and this land is currently being farmed. Riverside Loop forms the majority of the southern and eastern edges of the sub-area. Additionally, Blossum Drive and Walnut Avenue extend northerly from Riverside Drive as previously described. All roads within the Riverside South sub-area are classified as rural roads¹⁴ by Yamhill County.

¹⁴ A local county road designation with an average daily traffic volume of 500 vehicles or more: Yamhill County

Most roads within the sub-area are currently below minimum Yamhill County road improvement standards in terms of both right-of-way dimensions and construction, and all are below City of McMinnville standards. Riverside Drive, along this length, is improved with an approximately 25-foot wide paved section providing two travel lanes; one in each direction. All of the roads within this sub-area are devoid of curbs, gutters, bike lanes, sidewalks, lighting and storm drainage. Some of the other more notable deficiencies include streets lacking any form of paved surface and all of the cul-de-sac streets greatly exceed the maximum length as per the local standard. Residences are arranged along all of these roads.

Additionally, the eastern intersection of Riverside Drive and Riverside Loop is characterized by a sharp, more than 90 degree, sweeping turn and a steep grade change. Any urbanization of this area would, at a minimum, require the realignment of this intersection and softening of this grade change.

In addition, reconstruction of the subgrade of certain portions of the remaining alignment would also likely be necessary. As the entire eastern and southern portions of Riverside Loop exist within the 100-year floodplain, permits would be necessary from the Department of Environmental Quality, the Army Corps of Engineers, and the Oregon Division of State Lands to allow necessary landform modifications and improvements. The cost of these permits and atypical engineering and surveying costs would be added to the typical cost of such improvements. More importantly, development along this road would only be permitted to occur on the north side, the area outside of the floodplain. By allowing development to occur on only one side of the street it will likely be economically unfeasible to develop further those properties adjacent to Riverside Loop. As such, to serve the nineteen or so acres of developable land within the interior of Riverside Loop, a new series of local streets, all connecting directly to Riverside Drive, would need to be constructed. This would require the cooperation of the ten or so affected property owners. The affected property owners would pay this street improvement, and all others required to support further urbanization within the sub-area, as part of their development, through a local improvement district, or other financing means.

In addition to this transportation improvement, all streets within this sub-area are in need of substantial improvement, including additional right-of-way, in order to bring them up to standards required to permit urban density development. In addition, the sub-area would need to be master planned to identify opportunities for additional local street access (for example, local connecting streets between Blossum Drive and Walnut Avenue) in order to achieve a reasonable level of urban development opportunities.

Urban Form – While the clustering of housing types and costs in a pedestrian friendly environment promotes interaction among a variety of socio-economic groups and creates an overall greater sense of community, this will be difficult to achieve within this sub-area. As with the Riverside North sub-area, this is due in no small part to the adjacent and nearby industrial uses previously described which generally do not make visually pleasing or otherwise compatible or preferred neighbors to residential uses. These uses will have a negative effect upon the quality of life for future residents of the sub-area.

In addition to these considerations, it is important to note the distance from the centroid of this sub-area to other supportive urban services. Notably, the nearest elementary and middle schools are located some two miles away. Similarly, the nearest general commercial area where daily goods and services could be obtained is also located about two miles away from the center of this sub-area as is the nearest place of worship. In sum, there are no supportive services within a reasonable proximity to this sub-area given the travel distances as described.

As with the Riverside North sub-area, entrance into this sub-area from either available direction requires travel through established heavy industrial areas. Specifically, entering from the south first requires travel through the Riverside Drive industrial area within which is found the McMinnville Industrial Promotions industrial subdivision and other industrial sites. Entering the sub-area from the north requires travel through an industrial area dominated by the Cascade Steel Rolling Mill, Kizer Excavating, and the slag storage and shipping operation of the Cascade Steel mill, and travel alongside the gray watering fields of the municipal Water Reclamation Facility. With this sub-area being bordered on all sides by land zoned for either industrial or resource use, it is possible to consider that land within this sub-area, if urbanized, may be better suited for non-residential development.

E. Lawson Lane: The Council recommends the Lawson Lane exception area be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it first be annexed to the City of McMinnville. As part of that effort, it must be demonstrated that sufficient urban service are available to the site. The area to be annexed must also be contiguous to the current city limits. As that criterion applies to the Lawson Lane sub-area, the city limit line forms a portion of this sub-area's eastern boundary. Occupying this edge of the sub-area are three partially vacant parcels that hold the key to annexing the balance of the sub-area. Together, these three parcels yield a total of 2.05 gross acres of buildable land and average 0.68 gross acres of buildable land each. These three parcels have an average improvement value of just over \$77,865 each. Given the road and utility improvements necessary to provide urban services to these sites, the distances those improvements must extend, and the small amount of developable land within which to recoup such improvement costs, it is not likely that these properties would individually request annexation. A series of parcels, beginning with one or more of these three, seeking annexation together would make necessary improvements more economical per developable acre but still fairly exorbitant given that the entire sub-area only provides 10.76 gross acres of buildable land in total.

Transportation – All parcels within the sub-area access either Lawson Lane or Noble Lane; both classified by Yamhill County as local roads. Lawson Lane extends south from Stratus Avenue a distance of some 1,500 feet and terminates in a dead-end. About 1,000 feet south of the Stratus Avenue and Lawson Lane intersection, Noble Lane extends west a distance of some 450 feet, and then south for another 250 feet, terminating at a gravel driveway.

Neither of these rural roads is improved with sidewalks, curbs, or gutters. Open drainage ditches exist along the majority of these distances. Lawson Lane is improved with a paved travel width of approximately 20 feet within a 40-foot right-of-way. Noble Lane is currently below minimum Yamhill County public road standards in terms of both

right-of-way dimension (30-feet) and improvements; the western portion is unpaved and is degraded by ruts and potholes. The dead-end terminus of Lawson Lane and Nobel Drive exceed the maximum McMinnville urban cul-de-sac length of 400 feet by some 20 to 70 percent, respectively. Urbanization of this sub-area would require the improvement of these roads to City standards as regard improved width, right-of-way dimension, curbs, gutters, public sidewalks, and street tree plantings.

It is important to note that affecting this sub-area's future urbanization are improvements identified within the "Oregon Highway 18 Corridor Refinement Plan." Specifically, Phase 3 of the plan identifies the reconstruction of the East McMinnville Interchange, adjacent to the north edge of this sub-area, as a full service interchange. Along with this reconstruction, two signaled intersections, a new Stratus Avenue approach, and a second tier local access collector road to the south will be added. These improvements, plus the embankments and right-of-way necessary to support the redesigned Highway 18 overpass, will clearly affect the development of some of the parcels within this sub-area.

Urban Form – There are 10.76 gross vacant buildable acres within this sub-area, all of which are planned for residential use. The physical location of the sub-area, configuration of current lots, adjacent roadways and existing development, and cost to extend certain elements of urban infrastructure as noted, combine to make urbanization problematic.

Inclusion of this sub-area into the present urban area would extend the UGB some 1,550 feet southward along a narrow "finger" of land into an area zoned EF-40 that is currently in agricultural use. This adjustment to the UGB, while only obtaining less than eleven acres of developable land, would dramatically increase the potential for urban and rural land use conflict (increase the amount of urban land immediately adjacent to farmland by a linear distance of approximately 2,100 feet (0.4 mile).

Additionally, it is important to note the distance from the center of this sub-area to other supportive urban services. Notably, because of this sub-area's location and limited access, the closest public elementary school is some two-miles away over local streets. Similarly, the nearest middle school, Patton Middle School, is located some 3.5 miles away. Commercial businesses providing daily goods and services are located 2 to 2.5 miles away. In sum, there are effectively no supportive neighborhood services or facilities within walking distance to this sub-area.

F. Booth Bend Road: The Council recommends the Booth Bend Road exception area *not* be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, Oregon Highway 18 and the city limit line form this sub-area's northwestern boundary. Occupying this edge of the sub-area are five parcels. Three of those parcels are identified as developed; two with single-family homes and the third with the Booth Bend Road electrical substation. The two remaining parcels are identified as partially vacant and yield 8.57 gross buildable

acres. One of these parcels, however, has an improvement value of just under \$200,000, which may detract from a desire to partition the property. Regardless, the possibility of annexation any other portions of this sub-area likely rests with these two parcels. Given the road and utility improvements necessary to provide urban services to these sites and the smaller amounts of developable land within which to recoup such improvement costs, it is not likely that these properties would request annexation.

Transportation – Booth Bend Road and Morgan Lane, as previously described, are rural roads with approximately 50-foot rights-of-way and with approximately 25-foot and 20-foot wide paved sections, respectively. All of the roads within this sub-area lack curbs, gutters, bike lanes, sidewalks, lighting and storm drainage. Due to the grade change and separated grade crossing over Highway 18, and the classification of Highway 18 by the Oregon Highway Plan as an “expressway,” no direct access to this sub-area from the highway will be granted by ODOT. Therefore, all present and future development would use Booth Bend Road as its sole means of access to the sub-area. Further development of the sub-area will require significant improvement to both Booth Bend Road and to Morgan Lane in order to sufficiently support urban residential densities. Development of a street system to serve the area is further complicated by the fact that a majority of the parcels within the sub-area have both single-family homes and accessory buildings and barns located throughout the individual properties.

With regard to alternate transportation modes, the street section of Booth Bend Road adjacent to the sub-area is absent pedestrian and bicycle facilities. The McMinnville Transit Feasibility Study does not identify Booth Bend Road as a future transit route.

Urban Form – Within this sub-area are found no commercial or industrial uses. The closest commercial location serving residents’ daily needs are located about one mile to the west along Highway 99W. Public schools, Columbus Elementary and Cook Elementary, are each located a little less than 1.5 miles from the center of this sub-area. In sum, there are no supportive neighborhood services or facilities within walking distance to this sub-area.

Inclusion of this sub-area into the present urban area would extend the UGB some 4,800 linear feet into an area zoned EF-40 that is currently in agricultural use. This adjustment to the UGB, while only obtaining some 13.66-acres of developable land, would increase the potential for urban and rural land use conflict by extending urban development south of Highway 18 and into adjacent farm lands.

Sanitary Sewer Service – While sanitary sewer service can be engineered and extended to adequately serve this sub-area, the high cost of this improvement would be born entirely by the 19 parcels within this sub-area. Properties to the north, across Highway 18, are not likely to benefit from this extension as these properties are already developed with urban uses and are served by the current sanitary system.

G. Old Sheridan Road: The Council recommends the Old Sheridan Road exception area *not* be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the city limit line forms this sub-area's northern boundary. However, it is important to note that occupying this edge are properties on the east side of Oregon Highway 18 currently developed as the "D Stake Mill," and an existing hazelnut orchard west of the highway. As developed properties typically have much less incentive to annex than those that are vacant or partially vacant, the key to annexation, and hence urban development, of the bulk of this sub-area effectively lies with the orchard property. There are no other parcels that abut the current urban edge and would, on their own merit, meet the standards to propose annexation.

Transportation – Located adjacent to two minor arterials (Old Sheridan Road to the west, and Durham Lane to the south), and Oregon State Highway 18 to the east, this sub-area experiences exceptional site visibility, yet limited access. As detailed in the previously referenced letter submitted by ODOT, direct access to Highway 18 will not be permitted. Thus, urban development of this sub-area would require significant improvement to both Durham Lane and Old Sheridan Road. As such, the "single loading" of urban development on only one side of these roads would make such improvements economically unfeasible. In addition, urban development of this sub-area may create pressure upon ODOT to permit the signalization of the Highway 18 / Durham Lane intersection and the construction of intersection lane improvements, which run contrary to the intent of a Limited Access Highway designation. ODOT has already clearly indicated their lack of support for such improvements to their system.

Given the Highway 18 access restrictions, vehicular access to the vacant and partially vacant portions of this sub-area would be limited to Old Sheridan Road, a two-lane county road. To maintain this road's ability to function as an efficient and safe carrier of traffic, entrances onto this road would likely be limited in number and location, and existing entrances would be combined where feasible. Development of an interior public street system will be problematic due to the location and number of dwellings and accessory structures that presently occupy the sub-area (there are currently no public streets within the interior of the sub-area). In addition, the sub-area's relative narrow width, and impacts from Highway 18 (noise, pollution) further limit the ability to develop an efficient circulation system in this sub-area.

Urban Form – The Old Sheridan Road Sub-area is a narrow finger of land extending southwest of the present McMinnville urban growth boundary and is physically isolated from other existing or proposed urban development except for its northern edge. Due to the existing development pattern, impacts from Oregon State Highway 18, vehicular access constraints, and infrastructure costs as previously described, the 37 acres of vacant buildable land provides limited ability for residential infill development.

It is also observed that the sub-area's use for purposes other than residential would be contrary to McMinnville Comprehensive Plan that discourages "strip" development (policy 24.00). In addition, its use for commercial or industrial development would be severely limited due not only to this and other similar plan policies (not limited to policies 25.00, 26.00, 30.00, and 49.00), but also to reasons related to compatibility with existing residential development, and adjacent agricultural use. There exist no nearby uses supportive of urban residential development of this sub-area.

Additionally, as this sub-area is almost entirely surrounded by resource land, its inclusion into the UGB would increase the urban area's edge adjacent to resource land by some 9,600 linear feet (about 1.8 miles).

Public Safety – The construction of additional residences, paved surface, and other impervious surfaces will likely result in additional surface water runoff to the adjacent southern branch of Cozine Creek. It is important to note that, during 100-year flood events, portions of Old Sheridan Road are flooded causing the road to be closed to travel. Adding to the volume of this runoff through the urbanization of this sub-area, and allowing additional residents to locate near this situation seems inconsistent with good public safety practice.

H. Redmond Hill Road: The Council recommends the Redmond Hill Road exception area be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Water Service – McMinnville's current water distribution system is designed as a single-level pressure system providing service to those properties situated between 100 feet and 275 feet in elevation. The subject sub-area is situated at elevations that range from 280 feet (extreme eastern corner of the sub-area) to 490 feet (western portion), almost the entirety of which sits well above the current water service level. Provision of public water to this area will require considerable expense, estimated to exceed \$3.4 million.

Transportation – Redmond Hill Road provides the only current public means of vehicular access within this sub-area. The right-of-way dimension for this gravel surfaced, Yamhill County local road measures 30-feet in width. As a prerequisite to allowing urban density development, the road would need to be improved to City standards. As such, this would require an additional 20-feet of right-of-way width, removal and reconstruction of the existing subgrade, construction of a paved travel surface a minimum of 26-feet in width, 5-foot wide sidewalks on both sides of the street, and curbs and gutters.

Typically, additional right-of-way width can be acquired as part of development that may occur adjacent to substandard streets or roads, such as Redmond Hill Road. However, in this particular case, there is existing development that fronts this road, making it difficult to acquire the needed right-of-way in this fashion. The other alternatives include purchasing the needed right-of-way, using eminent domain authority to acquire it, participation in a local improvement district or alternate road improvement financing mechanism, or constructing a modified City local residential street section in the existing right-of-way (no public sidewalks; no planting strip).

Slope, existing development patterns, and lack of additional public rights-of-way combine to make traffic circulation within this sub-area, and to adjoining properties, problematic.

Property Values, Existing Development Patterns – The nine partially vacant properties within this sub-area yield buildable acreages ranging in size from 0.38 acres to 5.55 acres, and average 2.08 acres. Improvement values of these parcels average \$151,611, while the combined improvement and land value of these nine parcels is \$365,197. Of these partially vacant parcels, only two yield buildable acreages greater than five-acres in size. The remaining seven parcels yield buildable acreages all less than two acres in size.

I. Fox Ridge Road: The Council recommends the Fox Ridge Road exception area be included in the McMinnville UGB. An evaluation of factors affecting future urbanization of this area follows.

Annexation – Development of this sub-area to urban densities requires that it be annexed to the City of McMinnville. In so doing, urban services necessary to support such development can be extended to it.

A requirement of annexing property to the City is that it be contiguous to the current city limits. As that criterion applies to this particular sub-area, the city limits line forms this sub-area's southern boundary. However, it is important to note that occupying approximately 2,720 linear feet of this 3,980-foot long southern boundary (nearly 70 percent) is the property owned -- and developed -- by the Masonic Cemetery. There is but one other private property, located to the immediate east of the cemetery, which also borders the current city limits. Given that the cemetery is developed, and that there is no conceivable benefit that would accrue to this property from annexation to the City, it is reasonable to assume that owners of the cemetery property would not take such action in the future. That being the case, urbanization of this sub-area rests solely upon the property owner of Tax Lot 4419-2000 (a partially developed, 19-acre parcel), to seek, and gain approval from the electorate, to annex that property to the city. That annexation, however, does not solve the problem for other properties in the sub-area to urbanize.

Bordering this 19-acre parcel to the north, across Fox Ridge Road, are two privately held parcels; at least one of which must also annex in order to provide the opportunity for any other properties within this sub-area to annex. One of these, identified as Tax Lot 4418CC-1000, is classified as "developed" and is occupied by a single-family residence and outbuildings. The other parcel, identified as Tax Lot 4418CC-101, is classified as "partially vacant." The improvements on this particular property, however, consist of the former gravel borrow pit (now a lake), and a residence of which the improvement value is in excess of \$280,000. In addition, the "vacant" portion of this parcel measures approximately 1.3 acres in size and is situated in the extreme northern portion of the site, behind the existing residence.

In summary, existing development, and this sub-area's situation relative to the existing city limits, presents a significant challenge to its ability to be annexed and urbanized.

Water Service – McMinnville's current water distribution system is designed as a single-level pressure system providing service to those properties situated between 100 feet and 275 feet in elevation. The subject sub-area is situated at elevations that range from 255 feet (extreme eastern corner of the sub-area) to 445 feet (western portion), the vast majority of which sits well above the current water service level. Provision of public water to this area, as described previously, will require considerable expense, estimated to exceed \$3.4 million.

Transportation – Fox Ridge Road is the only current public means of vehicular access within this sub-area. The right-of-way dimension for this Yamhill County road measures 40-feet in width. Within this has been constructed a paved surface that averages 25-feet in width. Gravel shoulders are situated on either side of the paved travel surface. To accommodate urban density development, the road would need to be improved to City standards. As such, this would require an additional 10-feet of right-of-way width, removal and reconstruction of the existing subgrade, construction of a paved travel

surface a minimum of 26-feet in width, 5-foot wide sidewalks on both sides of the street, and curbs and gutters.

Typically, additional right-of-way width can be acquired as part of development that may occur adjacent to substandard streets or roads, such as Fox Ridge Road. However, in this particular case, there is a significant amount of existing development that fronts this road, making it improbable to acquire the needed right-of-way in this fashion. The other alternatives include purchasing the needed right-of-way, using eminent domain authority to acquire it, or constructing a modified City local residential street section in the existing right-of-way (sidewalks at the curb; no planting strip).

There are also within this sub-area several long private drives that provide access to existing residences. The width, length, improved condition, and number of residences that currently take access from these will not permit their use for further residential development, under City standards. As such, further partitioning or subdividing of buildable land located adjacent to these drives may require the dedication and improvement of public rights-of-way to provide the required access.

Slope, existing development patterns, and lack of additional public rights-of-way combine to make traffic circulation within this sub-area, and to adjoining properties, problematic.

Property Values, Existing Development Patterns – The developed residentially zoned properties within this sub-area average 0.76 acres in size and about \$212,000 in combined land and improvement value. The residentially zoned partially vacant properties, of which there are 15, range in size from 0.87 acres to 24.1 gross acres, and average 6.37 acres in size. In value, the improvements found on these parcels average \$162,781; land averages \$239,797. All but four of these partially vacant parcels yield buildable acreages that are less than four acres in size. Their average combined improvement and land value for these 15 parcels is slightly more than \$386,500.

Of further note is the arrangement of the vacant and larger partially vacant parcels. In particular, the largest partially vacant parcel in the sub-area (24.1 acres in size, 18.6 acres of which are vacant) is located in the extreme northwest corner. This property borders other non-resource land only on the east; property owned by McMinnville Water and Light. As such, unless McMinnville Water and Light annexes their property to the City, and provided that other properties annex first to even allow this possibility, this partially vacant property will not be able to develop to urban densities.

Summary Analysis and Conclusions: Exception Lands

Once a city has determined that there is a need for additional land outside its existing urban growth boundary, and what the nature and extent of that need is, the priorities of ORS 197.298 apply. This statute appears to make clear that exception lands must be included in the urban growth boundary unless one or more of the following circumstances exist:

- A. Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;
- B. Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or

- C. Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion of lower priority lands in order to include or to provide services to higher priority lands. [1995 c.547 §5; 1999 c.59 §56]

In order to determine if exception lands are to be included in the amended urban growth boundary the City must determine if any or all of these nine sub-areas can reasonably accommodate its identified land needs.

The “McMinnville Residential Land Needs Analysis” concludes that the city will require land to accommodate approximately 6,014 new dwelling units during the planning period. It further concludes that, in contrast to the preceding fourteen years time, there will be need for an increased percentage of multi-family, or single-family attached, housing to address the housing needs of McMinnville households at all income levels. In addition, there will continue to be a shift toward smaller single-family lot sizes, similar to recent development trends. These changes will cause future residential densities to increase dramatically from what was experienced in the preceding fourteen years time by some 22 percent (from 5.9 dwelling units per net acre to 7.2 dwelling units per net acre).¹⁵

To meet these demands the City proposes to implement a number of land use measures that would help to satisfy these future housing needs. The cornerstone of these measures is the creation of neighborhood activity centers, or areas within the city that are appropriate for and capable of accommodating neighborhood commercial development and higher density housing. This type of development is dependent upon locations along arterials and collector streets, in areas well served by public facilities and streets, and in areas that benefit from close proximity to other schools and support services.

In addition to these residential land needs, the City has documented a need for approximately 314 acres of public parkland, 96 acres for public school use, and 193 acres for future commercial development. As described above, much of this commercial need would be met by the implementation of neighborhood activity centers.

Beyond the requirements of law, for purposes of good planning, land should be suitable for the intended use.¹⁶ For example, it makes little sense to plan and zone land for lower income housing if that land is steeply sloped, is in an area characterized by higher land values, or is otherwise expensive to develop. Similarly, planning and zoning land for a future neighborhood activity center that is situated in an area of predominantly low density rural development, that is expensive to serve, has relatively little available vacant buildable land, is extensively parcelized, and has a resident population opposed to increased density would likely not be a wise or prudent choice.

¹⁵ It is important to note that all projected low density, single-family detached housing needs can be accommodated on lands within the existing McMinnville urban growth boundary. Therefore, no additional land for such housing is needed beyond the current UGB. The residential expansion need, therefore, is for lands that are suitable for relatively higher density housing.

¹⁶ Both the Oregon Land Use Board of Appeals, and the Oregon Court of Appeals have indicated that where the need identified by the local government can be satisfied only by land with certain characteristics, only lands that have those characteristics should be evaluated under ORS 197.298. As DLCD stated in its staff report to its Commission in May of 2002, regarding the City of North Plains Periodic Review Task: “[. . .] to require a local government to do otherwise would be to require it to evaluate (and possibly to include within its UGB) lands that can’t satisfy the identified land need for additional lands. Neither the statutes nor Goal 14 require or even suggest this result.”

Given this, the City further analyzed each of the previously described sub-areas to assess their ability to reasonably accommodate the identified residential land needs as they are described in the “McMinnville Residential Land Needs Analysis,” the “Economic Opportunities Analysis” (and the revisions to those documents), and the “Growth Management and Urbanization Plan.” If determined to be able to reasonably accommodate this need, the City then examined the sub-area’s ability to accommodate commercial land needs, and other identified residential needs, particularly schools and public parks. If found through this effort that lands within a sub-area could not reasonably accommodate identified residential land needs, the City did not conduct further analysis as to the sub-area’s ability to provide for needed commercial land. In so doing the City reasoned that the type of commercial development encouraged by the City’s land use plan is of a neighborhood scale that is located central to a surrounding—and supporting—higher density residential neighborhood. Absent this support, or ability to create such a market, it is unreasonable to provide for commercial uses in the sub-area. Schools and parks were treated in similar fashion. These public facilities typically follow residential development, or, at best, occur concurrent with residential development. Lacking the ability to develop lands within a particular sub-area to urban residential densities would seem to preclude any thought that public schools or parks should be located there.

For purposes of the City’s analysis, the following factors were considered in order to assess a sub-area’s ability to reasonably accommodate an identified land need:

Physical constraints

In general, sub-areas that have a higher percentage of area constrained by identified wetlands, floodplain, steep slope, or other environmentally sensitive area are less suitable for residential or commercial use due to their obvious development limitations and associated costs. However, some open space or parkland needs may be appropriate to locate in floodplain areas to serve adjacent residents. Specifically, it is anticipated that 41 acres of the projected parkland need will be met on land located within the 100-year floodplain. There are four additional park types also identified in the Parks and Recreation Master Plan for which future land needs were not projected (Mini-Parks/Playlots, Linear Parks, Special Use Parks, and Trails and Connectors). Portions of those park needs could also be located on land identified as being within the 100-year floodplain.

Location relative to existing and planned facilities

The City has reviewed its myriad of public facility plans, and the information provided previously in the sub-area descriptions, to determine the relative cost of providing service to each sub-area, and issues specific to providing those services. Key facilities necessary to support and accommodate the identified land needs include water, sanitary sewer, fire stations, parks, and schools. In addition, transportation, to include streets, bicycle, public transit, and pedestrian facilities is a critical determining factor, particularly in light of the City’s desire to create compact, walkable neighborhoods, thereby maximizing land use efficiency and opportunities for alternative modes of travel.

As noted in DLCD’s “Planning for Residential Growth: A Workbook for Oregon’s Urban Areas,” a key consideration in determining the ability of land to accommodate an identified need is cost.¹⁷ In general, and for purposes of this analysis, sub-areas found to have public facility costs in excess of those typically found in urban area development are less likely to

¹⁷ Appendix D: Guidelines for Location and Density of Housing, page D-2.

accommodate needed housing than those that are less expensive to serve. Also, distance from existing or planned schools was considered (the farther removed from an elementary school, the less able to reasonably accommodate identified residential land need). It should be noted that some sub-areas, due to existing development patterns, narrow rights-of-way, or access limitations, are less able to accommodate McMinnville's needed housing than other sub-areas that lack such limitations. In summary, sub-areas determined to be neither economic nor orderly to serve with needed key facilities were judged less capable of accommodating identified land needs.

Location relative to surrounding uses

Good planning strongly suggests that residential development not be located adjacent to uses that produce smoke, noise, dust, fumes, chemicals, or other conflicts that would diminish the resident's ability to use and enjoy their property. In this context, sub-areas were evaluated as to their location relative to heavy industrial planned areas, the airport, rail, and major or minor arterial streets. Sub-areas located proximate to such uses were judged less able to reasonably accommodate identified residential land needs.

This analysis also examined the sub-areas to determine their ability to accommodate a mix of uses, most specifically, high-density housing and neighborhood commercial. Factors considered were the presence of major collector streets, adjacency to urban density development, and extent to which the sub-area may be parcelized (the less parcelized, the easier to accommodate mixed use, higher density neighborhood development).

Location relative to market demand

The DLCDC Workbook states that:

"High density housing requires high land values; higher land values are likely to be associated with places where density is already higher. In other words, future high density housing will tend to go in areas that are developed at high densities."¹⁸

Consistent with the suggestions provided in the DLCDC Workbook, the City has evaluated land values for each sub-area and the ability of the market to supply different types and densities of housing within them. Changes in land use plans (i.e., the designation of a rural residential area for higher density, urban scale housing) should be sensitive to the extent to which demographic and economic conditions are likely to support those changes.

Existing development patterns and other factors affecting urbanization

The amount of existing development, and its location and pattern within the sub-area are critical factors in assessing the sub-area's ability to accommodate identified land needs. For example, exception land areas that have a high ratio of developed land to buildable land (vacant and partially vacant lands) are generally more difficult to develop to higher residential densities, both from a development and from a neighborhood support perspective. These patterns may also significantly affect the manner in which utilities can—or cannot—be provided to future development within the sub-area. In addition, the extent of parcelization and individual

¹⁸ McMinnville Growth Management and Urbanization Plan - Appendix D: Guidelines for Location and Density of Housing, page D-3.

ownerships are important considerations. The more an area exhibits such patterns, the more difficult it is to facilitate urban development in an efficient and compact form. Even if such lands are brought into the UGB, it is less likely that they would redevelop during the planning period to urban densities due to the difficulties and expenses of redeveloping an area that has so many different ownerships.

In an effort to better understand each of the exception land sub-area's ability to reasonably accommodate the City's identified residential land needs, the above described locational factors have been reduced to a series of numerically ranked criteria. These criteria, the values assigned to each criterion, and the results of this analysis are provided in Attachment 2 of this document. In summary, Lawson Lane far outscored the other exception land sub-areas (42 points), with the Fox Ridge Road and Redmond Hill Road sub-areas finishing in second and third position (27 and 26 points, respectively), some distance above the next nearest score. Booth Bend Road, Old Sheridan Road, and Riverside North finished tied in fourth position (19 points each), with Riverside South, Westside Road, and Bunn's Village in the final three positions (17, 12, and 8 points, respectively).¹⁹

Table 16. Ranking of Exception Study Areas

	Exception Land Subarea								
	Lawson Lane	Fox Ridge Road	Redmond Hill Road	Booth Bend Road	Old Sheridan Road	Riverside North	Riverside South	Westside Road	Bunn's Village
Buildable Lands Data									
Gross Acres (GA)	18.24	143.5	39.92	42.33	48.97	100.82	192.58	34.9	201.99
Percent of GA that are developed/constrained	41%	55%	42%	69%	25%	64%	33%	60%	40%
Gross Vacant Buildable Acres (GVBA)	10.76	65.0	23.15	13.17	36.51	36.34	128.6	13.9	121.02
Percent of GVBA that are "partially vacant"	85%	92%	81%	78%	100%	84%	58%	100%	72%
Percent of GVBA that are "vacant"	15%	8%	19%	22%	0%	16%	42%	0%	28%
Criteria									
Physical Constraints									
Percent of floodplain, slope	5	5	0	0	5	0	5	0	5
Existing / Planned Facilities									
Proximity to elementary school	3	0	0	0	0	0	0	3	0
Cost of Service									
Sanitary Sewer	5	0	0	0	0	0	0	0	0
Municipal Water	10	0	0	10	5	5	5	0	0
Electricity	10	10	10	10	10	10	10	10	10
Transportation	5	5	0	0	0	0	0	0	0
Surrounding Uses									
Percent of perimeter bordering resource land	0	5	10	0	0	0	0	5	0
Improvement Value									
Average sub-area value	10	5	7	7	7	7	0	0	3
Urban Containment									
Urban Containment	0	5	5	0	0	5	5	0	0
Factors affecting urbanization:									
Annexation	-2	---	---	-2	-2	-2	-2	-2	-2
Transportation	-2	-2	-2	-2	-2	-2	-2	-2	-2
Utility service	---	-2	-2	-2	---	-2	---	---	-2
Public safety	---	-2	---	---	-2	---	---	---	---
Development pattern	---	-2	-2	---	---	---	-2	---	-2
Urban form	-2	---	---	-2	-2	-2	-2	-2	-2
Totals:	42	27	26	19	19	19	17	12	8
Rank:	1	2	3	4(T)	4(T)	4(T)	7	8	9

It is important to understand that this analysis is not intended to serve to define the ultimate choices for McMinnville when considering which exception land sub-areas to include, or exclude, from its future urban growth plan. It's purpose is merely to provide yet another tool for evaluating each area's characteristics, opportunities, and constraints relative to providing the most suitable land needed for the city's future population. This assessment must be balanced

¹⁹ A list of criteria and their respective weighting can be found in Attachment of Appendix C of the *McMinnville Growth Management and Urbanization Plan*.

with the other requirements of Statewide planning law, and the City's comprehensive plan policies.

From the analysis conducted above, and based on the City's policies, State planning law, and other findings and observations contained in each of the sub-area's descriptions, the City concludes that the Westside Road, Bunn's Village, Riverside North, Booth Bend Road, and Old Sheridan Road sub-areas cannot reasonably accommodate identified land needs. In summary, the City found the following relative to each of these sub-areas:

Westside Road (not proposed for inclusion)

- Every parcel within the sub-area is partially developed, yielding but 13.9 acres of partially vacant land.
- The thirteen parcels that comprise this sub-area average 1.1 acres in size.
- Westside Road provides vehicular access to the parcels within this sub-area. Travel speeds, sight distances, and traffic volumes will severely limit additional access to this County road.
- The sub-area is located north of Baker Creek, beyond the natural edge that currently separates urban development from rural land uses.
- Improvement values within the sub-area are high relative to other exception areas.
- Transportation improvement costs necessary to support urban development are high.

Bunn's Village (not proposed for inclusion)

- The North Yamhill River physically separates the sub-area from the McMinnville urban area.
- The sub-area's linear shape, and existing development patterns, makes the provision of water service costly and problematic.
- The cost of providing sanitary sewer service to this sub-area is high.
- Highways 99 and 47 are limited in their ability to provide additional access to private lands within the sub-area.
- The tandem bridges that cross the North Yamhill River, connecting this sub-area to the McMinnville urban area, are narrow and do not provide width to accommodate bike lanes or sidewalks. Further, the bridges are considered by ODOT to be "functionally obsolete."
- Urbanization of this sub-area would increase the potential for land use conflicts, particularly with the surrounding farmlands.
- Extension of urban services to this sub-area would increase pressure to urbanize surrounding resource lands.

- The sub-area is extensively parcelized, making it difficult to create urban, compact development.
- Existing rural residential development densities are very low (one dwelling unit per 2.5 acres).

Riverside North (not proposed for inclusion)

- The sub-area is physically bordered by lands planned and developed for heavy industrial use on the north and west (Willamette Pacific rail line, Cascade Steel Rolling Mill, Air Liquide). To the east the sub-area is bordered by the 100-year floodplain of the North Yamhill River; to the south is the McMinnville Wastewater Treatment Facility and vacant land for the future expansion of this facility, and the McMinnville fire training tower. These adjacent uses, and their associated noise, dust, light, and other impacts, do not support a market for urban residential development, regardless of the type and density of housing. These adjacent uses lend strong support for this area's future transition and use to industrial, should it ever be made part of the McMinnville urban area.
- Public access to, and through, this sub-area is limited to Riverside Drive, a County road that serves and traverses through a heavy industrial area to the north.
- This sub-area is physically remote from public elementary schools and other supportive commercial and public services.

Booth Bend Road (not proposed for inclusion)

- The sub-area is physically isolated from the McMinnville urban area by Oregon Highway 18, a designated "expressway" that serves as the sub-area's northwestern border.
- Urbanization of this sub-area would increase the potential for urban / rural conflict given its location and proximity to active agricultural uses to the south.
- The cost of providing public services necessary to support this sub-area's urbanization, relative to the amount of vacant buildable land is high.

Old Sheridan Road (not proposed for inclusion)

- The cost of providing public services necessary to support this sub-area's urbanization is high.
- Access to this sub-area is limited to Old Sheridan Road, a County road subject to occasional flooding.
- The development of this sub-area for commercial uses would be contrary to current McMinnville plan policies that discourage strip development (see Plan Policy 24.00).

In support of the City's desire to create a compact urban form and walkable neighborhoods, McMinnville intends to adopt plan policy and zoning ordinance provisions to create several neighborhood activity centers at key locations throughout McMinnville. These centers will provide land for the vast majority of the city's future commercial and higher density residential housing. Underpinning this effort is the need to make available lands that are in proximity to existing schools and other public services, that are capable of being assembled into large

blocks of land, that are not adjacent to rail or existing and planned heavy industrial areas, and that are in proximity to public utilities capable of supporting such density or that can be provided at relatively low cost.

The sub-areas identified above for non-inclusion exhibit characteristics inconsistent with these locational criteria. These sub-areas are, in summary, extensively parcelized; held in multiple ownerships; require costly extension or upgrades to existing public utilities to support urban density development; are located some distance from existing public utilities, schools, and other services; in some cases, located adjacent to heavy industrial development and rail; and have extensive amounts of rural residential development in locations and patterns that make higher density development impracticable or timely. These sub-areas, therefore, cannot reasonably accommodate the identified residential land needs.

Absent supporting urban residential development, it is not appropriate that these sub-areas be considered for other identified residential land needs, such as schools, parks, and churches, or for commercial land needs.

Table 17, below, summarizes findings related to exceptions areas.

Table 17. Exceptions Lands Analysis Summary

Sub-area	Buildable Land			Existing / Planned Facilities and Services						
	# of Tax Lots	Gross Vacant Buildable Acres	Average Buildable Parcel Size	Cost	Water Service Issues	Cost	Sewer Service Issues	Cost	Transportation Service Issues	School Distance from Elementary School
Recommended for Urbanization:										
Riverside South	71	128.6	1.8	M	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Substandard roads; access through industrial areas	1.5 miles (Cook)
Lawson Lane	15	10.8	0.7	L		M		M	Limited access; unimproved road	1 mile (Cook)
Redmond Hill Road	12	23.2	1.9	H	Majority of area above current water service level; requires major investment to provide service.	H	Topography, parcelization, ownership patterns make utility extension difficult and expensive.	H	Limited access; unimproved road	1.75 miles (Columbus)
Fox Ridge Road	29	65.0	2.2	H	Majority of area above current water service level; requires major investment to provide service.	H	Topography, parcelization, ownership patterns make utility extension difficult and expensive.	M	Limited access; unimproved road	1.5 miles (Newby)
TOTALS:	127	227.5								
AVERAGE:			1.7							

Not Recommended for Urbanization:

Westside Road	13	13.9	1.1	M	"Dead end" system w/ low pressure	M	Requires 1,000 foot extension, pump station; parcelization makes utility extension difficult and expensive.	H	Limited access; limited ability to provide additional circulation within sub-area	0.6 miles (Grandhaven)
Bunn Village	55	125.7	2.3	H	Requires long extension of existing service; result in "dead end" system w/ low pressure due to shape of sub-area.	H	Requires long extension of trunk line to reach area; pump stations; parcelization and ownership patterns make provision of service expensive and difficult; environmental factors add to cost.	H	Limited access; ODOT concern re: impact to State highway.	1.9 miles (Grandhaven)
Riverside North	16	36.3	2.3	M	Parcelization, ownership patterns make utility extension difficult and expensive.	M	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Substandard roads; access through industrial areas	1.8 miles (Grandhaven)
Booth Bend Road	19	13.2	0.7	L		H	Requires extension under Highway 18.	H	Limited access; unimproved road	1.25 miles (Cook)
Old Sheridan Road	18	36.5	2.0	M		H		H	No access to Hwy 18; ODOT concern re: Durham/Hwy 18 intersection.	1.25 miles (Columbus)

Costs are expressed as: L = Low (\$0 - \$200,000); M = Medium (\$200,001 - \$800,000); and H = (in excess of \$800,000)

The "Guiding Principles" read as follows:

- Principle #1: Land Use Law - Comply with state planning requirements
- Principle #2: Historic Development Patterns -- In general, respect existing land use and development patterns and build from them
- Principle #3: Hazards and Natural Resources -- Avoid development in areas of known hazards or natural resources
- Principle #4: Cost of Urban Services -- Consider the availability and cost of providing urban services to new development
- Principle #5: Density -- Adopt policies that allow the market to increase densities, and push it to do so in some instances
- Principle #6: Traditional Development -- Consistent with principles #4 and #5, Allow and encourage development that meets the principles of "smart growth"
- Principle #7: UGB Expansions -- Contain urban expansion within natural and physical boundaries, to the extent possible.

Principle #1 is not considered in this summary in that compliance with state planning requirements is not a factor that can be ranked; compliance is an absolute requirement. Principle #2 is not considered in that historic development patterns would be markedly changed in each sub-area given the push to urbanize currently rural areas of development.

Exception Land Sub-Area Capacity

Inclusion of the Riverside South, Lawson Lane, Redmond Hill Road, and Fox Ridge Road sub-areas will provide an additional 227.51 acres of buildable land for urban development as detailed in Table 18, below. At planned densities, this land will accommodate 906 additional dwelling units. Even with these areas added to the existing McMinnville urban growth boundary, there still exists a need for land to accommodate 2,159 dwelling units. This assumes that these exception land sub-areas would not provide any land for commercial or other residential land needs (schools, churches, parks, etc.).

Table 18. Exception Land Sub-area Capacity Analysis

Exception Subarea	Number of Tax Lots	Gross Acres	Existing Development/ Constraints	Gross Vacant Buildable Acres	Assumed Gross Density	Dwelling Units
Riverside South	71	192.58	63.98	128.60	4.30	552
Lawson Lane	15	18.24	7.48	10.76	4.30	46
Redmond Hill Road	12	39.92	16.77	23.15	3.50	81
Fox Ridge Road	29	143.48	78.48	65.00	3.50	227
Exception Areas Subtotals	127	394.22	166.71	227.51	3.98	906

The amount of gross vacant buildable land contained within the above described exception land sub-areas—Riverside South, Redmond Hill Road, Lawson Lane, and Fox Ridge Road—is inadequate to meet the previously identified land need for the planning period. The exception areas deemed appropriate for inclusion in the McMinnville UGB contain about 228 gross buildable acres and capacity for just over 900 dwelling units. This leaves a land need of approximately 672 acres and a dwelling unit need for 2,159 dwelling units. Thus, McMinnville will be required to consider lower priority lands (priority 3 and 4) as defined by ORS 197.298.

- (3) Land designated as marginal land under ORS 197.247.

Finding: Yamhill County is not a “marginal lands” county and has no lands designated as “marginal lands”; therefore, this criterion does not apply.

- (4) Land designated for agriculture or forestry in an acknowledged comprehensive plan.

Findings: As previously noted, the priorities as provided in ORS 197.298(1) are satisfied because there are no:

- Designated urban reserve lands.
- Insufficient exceptions lands to meet identified needs.
- Designated marginal lands.

Therefore, the Council concludes that agricultural and/or forestland²⁰ must be included in the UGB to meet demonstrated needs for residential, commercial, park and school land.

²⁰ ORS 197.298(3) allows land of lower priority to be included in a UGB in the following circumstances:

- (a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;
- (b) Future urban services could not reasonably be provided to the higher priority [lands] due to topographical or other physical constraints; or
- (c) Maximum efficiency of land uses within a proposed [UGB] requires inclusion of lower priority lands in order to include or provide services to higher priority lands.

Since no “higher priority” land exist adjacent to McMinnville’s pre-amendment UGB, the City need not demonstrate that these criteria are satisfied. However, the findings under Goal 14, factors 3-5, demonstrate compliance with ORS 197.298(3)(a-c), to the extent that these criteria might be determined applicable to these proceedings.

Goal 14, factor 6, requires consideration of the following:

Retention of agricultural land as defined; with Class I being the highest priority for retention and Class VI the lowest priority.

In addition, ORS 197.298(2) requires that land of “lower capability as measured by the [U.S. Natural Resources Conservation Service (NRCS) agricultural soil] capability classification system or by cubic foot site class, whichever is appropriate for the current use,” be given higher priority for inclusion in a UGB.

Findings: The Council carefully considered impacts on agricultural and forestlands when deciding which direction to expand the UGB. As detailed on maps available through the National Resources Conservation Services for Yamhill County, and as submitted into the record by 1000 Friends of Oregon, dated August 4, 2003, most resource lands adjacent to the McMinnville UGB have class II, or III soil types. A relatively small band of class I soils exist immediately northwest and north of McMinnville; a small area of class IV soil is located immediately east of the McMinnville Municipal Airport. In its analysis, the City looked first at all resource lands within one mile of the current urban growth boundary that met the following criteria:

1. Resource lands that are surrounded by the existing urban growth boundary, and the Yamhill River, Baker Creek, or Panther Creek;
2. Resource land surrounded on at least three sides by the existing UGB and/or non-resource lands, and/or other significant natural or man-made edge (e.g., slope, floodplain, arterial street);
3. Resource land needed to allow extension of public facilities to serve land within the existing UGB; and
4. Resource land held by public entities.

Lands not meeting these criteria were assumed to be less appropriate for meeting the City's identified land needs due primarily to their greater distance from existing and planned public facilities (more expensive to serve), and surrounding uses (surrounded almost entirely by other resource land, thereby increasing the potential for urban and agricultural conflict). This prioritization scheme is consistent with the guiding principles described in the *McMinnville Growth Management and Urbanization Plan*—specifically, principles #2, *Historical Development Patterns -- Respect existing land use and development patterns and build from them*, and #7, *UGB Expansions -- Contain urban expansion within natural and physical boundaries, to the extent possible*.

Application of criteria 1-4 listed above, as well as the guiding principles described in Section III of the *McMinnville Growth Management and Urbanization Plan*, resulted in resource lands north of Baker Creek and the North Yamhill River, east and south of the South Yamhill River, and south of Highway 18 being excluded from initial consideration. This left five geographically distinct resource sub-areas for analysis: Grandhaven; Norton Lane; Three Mile Lane; Southwest; and, Northwest. As a result of testimony provided during the public hearing process regarding this plan amendment, a sixth resource land sub-area was added, referred to as the “Thompson” property. To accommodate this addition, the southern third of the Southwest sub-area was removed from further consideration. The location of these resource areas is shown on Map 2, below.

MAP 2: RESOURCE LAND SUB-AREAS

The City has considered the lands west and southwest of the existing UGB and is recommending that some of them be included in the proposed expansion (Northwest, Southwest, and the Thompson property sub-areas), as well as sub-areas to the north and southeast (Grandhaven and Three Mile Lane, respectively). The other areas referenced are located farther to the west and southwest and are not included for reasons related to the cost and feasibility of providing necessary urban services (elevation and distance), transportation, distance to planned and existing services (schools, commercial development), and housing need (elevation, slope, and cost of development will make it less likely that these would support smaller lot development). Also, lands east of the airport were not given consideration due to their location adjacent to the airport and weapons training facility and their land use incompatibilities with urban residential development.

It is important to note that the vast majority of lands that surround the McMinnville urban area are characterized as having Class II or Class III soils. As described previously, Class I soils -- those of the highest priority -- exist in a narrow band that parallels Baker Creek in the northwest corner of McMinnville, and in an area adjacent to Lawson Lane (developed with rural housing). In addition, such soils nearly blanket the Westside Road sub-area, and nearly one-quarter of the Riverside North sub-area. Of the 1,538 gross acres of land proposed for inclusion in the amended urban growth boundary, less than 30 acres are of Class I soil (less than 2 percent).

A summary of soil types by sub-area follows.

- Norton Lane. Soil classification within the eastern portion of this sub-area (the portion east of Joe Dancer Park) was field investigated and mapped in 1999 by a private soil scientist.²¹ That investigation found that some 1.9 percent (3.73 acres) of the soils within the area are classified as SCS Class I. This soil is located primarily west of the location of the milking barns of the Shurig Dairy that was in operation on this site in the recent past. Class II soils comprise nearly 75 percent of the site. The balance of this area is composed of Class III (14.5 percent), Class IV (1.8 percent), and Class VI (7 percent) soils. The majority of the western portion of this sub-area (Joe Dancer Park area) is identified as Class II and contains no Class I soils.
- Three Mile Lane. Soils within this sub-area are almost entirely Class II with a small amount of Class III and Class VI found mainly within the 100-year floodplain of the South Yamhill River. A relatively small occlusion of Class I soil extends east from the Lawson Lane sub-area.²²
- Northwest. Soils within this sub-area are almost entirely Class II with a notable amount of lesser soils located along the perimeter and in the middle of the sub-area. A small portion of the sub-area's lowest class soils is located with the 100-year floodplain of Cozine Creek. There are no Class I soils within this sub-area.²³
- Grandhaven. Soil classification within this sub-area is almost entirely Class II and Class III, with a smaller amount of Class I soil present in the extreme northern portion. There also exist a few isolated areas of Class IV soil located throughout the sub-area.²⁴

²¹ Jack Parcell, Certified Soil Scientist, #19574 CPSC – June, 1999. (Attachment 3)

²² Natural Resources Conservation Service (NRCS) - <http://www.nrcs.usda.gov>

²³ Natural Resources Conservation Service (NRCS) - <http://www.nrcs.usda.gov>

²⁴ Natural Resources Conservation Service (NRCS) - <http://www.nrcs.usda.gov>

- Southwest. Soil classification within this sub-area is almost entirely Class II soil with a very small amount of Class IV and Class VI along the edge of and within the 100-year floodplain of the adjacent waterways.²⁵
- Thompson Property. Soil classification within this sub-area is almost entirely Class III (92 percent of the 37.23 acre parcel); the balance consists of Class II soil.²⁶

The Council concludes that ORS 197.298(2) and (3) and Factor 6 are satisfied because areas with higher capability agricultural land are being retained outside the UGB and other areas with lower capability agricultural are proposed for inclusion.

²⁵ Natural Resources Conservation Service (NRCS) - <http://www.nrcs.usda.gov>

²⁶ Letter from Jerry B. Hart, August 5, 2003.

2. Factor 3

(3) Orderly and economic provision for public facilities and services_[1]

Findings: In evaluating alternative areas for possible inclusion in the UGB, this factor requires consideration of their relative serviceability. Following is a description of service issues for the sub-areas proposed for inclusion in the UGB. Detailed descriptions regarding serviceability issues for sub-areas not recommended for inclusion are found in Appendix C of the MGUMP. Based on such analysis, the City finds that the inclusion of the following sub-areas is neither orderly nor economic: Westside Road; Bunn's Village area, Riverside North, Booth Bend Road, and Old Sheridan Road.

Exceptions Areas Recommended for Inclusion

Riverside South Sub-area

Sewer:

Although located adjacent to the Water Reclamation Facility to the north, the Riverside South sub-area is served exclusively by private septic systems as it is beyond the current urban service area. Development of this sub-area to urban densities will require the abandonment of these private systems and, in their place, the provision of a public sanitary sewer system.

While sanitary sewer service could be extended to adequately serve this sub-area, the distance of that extension to reach most of the developable area is lengthy. Specifically, the two largest concentrations of buildable land each lie near the center of the sub-area; one to the north of Riverside Drive and one to the south within the interior of Riverside Loop. Reaching either of these areas from the system's current terminus at the intersection of Riverside Drive and Miller Street requires improvement along a distance of approximately 4,000 feet (about 3/4 mile). Such an extension of this 12-inch trunk line along the frontage of the fifteen, or so, rural residential properties within this corridor would, in most cases, provide only the possibility of partitioning land to create one or two new residential parcels each. The cost of adequate sanitary sewer service per developable acre may, therefore, be categorized as high. Additionally, due to the sloping topography within the sub-area, one or more pump stations would be required in order for the system to be functional. A critical issue in providing service to this sub-area is the need to develop and implement a comprehensive public utility strategy to efficiently serve the additional development in this heavily parceled area.

Water:

The Riverside South sub-area is served exclusively by individual private wells. Such wells would be abandoned over time commensurate with urban development. The municipal water main that is closest to this sub-area is a ten-inch line that is located in Riverside Drive at its intersection with Miller Street. According to McMinnville Water and Light, enlargement and extension of existing lines located both northwest and west of the sub-area would be necessary to create a loop system capable of serving urban density development.

McMinnville Water and Light estimates the cost for providing municipal water to this sub-area as moderate (ranging from \$200,000 to \$800,000).

Electric:

Electrical service to the Riverside South sub-area is currently provided by McMinnville Water & Light. The closest electrical sub-stations to this sub-area are the Windishar Substation located at the southwest corner of the Cascade Steel Rolling Mill site, and the Cascade Substation located along the Riverside Drive frontage of the Cascade Steel Rolling Mill near its intersection with Highway 99W. The existing feeders presently serving this sub-area would need to be upgraded in order to sufficiently support future urban development of this area.

McMinnville Water and Light estimates the cost for providing electric service to this sub-area as low (\$0 to \$200,000).

Transportation:

The Riverside South sub-area is provided access to the McMinnville urban area solely by Riverside Drive. This roadway extends through the sub-area and connects to Lafayette Avenue farther to the west, and to Highway 99W to the north. In so doing, the road travels through areas planned and currently developed for heavy industrial use. Within the urban growth boundary, Riverside Drive is designated as a major collector and is improved to those standards. Within this sub-area, Riverside Drive is a narrow, two-lane paved County road situated within a 50-foot wide right-of-way.

Blossum Drive, an 800-foot long gravel cul-de-sac road forms part of the sub-area's western edge. Some 550 feet to the east is the Walnut Avenue cul-de-sac road that extends northward from Riverside Drive a distance of some 1,500 feet. Approximately midway between the intersections of Blossum Drive and Walnut Avenue with Riverside Drive, another local rural road, Riverside Loop, extends to the south some 1,400 feet before turning to the east in a long, sweeping curve to again intersect with Riverside Drive. No other public roads or rights-of-way exist within this sub-area. Also, there are currently no bike lanes or sidewalks within the Riverside South sub-area.

Lawson Lane Sub-area**Sewer:**

The Lawson Lane sub-area is served exclusively by private septic systems as it is beyond the urban service area. Development of this sub-area to urban densities will require the abandonment of these private systems and, in their place, the provision of a public sanitary sewer system.

While sanitary sewer service can be extended to adequately serve this sub-area, the distance of that easterly extension to reach the closest public point, the intersection of Stratus and Lawson Lane, is about 1,000 feet. Urban services cannot be provided to adjacent land along this length as this land is identified as farmland that is outside the current McMinnville urban growth boundary. This fact substantially increases the average cost of sanitary sewer to the developable acreage within this sub-area. Additionally, an extension of this 12-inch trunk line an additional 1,500 feet or so to the southern extent of the sub-area would, in most if not all cases, provide only the possibility of partitioning the twelve buildable parcels to create one or two new residential parcels each.

Cost for providing sanitary sewer service to this sub-area is estimated as medium.

Water:

The Lawson Lane sub-area is served exclusively by individual private wells. Such wells would be abandoned over time commensurate with urban development. The municipal water main that is closest to this sub-area is a six-inch line located on the north side of Highway 18. Extension of this line under Highway 18 would be necessary in order to serve this sub-area. The cost of extending such service to the area is estimated as low.

Electric:

This sub-area is presently provided electrical service by McMinnville Water and Light. Cost estimates the costs for providing electric service to this sub-area are low as existing feeders presently serve the area and are generally determined to be adequate to accommodate urban development of this sub-area. Due to the small amount of developable acreage available and the residential nature of this land, future urbanization of this sub-area will not cause a need for additional feeder upgrades.

Transportation:

The Lawson Lane sub-area is provided access by Stratus Avenue, a frontage road that parallels the south side of Highway 18. This road forms the northern edge of this sub-area and intersects with Norton Lane to the east, near the Willamette Valley Medical Center, and to Highway 18 to the west. Either Lawson Lane or Noble Lane serves all parcels within the sub-area; both classified by Yamhill County as local roads. Neither of these rural roads is improved with sidewalks, curbs, or gutters.

Transportation costs necessary to support urbanization of this sub-area are estimated as medium.

Redmond Hill Road Sub-area

Sewer:

Similar to the situation within the Fox Ridge Road Sub-area, there are topographic and existing development patterns that serve to make extending public sanitary sewer service to this sub-area difficult and expensive. In addition, this sub-area will not be able to be served with sanitary sewer service until a westerly extension of an existing sewer trunk line, currently located some 3,900 feet to the east, is in place. This improvement will be constructed commensurate with adjacent development and will extend westerly from its current terminus near the intersection of Redmond Hill Road and Howard Drive located within the Hillsdale, 1st Addition residential subdivision. According to the City of McMinnville Engineering Department, costs associated with providing public sanitary sewer service to this sub-area are estimated to be high.

Water:

Individual, private wells currently serve as the source of domestic water for the lands within this sub-area. As described in the McMinnville Water and Light "Water System Master Plan," this area is located above the current water service area and cannot be

provided public water without construction of an upper level system. This system would require, in part, the acquisition of land on which to build a new reservoir (northeast of this sub-area at an elevation of some 510 feet), construction of two reservoirs each with a 1.65 million gallon capacity, pump station, and transmission line connecting the existing reservoirs with the planned reservoir and pump station. In 1996, McMinnville Water and Light estimated the cost for these improvements, necessary to supporting urban development in the Fox Ridge Sub-area, at \$3.4 million.

Electric:

McMinnville Water and Light estimates the costs for providing electric service to the Redmond Hill Sub-area as low (ranging from \$0 to \$200,000). Existing feeders on North Hill Road would have to be upgraded to accommodate the additional projected load, however.

Transportation:

As noted previously, Redmond Hill Road is the only public road serving this sub-area. This Yamhill County road extends west from Hill Road a distance of 4,100 feet (nearly all of which is gravel surface) before it enters and crosses through the midsection of the sub-area. This gravel road has a right-of-way dimension of thirty feet and is classified as a by Yamhill County. No other public roads or rights-of-way exist within this sub-area.

Extending from this public road are several narrow, private drives that afford access to the parcels that are located within the sub-area.

Fox Ridge Road Sub-area

Sewer:

While there are topographic and existing development patterns that serve to make extending public sanitary sewer service to this sub-area, and, as a consequence, its cost, there are no other known reasons that would preclude the provision of such service. In addition, due to the site's topography, sanitary sewer effluent would gravity flow in two directions: to the north and into the Michelbook drainage basin; and, to the south into the Cozine drainage basin, thus requiring additional trunk line construction beyond that which would otherwise be required. Pump stations are not anticipated within such gravity flow systems. According to the City of McMinnville Engineering Department, costs associated with providing public sanitary sewer service to this sub-area are estimated to be high.

Water:

Individual, private wells currently serve as the source of domestic water for the lands within this sub-area. As described in the McMinnville Water and Light "Water System Master Plan," this area is located above the current water service area and cannot be provided public water without construction of an upper level system. This system would require, in part, the acquisition of land on which to build a new reservoir (southwest of this sub-area at an elevation of some 510 feet), construction of two reservoirs each with a 1.65 million gallon capacity, pump station, and transmission line connecting the existing reservoirs with the planned reservoirs and pump station. In 1996, McMinnville

Water and Light estimated the cost for these improvements, necessary to supporting urban development in the Fox Ridge Sub-area, at \$3.4 million.

Electric:

McMinnville Water and Light estimates the costs for providing electric service to the Fox Ridge sub-area as low (ranging from \$0 to \$200,000). Existing feeders on North Hill Road would have to be upgraded to accommodate the additional projected load, however.

Transportation:

As noted previously, a single public road currently serves the Fox Ridge Sub-area: Fox Ridge Road. This Yamhill County road extends west from Hill Road through the midsection of the sub-area. Its right-of-way dimension is forty feet, which is currently improved with a paved surface averaging 25-feet in width. The road is classified as a local access road by Yamhill County. No other public roads or rights-of-way exist within this sub-area.

Extending from this public road are numerous narrow, private drives that afford access to the parcels that are located within the sub-area.

Resource Areas Recommended for Inclusion

Norton Lane Sub-area

Sewer:

The area east of the South Yamhill River is served exclusively by private septic systems. Development of this sub-area to urban densities will require the abandonment of these private systems and, in their place, the provision of systems connecting to public facilities. An extension of the trunk line presently located within the Norton Lane right-of-way just south of the sub-area would be necessary to provide serviceability to the sub-area, as well as a pump station.

Water:

The area east of the river is served exclusively by private wells. Provision of municipal water to serve this area will be provided by the extension of the existing trunk line located to the north in the Riverside Drive right-of-way. McMinnville Water and Light is currently developing a design for this extension and is planning to construct it later this year.

Electric:

This area is presently provided electrical service by McMinnville Water and Light. Existing feeders are determined to be adequate to accommodate the future urban development within this sub-area.

Transportation:

This eastern portion of the sub-area is provided access by Norton Lane. Within this sub-area, Norton Lane is a gravel road within a forty (40) foot wide right-of-way that extends nearly half way through the sub-area's midsection in a north to south alignment. The western portion of the sub-area is served by public drives extending east from the 3rd Street and Brooks Street intersection, and south from Marsh Lane.

Three Mile Lane Sub-area**Sewer:**

The sub-area is served exclusively by individual private septic systems. Development of this sub-area to urban residential densities will require the abandonment of these private systems and, in their place, the provision of a public sanitary sewer system. The provision of such a system would require the extension of trunk lines located within the Norton Lane and Cirrus Avenue rights-of-way. This effluent would be moved through a pump station within the Airport basin to reach the balance of the system leading to the Water Reclamation *Facility*.

Water:

Provision of municipal water to serve this area will be provided by connecting to the service presently located within the urbanized area south of Highway 18 and adjacent to this sub-area. The municipal water main that is closest to this sub-area is a ten-inch line and is located at the northeast corner of the sub-area in the Cirrus Avenue right-of-way. The existing system currently providing service to the Three Mile Lane area will be augmented with a connection through Norton Lane to Riverside Drive to the north across the South Yamhill River thereby creating a looped system and improving existing pressure and flow. This improvement is scheduled to be completed in the coming year.

Electric:

This area is presently provided electrical service by McMinnville Water and Light. Existing feeders are determined to be adequate to accommodate future urban development within this sub-area.

Transportation:

This sub-area is provided access by Cirrus Avenue, Norton Lane and Martin Lane. Cirrus Avenue is a frontage road that runs parallel to the south side of Highway 18. Norton Lane currently terminates with a temporary barricade in the sub-area's northeast corner adjacent to the Willamette Valley Medical Center site, and Martin Lane is a county rural road improved only with a gravel surface.

Additionally, the Oregon Highway 18 Corridor Refinement Plan identifies the redesign and construction of a comprehensive interchange and frontage road system providing improved, signalized access to the majority of this sub-area. The improvements contemplated by this plan would also remove a considerable amount of buildable acreage from the sub-area's midsection.

Southwest Sub-area

Sewer:

The sub-area is served exclusively by individual private septic systems. Development of this sub-area to urban residential densities will require the abandonment of these private systems and, in their place, the provision of a public sanitary sewer system. The provision of such a system would require the extension of the 18-inch trunk line in Old Sheridan Road adjacent to the Creekside at Cozine Meadows residential subdivision, located east of the sub-area. The resultant effluent would be moved through the Cozine Basin and, assisted by the Elmwood pump station, through the Downtown and Yamhill Basins to the Water Reclamation Facility. This would require line size upgrades to a large portion of the existing Cozine trunk, as well as the trunk line that passes through the Yamhill basin. While this cost would be estimated as high, the amount of developable land within this sub-area would likely soften some of the financial impacts.

Water:

Provision of municipal water to serve this area would be provided by connecting to the service presently located within the urbanized area to the north and east of the sub-area. There are two municipal water mains that are adjacent to this sub-area: a 10-inch line at the intersection of Hill Road and Alexandria Street, and an 8-inch line in Old Sheridan Road just south of the Creekside at Cozine Meadows residential subdivision. The cost of providing water service to this sub-area is estimated as *low*.

Electric:

This area is presently provided electrical service by McMinnville Water and Light. Existing feeders are determined to be adequate to accommodate future urban development within this sub-area. The cost of providing such service to this sub-area is estimated as *low*.

Transportation:

This sub-area is provided access by Old Sheridan Road to the east, and Hill Road to the west. These roads are under County jurisdiction and are not improved to urban standards. Urbanization of this sub-area would require improvements to these roads in order to adequately serve adjacent urban development.

In particular, Old Sheridan Road, which borders the sub-area along its eastern edge, is designated in both the Yamhill County "Transportation System Plan" and the McMinnville "Transportation Master Plan" as a minor arterial street. As such, the current right-of-way width of 60-feet would need to be increased to 100-feet in order to meet City standards. The existing road would also have to be reconstructed to provide 50-feet of paved travel surface. Given the close proximity of some of the residences and other improvements to Old Sheridan Road, and the presence of wetlands to the east and west of this road, acquiring this additional right-of-way may prove problematic and disruptive to the existing property owners. Other than the existing paving, this public roadway is devoid of any other improvements.

Hill Road, designated as a minor arterial in the City of McMinnville Transportation Master Plan, traverses the western edge of the sub-area. Hill Road currently lacks the right-of-way width (50 feet) sufficient to accommodate and support full, urban development of this sub-area and as called for in the City's Transportation Master Plan (minor arterial; 100 foot wide right-of-way). Such improvements would likely be required commensurate with development within this sub-area.

Northwest Sub-area

Sewer:

The Northwest sub-area is served exclusively by individual private septic systems. Development of this sub-area to urban residential densities will require the abandonment of these private systems and, in their place, the provision of a public sanitary sewer system. Sewer improvements necessary to support urbanization of this sub-area would include a westward extension of the existing eight-inch trunk line located within Hill Road. There are no known geographic or topographic features that would complicate this extension. Pump stations are not anticipated.

Water:

Municipal water to serve this area will be provided by extending the sixteen-inch line that runs along the southern portion of the sub-area. As there are no topographic or other physical constraints to providing this service, such improvement cost is anticipated to be low (ranging from \$0 to \$200,000).

Electric:

This area is presently provided electrical service by McMinnville Water and Light. Existing feeders are determined to be adequate to accommodate the future urban development within this sub-area. McMinnville Water and Light estimates the costs for providing electric service to this sub-area as low (ranging from \$0 to \$200,000).

Transportation:

Hill Road, designated as a minor arterial in the City of McMinnville Transportation Master Plan, currently serves as the primary vehicular access to this sub-area. Additional access is provided by Fox Ridge Road, a Yamhill County road that travels west from Hill Road. Both Hill Road and Fox Ridge Road currently lack the right-of-way width (50 feet and 40 feet, respectively) sufficient to accommodate and support full, urban development of this sub-area; additional travel lanes, sidewalks, street lights, curbs, and gutters. Such improvements would be required of individuals developing property within this sub-area commensurate with their project demands and impacts (the need for additional right-of-way lessens the amount of buildable land within the sub-area). Additionally, straightening of the existing Hill Road "S" curve, located at the southeast corner of this sub-area, would be required during the planning period. More specifically, the McMinnville Transportation Master Plan calls for the softening of this curve (creation of larger centerline radii) so as to sufficiently accommodate the vehicular and pedestrian impacts of future urban development within the area.

The McMinnville Bikeway Plan (1994) recommends the modification of street design standards to include bike lanes. Additionally, the adopted McMinnville Transit Study

(1997) identifies a future transit route (Conceptual Bus Route 1) to serve areas located along Hill Road. This route would provide service to this sub-area.

Grandhaven Sub-area

Sewer:

This area is served exclusively by private septic and water systems. Development of this sub-area to urban densities will require the abandonment of these private systems and, in their place, the provision of systems connecting to public facilities. Sewer improvements necessary to support the build-out of this sub-area include the installation of a trunk line running east-west across the Fairgrounds basin and northward to serve this area. One or two pump stations will need to be constructed in the eastern portion of the sub-area to make the system functional. Additional down-line trunk size improvements within the Fairgrounds basin may also be necessary. The estimated costs for providing sanitary sewer service to the sub-area are estimated as *moderate to high*.

Water:

Provision of municipal water to serve this area will be provided by connecting to the existing trunk lines to the south that currently serve the urban area. The existing reservoirs provide sufficient capacity to adequately serve the sub-area. McMinnville Water and Light estimates the costs for providing water service to the sub-area as *moderate*.

Electric:

This area is presently provided electrical service by McMinnville Water and Light. Existing feeders are determined to be inadequate to accommodate the future urban development within this sub-area. McMinnville Water and Light estimates the costs for providing electric service to this sub-area high primarily due to the need for the construction of a new substation to provide adequate service and routing capacity to this area.

Transportation:

This sub-area is virtually devoid of transportation improvements save those serving the four existing residences. However, this sub-area can be well served by the extension of existing streets that currently extend northward and terminate near the southern edge of the sub-area. More specifically, both Hembree Street to the west and Grandhaven Drive to the east, and in-between, McDonald Lane and Newby Street.

Summary of Factor 3 (serviceability) issues

Riverside South

Upon entering the sub-area from the west, Riverside Drive extends easterly some 1,900 feet and then turns 90-degrees to the north and extends an additional 1,900 feet before exiting the

sub-area across resource zoned land. Connecting to Riverside Drive and creating a large rural loop road to the south is Riverside Loop. While Riverside Loop has been platted to continue northward an additional 1,650 feet to terminate in another cul-de-sac, these improvements have never been put in place and this land is currently being farmed. Riverside Loop forms the majority of the southern and eastern edges of the sub-area. Additionally, Blossum Drive and Walnut Avenue extend northerly from Riverside Drive as previously described. All roads within the Riverside South sub-area are classified as rural roads²⁷ by Yamhill County.

Most roads within the sub-area are currently below minimum Yamhill County road improvement standards in terms of both right-of-way dimensions and construction, and all are below City of McMinnville standards. Riverside Drive, along this length, is improved with an approximately 25-foot wide paved section providing two travel lanes; one in each direction. All of the roads within this sub-area are devoid of curbs, gutters, bike lanes, sidewalks, lighting and storm drainage. Some of the other more notable deficiencies include streets lacking any form of paved surface and all of the cul-de-sac streets greatly exceed the maximum length as per the local standard. Residences are arranged along all of these roads.

Additionally, the eastern intersection of Riverside Drive and Riverside Loop is characterized by a sharp, more than 90 degree, sweeping turn and a steep grade change. Any urbanization of this area would, at a minimum, require the realignment of this intersection and softening of this grade change.

Reconstruction of the subgrade of certain portions of the remaining alignment would also likely be necessary. As the entire eastern and southern portions of Riverside Loop exist within the 100-year floodplain, permits would be necessary from the Department of Environmental Quality, the Army Corps of Engineers, and the Oregon Division of State Lands to allow necessary landform modifications and improvements. The cost of these permits and atypical engineering and surveying costs would be added to the typical cost of such improvements. More importantly, development along this road would only be permitted to occur on the north side, the area outside of the floodplain. By allowing development to occur on only one side of the street it will likely be economically unfeasible to develop further those properties adjacent to Riverside Loop. As such, to serve the nineteen or so acres of developable land within the interior of Riverside Loop, a new series of local streets, all connecting directly to Riverside Drive, would need to be constructed. This would require the cooperation of the ten or so affected property owners. The affected property owners would pay this street improvement, and all others required to support further urbanization within the sub-area, as part of their development, through a local improvement district, or other financing means.

In addition to this transportation improvement, all streets within this sub-area are in need of substantial improvement, including additional right-of-way, in order to bring them up to standards required to permit urban density development. In addition, the sub-area would need to be master planned to identify opportunities for additional local street access (for example, local connecting streets between Blossum Drive and Walnut Avenue) in order to achieve a reasonable level of urban development opportunities.

²⁷ A local county road designation with an average daily traffic volume of 500 vehicles or more: Yamhill County Transportation System Plan (1996).

Lawson Lane

All parcels within the sub-area access either Lawson Lane or Noble Lane; both classified by Yamhill County as local roads. Lawson Lane extends south from Stratus Avenue a distance of some 1,500 feet and terminates in a dead-end. About 1,000 feet south of the Stratus Avenue and Lawson Lane intersection, Noble Lane extends west a distance of some 450 feet, and then south for another 250 feet, terminating at a gravel driveway.

Neither of these rural roads is improved with sidewalks, curbs, or gutters. Open drainage ditches exist along the majority of these distances. Lawson Lane is improved with a paved travel width of approximately 20 feet within a 40-foot right-of-way. Noble Lane is currently below minimum Yamhill County public road standards in terms of both right-of-way dimension (30-feet) and improvements; the western portion is unpaved and is degraded by ruts and potholes. The dead-end terminus of Lawson Lane and Nobel Drive exceed the maximum McMinnville urban cul-de-sac length of 400 feet by some 20 to 70 percent, respectively. Urbanization of this sub-area would require the improvement of these roads to City standards as regard improved width, right-of-way dimension, curbs, gutters, public sidewalks, and street tree plantings.

It is important to note that affecting this sub-area's future urbanization are improvements identified within the "Oregon Highway 18 Corridor Refinement Plan." Specifically, Phase 3 of the plan identifies the reconstruction of the East McMinnville Interchange, adjacent to the north edge of this sub-area, as a full service interchange. Along with this reconstruction, two signaled intersections, a new Stratus Avenue approach, and a second tier local access collector road to the south will be added. These improvements, plus the embankments and right-of-way necessary to support the redesigned Highway 18 overpass, will clearly affect the development of some of the parcels within this sub-area.

Redmond Hill Road

McMinnville's current water distribution system is designed as a single-level pressure system providing service to those properties situated between 100 feet and 275 feet in elevation. The subject sub-area is situated at elevations that range from 280 feet (extreme eastern corner of the sub-area) to 490 feet (western portion), almost the entirety of which sits well above the current water service level. Provision of public water to this area, as described previously, will require considerable expense, estimated to exceed \$3.4 million.

Redmond Hill Road provides the only current public means of vehicular access within this sub-area. The right-of-way dimension for this gravel surfaced, Yamhill County local road measures 30-feet in width. As a prerequisite to allowing urban density development, the road would need to be improved to City standards. As such, this would require an additional 20-feet of right-of-way width, removal and reconstruction of the existing subgrade, construction of a paved travel surface a minimum of 26-feet in width, 5-foot wide sidewalks on both sides of the street, and curbs and gutters.

Typically, additional right-of-way width can be acquired as part of development that may occur adjacent to substandard streets or roads, such as Redmond Hill Road. However, in this particular case, there is existing development that fronts this road, making it difficult to acquire the needed right-of-way in this fashion. The other alternatives include purchasing the needed right-of-way, using eminent domain authority to acquire it, participation in a local improvement district or alternate road improvement financing mechanism, or constructing a modified City

local residential street section in the existing right-of-way (no public sidewalks; no planting strip).

Slope, existing development patterns, and lack of additional public rights-of-way combine to make traffic circulation within this sub-area, and to adjoining properties, problematic.

Fox Ridge Road

McMinnville's current water distribution system is designed as a single-level pressure system providing service to those properties situated between 100 feet and 275 feet in elevation. The subject sub-area is situated at elevations that range from 255 feet (extreme eastern corner of the sub-area) to 445 feet (western portion), the vast majority of which sits well above the current water service level. Provision of public water to this area, as described previously, will require considerable expense, estimated to exceed \$3.4 million.

Fox Ridge Road is the only current public means of vehicular access within this sub-area. The right-of-way dimension for this Yamhill County road measures 40-feet in width. Within this has been constructed a paved surface that averages 25-feet in width. Gravel shoulders are situated on either side of the paved travel surface. To accommodate urban density development, the road would need to be improved to City standards. As such, this would require an additional 10-feet of right-of-way width, removal and reconstruction of the existing subgrade, construction of a paved travel surface a minimum of 26-feet in width, 5-foot wide sidewalks on both sides of the street, and curbs and gutters.

Typically, additional right-of-way width can be acquired as part of development that may occur adjacent to substandard streets or roads, such as Fox Ridge Road. However, in this particular case, there is a significant amount of existing development that fronts this road, making it improbable to acquire the needed right-of-way in this fashion. The other alternatives include purchasing the needed right-of-way, using eminent domain authority to acquire it, or constructing a modified City local residential street section in the existing right-of-way (sidewalks at the curb; no planting strip).

There are also within this sub-area several long private drives that provide access to existing residences. The width, length, improved condition, and number of residences that currently take access from these will not permit their use for further residential development, under City standards. As such, further partitioning or subdividing of buildable land located adjacent to these drives may require the dedication and improvement of public rights-of-way to provide the required access.

Slope, existing development patterns, and lack of additional public rights-of-way combine to make traffic circulation within this sub-area, and to adjoining properties, problematic.

Conclusion:

The City has reviewed its myriad of public facility plans, and the information provided previously in the sub-area descriptions, to determine the relative cost of providing service to each sub-area, and issues specific to providing those services. Key facilities necessary to support and accommodate the identified land needs include water, sanitary sewer, fire stations, parks, and schools. In addition, transportation, to include streets, bicycle, public transit, and pedestrian facilities is a critical determining factor, particularly in light of the City's desire to create compact, walkable neighborhoods, thereby maximizing land use efficiency and opportunities for alternative modes of travel. The City can provide services to the exceptions areas proposed for

inclusion in the UGB more efficiently than other exceptions areas. While some issues exist with providing services to the sub-areas proposed for inclusion (as described above), they do not present problems that suggest they not be included in the UGB.

3. FACTOR 4 -- Maximum Efficiency of Urban Development

- (4) Maximum efficiency of land uses within and on the fringe of the existing urban area_[.]

Findings: In evaluating alternative areas for possible inclusion in the UGB, this factor requires consideration of their relative suitability for efficient urban land uses, and location in relation to the existing urban area. In making the determination of which lands to include within the McMinnville UGB to meet long-term residential, public and commercial land needs, the Council carefully considered Goal 14, Factor 4, Maximum Efficiency of Urban Development.

Section V and Appendix D of the *McMinnville Growth Management and Urbanization* plan describes the policies the City (1) already has in place to address efficiency of land uses, and (2) additional policies the City proposes to adopt to address Goal 14, Factor 4. Findings documenting efficiency of land uses within proposed UGB expansion areas are described under the section of this document addressing ORS 197.298.

4. Factor 5; ORS 197.732(1)(c)(C) and Goal 2, Part II(c)(3)

- (5) Environmental, energy, economic and social consequences_[.]

The long-term [ESEE] consequences resulting from the use of the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site.

Findings: OAR 660-04-020(2)(c), which implements ORS 197.732(1)(c)(C) and Goal 2, Part II(c)(3), requires a description of the characteristics of the alternative areas considered, the impacts of urbanization on the areas considered (positive and negative), and the advantages and disadvantages of including each "Study Area," or a portion of a Study Area, in the UGB. Such a description and analysis is found in Appendix C of the *McMinnville Growth Management and Urbanization* plan.

Impacts on agricultural and forestland are considered in the Council's findings with respect to Goal 14, Factors 6 and 7. From a social and economic perspective, avoidance of high value farmland and productive forestland generally should be encouraged, because the lands support Yamhill County's resource-based economy. From an environmental perspective, development of steeply sloped areas, floodplains and riparian corridors should be discouraged, to minimize adverse impacts on these sensitive lands. From an energy conservation standpoint, residential development should be encouraged in areas that abut the existing UGB and which rely on gravity-flow sewer collection rather than energy-consumptive sanitary sewer pump stations.

The long-term economic, social, environmental and energy (ESEE) consequences of including (or not including) each of the alternative Study Areas in the UGB are described below.

Economic Consequences: Economic impacts of adding land to the UGB include both potential tax revenues (by increasing improvement value) and costs (for development and maintenance of infrastructure). Additional impacts may occur from conversion of lands from one use to another (i.e., agricultural to residential or industrial).

Exceptions areas

- Westside Road. Transportation improvement costs necessary to support urban development are estimated to be “high.” Water and sewer improvement costs are estimated as “medium.” Water service costs are compounded by the fact the area would result in a “Dead end” system with low pressure. The sewer system would require a 1,000 foot extension, pump station; moreover, parcelization makes utility extension difficult and expensive. Transportation issues are compounded by a limited ability to provide additional circulation within the area and by limited access.
- Bunn’s Village. The sub-area’s linear shape, and existing development patterns, makes the provision of water service costly and problematic and the cost of providing sanitary sewer service to this sub- Water provision would require a long extension of existing service and would result in “dead end” system with low pressure due to shape of sub-area. Sewer provision requires long extension of trunk line to reach area; pump stations; parcelization and ownership patterns make provision of service expensive and difficult; environmental factors add to cost.
- Riverside North. Parcelization and ownership patterns make extension of water and sewer difficult and expensive. Substandard roads and access through industrial areas would add to transportation costs.
- Riverside South. Parcelization and ownership patterns make extension of water and sewer difficult and expensive. Substandard roads and access through industrial areas would add to transportation costs.
- Lawson Lane. Provision of water service is estimated to be “low” in this sub-area; sewer and transportation is estimated to be “medium.”
- Booth Bend Road. The cost of providing public services necessary to support this sub-area’s urbanization is “high” for sewer and transportation, and “low” for water. Extending sewer lines under Highway 18 contributes to the high cost estimate.
- Old Sheridan Road. The cost of providing public services necessary to support this sub-area’s urbanization is high.
- Redmond Hill Road. Cost of providing water, sewer, and transportation services to this sub-area are estimated as “high.” The majority of the area is above current water service level. Moreover, topography, parcelization, ownership patterns make utility extension difficult and expensive.
- Fox Ridge Road. Costs of providing water and sewer service to this sub-area are estimated as “high;” cost of provide transportation service is estimated as “medium.” The majority of the area is above current water service level. Moreover, topography, parcelization, ownership patterns make utility extension difficult and expensive.

Resource areas

- Norton Lane. Development of this area will require provision of water, sewer and transportation systems. The inclusion of this area within the UGB would have economic impacts by removing lands from agricultural production and converting them to urban uses.
- Three Mile Lane. Development of this area will require provision of water, sewer and transportation systems. The inclusion of this area within the UGB would have economic impacts by removing lands from agricultural production and converting them to urban uses.

- Northwest. Development of this area will require provision of water, sewer and transportation systems. Improvement cost for water service is anticipated to be low (ranging from \$0 to \$200,000). McMinnville Water and Light estimates the costs for providing electric service to this sub-area as low (ranging from \$0 to \$200,000). The inclusion of this area within the UGB would have economic impacts by removing lands from agricultural production and converting them to urban uses.
- Grandhaven. The estimated costs for providing sanitary sewer service to the sub-area are estimated as *moderate to high*. McMinnville Water and Light estimates the costs for providing water service to the sub-area as *moderate*. McMinnville Water and Light estimates the costs for providing electric service to this sub-area high primarily due to the need for the construction of a new substation to provide adequate service and routing capacity to this area. The inclusion of this area within the UGB would have economic impacts by removing lands from agricultural production and converting them to urban uses.
- Southwest. The cost of sewer development would be estimated as high, the amount of developable land within this sub-area would likely soften some of the financial impacts. The cost of providing water service to this sub-area is estimated as *low*. The cost of providing such service to this sub-area is estimated as *low*. The inclusion of this area within the UGB would have economic impacts by removing lands from agricultural production and converting them to urban uses.

The City finds that the economic consequences of the proposed urban growth boundary expansion, as compared to the inclusion of other alternative sites noted above, are far less adverse. The proposed boundary provides adequate land for residential and commercial development in a pattern that is more compact and economic than would result from the inclusion of the Riverside North, Bunn's Village, Westside Road, Old Sheridan Road, Booth Bend Road, and other resource lands situated adjacent to the existing urban growth boundary.

Social Consequences: Key among the Council's social considerations were (a) providing affordable housing opportunities and jobs for existing and future McMinnville residents, (b) minimizing the community's tax and rate burdens by providing public facilities and services in a cost-efficient manner, and (c) maintaining the quality of life in McMinnville, by maintaining open space, providing parks and schools, and minimizing threats to life and property. The Neighborhood Activity Centers proposed in the *McMinnville Growth Management and Urbanization* plan are intended to provide affordable housing opportunities and an urban form that minimizes the cost of service development and provision. The *McMinnville Growth Management and Urbanization* plan also reinforces the City's Park Master Plan, makes provisions for schools – including the site in the Northwest Study Area proposed for a new high school.

The City finds that an orderly, compact, phased growth pattern, contingent upon the provision of the full level of urban service, including but not limited to sewer, water, police and fire, community facilities, schools, and governmental services, will have a positive impact on the social fabric of the community. Because of the location of Bunn's Village, Old Sheridan Road, Westside Road, Booth Bend Road, Riverside North, and other resource lands beyond the natural and man-made edges that define the McMinnville urban area, and their inability to provide for compact, phased and orderly growth patterns, they are found to have more adverse social consequences than other lands proposed for inclusion.

Environmental Consequences: The City does not allow development in floodplains and regulates development in areas with steep slopes.

Energy Consequences: The Council also considered energy consequences, as measured by (a) compact urban growth form and access to/distance from the City center and other key facilities, (b) minimization of vehicle trips, and (d) the need for sanitary sewer pump stations.

For the above reasons, the Council concludes that inclusion of the proposed expansion areas within the UGB will have relatively positive energy consequences (i.e., will result in less energy consumption) than would inclusion of buildable portions of other Study Areas considered.

Summary: Table 19 summarizes the Council's conclusions. Based on the Council's review of agricultural land classifications, buildability, environmental, locational and infrastructure issues, the data support the conclusion that the areas recommended for inclusion in the UGB are the most suitable areas (i.e. have the least adverse long-term ESEE consequences).

Table 19: Summary of Study Area Suitability for Inclusion in the McMinnville UGB

Sub-area	Buildable Land			Existing / Planned Facilities and Services							
	# of Tax Lots	Gross Vacant Buildable Acres	Average Buildable Parcel Size	Cost	Service Issues	Cost	Service Issues	Cost	Service Issues	School	
Recommended for Urbanization:											
Riverside South	71	128.6	1.8	M	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Substandard roads; access through industrial areas	1.5 miles (Cook)	
Lawson Lane	15	10.8	0.7	L		M		M	Limited access; unimproved road	1 mile (Cook)	
Redmond Hill Road	12	23.2	1.9	H	Majority of area above current water service level; requires major investment to provide service.	H	Topography, parcelization, ownership patterns make utility extension difficult and expensive.	H	Limited access; unimproved road	1.75 miles (Columbus)	
Fox Ridge Road	29	65.0	2.2	H	Majority of area above current water service level; requires major investment to provide service.	H	Topography, parcelization, ownership patterns make utility extension difficult and expensive.	M	Limited access; unimproved road	1.5 miles (Newby)	
TOTALS:	127	227.5									
AVERAGE:			1.7								
Not Recommended for Urbanization:											
Westside Road	13	13.9	1.1	M	"Dead end" system w/ low pressure	M	Requires 1,000 foot extension, pump station; parcelization makes utility extension difficult and expensive.	H	Limited access; limited ability to provide additional circulation within sub-area	0.6 miles (Grandhaven)	
Bunn Village	55	125.7	2.3	H	Requires long extension of existing service; result in "dead end" system w/ low pressure due to shape of sub-area.	H	Requires long extension of trunk line to reach area; pump stations; parcelization and ownership patterns make provision of service expensive and difficult; environmental factors add to cost.	H	Limited access; ODOT concern re: impact to State highway.	1.9 miles (Grandhaven)	
Riverside North	16	36.3	2.3	M	Parcelization, ownership patterns make utility extension difficult and expensive.	M	Parcelization, ownership patterns make utility extension difficult and expensive.	H	Substandard roads; access through industrial areas	1.8 miles (Grandhaven)	
Booth Bend Road	19	13.2	0.7	L		H	Requires extension under Highway 18.	H	Limited access; unimproved road	1.25 miles (Cook)	
Old Sheridan Road	18	36.5	2.0	M		H		H	No access to Hwy 18; ODOT concern re: Durham/Hwy 18 intersection.	1.25 miles (Columbus)	

Costs are expressed as: L = Low (\$0 - \$200,000); M = Medium (\$200,001 - \$800,000); and H = (in excess of \$800,000)

The "Guiding Principles" read as follows:

- Principle #1: Land Use Law - Comply with state planning requirements
- Principle #2: Historic Development Patterns -- In general, respect existing land use and development patterns and build from them
- Principle #3: Hazards and Natural Resources -- Avoid development in areas of known hazards or natural resources
- Principle #4: Cost of Urban Services -- Consider the availability and cost of providing urban services to new development
- Principle #5: Density -- Adopt policies that allow the market to increase densities, and push it to do so in some instances
- Principle #6: Traditional Development -- Consistent with principles #4 and #5, Allow and encourage development that meets the principles of "smart growth"
- Principle #7: UGB Expansions -- Contain urban expansion within natural and physical boundaries, to the extent possible.

Principle #1 is not considered in this summary in that compliance with state planning requirements is not a factor that can be ranked; compliance is an absolute requirement. Principle #2 is not considered in that historic development patterns would be markedly changed in each sub-area given the push to urbanize currently rural areas of development.

C. Serviceability and Compatibility of Land Added to the UGB

Once a need to add land to the UGB has been demonstrated, and the requirements for selection of areas to be added is satisfied, it is still necessary to demonstrate that the City has the capability to provide public facilities and services to the areas in an orderly and economic manner (Goal 14 factor 3) and that proposed urban uses of the areas will be compatible with other adjacent uses (Goal 14 factor 7; ORS 197.732(1)(c)(D) and Goal 2, Part II(c)(4)).

1. Factor 3

(3) *Orderly and economic provision for public facilities and services.*¹

Findings: Factor 3 requires a demonstration that public facilities and services can reasonably be provided to the areas added to the UGB over the planning period, without leaving areas already within the UGB with inadequate facilities and services.

Goal 14, Factor 3 also requires that the City demonstrate that water and sewerage services can reasonably be provided to the areas added to the UGB over the planning period, without leaving areas already within the UGB with inadequate facilities and services. Statewide Planning Goal 14, Factor 3, requires that “orderly and economic provision of public facilities and services” be considered, along with other “locational” factors, in the urban growth boundary amendment process. In particular, the City’s cost to provide urban services to alternative areas must be balanced against the ability to develop the land efficiently (Factor 4) and the need to minimize impacts on agricultural land (Factors 6 and 7).

The Council takes the efficient provision of public facilities very seriously. The findings below answer five important questions:

1. Does McMinnville have reasonable plans to assure that the capacity of its sewer and water systems can be increased meet existing and Year 2020 growth needs?

The answer is “yes.” McMinnville has acquired the necessary funding to assure that Phase I sanitary sewer improvements are made to bring the existing system into compliance with Clean Water Act regulations, and, incidentally, to accommodate approximately 40% of McMinnville’s planned growth. McMinnville has also prepared preliminary sanitary sewer plans and has identified alternative funding sources for future sewer expansion. Finally, McMinnville has signed a Mutual Agreement and Order (MAO) with the EQC (Environmental Quality Commission) which requires the City to upgrade and expand its sanitary sewer treatment and collection system to accommodate long-term growth.

2. Can McMinnville serve new land included within the expanded UGB without limiting its ability to serve land within the current UGB?

Yes. In fact, new development that will occur within UGB expansion areas is essential to a sound financing plan for sewer and water improvements that must be made to serve the existing urban area.

3. What are the relative costs of extending sanitary sewer collection lines and water distribution mains to serve alternative study areas outside the UGB?

Table 19 shows the relative costs of providing water, sewer and transportation service to the study areas. The summary shows that exception areas not proposed

for inclusion generally have higher costs and/or specific issues related to providing services.

4. Will the UGB expansion cause service level problems for arterial or collector streets in McMinnville, and, if so, how will these problems be resolved?

As part of the McMinnville Growth Management and Urbanization Plan, the City conducted a cursory analysis of the transportation impacts on the McMinnville urban area as part of its work with ECONorthwest and found that McMinnville's streets have sufficient capacity to accommodate long-term growth, regardless of location within and around the City's current urban growth boundary, without significant capacity improvements. It is interesting to note that this same study found that the City should encourage mixed-use development in west McMinnville to help reduce cross-town traffic²⁸.

5. Has McMinnville considered the provision of other public facilities and services, such as police, fire and schools, in this plan amendment process?

Yes. The legislative plan amendment package has been coordinated with McMinnville Water and Light, the McMinnville School District, McMinnville Engineering, Police and Fires Departments, and the Yamhill County Planning Department.

The ability of the City to provide other public facilities and services to the expanded UGB area is addressed in Appendix C of the *McMinnville Growth Management and Urbanization Plan*. The adequacy of transportation facilities to serve the expanded UGB area is addressed in this same Appendix and elsewhere in these findings.

2. Factor 7; ORS 197.732(1)(c)(D) and Goal 2, Part II(c)(4)

- (7) Compatibility of the proposed urban uses with nearby agricultural activities.

The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

Findings: The Council notes that the term "compatible" does not require that there be no interference with, or adverse impact of any kind on, adjacent uses, but rather that the uses be reasonably able to coexist. OAR 660-04-020(2)(d).

In this section the Council considers the impacts on rural lands of including identified portions of within the McMinnville UGB, as part of the City's legislative plan amendment process. In order to analyze such impacts, the City must have first described the character of rural properties that are adjacent to the proposed UGB Expansion Areas.

Land uses and observed farm and forest practices on land adjacent to the subject properties are described below:

- Norton Lane Sub-area. The Norton Lane sub-area is located east of McMinnville and abuts the current city limits and urban growth boundary along its northern, western and southern edges. This sub-area is also located north of Joe Dancer Park, Oregon Highway 18 and adjacent commercial and residential areas, and south of

²⁸ "McMinnville Growth Sensitivity Study – Major Street System," The Transpo Group, pg. 8, May 30, 2002.

urban industrial and rural residential land. Residential development and McMinnville Water and Light facilities lie adjacent to this sub-area to the west and northwest, respectively. To the east is additional rural residential land and actively farmed land within the 100-year floodplain of the South Yamhill River (see Figures 74 and 75 of Appendix C of the *McMinnville Growth Management and Urbanization* plan). Historically, the eastern portion of this sub-area has been used as a dairy farm; the western portion, situated adjacent to Joe Dancer Park, has recently been improved by the City of McMinnville for public park purposes. A dense band of mature Douglas fir and other deciduous trees line the banks of the river.

- Three Mile Lane. The Three Mile Lane sub-area is located south of McMinnville across Oregon State Highway 18 and, with the exception of the Lawson Lane sub-area, encompasses all of the land lying south of Highway 18, east and north of the South Yamhill River, and south and west of the existing McMinnville UGB. Topographically, its relatively flat terrain characterizes this approximately 321 gross acre sub-area, with the southern portion sloping to the south and east toward the 100-year floodplain of the South Yamhill River. This area is largely in active farm use (see Figures 82 – 84 in Appendix C of the *McMinnville Growth Management and Urbanization* plan).

The urban land to the north across Highway 18 is served by the highway's north frontage road and is developed with a mix of residential, industrial and commercial uses. These uses include Burch Ready-Mix Concrete & Supply, Rob's Minute Tune, American Legion Post 21, Pacific Pride Cardlock fueling station among other such uses in addition to other single-family and multi-family residential uses. East of the sub-area is located Norwest Logging Supply and Ed's Auto Service, the Evergreen Mobile Terrace Mobile Home and RV Park, an outpatient medical office complex and, further to the east across Norton Lane, the Willamette Valley Medical Center. The land located to the east and southeast of the hospital site is land located within both the McMinnville UGB and the city limits that is zoned ML (Limited Light Industrial) and is currently under active farm use; future development of this land is limited to aviation related industries requiring extensive use of airport services (McMinnville ORD 3141). The roughly 500-acre McMinnville Municipal Airport site is located adjacent to the southeast corner of this sub-area.

South and west of the sub-area, across the South Yamhill River and its associated floodplain, is land zoned EF-40 that is largely in active farm use. Due west of the sub-area across the South Yamhill River and adjacent to the south side of Highway 18, is found an area of rural residential development.

- Southwest sub-area. The Southwest sub-area is located southwest of the McMinnville urban growth boundary (UGB) and encompasses 194.62 gross acres of land. This sub-area is largely in active agricultural farm use and is dotted with a few rural residences (situated adjacent to Old Sheridan Road), and mature stands of trees within the riparian areas that parallel the two Cozine Creek tributaries that traverse this area. Topographically, this sub-area is relatively flat with limited, undulating variations in elevation generally following the paths of the natural drainage ways and streambeds.

Urban land to the north and east of the sub-area where it abuts the UGB is developed with residential neighborhoods exhibiting a range of housing type and

densities. Adjacent to the balance of the east edge of the sub-area is a non-resource area identified in this project as the Old Sheridan Road sub-area (refer to the section addressing that sub-area for additional description of its features, current development patterns, and development opportunities and constraints). To the south and west of this sub-area is additional resource zoned land currently in agricultural farm use (see Figures 90 and 91 of the *McMinnville Growth Management and Urbanization* plan).

- Northwest sub-area. The Northwest sub-area is located west of McMinnville. Hill Road and the McMinnville urban growth boundary form the sub-area's eastern edge. A portion of Fox Ridge Road delineates the southernmost extent of the sub-area while property lines define the remaining edges (Figure 98). The sub-area is bordered by actively farmed agricultural land to the west and north, by rural residential uses to the west and south, and by the Park Meadows and Shadden Claim residential subdivisions as well as vacant land planned for residential development across Hill Road to the east; twelve acres of this land has been identified as the location of a future public elementary school (Figure 99).

Topographically, the sub-area is almost entirely flat, sloping slightly upward to the southwest. A drainage slough, historically referenced as the Star Mill ditch and significant to McMinnville's local history, traverses the midsection of the site in a southeast to northwest alignment. Access to this sub-area is provided entirely by Hill Road to the east and Fox Ridge Road to the south.

The sub-area contains approximately 145 acres of land. With 4.31 acres being accounted for by existing development, 140.22 acres of the sub-area exists as vacant buildable land. The sub-area is comprised of five parcels with an average size of 28.91 acres, all carrying a Yamhill County zoning designation of EF-80 (Exclusive Farm Use, 80-acre minimum) – (Figure 100). One of these parcels, 32-acres in size (R4418-00701), was purchased by the McMinnville School District No. 40 several years ago and is identified by the District as the future site of a high school to serve the west side of McMinnville and the surrounding rural area (Figure 101). Table 14, below, provides a buildable lands summary of this sub-area.

- Grandhaven Sub-area. The Grandhaven sub-area is located north of McMinnville and abuts the urban growth boundary along its northern edge. This sub-area is also bordered to the west, north, and east by the waterways and associated floodplains of Baker Creek, Panther Creek, and the North Yamhill River, respectively. The sub-area has historically been used for agricultural purposes and includes an existing filbert orchard comprising some 60 acres within the northern portion of the sub-area and along a portion of the west and east perimeters.

Surrounding land uses consist of large-parcel farm operations to the west, north, and east of the creeks and river that border this sub-area. To the immediate south is found both large-acreage farm operations and rural-residential development. Further to the south and to the southwest is residentially zoned land within the McMinnville city limits that is developed with single-family residential neighborhoods, the Heather Manor manufactured home park, apartments, churches and the Grandhaven Elementary School and adjacent vacant land on which a future middle school is proposed (see Figures 108 and 109 in Appendix C of the *McMinnville Growth Management and Urbanization* plan).

The Council concludes that the proposed expansion areas will not create compatibility conflicts between uses. Much of the existing UGB is adjacent to resource lands that are currently in agricultural uses. Expansion of the UGB would not create new uses that would create new types of compatibility issues.

D. Conversion from Urbanizable Land to Urban Uses

Goal 14 provides that conversion of “urbanizable land to urban uses shall be based on consideration of” four factors. These factors are referred to as “conversion” factors, to distinguish them from the seven UGB establishment/amendment factors discussed above. The Goal 14 conversion factors apply to comprehensive plan and land use regulation amendments that affect the timing and conditions under which urbanizable land can be put to urban use, or that redesignate and rezone urbanizable land so that it can be put to urban use.

Findings: The guiding principles and proposed policies contained within the *McMinnville Growth Management and Urbanization Plan* consider the four Goal 14 conversion factors.

1. Conversion Factor 1

“(1) Orderly, economic provision for public facilities and services_[.]”

Findings: The Council finds that the proposed expansion areas and supporting policies provide for the orderly and economic provision of public facilities and services as documented in Section I of these findings and appendix C of the MGUMP.

2. Conversion Factor 2

“(2) Availability of sufficient land for the various uses to insure choices in the market place_[.]”

Findings: Conversion Factor 2 is designed to ensure market choice, for each category of land use within urban growth boundaries, on a continuous basis throughout the planning period. The Council views Factor 2 as a check against excessively strict conversion or development phasing policies, by placing an affirmative obligation on local governments to provide sufficient *serviced* land to ensure choice among development sites throughout the planning period. Therefore, this analysis focuses on whether sufficient serviced (or readily serviceable) and buildable land is available (in the short-term), within the post-amendment UGB, to insure choices in the land market place.

The areas proposed for inclusion within the existing UGB will provide sufficient lands to meet the City’s identified needs. The proposed designation of those lands, consistent with identified needs, meets the intent of Conversion Factor 2.

3. Conversion Factor 3

“(3) LCDC Goals and Acknowledged Comprehensive Plan_[.]”

Findings: The Council has considered Statewide planning goals and the City’s acknowledged comprehensive plan in the selection of lands for future urbanization. These considerations and findings are detailed in Sections II and III of these findings and as articulated in the guiding principles of the MGUMP (Chapter III).

4. Conversion Factor 4

“(4) Encouragement of development within urban areas before conversion of urbanizable areas.”

Findings: The McMinnville Growth Management and Urbanization Plan includes a number of policies that encourage the development of urban areas before conversion of urbanizable areas. Moreover, the City’s policy of requiring lands to annex prior to development meets the intent of Conversion Factor 4. Lands within the City boundary must include services developed to City standards as well as meeting the intent of all applicable Comprehensive Plan policies and zoning ordinance regulations.

E. Goal 2 (Land Use Planning)

To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions.

Goal 2 requires that land use decisions be made in accordance with a comprehensive plan, and that suitable “implementation ordinances” to put the plan’s policies into effect must be adopted. It requires that plans be based on “factual information”; that local plans and ordinances be coordinated with those of other jurisdictions and agencies; and that plans be reviewed periodically and amended as needed. Goal 2 also contains standards for taking an exception to statewide goals. An exception may be taken when a statewide goal cannot or should not apply to a particular area or situation.

An exception is a decision to exclude certain land from the requirements of one or more applicable statewide goals in accordance with the process specified in Goal 2, Part II, Exceptions. The documentation for an exception must be set forth in a local government's comprehensive plan. Such documentation must support a conclusion that the standards for an exception have been met. The conclusion shall be based on findings of fact supported by substantial evidence in the record of the local proceeding and by a statement of reasons that explain why the proposed use not allowed by the applicable goal should be provided for.

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning," Part II, Exceptions. An established urban growth boundary is one that has been acknowledged by the Commission under ORS 197.251. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate that the following standards are met:

1. Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);
2. Areas which do not require a new exception cannot reasonably accommodate the use;
3. The long-term environmental, economic, social and energy consequences resulting from the use of the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would

typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

4. The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

Finding: The City finds that the requirements of Goal 2 are satisfied for the reasons as provided in Section 1 above. The adoption of these findings as part of the McMinnville Comprehensive Plan will satisfy the applicable requirements of OAR 660-004-0015(1). The reasons and facts contained in this document support by substantial evidence that the standard for an exception to Goal 3 has been met. In addition, the City finds the following:

Goal 4 “Forest Lands”

Goal 4 defines “forest lands” as those lands acknowledged as forest lands as of the date of adoption of this goal amendment. Where a plan is not acknowledged or a plan amendment involving forest lands is proposed, forest lands shall include lands which are suitable for commercial forest uses including adjacent or nearby lands which are necessary to permit forest operations or practices and other forested lands that maintain soil, air, water and fish and wildlife resources. The city is not proposing an exception to compliance with Goal 4.

Goal 5 “ Natural Resources”

The city is not proposing an exception to compliance with Goal 5. The City has an acknowledged Goal 5 program and no changes to that program are proposed. Any Goal 5 resources that might be found during the development of lands within the McMinnville city limits will be evaluated using the standards in the Goal 5 administrative rule and the City’s plan policies and implementing ordinances in effect at that time.

Goal 6 “Air, Water, and Land Resources Quality”

The city is not proposing an exception to compliance with Goal 6. Maintaining or improving the quality of the community’s air, water and land resources will be assured through enforcement of state and local regulations.

Goal 7 “ Natural Disasters and Hazards”

The city is not proposing an exception to compliance with Goal 7. There are no known areas subject to landslide activity within the McMinnville urban growth boundary; residential and commercial development of lands within identified 100-year floodplains is prohibited.

Goal 8 “ Recreational Needs”

The city is not proposing an exception to compliance with Goal 8. The proposal is consistent with the City’s recently adopted “McMinnville Parks, Recreation and Open Space Master Plan” as regard future parkland need and type. The proposal affords opportunity for the City to realize its park master plan through its neighborhood activity center, parkland acquisition and development funding options, and other plan concepts.

Goal 9 “Economy”

The city is not proposing an exception to this Goal. One of the primary purposes in amending the current urban growth boundary is to provide adequate lands that are appropriately sized and located for future commercial and industrial development. Oregon administrative rules, and the City’s current periodic review work program, require the city to have at least a 20-year supply of land for commercial development. The only way the city can meet this standard is to expand the current urban growth boundary and to make more efficient use of existing land supplies, both of which are proposed in this plan amendment.

Goal 10 “Housing”

The city is not proposing an exception to compliance with Goal 10. The proposed expansion of the McMinnville urban growth boundary is, in large part, to address the documented need for land on which to accommodate future housing. The comprehensive buildable lands and housing needs analysis conducted by the city in 2001 indicated that there was insufficient land within the UGB to meet the forecast housing needs.

Goal 11 “Public Facilities and Services”

The city is not proposing an exception to compliance with Goal 11. Public facilities and services necessary to support urbanization of the lands proposed for addition to the existing urban growth boundary have been analyzed in detail (see Appendix C of the “McMinnville Growth Management and Urbanization Plan”). This analysis indicates that key urban services, to include sanitary sewer, municipal water, streets, and electricity can be provided in a timely and efficient manner.

Goal 12 “Transportation”

The city is not proposing to take an exception to complying with Goal 12, the Transportation Planning Rule, or the City’s adopted Transportation Master Plan. The lands to be added to the current McMinnville urban growth boundary have been analyzed as regard their ability to be served by existing or planned streets and transit. Any needed improvements to the roadway and pedestrian systems will be made before, or concurrent with, the development of these lands to urban uses, consistent with current City policy and ordinance.

Goal 13 “Energy Conservation”

The city is not proposing an exception to Goal 13. The plan amendment proposes a number of energy conserving measures through implementation of the neighborhood activity center concept (fewer vehicle trips; alternative modes of transportation), transit enhancement policy (less reliance on auto), and compact development form (keep urban development within physical and man-made edges, and increase density).

II. Other Statewide Planning Goals 1, 3, 4, and 5-13

A. Goal 1 (Citizen Involvement)

To ensure the opportunity for citizens to be involved in all phases of the planning process.

The City of McMinnville has provided ample opportunities for public review and comment on the “McMinnville Urban Growth Management and Urbanization Plan” and supporting documents. A summary of the public work sessions, community forums, and public hearings regarding this Plan are provided in Table 20, below. Public notice for each of these public events was provided through a wide range of media including the local newspaper, the City’s web page, through various service organizations, use of an on-line Internet survey, and by mail. Copies of the draft Plan were made available for public review at the McMinnville Public Library, on the City’s web page, and at the McMinnville Planning Department.

Table 20. Summary of Public Hearings and Work Sessions

Date	Topic	Comments
2/27/01	Residential Buildable Land and Housing Needs Analysis	Preliminary public hearing
5/22/01	Residential Buildable Land and Housing Needs Analysis	Final Public Hearing; Council, Planning Commission, and CAC voted to adopt study
12/11/01	Economic Opportunities Analysis	Preliminary Public Hearing
1/8/02	Economic Opportunities Analysis	Final Public Hearing; Council, Planning Commission, and CAC voted to adopt study
6/3/02	Growth Management Forum & Work Session #1: Trends, Opportunities and Constraints	Attended by approximately 100 McMinnville residents
7/8/02	Growth Management Forum & Work Session #2: Growth Concept Plan	Attended by approximately 70 McMinnville residents

9/17/02	Joint Work Session: Growth Management Plan	Work Session with McMinnville City Council, Planning Commission, Citizens' Advisory Committee, County Commissioners, McMinnville Urban Area Management Commission
6/18/03	Joint Work Session: Draft McMinnville Growth Management and Urbanization Plan	Work Session with McMinnville City Council, Planning Commission, Citizens' Advisory Committee, County Commissioners, McMinnville Urban Area Management Commission
7/21/03	Joint Work Session: Draft McMinnville Growth Management and Urbanization Plan	Joint Public Work Session with McMinnville City Council, Planning Commission, Citizens' Advisory Committee, County Commissioners, McMinnville Urban Area Management Commission
8/4/03	Joint Public Hearing: Draft McMinnville Growth Management and Urbanization Plan	Joint Public Hearing (public testimony)
8/5/03	Joint Public Hearing: Draft McMinnville Growth Management and Urbanization Plan	Continuation of Joint Public Hearing (public testimony)
8/12/03	Joint Public Hearing: Draft McMinnville Growth Management and Urbanization Plan	Continuation of Joint Public Hearing (deliberation; adoption)
10/14/03	Public Hearing: Draft McMinnville Growth Management and Urbanization Plan	Adoption of Findings

In addition, notice of the proposed plan amendment was provided to the Oregon Department of Land Conservation and Development (DLCD) on June 4, 2003, consistent with the requirements of the post acknowledgement plan amendment process. Measure 56 notice was also provided to affected property owners consistent with the requirements of ORS 197.763. Additionally, the City coordinated with the McMinnville School District and Yamhill County, as required by the City of

McMinnville/Yamhill County Urban Growth Management Agreement, and are described in section VII below. The only public agencies or local governments to express any concerns about the proposed amendments were DLCD and the Oregon Department of Agriculture. Their concerns, and the City's efforts to respond to and accommodate those concerns, are described in the findings below addressing Goals 9-12 and 14

Information contained in the Plan and supporting appendices is in an understandable and easily accessible form, and is now recognized by DLCD as a model for similarly sized communities throughout the state. The City of McMinnville is also a recipient of a 2003 Professional Achievement in Planning Certificate of Recognition from the Oregon Chapter of the American Planning Association for its work on this project.

The proposed amendments have been processed in a manner that assures full compliance with Goal 1, and the City's adopted Citizen Involvement Program and Goal 1 policies.

B. Goal 3: Agricultural Lands

To preserve and maintain agricultural lands.

Goal 3 defines "agricultural lands" in Western Oregon as being predominantly those lands identified as Class I through Class IV according to the Soil Capability Classification System of the US Soil Conservation Service. Agricultural land does not include land within acknowledged urban growth boundaries or land within acknowledged exceptions to Goals 3 or 4.

Finding: This plan amendment proposes taking an exception to Goal 3 in that there are lands identified as "agricultural lands" considered as "resource" lands located within the proposed urban growth boundary expansion. Findings and reasons in support of this exception are provided in the sections above that address the requirements of Goals 2 and 14.

C. Goal 4: Forest Lands

To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Goal 4 defines "forest lands" as those lands acknowledged as forest lands as of the date of adoption of this goal amendment. Where a plan is not acknowledged or a plan amendment involving forest lands is proposed, forest lands shall include lands which are suitable for commercial forest uses including adjacent or nearby lands which are necessary to permit forest operations or practices and other forested lands that maintain soil, air, water and fish and wildlife resources.

Finding: As this plan amendment does not involve lands designated as "forest lands," Goal 4 does not apply.

D. Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces)

To protect natural resources and conserve scenic and historic areas and open spaces.

Goal 5 addresses more than a dozen natural and cultural resources and requires local governments to adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. These resources promote a healthy environment and natural landscape that contributes to Oregon's livability. If a significant resource or site is found, a local government has three policy choices: preserve the resource; allow proposed uses that conflict with it; or, strike some sort of a balance between the resource and the uses that would conflict with it (ORS 660-023-0040(5)).

Goal 5 requirements are applicable as per the provisions of OAR 660-023-250(5) which states:

"Local governments are required to amend acknowledged plan or land use regulations at periodic review to address Goal 5 and the requirements of this division only if one or more of the following conditions apply [...]"

- (a) The plan was acknowledged to comply with Goal 5 prior to the applicability of OAR 660, Division 16, and has not subsequently been amended in order to comply with that division;
- (b) The jurisdiction includes riparian corridors, wetlands, or wildlife habitat as provided under OAR 660-023-0090 through 660-023-0110, or aggregate resources as provided under OAR 660-023-0180; or
- (c) New information is submitted at the time of periodic review concerning resource sites not addressed by the plan at the time of acknowledgement or in previous periodic reviews, except for historic, open space, or scenic resources.

Findings: The McMinnville City Council has reviewed the acknowledged McMinnville and Yamhill County Comprehensive Plans with regard to their inventories of Goal 5 resources. Beyond the identification of land within the 100-year floodplain or land characterized as containing riparian habitat, neither the acknowledged Yamhill County nor McMinnville Comprehensive Plan identifies any Goal 5 natural, scenic or historic resource sites, or any Goal 5 "impact areas," on or adjacent to properties affected by this urban growth boundary expansion. Additionally, there were no Goal 5 related issues raised during public review of this Plan. If such lands are identified, or otherwise suspected, during future development review, the City will continue its practice of conditioning development approval to require coordination with affected Goal 5 related agencies (e.g., Division of State Lands, Corps of Engineers, etc.). This Plan is consistent with all Goal 5 requirements.

E. Goal 6 (Air, Water and Land Resources Quality)

To maintain and improve the quality of the air, water and land resources of the state.

Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations as regard air, water, and land resources. This Goal, however, does not have administrative rules to set compliance standards. Instead, it relies entirely on state and federal regulations for direction and implementation by requiring that "all waste and

process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards.” State definitions for wastewater and pollutants include pollutants carried by stormwater, and impacts on habitat that result from stormwater flows.

Findings: The City’s compliance with Goal 6 will be furthered by this plan amendment, for reasons discussed below.

1. Air Quality

The City specifically considered impacts on air quality that might result from this plan amendment and has coordinated with the Department of Environmental Quality (DEQ) regarding compliance with the Clean Air Act. Along with other affected state agencies, DEQ was notified of the proposed plan amendment.. Mr. Robert Parker of ECONorthwest communicated with John Ruscigno of DEQ by e-mail on July 17, 2003. According to Mr. Ruscigno, McMinnville is within an Air Quality Attainment Area. Thus, McMinnville is not subject to special DEQ regulations that apply to Non-Attainment Areas. According to Mr. Ruscigno, the Air Quality Division of DEQ does not wish to review the proposed amendments.

2. Water Quality

DEQ is responsible for ensuring compliance with the Clean Water Act in the State of Oregon. In recent years the City invested some \$23 million in the construction of a new water quality treatment facility. This investment has resulted in a dramatic reduction in previous inflow and infiltration (I&I) historically experienced. The City continues to provide upgrades to the sewer trunk system as necessary to further preserve and enhance water quality. The City remains in compliance with requirements of the Clean Water Act.

In conclusion, increased development opportunities resulting from the 2003 legislative plan amendment package will help the City to finance WWTP and collection system improvements necessary to meet Clean Water Act requirements, through increased sewer user fees and anticipated SDCs.

F. Goal 7 (Areas Subject to Natural Disasters and Hazards)

To protect life and property from natural disasters and hazards.

Goal 7 addresses development in locations subject to natural hazards such as floods or landslides. It requires that jurisdictions apply “appropriate safeguards” (floodplain zoning, for example) when planning for development in such areas. In protecting against floods and other natural disasters, local governments may jointly address issues of water quality, such as limiting development within floodways and reducing impervious surfaces that increase runoff and flooding.

Natural and geological features of the land such as slope, soil conditions, flooding, and land movements affect the suitability of land for development. Where there are no major constraints to development or where limiting features can be controlled through modification of the land and/or use of special construction techniques, the land is considered buildable. Where the

natural and/or geological hazards exist to an extent that development is not feasible, the lands are considered unbuildable.

Findings:

In determining which areas to include within the UGB, the City explicitly considered the location of natural hazards such as flood hazards, steep slopes and potential slide hazards, as defined on the City's acknowledged comprehensive plan inventory maps, and their affect on future urbanization. No UGB expansion areas were disqualified from consideration due solely to the presence of natural hazards or other related Goal 7 issues.

In determining which lands to bring into the UGB, the Council was mindful of the fact that McMinnville is surrounded by constrained lands, forest lands or high quality agricultural lands. Because Goal 14 requires that the City take steps to minimize urban expansion onto high quality agricultural land, the Council was required to include moderately-sloped (less productive agricultural) land, which, in the McMinnville area, also includes significant pockets of steeply sloped or "constrained" areas. Therefore, the amended urban growth boundary includes parcels with lower quality agricultural soils that also have moderate-to-steep slopes carved by stream corridors.

1. Flood Hazards

The City of McMinnville's floodplain ordinance (Section 17.48, F-P Flood Area Zone) prohibits construction within the 100-year floodplain (the exception being the construction of limited farm or recreation related uses). The *McMinnville Residential Lands Study* identified approximately 178 acres of vacant land designated for residential use within identified floodplains. This land was deducted from the residential land inventory as undevelopable.

2. Slope and Slide Hazards

Limitations on urban development in steeply sloped areas, defined by the McMinnville Comprehensive Plan as areas with a slope exceeding 15 percent, are due mainly to the potential for soil erosion, surface landslides or movements and the shallow depth of the topsoil to bedrock. The first two limitations will affect construction techniques for site preparations (cuts and fills), building foundations, and roadways, and also vegetation coverage and site drainage. The shallow soil depth to bedrock can contribute to an increase cost of installing underground utilities such as sewer and water systems.

For the most part, the topography of the land within the existing and expanded urban growth boundary is characterized by slight to moderately steep slopes (less than 15 percent). The only areas with slopes exceeding 15 percent are sections of the banks (terrace escarpments) of Cozine and Baker Creeks, the North and South Yamhill Rivers, and portions of the area commonly called the West Hills in the foothills of the Coast Range Mountains. This includes the Fox Ridge Road and Redmond Hill Road sub-areas.

Urban development in the terrace escarpments will be limited to a degree by sewer availability and by the level of the flood plain line. When development does occur, the zoning and land division ordinances and building codes control cuts, fills, excavations, foundations and drainage on- and off-site to insure proper development and to lessen the potential for erosion and landslides. (Zoning Ordinance, Section 17.48.040; Land Division Ordinance, Sections 28(a) (2), 31, and 40; Uniform Building Code, Chapters 29 and 70.)

The West Hills area is designated for future residential development and is encumbered by the

provisions of a planned development overlay that limits average density in relation to other lands within the urban growth boundary. However, this ordinance also includes conditions that encourage cluster development of residential uses to take advantage of the topography of the area and to lessen the costs of placing utilities and roadways. Other measures such as excavation and compaction specifications (cuts and fills), and on- and off-site drainage requirements are included as part of the City's Land Division Ordinance and must be satisfied prior to development within steeply sloped areas. The residential capacity of this area has been adjusted to account for the extent and configuration of steeply sloped lands that exist here (see pages 5-19, 6-11, and 6-12 of the *McMinnville Growth Management and Urbanization Plan*).

Conclusion:

Within the amended urban growth boundary, the City has mapped and inventoried areas of known geological or natural hazards. These include lands within the 100-year floodplain, and lands with slopes greater than 15 percent.²⁹ Management of lands within the flood plain is accomplished through a flood plain zone which limits permitted uses to farming and parks and recreation facilities. Currently, there are no inhabited structures within the established flood plain. The City also manages development on steeply sloped land through its Land Division Ordinance, the Uniform Building Code, and West Hills Planned Development Overlay. Consistent with the guidelines of Goal 7, the City proposes the adoption of additional plan policies that would help to safeguard future development in areas of known natural or geological hazards. Specifically, Housing and Residential Development Policy 71.06(3) requires lower density residential zones (R-1 and R-2) be applied to areas adjacent to development limitations such as floodplains or in areas of steep slopes.

The City has applied appropriate safeguards in planning for development of lands within the expanded urban growth boundary and is consistent with the intent and purpose of Goal 7.

G. Goal 8 (Recreational Needs)

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Goal 8 addresses recreational needs of communities and siting of destination resorts. Governmental agencies having responsibility for recreation areas, facilities and opportunities are required to plan for current and future recreational needs: (1) in coordination with private enterprise; (2) in appropriate proportions; and, (3) in such quantity, quality and locations as is consistent with the availability of the resources to meet such requirements.

Findings:

To assist in maintaining McMinnville's livability, the Parks and Recreation Department, in 1997, began to draft the City's first Parks, Recreation and Open Space Master Plan. Completed, and adopted, in 1999, the plan describes residents' vision for the future of the City's parks,

²⁹McMinnville is not located along any active fault line of geological instability and, therefore, has not been subjected to hazardous earthquakes. The city is, however, within the Pacific belt of geological activity that stretches from Alaska to Mexico and, therefore, earthquakes, though small, do occur periodically. No other geological or natural hazards have been identified within the planning area.

recreation services, trails and open space facilities. Over 500 community residents of all ages contributed to the development of this plan.

In summary, the adopted McMinnville Parks, Recreation, & Open Space Master Plan contains a comprehensive inventory and assessment of the current park and recreation system, an analysis of the trends that will shape and model future recreation demand, feedback from the several hundred individuals that commented on park issues, recommendations, and funding plan. For purposes of this plan amendment and determining future park land need, this plan identifies seven types of local park facilities that require land: mini-parks and play lots; neighborhood parks; community parks; linear parks; special use parks; greenspace, greenways, and natural areas; and trails and connectors. Of these, acreage standards are recommended for three of these seven park types, stated as an acres-per-thousand-population ratio. These standards, and the park land types to which they apply, are noted in the table below. While future acreage needs exist for each of the remaining four park types (Mini-Parks/Playlots, Linear Parks, Special Use Parks, and Trails and Connectors), such standards were not adopted as part of the master plan and are therefore not part of the projection of future park needs.

The findings of the Parks System Resource Inventory and Analysis, combined with the results of the community involvement process used in the drafting of the adopted parks and recreation master plan, indicate that new neighborhood and community parks, additional open space and trails, and new recreation facilities will be necessary to meet McMinnville residents' needs. The amount of land needed has been estimated at 314 acres to satisfy community park, neighborhood park, and greenspace, greenway and natural area development. This land need assumes that 34 percent of greenways, greenspaces, and natural areas parks, or approximately 55 acres, will be located on unbuildable land. It also assumes the use of the City's adopted standard of 14 acres per 1000 population for the period 2003-2023 as identified in the *City of McMinnville Parks, Recreation and Open Space Master Plan* (pg 11). Table 21 summarizes parkland need for the period between 2003 and 2023 in McMinnville.

Table 21. Estimated parkland need, 2003-2023

Park Type	Current Net Acres	Adopted Standard	Acres Needed for 44055 Population	Projected Acreage Deficit (Need)
Neighborhood Parks	0	2.0 acres / 1000	88.11	88.11
Community Parks	145.49 ^a	6.0 acres / 1000	264.33	118.84
Greenways/ Greenspaces/ Natural Areas ^b	102.50	6.0 acres / 1000	264.33	106.81
Subtotals	247.99		616.77	313.76
			Total Projected Need	314 Acres

Source: City of McMinnville, 2003

^a This includes the 21.03 acre Walker/Kraemer property purchased by the City after the adoption of the Parks Master Plan

^b This includes an acreage reduction of 55.02 acres representing a 34% floodplain usage factor found in other parkland of this type

The adopted park and recreation master plan provides detail as regard the general location of future neighborhood parks, community parks, and other park facilities. Most all of these new facilities are proposed to be located in areas proposed for expansion as part of this urban growth boundary amendment (see Map 2 of the Parks, Recreation and Open Space Master Plan).

The City finds that higher residential densities, as are proposed by the *McMinnville Growth Management and Urbanization Plan*, must be coupled with increased open space and developed parkland in order to provide opportunities for its residents to socialize, recreate, and maintain livability. As a component of the growth management plan, neighborhood parks will serve as an integral part of each of the four proposed “neighborhood activity centers.” In addition, a new community park is needed in west McMinnville to afford existing and future residents easy access to such a facility, and to provide balance to the existing park system and demand placed on Joe Dancer Park and Wortman Park (the city’s only current “community” parks).

McMinnville residents have recently passed a \$9.4 million park bond, thereby demonstrating its commitment to funding parkland acquisition and improvements. The adopted parks master plan provides additional detail as regard the future funding of the park and recreation system. In addition, existing plan policy provides for the payment of park system development fees, dedication of land in lieu of such fees, and donations of land for public park purposes.

Conclusion:

The proposed plan amendment is consistent with Goal 8 in that it: 1) addresses current and future recreational needs of McMinnville, consistent with the adopted Parks, Recreation and Open Space Master Plan; 2) the amendment has been coordinated with the McMinnville Parks and Recreation Department, the agency responsible for park planning and development in

McMinnville; and 3) land has been planned in appropriate proportions and in such quantity, quality and locations consistent with the availability of the resources to meet such requirements.

H. Goal 9 (Economy of the State)

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Oregon Planning Goal 9 and its Administrative Rule (OAR 660-009) require jurisdictions to provide an adequate supply of buildable lands for a variety of commercial and industrial activities. In addition, Goal 9 requires plans to be based on an analysis of the comparative advantages of a planning region. Comparative advantage is defined in terms of the relative availability of factors that affect the costs of doing business in the planning region, and specify many geographic, economic, and institutional factors that an analysis of comparative advantage should consider.

Findings: Statewide Planning Goal 9 (Economy of the State) requires local governments to designate sufficient, suitable sites to meet long-term commercial and industrial growth needs, based on an “economic opportunities analysis.”

The City developed and adopted an Economic Opportunities Analysis in January 2002 consistent with OAR 660-009-0015 and an Economic Development Strategy as part of the *McMinnville Urbanization and Growth Management Plan*.

1. Economic Opportunities Analysis

The *McMinnville Economic Opportunities Analysis* (EOA) included the following elements:

- Review of national, state, and local economic trends as required by OAR 660-009-0015 (1);
- Evaluation of the site requirements of businesses likely to locate in McMinnville as required by OAR 660-009-0015 (2);
- Inventory of commercial and industrial lands consistent with OAR 660-009-0015 (3);
- Forecast of employment, by sector, in McMinnville for the period between 1999 and 2020;
- Estimate of commercial and industrial land need (in acres) and built space (in square feet) in McMinnville for the period 1999-2020.

The Council finds that national and state economic trends will affect McMinnville as follows. National economic trends influence Oregon's economy. The recent downturn in high-tech manufacturing is an example of how broader global and national economic trends influence Oregon. The statewide economy, and more specifically, economic conditions in the northern Willamette Valley, will influence economic activity in McMinnville. Past trends suggest that McMinnville's economy also will be affected by continued in-migration and general economic conditions in the region.

There is nothing in the long-run national or state economic forecasts that suggests that the Willamette Valley will stop growing. The same is true of other planning studies that have taken a long-run look at the Willamette Valley. Thus, any forecasts of growth for McMinnville must be

made in the context of an expectation of continued economic development in the Willamette Valley. Recessions may happen, but the conclusion of all agencies responsible for making forecasts is that population and employment in the Valley will grow over the next 20 years.

McMinnville's local economy and comparative advantages are described in Chapter 4 of the EOA. The Council finds that McMinnville's comparative advantages and disadvantages include:

- Small-town character and desirability as a place to live, coupled with its proximity to the metropolitan Portland and Salem areas. McMinnville's small-town character is a function of its relatively small size, historic downtown, and proximity to agricultural regions of Yamhill County.
- Low water and electricity rates, and an adequate water supply, are also important comparative advantages for McMinnville.
- Growth that supports the viability of McMinnville's historic downtown and creates high-quality neighborhoods can enhance the character of McMinnville relative to other communities. Typical suburban-style growth, with its separation of residential and commercial uses, traffic congestion, and strip commercial development, may detract from the character of McMinnville relative to other communities.
- The fiber optic system installed by McMinnville Water & Light offers an opportunity for McMinnville to offer high-quality Internet access and television service to McMinnville residents and businesses. If these services can be provided at a lower cost, higher quality, or with better support than services provided by the private sector, then this service could become a comparative advantage for economic development in McMinnville.
- McMinnville's primary disadvantage for economic development is its poor access to I-5 and congestion on commuting routes to the Portland metropolitan area. However, McMinnville grew at a rapid rate in the 1990s despite this disadvantage. The Council expects that McMinnville will continue to grow despite this disadvantage, although it may limit the types of firms that locate in the city.

Overall, the comparative advantages identified in the EOA suggest that McMinnville will continue to grow at a slightly faster rate than Yamhill County and the northern Willamette Valley region, as it has over the last several decades.

2. Economic Development Strategy

The *McMinnville Economic Development Strategy* describes (1) the City's vision for economic development, (2) issues related to achieving the economic development vision in McMinnville, and (3) recommended economic development strategies and implementing measures.

The economic vision for the City of McMinnville includes the following guiding principles:

- McMinnville will work to maintain and enhance its quality of life. But for all individuals and families, economic resources (and the jobs that generate them) are a big part of quality of life. Population growth needs to be accompanied by job growth.
- McMinnville recognizes its locational advantages (as described in the *Economic Opportunity Analysis*) and believes it is in its interest to manage economic development and growth in the City.

- McMinnville does not want to be a bedroom community, with a large share of its residents commuting to jobs in the Portland or Salem areas. It wants to provide opportunities for its residents to work at good jobs in McMinnville.
- To that end, McMinnville wants new businesses to start, expand, or relocate in the City that will provide higher-wage jobs for existing and future McMinnville residents.
- New businesses will need, among other things, developable land, good services and transportation, and an educated and skilled labor force. The City will take actions to make sure those things are provided at competitive prices. McMinnville will welcome any industry that helps it achieve its economic vision.
- McMinnville wants to maintain and increase the livability of its community as it grows. To that end, the City will be strategic about any economic incentives it gives to businesses, ensuring that it has the financial resources to maintain the quality of its facilities and services.

The following goals and strategies will help achieve the economic vision described above. Some overlap exists among the goals and strategies. This is expected: the goals and strategies are designed to be mutually reinforcing.

Goal 1: Diversify employment base

McMinnville will promote a diverse mix of industries can help buffer local economies from economic cycles. While the EOA suggests that McMinnville has a diverse mix of employment now, we feel this should be an ongoing economic development goal.

- Strategy 1.1. Provide developable land necessary to accommodate economic growth
- Strategy 1.2. Research and develop policies that restrict land development to high-wage industries

Goal 2. Support efforts to create high-wage jobs in McMinnville

McMinnville shall adopt policies and implementing measures that maintain and create family-wage jobs. Most economic development efforts the City engages in should target high-wage jobs.

- Strategy 2.1. Coordinate with other economic development organizations to develop a coherent and effective marketing program
- Strategy 2.2. Develop incentives to retain and expand existing firms
- Strategy 2.3. Maintain and enhance McMinnville's image as a community

Goal 3: Provide adequate infrastructure efficiently and fairly

Public infrastructure and services are a cornerstone of any economic development strategy. If roads, water, sewer, and other public facilities are unavailable or inadequate, industries will have little incentive to locate in a community. Infrastructure and services includes transportation, water, sewer, and stormwater facilities.

The implementing strategies for this goal should reflect the City's objective to "manage economic growth." This can largely be implemented through policies on municipal infrastructure

and services. Focusing public investments in infrastructure one tool the City can use to direct growth to appropriate areas. Moreover, a capital improvement plan that ties to a land use plan and funding capacity is a key to managed growth.

- Strategy 3.1. Provide transportation facilities adequate to serve land needed for the type of development described in this economic development plan
- Strategy 3.2. Provide water, sewer, and stormwater drainage service adequate to serve land needed for development
- Strategy 3.3. Ensure that financing for infrastructure is adequate and fair

Goal 4: Maintain quality of life

A community's quality of life comprises the various location-specific benefits and costs individuals enjoy or endure by living in the community. If the quality of life is, on net, beneficial, it produces a net increase in the standard of living for the local residents. In effect, these net quality-of-life benefits are analogous to a second paycheck that each resident of the community receives, supplementing the first paycheck received from an employer or other source of income. It is the sum of the first and second paychecks that determines the overall well-being of a region's residents.

By many measures, McMinnville has a high quality of life. It is essential for the City of McMinnville to take steps to maintain a high quality of life.

- Strategy 4.1. Maintain a vital downtown area
- Strategy 4.2. Implement McMinnville Parks and Recreation Master Plan

Goal 5. Support businesses in McMinnville

While difficult to define, perceptions of the local business climate are important in supporting an overall economic development strategy. Negative perceptions can lead to businesses choosing to locate in other communities. Providing support to businesses, consistent with other City growth management policies and objectives, is one approach to improving perceptions of business climate.

Many of the strategies to support this goal revolve around workforce issues. While these strategies may not be directly implemented by the City, the City should make efforts to support and coordinate the implementation of these strategies to the extent possible.

- Strategy 5.1. Sustain and enhance business skills and management training available in McMinnville
- Strategy 5.2. Coordinate and support other organizations to sustain and expand workforce services available in McMinnville.
- Strategy 5.3. Improve information about and access to programs available through the Oregon Economic and Community development department, Small Businesses Administration, and other agencies.

Goal 6. Coordinate economic development activities

Coordination of activities is as an important issue. Not enough coordination occurs now; we recommend the City take a lead role in fostering coordination of economic development efforts.

- Strategy 6.1. Develop City institutional strategy for a City economic development process
- Strategy 6.2: Coordinate with School District

3. Employment Projection and Non-Residential Land Demand

This section analyzes commercial and industrial land needs for the City of McMinnville from 1997 to 2020. The methods applied in allocating employment by type (e.g., service, trade, manufacturing, etc.) and by plan designation (commercial or industrial) are based on the *McMinnville Economic Opportunities Analysis* (ECONorthwest, 2002) and Appendix B of the *McMinnville Urbanization and Growth Management Plan*.

The Council finds that while Goal 9 and OAR 660-009 do not explicitly require an employment forecast, such a forecast is necessary to develop land need and built-space estimates. Moreover, OAR 660-009-0015 (2) requires the Economic Opportunities Analysis (EOA) to identify “the types of sites that are likely to be needed by industrial and commercial uses which might expand or locate in the planning area.” A sector-level employment forecast, combined with other data from the EOA, is useful in defining site requirements. The methods used to develop the employment forecast are described in detail in Chapter 5 of the *Economic Opportunities Analysis*.

The Economic Opportunities Analysis concluded:

“The estimate of 1999 total employment in the McMinnville UGB area, 13,585, forms the basis from which we estimate future employment. At an average annual growth rate of 2.06%, total employment in McMinnville will grow from 13,585 in 1999 to 20,846 in 2020, an increase of 7,261 or 53% over the twenty-year period.”

The updated employment figures build from the same 1999 base of 13,585, and uses the same average annual growth rate of 2.06%. The revised projection extends to 2023—and results in a total employment projection of 22,161 jobs in 2023. The extrapolated 2003 employment is 14,741 based on the 1999 base and a 2.06% annual growth rate. Table 22 summarizes the revised employment projection by sector. The adjustment increases total employment by 159 jobs over the original forecast presented in the *McMinnville Economic Opportunities Analysis*.

Table 22. Revised employment forecast by sector, 2003-2023

Sector	Total employment		Share of total		Growth	AAGR
	2003	2023	2003	2023	2003-2023	2003-2023
Agriculture, Forestry, Fishing	627	997	4.3%	4.5%	371	2.24%
Mining	119	111	0.8%	0.5%	-8	-0.34%
Construction	695	886	4.7%	4.0%	191	1.16%
Manufacturing	2,949	3,213	20.0%	14.5%	264	0.41%
Transportation & Utilities	666	1,108	4.5%	5.0%	442	2.45%
Wholesale Trade	370	554	2.5%	2.5%	184	1.94%
Retail Trade	2,781	5,540	18.9%	25.0%	2,759	3.34%
Finance, Insurance, & Real Estate	1,245	1,773	8.4%	8.0%	528	1.70%
Services	3,786	6,205	25.7%	28.0%	2,419	2.38%
Nonclassifiable	12	0	0.1%	0.0%	-12	-100.00%
Government	1,490	1,773	10.1%	8.0%	283	0.83%
Total Employment	14,741	22,161	100.0%	100.0%	7,420	1.96%

Source: Table 4, Appendix A, *McMinnville Urbanization and Growth Management Plan*. Forecasts by ECONorthwest, 2003

Table 23 shows total employment growth by land use type in McMinnville for 2003, and 2023. The employment projection indicates McMinnville will add 7,420 new employees between 2003 and 2023.

Table 23. Total employment growth by land use type in McMinnville UGB, 2003–2023

Land use category	2003		Growth	
	2003	2023	2003-2023	Percent
Commercial	2,793	5,540	2,747	37%
Office	5,031	7,978	2,947	40%
Industrial	5,427	6,870	1,443	19%
Public	1,490	1,773	283	4%
Total	14,741	22,161	7,420	100%

Source: ECONorthwest.

Table 24 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 4.³⁰

³⁰ 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).

Table 24. McMinnville vacant land and new built space needed for employment by land use type, 2003–2023

Type	Acres of land	Sq. Ft. of building space		
Commercial	88.9	24%	684,398	24%
Office	83.6	23%	643,984	23%
Industrial	173.8	47%	1,242,836	44%
Public	20.4	6%	285,578	10%
Total	366.7	100%	2,856,796	100%

Source: ECONorthwest.

In addition to the 367 acres of non-residential land needed to accommodate non-residential uses, the McMinnville City Council finds that additional non-residential lands will be required to accommodate public and semi-public uses. Table 25 summarizes land commercial and industrial land needs for McMinnville between 2003 and 2023. An additional 26.2 acres of commercial land and an additional 95.9 acres of industrial land are needed to accommodate public and semi-public uses.

Table 25. Demand for non-residential land by plan designation and use, McMinnville, 2003-2023

Planned Land Use	Gross Acres
Commercial Plan Designation	
New Commercial	192.9
Public Schools	0.0
Private Schools	0.3
Religious	7.8
Government	13.7
Semi-Public Services	3.5
Infrastructure	0.9
Commercial Subtotal	219.1
Industrial Plan Designation	
New Industrial	173.8
Public Schools	0.0
Private Schools	0.0
Religious	0.0
Government	66.3
Semi-Public Services	18.1
Infrastructure	11.5
Industrial Subtotal	269.7

4. Non-Residential Land Supply

Appendix A of the *McMinnville Growth Management and Urbanization Plan* concludes that as of January 1, 2003 McMinnville had 102 buildable acres designated for commercial uses and 326 buildable acres designated for industrial uses.

5. Non-Residential Lands Summary

Table 26 shows a comparison of land demand and supply for the McMinnville UGB for the period 2003-2023. The results show McMinnville has an overall surplus of buildable non-residential land of about 106 acres. When analyzed by plan designation, however, the results indicate the City has a commercial land deficit of about 106 acres, and an industrial surplus of 45 acres.

Table 26. Comparison of non-residential land need and supply, 2003–2023

Plan Designation	Land Need (2003-2023)	Gross Buildable	
		Acres (Jan 2003)	Deficit (Surplus)
Commercial	219.1	102.4	106.0
Industrial	269.7	326.0	(44.7)

6. Suitability of Available Industrial and Commercial Sites

The McMinnville City Council finds that few limitations exist for development of sites designated for commercial and industrial uses. OAR 660-009-0025 (3) requires cities to assess the short-term availability of serviceable sites. One limitation is that sites along Three Mile Lane will face water service constraints until the water line is looped.

I. Goal 10 (Housing)

Goal 10 requires that cities determine housing need by type and allocate sufficient buildable land within its urban growth boundary to meet identified housing needs under clear and objective zoning and development standards. Goal 10 is implemented by OAR Chapter 660, Division 7 (Interpretation of Goal 10, Housing) and by ORS 197.303 through 197.307 (Needed Housing).

The initial Goal 10 study was completed in May 2001 (*McMinnville Residential Land Needs Analysis*, ECONorthwest, 2001).³¹ The McMinnville City Council held hearings on the study in 2001, eventually adopting the study in May 2001. A subsequent LUBA appeal and decision (LUBA No. 2001-093) remanded the City's decision to adopt the study. The *McMinnville Growth Management and Urbanization Plan* adopts the *McMinnville Residential Land Needs Analysis*, as amended in Appendices A and B of the Plan. The Council provides the following findings in support of Goal 10.

1. Actual Development

This step determines the actual mix and density of housing development from 1988-2000³².

³¹ At the time the *McMinnville Residential Land Needs Analysis* was completed 2000 Census data were unavailable.

³² ORS 197.296 requires a time period of 5 years or the last periodic review, whichever is greater, for the purposes of this study. DLCD issued McMinnville's periodic review notice in 1988.

Trends in the Housing Mix

The housing mix (i.e., percentage of single family, multi-family, and mobile/manufactured home units) is an important variable in any housing needs assessment. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, area economic and employment trends, and amount of land zoned to allow different housing types and densities.

Actual Housing Mix and density, 1988-2000

Table 27 summarizes approved lot densities by housing type from September 1988 through June 2000. During this period, 3,320 building permits were issued for residential development. Of the 3,320 units approved during this period, 46 percent were single family, 12 percent were commonwall or duplex, 22 percent were multi-family, and 20 percent were manufactured homes. This development consumed 709 gross vacant acres. About 151 acres (21.3% of gross acres) were committed to right-of-way, netting about 558 acres. New housing in McMinnville developed at an average net density of 5.9 dwelling units per net buildable acre between 1988 and 2000.

Table 27. Residential density by housing type, McMinnville UGB, September 1, 1988 - July 30, 2000

Housing Type	Total Units (DU)	Percent of Total DU	Gross Acres	Net Acres	R-O-W % ^a	Net Density ^b
Single-Family Detached	1,532	46.1%	455.2	338.7	25.6%	4.5
Single-Family Attached	392	11.8%	57.3	43.1	24.7%	9.1
Manufactured Homes on Lots	201	6.1%	49.1	38.4	21.8%	5.2
Manufactured Homes in Parks	473	14.2%	98.9	94.8	4.1%	5.0
Multi-Family	722	21.7%	48.7	43.1	11.6%	16.8
Total	3,320	100.0%	709.2	558.2	21.3%	5.9

Source: City of McMinnville building permit data

^a R-O-W percentages calculated as 1 - (net acres/gross acres)

^b Net density means dwelling units per full acre of developable land, exclusive of streets and unbuildable area

Note: single-family attached includes duplexes

McMinnville has four residential zoning districts: R-1, R-2, R-3, and R-4. However, each of these zones allows a variety of housing types. The R-1 and R-2 zones allow single family units and duplexes on corner lots. Multiple family development may occur in both of these zones through the planned development process. The R-3 zone allows small-lot single family, manufactured dwelling parks and attached single family, as well as multiple family development through the planned development process. The R-4 zone allows multiple family housing outright, as well as all of the above housing types.

Table 28 shows actual dwelling unit types and densities approved in McMinnville's four residential zoning districts during the analysis period. The R-1 District used 28% of total developed land area for 16% of the new dwelling units. By contrast, the R-4 District used 14% of total developed land area for 19% of the new dwelling units. Net densities in the districts generally perform as expected—densities increase as the allowable density increases.

The one exception to this trend is densities in the R-2 zone. Under most circumstances, actual

housing density can be expected to increase in proportion to densities allowed under zoning. This pattern was observed in McMinnville—except in the R-2 District, which had much higher densities than would be expected. Analysis of the data and conversations with City staff indicate that the R-2 zone achieved densities that actually outperformed its own maximum allowable potential density by 5%. In more typical circumstances, one would expect densities in the R-2 zone to be between 4.5 and 5.0 dwelling units per net acre rather than the 6.5 dwelling units per acres that was achieved. This density overachievement is due to the development of multiple family homes in the R-2 Zone as made possible through the flexibility afforded by application of the city's Planned Development review process.

Table 28. Residential density by zone, McMinnville UGB, September 1, 1988 - July 30, 2000

Zone	Total Units (DU)	Percent of Total DU	Gross Acres	Percent of Gross Acres	Net Acres	R-O-W %	Net Density ^a
R-1	531	16.0%	197.2	27.8%	145.7	26.1%	3.6
R-2	1,448	43.6%	293.9	41.4%	222.6	24.2%	6.5
R-3	716	21.6%	150.3	21.2%	131.2	12.7%	5.5
R-4	625	18.8%	67.8	9.6%	58.6	13.6%	10.7
Total	3,320	100.0%	709.2	100.0%	558.2	21.3%	5.9

Source: City of McMinnville building permit data

^a Net density means dwelling units per full acre of developable land, exclusive of streets and unbuildable area

One method of evaluating the relative efficiency of land use is a comparison between *actual* densities and maximum *allowable* densities. This type of analysis, however, is an imperfect indicator of the relative efficiency of development by zone. One reason for that is that McMinnville's code allows for multiple housing types and densities in each zone.

Table 29 shows actual vs. allowable density by zone. The results indicate that land use is less than 100% efficient for all zoning districts – with the exception of the R-2 zone – which achieved 105% of its maximum density. This overall trend, however, is not surprising; many reasons exist for underbuild. Site factors such as wetlands, stream corridors, parcel shape, and steep slopes typically require lower densities. Additional factors such as neighborhood compatibility and market choice can also lower densities. Finally, because McMinnville does not have minimum density standards, developers do not have an obligation to develop at maximum allowable densities.

Table 29. Actual residential density compared to maximum allowable residential density, McMinnville UGB,

	R-1	R-2	R-3	R-4 ^a
Actual residential density 1988-2000	3.64	6.50	5.46	10.66
Maximum allowable residential density	4.80	6.20	7.30	17.40
Percent of maximum allowable density	76%	105%	75%	61%

Source: City of McMinnville building permit data; analysis by ECONorthwest

Note: For multi-family development within the R-4 zone, the City ordinance requires a 25% landscape allocation, and on-site parking and circulation. Multiple family developments in the R-4 zone typically see around 15% of the site utilized for parking (includes aisle width requirement and 1.5 parking spaces for each units of less than 3 bedrooms). This leads us to a theoretical

density maximum of about 17.4 units per acre in the R-4, assuming that 100% of all building in the R-4 zone is multifamily – which it is not. The City ordinance allows all dwelling types within this zone and this does occur as evidenced by the building permit data for 1988 – 2000.

Residential development trends, July 2000-December 2002

The *McMinnville Residential Lands Study* was completed in May 2001; the analysis of actual housing density and mix extended through July 2000. Since that time, McMinnville has experienced a significant amount of residential development since July 2000. Table 30 shows the number of building permits issued between July 1, 2000, and December 31, 2002, for residential development. The City's data show that 528 new dwelling units were approved using about 82 acres of residential lands. New residential development averaged 6.4 dwelling units per net residential acre during this period.

Table 30. Residential building permits issued in residential zones, July 1, 2000 – December 31, 2002

Zone	New DU	Net Acres	Density (DU/net res ac)
R-1	113	22.4	5.0
R-2	199	33.2	6.0
R-3	74	10.0	7.4
R-4	142	16.5	8.6
Total	528	82.1	6.4

Source: City of McMinnville building permit database

Note: McMinnville issued permits for an additional 64 residential units in the C-3 zone.

This development used 4.1 acres at a net density of 15.6 du/net acre.

Table 31 shows residential building permits by type of dwelling issued in McMinnville between July 1, 2000, and December 31, 2002. The results show that 74% of building permits were issued for single-family detached units, 9% were issued for single-family attached units, and 17% were issued for multi-family units (totaling 26% for multi-family housing types).

**Table 31. Residential building permits by type,
July 1, 2000 – December 31, 2002**

Housing Type	New DU	Percent	Net Acres	Density (DU/net res ac)
Single-family detached	393	74%	68.1	5.8
Manufactured	0	0%	0.0	na
Subtotal	393	74%	68.1	5.8
Multi-family				
Single-family attached	45	9%	4.5	10.0
Multi-family	90	17%	9.5	9.5
Subtotal	135	26%	14.0	9.7
Total	528	100%	82.1	6.4

Source: City of McMinnville building permit database

Note: McMinnville issued permits for an additional 64 residential units in the C-3 zone.

This development used 4.1 acres at a net density of 15.6 du/net acre.

Conclusion

In conclusion, given the fact that McMinnville allows a variety housing types and densities in each of its four residential zones, it is highly misleading to evaluate “under-build” in terms of the maximum allowable density of the most dense housing type allowed in each zone.

To more accurately determine development efficiency by zone, the council examined the under-build for each zone by housing type in Table 8. Table 8 shows that actual housing densities have occurred, on average, at about 84% of maximum allowable densities. As a point of comparison, the Metropolitan Service District has established a regional minimum density standard of 80% for cities and urban counties within the Portland Metropolitan Urban Growth Boundary. Since 1988, McMinnville has exceeded this standard, on average, for all housing types.

However, single-family housing in the R-3 and R-4 zones has occurred at 75% and 61% of maximum densities, respectively, in these two zones. If single-family housing were excluded from the R-3 and R-4 zones, the 80% density standard would have been met in each of McMinnville’s zoning districts. It is only because the R-3 and R-4 zones are inclusive (*i.e.*, because they allow lower density homeownership opportunities) that “under-build” has occurred.³³

Table 11 summarizes the average actual housing mix and density in McMinnville for the years 1988-2000. Overall, McMinnville has averaged 5.9 dwelling units per net buildable acre. Specific trends in housing mix and density include:

- Single-family housing (including single-family attached units and duplexes) accounted for about half of all new units in McMinnville between 1988 and 2000, and

³³ Under-build may also have occurred in the West Side of McMinnville because of sanitary sewer constraints. McMinnville has adopted regulations limiting gross buildable densities to 7.8 units per net buildable acre (6 units per gross acre). However, this limitation does not appear to have had a significant effect on actual densities.

have been constructed in varying degrees in all four of McMinnville's zoning districts. The average actual single-family residential density was about 5 units per net buildable acre.

- Multi-family housing has accounted for about 22% of all new units in McMinnville since 1988, and has occurred in the R-2 and R-4 zoning districts. The average actual multi-family density in McMinnville has been 16.8 units per net buildable acre.³⁴
- Manufactured housing has accounted for about 26% of all new units in McMinnville, and has occurred in all of McMinnville's residential zones. The average actual manufactured housing density has been about 5 units per net buildable acre.

Tables 32 and 33 show a cross-tabulation of residential development and permit issuance, respectively, by zone. The results are generally what one would expect given the intent of each zoning district. Multiple family development, however, shows a high percentage of dwelling units in the R-2 district.

³⁴ For comparison, if McMinnville was to count the number of building permits issued for single-family attached dwelling units as multiple family units, the percentage of McMinnville's dwelling unit permits issued for multiple family units would be 34% (22% multiple family + 12% single-family attached = 34%).

Table 32. Summary of residential development by zoning district, McMinnville UGB, September 1, 1988 - July 30, 2000

Housing Type	Gross Acres	Percent of Total	Right-of-Way	Right-of-Way %	Net Acres ^b	Units	Percent of Total	Gross Density	Net Density
R-1	197.2	27.8%	51.5	26.1%	145.7	531	16.0%	2.7	3.6
Single Family Detached	191.3	27.0%	49.9	26.1%	141.3	495	14.9%	2.6	3.5
Single Family Attached	5.3	0.7%	1.4	26.1%	3.9	34	1.0%	6.4	8.7
Manufactured Homes on Lots	0.6	0.1%	0.2	26.1%	0.5	2	0.1%	3.1	4.2
R-2	293.9	41.4%	71.3	24.2%	222.6	1,448	43.6%	4.9	6.5
Single Family Detached	231.8	32.7%	59.1	25.5%	172.7	891	26.8%	3.8	5.2
Single Family Attached	32.6	4.6%	8.3	25.5%	24.3	228	6.9%	7.0	9.4
Manufactured Homes on Lots	6.1	0.9%	1.6	25.5%	4.5	12	0.4%	2.0	2.6
Multiple Family	23.4	3.3%	2.3	9.7%	21.1	317	9.5%	13.5	15.0
R-3	150.3	21.2%	19.1	12.7%	131.2	716	21.6%	4.8	5.5
Single Family Detached	18.4	2.6%	3.9	21.2%	14.5	77	2.3%	4.2	5.3
Single Family Attached	11.2	1.6%	2.4	21.2%	8.8	84	2.5%	7.5	9.5
Manufactured Homes on Lots	42.4	6.0%	9.0	21.2%	33.4	187	5.6%	4.4	5.6
Manufactured Homes in Parks ^a	78.3	11.0%	3.8	4.8%	74.5	368	11.1%	4.7	4.9
R-4	67.8	9.6%	9.2	13.6%	58.6	625	18.8%	9.2	10.7
Single Family Detached	13.8	1.9%	3.5	25.4%	10.3	69	2.1%	5.0	6.7
Single Family Attached	8.1	1.1%	2.1	25.4%	6.1	46	1.4%	5.7	7.6
Manufactured Homes in Parks ^a	20.6	2.9%	0.3	1.2%	20.3	105	3.2%	5.1	5.2
Multiple Family	25.3	3.6%	3.4	13.3%	21.9	405	12.2%	16.0	18.5
Total	709.2	100%	151.0	21.3%	558.2	3,320	100.0%	4.7	5.9

Source: City of McMinnville building permit data

^a The category "Manufactured Homes in Parks" only addresses spaces where Mobile Home setup permits have been issued

^b Net acres is gross buildable area less right-of-way and unbuildable land

Table 33. Percent of permits issued by type and zone, McMinnville, 1988-2000

Housing type	R-1	R-2	R-3	R-4	Total
Single-family					
Single-family detached	15%	27%	2%	2%	46%
Single-family attached	1%	7%	3%	1%	12%
Manufactured	0%	0%	17%	3%	20%
Total single-family	16%	34%	22%	7%	78%
Multiple Family					
Multiple Family	0%	10%	0%	12%	22%
Total multiple family	0%	10%	0%	12%	22%
Total	15%	40%	23%	22%	100%

Source: City of McMinnville building permit data; analysis by ECONorthwest

For the above reasons, the Council concludes that McMinnville's zoning districts have not substantially constrained the housing market in McMinnville. So-called "under-build" is largely a function of the fact the McMinnville's residential zoning districts allow "a variety of housing types at price ranges and rent levels commensurate with the incomes of Oregon's citizens," as required by Statewide Planning Goal 10.

2. Residential Buildable Land Inventory

Chapter 3 of the *McMinnville Residential Land Needs Analysis* presented the residential buildable lands inventory. Methods and definitions used for the inventory are described in Appendix A of that study. This section summarizes the key findings of the residential buildable lands inventory.

Residential land by classification

The supply analysis builds from a parcel-level database to identification of buildable land by zone. Each parcel was classified into one of the following categories:

- *Vacant residential land* – Tax lots that have no structures or have buildings with very little value. For the purpose of this study, vacant residential land is land that is designated for residential uses and has a market improvement value less than \$10,000.
- *Undevelopable Residential land* – For purposes of this study, land that is already committed to other uses by policy, lots under 4,000 square feet in size are considered undevelopable for residential uses, and lots with no existing or potential for future automobile access are considered undevelopable for residential uses.
- *Partially vacant (under-utilized) residential land* – Partially vacant tax lots are those occupied by a use but which contain enough land to be further partitioned or subdivided without need of rezoning. For instance, a single house on a 1-acre lot, where urban densities are allowed, is partially developed. To estimate partially-vacant land, we identified all single-family residential lots (property class 101) which are more than two times the minimum lot size for its zone.
- *Developed residential land* – Land that is developed at densities consistent with zoning and has an improvement-to-land-value ratio that makes it unlikely to redevelop during the analysis period. For purposes of this study, land that is not classified as vacant, partially vacant, or undevelopable is considered developed. Potentially redevelopable land is a subset of developed land.
- *Potentially redevelopable residential land* – Land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period. The potential placement of additional dwelling units on a residential parcel already improved with a residence may only occur on land zoned R-3 or R-4 as per McMinnville zoning ordinance. For purposes of this study, all R-3 and R-4 zoned tax lots with improvement-to-land value ratios of less than 1:1 that are not classified as vacant, undevelopable, partially vacant, or under-utilized are considered potentially redevelopable.

The inventory includes all lands designated for residential uses within the McMinnville UGB. Public and semi-public lands are considered unavailable for residential development (they are however considered available for either public or semi-public use if classified as vacant, partially vacant, or redevelopable). For purposes of this study, constrained land is land that is in areas with slopes of 25% or greater, land that is within the 100-year floodplain, and land that is identified as a wetland on the National Wetland Inventory map.

Table 34 shows all residential land by classification for June 2000 for the entire McMinnville UGB, and for the two sub-areas that compose it: the area within the city limits; and, the urban fringe (defined for this study as the area between the city limits and the UGB).

The data indicate that within the existing UGB, McMinnville has 3,743 acres in 6,942 tax lots designated for residential uses. Of this total, 2,797 acres are classified as either developed or as developed portions of tax lots, or exhibit physical or environmental constraints (see Appendix A), or are committed to other uses and therefore unavailable for future residential use. This provides about 935 gross vacant buildable acres available for future residential development. Of this total, about 805 acres are classified as vacant, and 130 acres are classified as partially vacant.

About 3,214 acres are within the city limit, while only 530 acres are located within the area between the city limit and UGB. The majority of vacant and partially-vacant land (641 gross vacant buildable acres) is within the city limit. An additional 293 gross vacant and partially-vacant acres are in the area between the city limit and UGB. All of the potentially redevelopable land (12 acres) is within the city limit.

Table 34. Residential land by classification and location, McMinnville UGB, June 2000

Classification	Number of Tax Lots	Total Acres	Acres Unavailable for Development	Gross Vacant Buildable Acres	Potentially Redevelopable Acres
Inside the City Limits					
Committed to other uses	58	174.8	174.8	0.0	0.0
Developed	5,890	1,703.1	1,703.1	0.0	0.0
Partially Vacant	54	149.7	58.2	91.6	0.0
Potentially Redevelopable	62	16.3	4.3	0.0	12.0
Public	42	174.6	174.6	0.0	0.0
Semi-Public	146	299.0	299.0	0.0	0.0
Undevelopable	99	19.8	19.8	0.0	0.0
Vacant	527	676.8	127.0	549.7	0.0
Subtotal	6,878	3,214.1	2,560.7	641.3	12.0
Between the City Limits and UGB					
Committed to other uses	1	4.8	4.8	0.0	0.0
Developed	24	64.2	64.2	0.0	0.0
Partially Vacant	4	105.1	66.9	38.1	0.0
Vacant	32	341.2	86.0	255.2	0.0
Subtotal	64	529.3	235.9	293.4	0.0
Total	6,942	3,743.3	2,796.7	934.6	12.0

Source: Yamhill County Assessment data; field verification by the City of McMinnville; data analysis by ECONorthwest

Table 35 shows residential land by zoning and location within the McMinnville UGB. The results show the majority of gross buildable residential land within the city limit is in the R-1 zone (436 acres). In the area between the UGB and the city limit, 237 acres of the 293 available acres are in the EF-40 zone.

Table 35. Residential land by zoning and location, McMinnville UGB, June 2000

Zoning District	Number of Tax Lots	Total Acres	Acres	Gross Vacant	Potentially
			Unavailable for Develop-	Buildable Acres	Redevelop-able Acres
Within the City Limits					
A-H	6	53.9	28.2	25.7	0.0
EF-40	5	79.7	59.1	20.6	0.0
EF-80	1	4.6	0.0	4.6	0.0
R-1	1,689	1,177.5	741.8	435.6	0.0
R-2	3,278	1,003.9	920.5	83.4	0.0
R-3	1,099	380.9	343.3	30.7	7.0
R-4	797	506.3	464.2	37.0	5.1
VLDR-1	3	7.3	3.6	3.7	0.0
Subtotal	6,878	3,214.1	2,560.7	641.3	12.0
Between the City Limits and UGB					
A-H	1	0.6	0.6	0.0	0.0
AF-20	9	34.7	11.6	23.1	0.0
EF-40	26	364.4	127.6	236.8	0.0
EF-80	16	110.4	80.3	30.1	0.0
LDR-9000	3	6.5	6.5	0.0	0.0
VLDR-1	2	2.1	1.7	0.4	0.0
VLDR-2.5	7	10.5	7.5	2.9	0.0
Subtotal	64	529.3	235.9	293.4	0.0
Total	6,942	3,743.3	2,796.7	934.6	12.0

Source: Yamhill County Assessment data; field verification by the City of McMinnville; data analysis by ECONorthwest

Gross vacant buildable residential land

Table 36 shows gross vacant buildable land by zoning district for June 2000. Parcels shown in the tables are those identified as either vacant or partially vacant. Vacant means that a parcel has no significant improvements (improvements valued at \$10,000 or more); partially vacant means that despite some improvements a parcel is judged large enough to have a buildable portion.³⁵ The table classifies land area in the following categories:

- Zoning district—zoning districts that have residential plan designations. City zoning districts are R-1 through R-4 and A-H; all other districts are County districts.
- Total (gross) acres—all land within parcels that are either fully vacant or partially vacant.³⁶

³⁵ To identify partially-vacant land, we identified all single-family residential tax lots on which exist significant improvements (property class 101) and are at least two times the minimum lot size for their respective zones.

The following rules were used to identify partially vacant lands. For R-1, lots over 18,000 sq. ft.; for R-2, lots over 14,000 sq. ft.; for R-3, lots over 12,000 sq. ft.; and for R-4, lots over 10,000 sq. ft. ECO developed a list of lots that met these criteria. City staff then reviewed each lot to determine if it could be divided. This process of "shadow platting" considered the existing building footprint, lot dimensions, access, and minimum setbacks to determine whether additional development potential existed.

³⁶ This definition does not include potentially redevelopable acres. Potentially redevelopable land is addressed separately from vacant land in the next section.

- Less existing development—this category applies only to “partially vacant” parcels and is the portion of such parcels that is considered developed³⁷
- Less 100-year floodplain—the area that falls within the 100-year floodplain based on FEMA FIRM maps. McMinnville, by ordinance, does not allow development within the 100-year floodplain.
- Less steep slope area—Consistent with OAR 660-008-0005(2), a recent LUBA opinion, and DLCD staff direction, lands with slopes of 25% or greater are excluded from the buildable land inventory.³⁸ This analysis considers lands of 25% or greater slope as unbuildable.
- Less acres committed to other uses—land in residential areas that has been committed to other uses. Examples of land in this category include land in public ownership.
- Acres unavailable for development—the sum of the previous four categories (existing development, 100-year floodplain, slope, and land committed to other use).
- Gross vacant buildable acres available for development—total gross acres minus total unavailable for development.

The analysis estimates that within the current UGB, McMinnville had about 935 gross vacant buildable acres available for residential development in June 2000. The majority of this land (805 acres) is considered fully vacant, while about 130 acres are considered partially vacant.

³⁷ Rather than apply a blanket assumption to each parcel as to the amount of land that is “developed,” staff employed a rigorous, parcel-specific review of each parcel to determine its ability to provide for future residential land needs. To determine the amount of land developed within each parcel, staff first used aerial photos and GIS data to plot the locations of existing improvements. Parcels with improvements situated in such a manner as to preclude access to the “vacant” portion(s) of the property were placed in the “developed” category. All remaining parcels were then “shadow platted” with the “developed” portion of the parcel containing the minimum area required by the applicable zone and as necessary to comply with minimum setback and other land division ordinance requirements. If the “vacant” portion of the parcel was less than the minimum lot size required by the applicable zone, the parcel was placed in the “developed” category. All other parcels were placed in the “partially vacant” category.

³⁸ A recent Land Use Board of Appeal (LUBA) opinion, *Rogue Valley Association of Realtors vs. City of Ashland*, sheds further light on the above definition as found in the following excerpts from that case:

“Under the OAR 660-08-0005(2) definition of “buildable land,” the city could map and distinguish between residentially zoned land that exceeds 25 percent slopes and land with lesser slopes, and rely exclusively on the latter to provide buildable land for needed housing.” [. . .]

“The city has included lands with slopes exceeding 25 percent in the lands included in the Buildable Lands Inventory that are required for needed housing; the fact that it was not required to do so is irrelevant.”

The important observation here is LUBA’s statement of the “fact” that including land with slopes of 25 percent or greater in a buildable lands inventory as being suitable for accommodating future growth is not required. Further, the local adoption of an ordinance addressing “slope” is not required in order to provide a buildable land inventory exclusive of those lands.

Table 36. Vacant and partially vacant land by zoning, McMinnville UGB, July 2000

Zoning District	Number of Tax Lots	Total Acres	Less Existing Development	Less 100-Year Floodplain	Less Steep Slope Area	Less Acres Committed to Other Uses	Acres Unavailable for Development	Gross Vacant Buildable Acres	Average Parcel Size (acres)
Vacant Land									
Within the City Limits									
A-H	1	33.0	0.0	11.6	6.5	0.0	18.1	14.9	14.9
EF-40	2	18.8	0.0	3.3	0.0	0.0	3.3	15.5	7.7
EF-80	1	4.6	0.0	0.0	0.0	0.0	0.0	4.6	4.6
R-1	235	475.3	0.0	5.0	76.9	0.0	81.8	393.5	1.7
R-2	108	73.4	0.0	2.0	3.0	0.0	5.0	68.4	0.6
R-3	79	20.3	0.0	0.8	0.0	1.0	1.8	18.5	0.2
R-4	101	51.3	0.0	17.0	0.0	0.0	17.0	34.3	0.3
Subtotal	527	676.8	0.0	39.7	86.3	1.0	127.0	549.7	1.0
Between the City Limits and UGB									
AF-20	5	14.3	0.0	0.0	0.0	0.0	0.0	0.0	14.3
EF-40	19	275.3	0.0	29.7	25.2	0.0	9.0	63.9	211.5
EF-80	5	48.2	0.0	21.7	0.4	0.0	0.0	22.2	26.1
VLDR-1	1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4
VLDR-2.5	2	2.9	0.0	0.0	0.0	0.0	0.0	0.0	2.9
Subtotal	32	341.2	0.0	51.4	25.6	9.0	86.0	255.2	8.0
Total Vacant	559	1,018.0	0.0	91.1	111.9	10.0	213.0	805.0	1.4
Partially Vacant Land									
Within the City Limits									
A-H	2	18.0	1.0	1.1	1.4	3.6	7.1	10.9	5.4
EF-40	1	5.3	0.2	0.0	0.0	0.0	0.2	5.1	5.1
R-1	12	62.5	7.5	12.2	0.8	0.0	20.4	42.1	3.5
R-2	19	30.0	7.5	7.0	0.5	0.0	15.0	15.0	0.8
R-3	9	19.5	4.9	1.7	0.9	0.0	7.4	12.1	1.3
R-4	9	8.7	1.6	4.5	0.0	0.0	6.1	2.7	0.3
VLDR-1	2	5.7	2.0	0.0	0.0	0.0	2.0	3.7	1.8
Subtotal	54	149.7	24.6	26.5	3.5	3.6	58.2	91.6	1.7
Between the City Limits and UGB									
AF-20	1	16.9	1.1	3.1	3.9	0.0	8.1	8.8	8.8
EF-40	2	82.4	0.4	55.9	0.8	0.0	57.1	25.3	12.7
EF-80	1	5.8	0.4	1.4	0.0	0.0	1.7	4.0	4.0
Subtotal	4	105.1	1.9	60.4	4.7	0.0	66.9	38.1	9.5
Total	58	254.8	26.5	86.9	8.2	3.6	125.1	129.7	2.2

Source: ECONorthwest, from City of McMinnville & Yamhill County Assessor

Gross vacant buildable land by parcel size

Parcel size and location are important factors in providing a balanced land supply. Table 37 shows gross buildable vacant land by residential zoning district and parcel size within the McMinnville UGB. The results show that while the majority (78%) of vacant or partially-vacant parcels are less than one acre; 69% of the vacant land is in parcels of 10 acres or larger in area. Notably, 570 acres (or 61% of total vacant buildable acres) are contained within 18 parcels that are 20 or more acres in area. Of further note is that the average "vacant land" parcel size is 1.4 acres, the average "partially vacant land" parcel size is 2.2 acres, and the combined average parcel size is 1.5 acres.

Analysis of vacant and partially vacant residential land by ownership shows that about 45% of the buildable residential land in McMinnville (about 420 acres) is in five ownerships. Moreover,

about 63% of the buildable residential land (about 592 acres) is in 10 ownerships, and 77% is in 20 ownerships (about 722 acres).

Table 37. Vacant and partially vacant parcels by size class inside the McMinnville UGB in 2000

Zoning District	Less than 0.5 acre	0.50-0.99 acre	1.00-1.99 acre	2.00-4.99 acre	5.00-9.99 acre	10.00- 19.99 acre	20.00- 49.99 acre	50.00 or more acre	Total
Number of tax lots									
Inside City Limits									
A-H					2		1		3
EF-40			1		1	1			3
EF-80				1					1
R-1	210	12	5	7	5	1	5	2	247
R-2	102	8	7	9			1		127
R-3	73	6	2	6	1				88
R-4	97	5	6	1			1		110
VLDR-1			1	1					2
Subtotal	482	31	22	25	9	2	8	2	581
Between City limits and UGB									
AF-20		1	1	2	1	1			6
EF-40			4	4	2	5	3	3	21
EF-80				1	3	2			6
VLDR-1	1								1
VLDR-2.5		1	1						2
Subtotal	1	2	6	7	6	8	3	3	36
Total	483	33	28	32	15	10	11	5	617
Acres									
Inside City Limits									
A-H					10.9		14.9		25.7
EF-40			1.3		5.1	14.2			20.6
EF-80				4.6					4.6
R-1	46.4	7.6	6.1	12.0	28.5	10.4	128.0	196.8	435.6
R-2	20.7	3.3	4.7	13.6			41.2		83.4
R-3	10.6	2.5	2.0	11.4	4.2				30.7
R-4	15.9	2.2	4.0	0.3			14.6		37.0
VLDR-1			0.9	2.8					3.7
Subtotal	93.6	15.5	19.0	44.6	48.6	24.6	198.7	196.8	641.3
Between City limits and UGB									
AF-20		0.5	1.0	7.8	5.0	8.8			23.1
EF-40			5.6	9.1	11.2	36.3	64.1	110.4	236.8
EF-80				3.1	19.1	7.9			30.1
VLDR-1	0.4								0.4
VLDR-2.5		1.0	2.0						2.9
Subtotal	0.4	1.5	8.6	20.0	35.4	53.0	64.1	110.4	293.4
Total	94.0	17.0	27.6	64.6	84.0	77.5	262.8	307.2	934.6
Avg. Parcel Size	0.2	0.5	1.0	2.0	5.6	7.8	23.9	61.4	1.5
% of Tax Lots	78%	5%	5%	5%	2%	2%	2%	1%	100%
% of Acres	10%	2%	3%	7%	9%	8%	28%	33%	100%

Source: ECONorthwest, from City of McMinnville & Yamhill County Assessor

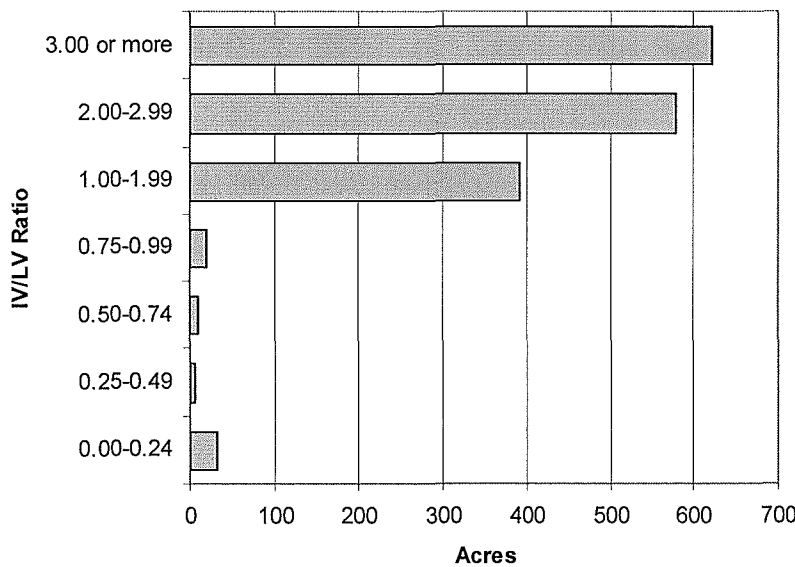
Redevelopment potential

Redevelopment potential deals primarily with developed land zoned for two-family or multi-family residential use (zoning districts R-3 and R-4) where the ratio of improvement-to-land

value is less than 1:1.³⁹ Not all, or even a majority of parcels that meet these criteria for redevelopment *potential* will be assumed to redevelop during the planning period.

As a starting point, we plotted the distribution of improvement-to-land-value ratios for all residential parcels classified as developed.⁴⁰ Figure 1 shows the distribution of improvement-to-land values for all developed residential land in McMinnville (including lands in the R-1 and R-2 zoning districts). The figure shows that the largest category of land with improvement-to-land value ratios of less than 1:1 is in the 0.00-0.24 category. Because these parcels have improvement values that are less than one-quarter of the land value, they can be considered the most ripe for redevelopment.

Figure 1. All developed residential parcels by improvement-to-land value ratio, McMinnville UGB



Source: ECONorthwest, from City of McMinnville and Yamhill County Assessment Data

Table 38 shows a summary of potentially redevelopable parcels by improvement-to-land value ratio in 2000. A ratio of less than 1:1 is a typical, but arbitrary, standard for estimating lands with redevelopment potential.

The results show that few residential parcels in the R-3, and R-4 zones have improvement-to-land value ratios of less than 1:1—only 62 parcels totaling 12 acres. Using improvement-to-land value ratios as an indicator of redevelopment potential suggests that little redevelopment potential exists in McMinnville at this time. Over time, that relationship can change in response

³⁹ In the context of a buildable lands inventory, we are only interested in redevelopment that increases the density or intensity of use. For example, a demolition of a dilapidated single-family home in an R-1 district for a new single-family residence creates a new housing unit, but does not increase the number of residences on the site (or the density). Because we are only interested in development that increases residential density, the definition of potentially redevelopable land for this analysis includes only those developed parcels in zones that allow two-family or multiple family residential development (R-3, and R-4 districts).

⁴⁰ Developed parcels include parcels that are fully developed, and the developed portion of partially developed parcels.

to both market conditions and public policy. For example, a tight UGB or high system development charges could increase the value of land relative to the value of improvements, which would move in the direction of more redevelopment.

Table 38. Developed residential parcels by improvement/land value ratio inside the McMinnville UGB in 2000

Improvement/ land value ratio	Number of tax lots	Potentially Redevelop- able Acres
0.00-0.24	10	3.2
0.25-0.49	7	1.1
0.50-0.74	17	2.5
0.75-0.99	28	5.2
Total	62	12.0

Source: ECONorthwest, from City of McMinnville and Yamhill County Assessment Data

Summary of Residential Land Supply in June 2000

McMinnville has 3,743 acres of land designated for residential uses. Of those, about 934 acres are classified as gross vacant, buildable residential land within its UGB. About two-thirds of vacant, buildable residential land is within the city limits. Of the 935 acres, about 805 acres are classified as vacant, and 130 acres are classified as partially-vacant. In addition to the vacant buildable land, few developed parcels have low enough improvement values to suggest that they are likely to be redeveloped in large quantities (and, thus, be part of the land base that could support new development). Using the assumption (determined by the City and common in buildable land studies in Oregon) that any parcel where improvement value is less than land value suggests a ripeness for redevelopment, an additional 12 acres may have redevelopment *potential* during the planning period.

This assumes that *all* such parcels will redevelop to a higher intensity during the planning period. Not all of this land, however, is likely to build out during the planning period.

Residential Land Supply, January 2003

The Council finds that residential development has occurred in McMinnville since the initial inventory was completed. Table 39 shows buildable residential lands by zone within the McMinnville UGB as of January 1, 2003. The June 2000 inventory identified almost 947 gross vacant buildable and redevelopable residential acres. Since June 2000, residential development has consumed an additional 82 acres, leaving about 865 gross vacant buildable and redevelopable acres available for residential development.

Table 39. Buildable residential lands by zone, McMinnville UGB, January 1, 2003

County Zones	Gross		Gross
	Buildable Acres (2000)	Acres Used (2000-2002)	Buildable Acres (2003)
R-1	435.6	22.4	413.2
R-2	83.4	33.2	50.2
R-3	37.7	10.0	27.7
R-4	42.1	16.5	25.6
County Zones	347.8		347.8
Total	946.6	82.1	864.5

Source: City of McMinnville

3. Projected 20-Year Residential Land Needs

The Council finds that the *McMinnville Residential Land Needs Analysis* follows the methodology outlined in the "Planning for Residential Growth: A Workbook for Oregon's Urban Areas" produced by the Transportation and Growth Management Program (TGM) of the Oregon Department of Land Conservation and Development (DLCD). The analysis is subject to the requirements of House Bill 2709 (codified in ORS 197.296) that was passed by the Oregon Legislature in 1995. This legislation provides direction for communities conducting a buildable lands analysis and housing need assessment. ORS 197.296 reads:

(2) At periodic review pursuant to ORS 197.628 to 197.650 or at any other legislative review of the comprehensive plan or regional plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, comprehensive plans or regional plans shall provide sufficient buildable lands within urban growth boundaries established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.

(3) In performing the duties under subsection (2) of this section, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

(b) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

[.](6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, the local government shall take one or more of the following actions to accommodate the additional housing need:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, the local

government shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary;

(b) Amend its comprehensive plan, regional plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. A local government or metropolitan service district that takes this action shall monitor and record the level of development activity and development density by housing type following the date of the adoption of the new measures; or

(c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.

Assumptions

The *McMinnville Residential Land Needs Analysis* is based on a number of assumptions:

- The County coordinated population forecasts are a reasonable approximation of population in 2023.
- Persons in group quarters will increase in the region between 2003 and 2023. Persons in group quarters will require land at densities comparable to other multifamily densities (densities of about 15 dwelling units per gross residential acre).
- For the planning period, average aggregate household size will remain the same as the 1990 Census figure of 2.54 persons.⁴¹
- Vacancy rates will be cyclical, but will average 3%-5% between 2003 and 2023.

⁴¹ 1000 Friends of Oregon argue that the City's estimate of average future household size at 2.54 persons is not based upon substantial evidence because the City failed to consider the effect of the increase in the City's Hispanic population and new Census data.

In point of fact, the City actually carefully considered and took into account the Friends testimony in determining future household size. The original ECONorthwest projection of household size was 2.4 persons. R 620, 720-722. This calculation was based upon evidence that the household size in virtually every other demographic apart from the Hispanic population has been consistently dropping; e.g. the population is aging, there are more single parent households, people are having fewer children at older ages, a higher percentage of people are living alone. Id, R 92, 151, 152, 177, 178, SR 51. DLCD agreed that this original estimate of household size was reasonable. R 676-677.

As noted by Friends, they submitted evidence regarding the impact of the Hispanic population and census data, concluding that the actual projected household size should be 2.77 persons. R 418 –419. There was considerable debate about the Friends testimony versus the ECONorthwest projection at the April 10, 2001, hearing. R 174-175, 177-178. Ultimately the Planning Commission and City Council voted to increase the estimate from 2.4 to 2.54, essentially maintaining the status quo from the 1990 census. R. 178. This size was ultimately adopted as part of the final decision. R 46.

Clearly, there is substantial conflicting evidence in the record regarding the impact of various demographic trends on McMinnville's future household size. Clearly, the Planning Commission and City Council carefully considered this testimony. Clearly, the Council and Commission were influenced enough by Friends' testimony to increase the projected household size over that recommend by their consultant and staff. The City submits that this was a reasonable - even sagacious - decision, based upon the substantial evidence in the record.

This sections presents two housing forecasts; both apply the assumptions described above.

1. *Baseline forecast.* The baseline forecast is an extrapolation of *actual* housing mix and density trends between 1988 and 2000 for the period 2003-2023. The baseline forecast is consistent with Task 5, Step 1 of the Workbook (page 37).
2. *Alternative forecast.* The alternative forecast (or *housing need* forecast) considers demographic shifts, trends in national, state, and local housing markets, land development costs, as well as other variables. The alternative forecast is consistent with Task 3, Steps 1-6 (pages 24-34).

Baseline forecast of new housing units, 2000-2020

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and estimates of new housing units needed in McMinnville between 2000 and 2020.

Population

The population of the Willamette Valley grew considerably between 1980 and 1999. Table 19 shows population increases in selected Willamette Valley communities. As the table shows, during the 40-year period, McMinnville's population grew by 73%. This rate exceeded the rate for Yamhill County (50%) and the state (25%), but was slower than some cities in the Portland metropolitan area. During the last decade, the population growth of McMinnville exceeded the City's projections.

Table 40. McMinnville Population Change Compared with Other Jurisdictions

Area	1980	1990	% change (1980-90)	1999	% change (1990-99)
Oregon	2,633,156	2,842,321	7.9%	3,300,800	16.1%
Yamhill County	55,332	65,551	18.5%	83,100	26.8%
Tualatin	7,483	14,664	96.0%	21,345	45.6%
Gresham	33,005	68,249	106.8%	85,435	25.2%
West Linn	11,358	16,389	44.3%	22,835	39.3%
McMinnville	14,080	17,894	27.1%	24,420	36.5%
Newberg	10,394	13,086	25.9%	17,355	32.6%
Woodburn	11,196	13,404	19.7%	16,585	23.7%
Albany	26,511	29,540	11.4%	40,010	35.4%
Salem	89,233	107,793	20.8%	126,635	17.5%
Forest Grove	11,499	13,559	17.9%	16,275	20.0%
Dallas	8,530	9,422	10.5%	12,530	33.0%
Oregon City	14,673	14,698	0.2%	23,405	59.2%
Milwaukie	17,931	18,670	4.1%	20,075	7.5%
Lebanon	10,413	10,950	5.2%	12,610	15.2%

Source: Center for Population Research and Census, Portland State University, August 2000

For the purposes of projecting population figures and rates, DLCDC interprets the state requirement for a "coordinated" population forecast to mean a population projection coordinated by Yamhill County (in terms of dividing up the County-wide population projection), which in turn is consistent at the county level with the population projection for Yamhill County that is produced by the State Office of Economic Analysis (OEA) in Salem.

McMinnville's 1999 PSU population estimate was 24,420. Despite McMinnville's rapid growth rate over the last 17 years, McMinnville has accepted, for planning purposes, a much lower population projection for the next 21 years. McMinnville's coordinated Year 2020 population projection is now 38,720. This amounts to a projected population increase of 14,300 between the years 1999 and 2020.

Table 41 shows the official state population forecast (developed by the Department of Administrative Services, Office of Economic Analysis) for Yamhill County, and the coordinated population for McMinnville between 2000 and 2020.⁴² The forecasts indicate a population increase of about 13,567 people in McMinnville between 2000 and 2020. This is an overall increase of 54% or an average annual increase of about 2.2%. For purposes of comparison, during the timeframe used to inventory building activity within this analysis (1988 – 2000), the population increased an average of some 3.6 percent annually, or 53 percent overall. Additionally, McMinnville's average annual population increase for the 100-year period between 1900 and 2000 is 2.9 percent.

Table 41. Population forecast, 2000-2020, Yamhill County and McMinnville

Year	Yamhill	
	County	McMinnville
1990	65,551	17,894
1999	83,100	24,420
Percent Change	26.8%	36.5%
AAGR	2.7%	3.5%
2000	83,826	25,153
2020	119,589	38,720
Percent Change	42.7%	53.9%
AAGR	1.8%	2.2%

Source: Office of Economic Analysis, Department of Administrative Services, *Long-Term Population and Employment Forecasts for Oregon*, January 1999; City of McMinnville.
AAGR = Average Annual Growth Rate

Persons in group quarters

Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing need. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, one assumes that any new requirements for these lodging types will be met by institutions (colleges, state agencies, health-care corporations) operating outside what is typically defined as the housing market.

Persons in group quarters, however, do require land. While the HB 2709 workbook backs this component of the population out of total population that needs housing, it does not otherwise

⁴² State policy as implemented by DLCD requires counties to develop "coordinated population forecasts" which generally means: (1) the total forecast for a county must be identical to the forecast made by the state economist (Department of Administrative Services), or meet a substantial evidentiary burden for justifying a different forecast; and, (2) each city in a county must agree to their allocation of the total county population growth.

make accommodations for land demand for new group quarters. For the purpose of this analysis, we assume that persons in group quarters require land at approximately the same density as multiple family housing.⁴³

Table 42 show persons in group quarters for Yamhill County and McMinnville in 1980 and 1990.⁴⁴ According to Census data, more than 3,300 persons resided in group quarters in 1990 in Yamhill County. Dormitories on the Linfield College campus accounted for 709 persons, or about 64% of the persons in group quarters in McMinnville in 1990. Netting Linfield College out, McMinnville had about 2% (396 persons) of its population in group quarters in 1990.

Table 42. Persons in group quarters, Yamhill County and McMinnville, 1980 and 1990

Area	1980		1990		1980-90 Change	
	Number	% of total	Number	% of total	Number	Percent
Yamhill County						
Group Quarters	2,006	3.6%	3,314	5.1%	1,308	65.2%
Total Population	55,332	100.0%	65,331	100.0%	9,999	18.1%
McMinnville						
Group Quarters	950	6.7%	1,105	6.2%	155	16.3%
Total Population	14,080	100.0%	17,894	100.0%	3,814	27.1%

Source: 1980 and 1990 summary tape files STF-3, US Bureau of the Census

Demographic trends suggest that the number of persons in group quarters will increase for at least some groups between 2000 and 2020. No reliable data sources exist for developing a forecast of persons in group quarters, and so we are left to make reasoned estimates, based on available data.

Claritas, Inc., a market data forecasting service, estimates that the total number of persons living in group quarters in McMinnville in 2005 will be 1,047.⁴⁵ This figure is lower than the 1,105 figure in 1990. During the 1990s, McMinnville experienced development of several assisted living facilities. Over the next 20 years, however, we expect persons in group quarters to increase slightly. The key area where we expect changes in group quarters are in nursing homes. Consistent with the overall aging of the population, we expect persons in nursing homes to increase at a faster rate than the overall population.

According to Claritas, Inc., about 16% of persons in McMinnville were over age 65 in 2000. About 5% of persons over 65 were in group homes in 1990. If this ratio remains constant, we

⁴³ The DLCD Workbook is not explicit on how persons in group quarters should be allocated land need. Clearly some land is needed for expansion of group quarters facilities, however, the issue is whether that expansion occurs on land already considered developed, or on vacant residential land. For example, a new assisted living home would require vacant residential land. For the purpose of this analysis, we assume that half of the persons added in group quarters between 2000 and 2020 will locate on vacant land.

⁴⁴ No current estimates or forecasts of persons in group quarters exist in standard data sources. Group quarters include institutionalized persons (correctional institutions, nursing homes, mental institutions, etc) and non-institutionalized persons (college dormitories, military quarters, homeless shelters, homeless individuals, etc.).

⁴⁵ Claritas data provide current estimates of many demographic and market variables. Data from Claritas (or other market data companies) provide current estimates that are useful when Census or other data sources are outdated.

estimate the number of elderly persons in group homes will increase by 310 between 2000 and 2020.

Enrollment at Linfield College will also affect the number of persons in group quarters in McMinnville. According to College officials, Fall semester 1999-00 enrollment at Linfield reached 2,069 full time equivalent (FTE) students. This included 1,518 FTE on the McMinnville Campus, 301 FTE on the Portland Campus, and 250 FTE in the Adult Degree Program. According to the recently completed Linfield College Master Plan, Linfield assumes a 10-year potential increase in enrollment of up to 1,750 students, and an eventual student body of up to 1,900 students attending the local McMinnville campus. This could increase the number of persons in group quarters in McMinnville by as many as 400 individuals.

Household size and composition

Twenty years ago, traditional families (married couple, with one or more children at home) accounted for 29% of all households in Oregon. In 1990 that percentage had dropped to 25%. It will continue to fall, but probably not as dramatically. The average household size has decreased over the past five decades and is likely to continue decreasing. The average household size in Oregon was 2.60 in 1980 and 2.52 in 1990. One and two person households made up the majority of Oregon households in 1990. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more housing units even if population were not growing.

Table 43 shows average household size for McMinnville between 1940 and 1990. Household sizes steadily decreased over the 50-year period, until the decade between 1980 and 1990. The increase in household sizes for this one decade is not unprecedented in the Willamette Valley, but is inconsistent with state and national trends, and McMinnville's own history, which suggest that household sizes continue to decrease.

Since 1940, the persons per dwelling unit figure for the twelve cities in Oregon of a similar population to McMinnville has, without exception, decreased (see Appendix D of the *McMinnville Residential Land Needs Analysis*, Persons Per Household Analysis). In no decade did the figure increase. Statewide the persons per dwelling unit figure has decreased from 3.00 in 1940 to 2.46 in 1990, an average decrease in persons per dwelling unit of .1 per decade. McMinnville's history regarding the average persons per household parallels that of the State, decreasing from a 1940 high of 3.00 to the 1990 census figure of 2.54.

Moreover, McMinnville's increase in persons per dwelling unit from 1980 to 1990 is due, in part, to the fact that during that particular decade there were virtually no commercial apartments constructed within the city. All of the housing stock added during that decade was of a single-family or two-family type. Typically, this type of housing has a higher number of persons per dwelling unit than does an apartment, therefore the 0.8 increase in persons per dwelling unit between 1980 and 1990. Given the fact that nearly 600 dwelling units were constructed in McMinnville during the 1990's, the 2000 Census will likely show a noticeable decrease in the persons per dwelling unit.

Table 43. Average household size

Year	McMinnville	Percent Change	
1940	3.00		
1950	2.90	-0.10	-3.3%
1960	2.90	0.00	0.0%
1970	2.80	-0.10	-3.4%
1980	2.48	-0.32	-11.4%
1990	2.54	0.06	2.4%

Source: US Census, summary tape files STF-3

It is difficult to arrive at an empirically based assumption for household sizes. The HB 2709 workbook suggests using separate household size assumptions for single-family and multiple family dwellings.

Table 44 shows persons per occupied dwelling unit by type based on 1990 Census data. The data show that single-family dwelling units averaged 2.67 persons per occupied dwelling unit, while multiple family dwelling units averaged 2.03 persons per occupied dwelling unit. The average household size was 2.54 persons per occupied dwelling unit.

Table 44. Average household size by structure type, 1990

Units in structure	DU	Persons	Persons/ Occ DU
Single-family			
1 detached	3,665	10,523	2.87
1 attached	404	958	2.37
Duplex	391	845	2.16
Mobile home	790	1,703	2.16
Subtotal	5,250	14,029	2.67
Multiple family			
3-4	239	476	1.99
5-9	401	867	2.16
10-19	314	651	2.07
20-49	223	502	2.25
50+	128	154	1.20
Subtotal	1,305	2,650	2.03
Other housing types	52	123	2.37
Total	6,607	16,802	2.54

Source: US Census, 1990 summary tape files STF-3

Note: Duplexes are included as a single-family housing type because they are allowed in all residential zoning districts in McMinnville. See chapter 4 for a more detailed explanation.

If one takes the approach of using a different household size based on dwelling unit type, the aggregate household size then becomes a function of housing mix. For example, a housing mix assumption of 70% single-family and 30% multiple family will have a higher aggregate household size than an assumption of a 60%/40% housing mix.

Table 45 compares general household characteristics from the 1980 and 1990 US Census of Population and Housing. The number of households increased by about 25% between 1980 and 1990. Notably, the proportion of female-headed households without a husband increased by 3% (13 to 16 percent) in 1990, whereas the proportion of married couples decreased by 4% (84% to 80%). These figures are relevant because of the high correlation between these figures and income. They also correlate closely with decreasing household sizes.

Table 45. Household characteristics, McMinnville, 1980-1990

Characteristic	1980		1990		% Change (80-90)
	Number	Percent	Number	Percent	
Households	5,310	100%	6,632	100%	25%
Family households	3,736	70%	4,652	70%	25%
With 2+ workers	2,122	40%	2,581	39%	22%
Married couples	3,130	59%	3,711	56%	19%
With own children	1,389	26%	1,683	25%	21%
Female head, no husband	480	9%	731	11%	52%
With own children	327	6%	536	8%	64%
1 person households	1,328	25%	1,653	25%	24%

Source: 1980, 1990 US Census of Population and Housing

The data above suggest that housing demand in McMinnville will be driven by significant increases in population, steady or declining household sizes, and continued strong demand for single-family dwellings. Increases in single-parent households will increase demand for smaller, low-income units.

At a joint City Council/Planning Commission held on April 10, 2001, the Council instructed staff to hold the average aggregate persons per household size assumption constant with the 1990 average of 2.54 persons per household. This analysis assumes a constant household size of 2.54 persons per household for the period from 2000 to 2020.

Income and poverty

The US Department of Housing and Urban Development began including Yamhill County in the Portland Metropolitan Statistical Area in 1984. Table 46 shows the median household income in the six county MSA from 1984 to 1997. The median household income for a family of four increased by 61 percent from \$28,800 in 1984 to \$46,300 in 1997.

Table 46. Median family income, Portland MSA 1984-1997

Year	Median household income	% change
1984	\$28,800	--
1985	\$28,800	0.00%
1986	\$31,150	8.20%
1987	\$32,900	5.60%
1989	\$36,200	10.00%
1990	\$37,100	2.50%
1991	\$39,000	5.10%
1992	\$39,400	1.00%
1993	\$40,700	3.30%
1994	\$42,300	3.90%
1995	\$42,700	0.90%
1996	\$44,400	4.00%
1997	\$46,300	4.30%

Source: US Department of Housing and Urban Development

Note: the Portland Metropolitan Statistical Area (MSA) includes Clackamas, Multnomah, Washington, and Yamhill Counties in Oregon, and Clark County, Washington

Household income is increasing in McMinnville. Table 47 shows that the majority (66%) of McMinnville households earned between \$15,000 and \$74,999 annually, with a sharp increase occurring between 1990 and 2000 in the upper portion of that range. In 1990, 750 households indicated they made between \$50,000-\$74,999; in 2000 the number jumped to 1,998 households, a 166% increase. This trend also continues at the higher income levels, with the strongest increases seen in households making over \$74,000. Conversely, households earning less than \$15,000 are decreasing and are projected to so continue through 2005. Higher income levels are pushing the median household income up. McMinnville's 1990 median household income was \$25,878, which has risen to \$39,549, a 53% increase. Similarly the median family income is also increasing. It went from \$31,856 in 1990 to \$51,076 in 2000, a 60% increase.

Table 47. Household Income in McMinnville

Household Income	1990		2000 Estimate		2005 Projection	
	Number	Number	% change (1990-00)	Number	% change (2000-05)	
Less Than \$5,000	375	283	-24.5%	245	-13.4%	
\$5,000-9,999	745	442	-40.7%	430	-2.7%	
\$10,000-14,999	784	673	-14.2%	602	-10.5%	
\$15,000-24,999	1,311	1,445	10.2%	1,559	7.9%	
\$25,000-34,999	1,063	1,223	15.1%	1,300	6.3%	
\$35,000-49,999	1,239	1,404	13.3%	1,587	13.0%	
\$50,000-74,999	750	1,998	166.4%	2,073	3.8%	
\$75,000-99,999	173	882	409.8%	1,239	40.5%	
\$100,000-149,999	142	489	244.4%	844	72.6%	
More Than \$150,000	25	312	1148.0%	465	49.0%	
Median Household Income	\$ 25,878	\$ 39,549	52.8%	\$ 43,490	10.0%	
Median Family Income	\$ 31,856	\$ 51,076	60.3%	\$ 56,480	10.6%	

Source: Claritas Inc., August 2000

Note: figures not adjusted for inflation.

In addition to income, age of the householder is a significant determinant of housing need and demand. As households progress through the life cycle, the desire for specific types and costs

of housing change. Householders under the age of 25 are more likely to rent apartments than own single-family homes. Householders between the ages of 25 and 65 typically own their own single-family homes. Home ownership tends to decline as householders get older than 65 years of age.

Table 48 compares the age of the householder to household income in McMinnville in 2000 and demonstrates the life cycle of home-buying households. Householders under 25 years of age generally are making less money and rent apartments, while 25-34 year old householders are first-time homebuyers. As age increases so do incomes. Those earning the most are householders between the ages of 35 and who fill the mid- to high-cost housing market. The 65 and over householders demonstrate the transition from work to retirement, which includes reducing housing needs and living off of fixed incomes. This trend is seen in the percent of people living at or below the median income level, over half of householders younger than 34 and those older than 65 are making below the 2000 median income, now at \$39,549.

Table 48. Age of householder by household income in McMinnville, 2000

Household Income	Under 25	25-34	35-44	45-54	55-64	65-74	Over 75
Less Than \$5,000	58	44	16	40	22	63	40
\$5,000-9,999	68	70	27	26	31	69	151
\$10,000-14,999	111	124	60	44	49	61	224
\$15,000-24,999	135	370	166	109	133	223	309
\$25,000-34,999	89	351	221	181	81	142	158
\$35,000-49,999	64	249	424	260	144	142	121
\$50,000-74,999	86	240	532	525	353	146	116
\$75,000-99,999	2	126	273	247	120	70	44
\$100,000-149,999	3	21	116	206	78	37	28
More Than \$150,000	0	12	85	139	35	33	8
Total Households	616	1,607	1,920	1,777	1,046	986	1,199
Percent of Households							
Below Median Income	75%	60%	26%	23%	30%	57%	74%

Source: Claritas Inc. 2000

Persons falling below the federal poverty level usually cannot afford expensive housing. Table 5-10 shows the percent of persons below poverty level in McMinnville in 1990. Just as Table 49 above, female-headed households stand out from other categories. Approximately 32% of all female-headed households, and 39% of female households with related children, are below the poverty level. In contrast, percentages for all other groups range from 8% to 15%.

Table 49. Persons below poverty level, McMinnville, 1990

Category	% below poverty
All Persons	13%
Persons 18 Years and Older	12%
Persons 65 Years and Older	8%
All Families	9%
With Related Children Under 18	15%
All Female Householder Families	32%
With Related Children Under 18	39%

Source: 1990 US Census of Population and Housing

Vacancy rates

Vacant units are the final variable in the basic housing need model. Vacancy rates are cyclical and represent the lag between demand and the market's response to demand in additional dwelling units. Vacancy rates for rental and multiple family units are typically higher than those for owner-occupied and single-family dwelling units.

Table 50 shows vacancy rates by unit type based on the 1990 Census. The data show a vacancy rate of about 2.2% for single-family dwelling units and 3.7% for multiple family units.

Table 50. Vacancy rate by structure type, McMinnville, 1990

Units in structure	DU	Vacant DU	Vacancy Rate
1 detached	3,665	72	2.0%
1 attached	404	9	2.2%
2	391	14	3.6%
3-4	239	9	3.8%
5-9	401	19	4.7%
10-19	314	7	2.2%
20-49	223	2	0.9%
50+	128	9	7.0%
Mobile home	790	25	3.2%
Other	52	5	9.6%
Total	6,607	171	2.6%
Single-family	4,859	106	2.2%
Multiple family	1,748	65	3.7%

Source: 1980 and 1990 summary tape files STF-3, US Bureau of the Census.

These figures are probably representative of the long-term trend for single-family structures but may be slightly low for multiple family structures given that few multiple family units were built in the late 1980s.

For the purpose of our estimates, we use a vacancy assumption of 2.5% for single-family dwelling units, and 5.0% for multiple family dwelling units.

Local residential development trends

Table 51 shows building permits issued by type of unit between September 1988 and June 2000 in McMinnville. For the purpose of the estimate of land need, we consider single-family attached, single-family detached, and manufactured as housing types that are typically built at single-family densities.⁴⁶ Multiple family housing types are allocated to multiple family densities.

The distribution of dwelling units form the base assumption for the forecast of units by type. The housing mix during the analysis period was approximately 78% single-family dwelling units, and 22% multiple family dwelling units (see table 4-8). As was previously noted for comparison, if McMinnville was to count the number of building permits issued for single-family attached dwelling units as multiple family units, the percentage of McMinnville's dwelling unit permits issued for multiple family units would be 34% (22% multiple family + 12% single-family attached = 34%). A number of Oregon cities combine these dwelling unit types in this fashion.

Table 51. Building permits issued for new residential construction, 1988-2000

Housing Type	Permits Issued	Percent of Total
Single-family		
Single-family detached	1,532	46.1%
Single-family attached	392	11.8%
Manufactured	674	20.3%
Total single-family	2,598	78.3%
Multiple family		
Multiple family	722	21.7%
Total multiple family	722	21.7%
Total	3,320	100.0%

Source: City of McMinnville

Note: single-family attached includes duplexes

This analysis provides a forecast of new housing units likely to be built in the McMinnville between 2000 and 2020. Table 52 summarizes the assumptions ECO used for the baseline forecast of new dwelling units. The housing mix data comes from Table 33.

⁴⁶ The definition of single-family attached requires more explanation. The Census defines single-family attached housing as follows:

This is a 1-unit structure which has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.

The City's definition includes only double houses. This presents difficulties in making assumptions about densities for single-family attached housing types. While technically defined as single-family units, single-family attached units generally have densities and characteristics that are more consistent with multiple family housing types. In McMinnville's system, single-family attached units are most similar to duplexes. Duplexes typically have densities ranging from 6-8 dwelling units per gross residential acre; we allocate these to the row/townhouse category in land need simulations.

Table 52. Summary of assumptions used for baseline forecast of new dwelling units, 2000-2020

Assumption	Value
New persons, 2000-2020	13,567
New persons in group quarters, 2000-2020	310
Housing Mix	
Single-family	78%
Multiple family	22%
Household size	
Single-family	2.66
Multiple family	2.10
Weighted average household size	2.54
Vacancy rate	
Single-family	2.5%
Multiple family	5.0%

Source: ECONorthwest, 2000

Table 53 shows the baseline forecast of new housing demand between 2000 and 2020. The forecasted increase in population for the planning period is 13,567 people. Based on review of Census data, and review of local demographic data, we assume that about 310 of the new people will be housed in group quarters. Using a household size assumption of 2.66 persons per single-family dwelling unit and 2.10 persons per multiple family dwelling unit, McMinnville will need about 5,219 new occupied dwelling units between 2000 and 2020. In addition, 165 new dwelling units are required to account for assumed vacancy rates. Adding occupied and vacant dwelling units yields a total demand for new units of 5,384.

An additional 200 dwellings will be required to accommodate the anticipated group quarters housing need yielding a need for a total of 5,584 new dwelling units.⁴⁷

⁴⁷ The DLCD Workbook makes no estimate of land needed for group quarters. Table 5-14 shows demand for new dwelling units independent of group quarters. We estimate an additional 200 group quarter units will be needed to house 310 new persons in group quarters. We assume persons per dwelling unit in group quarters will be about 1.5. The land need calculations assume group quarters will develop at the same densities as multiple family dwellings.

Table 53. Baseline forecast of new housing demand, McMinnville, 2000-2020

Variable	Value
Change in persons, 2000-2020	13,567
-Change in persons in group quarters	310
=Persons in households	13,257
Single-family dwelling units	
Percent single-family DU	78%
Persons in single-family households	10,846
+Persons per occupied single family DU	2.66
New occupied single-family DU	4,071
Vacancy rate	2.5%
Total new single-family DU	4,175
Multiple family dwelling units	
Percent multiple family DU	22%
Persons in multiple-family households	2,411
+Persons per occupied multiple family DU	2.10
New occupied multiple-family DU	1,148
Vacancy rate	5.0%
New multiple family DU	1,209
Totals	
=Total new occupied dwelling units	5,219
Aggregate household size (persons/occupied DU)	2.54
+ Vacant dwelling units	165
=Total new dwelling units	5,384
Dwelling units needed annually 2000-2020	269

Source: ECONorthwest, 2000

Note: single-family attached and duplexes are included in the single-family category. See footnote 26 (pg. 5-11) for a more detailed discussion. This does not include group quarters.

To develop our baseline forecast of new housing units by type, the study looked at development trends and other factors. ORS 197.296 requires communities to consider the mix and density of housing types built in the last five years or since the last periodic review, whichever timeframe is longer. The baseline forecast uses data on the mix and density of housing units built between September 1988 (the last periodic review) and June 2000. That approach, however, does not explicitly recognize demographic trends, or policies the City may adopt to encourage a different mix of housing than was built in the past.

Table 54 shows the baseline forecast estimated units by type based on building permits issued in the region between 1988 and 2000. The estimates represent an extrapolation of historical trends and do not factor in future market conditions, demographic shifts, or public policy. In that sense they yield a preliminary forecast: one that is consistent with state requirements and mandated methods (the HB 2709 workbook), and one which gives us a starting point for adjustments that the more detailed analysis of housing market factors presented subsequently may suggest.

Table 54. Baseline forecast of new housing demand by type, 2000-2020, HB 2709 method

Based on 1988-2000 Permits (HB 2709)				
Housing type	DU	Percent of DU	Density, DU/Gross Acre	Gross Acres Needed
Single-family	4,175	78%	3.9	1,077
Detached	2,453	46%	3.4	721
Manufactured	1,052	20%	4.1	257
Attached/Duplex	670	12%	6.8	99
Multi-family	1,209	22%	14.8	82
Apartment	1,209	22%	14.8	82
Total	5,384	100%	4.7	1,158

Source: ECONorthwest, 2000

Note: Total does not include group quarter dwellings

Using the historical mix of dwelling units with population forecasts and demographic data, we estimate McMinnville will need 5,384 new dwelling units between 2000 and 2020. An additional 200 group quarter units are needed for a total of 5,584 new dwelling units. Consistent with historical trends, about 78% of this demand will be for single-family housing types.

National residential development trends

The second step of the housing needs section of the HB 2709 workbook states:

"Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix."

Appendix B of the *McMinnville Residential Land Needs Analysis* describes national housing trends in detail. The Council finds key national housing trends to be as follows:

- Overall, young adult households and the elderly will continue to migrate to the South and West from the Northeast and Midwest.
- States that traditionally attract retirees—Arizona, Utah, Nevada, New Mexico, Colorado, Washington, Oregon, Georgia, North Carolina, and South Carolina—will see especially fast growth in their over-65 populations.
- The aging of the population, and of the baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years.
- Baby boomers now reaching their 50s have moved, or are about to move, into the "empty nest" stage of life when their children leave home. The number of empty nesters will increase by about 3.2 million over the next decade.
- The number of people living alone will also increase.
- Single-parent households are headed for a slowdown.
- Married couples with children under the age of 18 will also decrease in number.
- With the over-85 population growing by 1.3 million during the first decade of the 21st century, housing suited to the health-related needs of the frail elderly will be increasingly in demand.

Key trends in housing development in the United States between 1987 and 1997 include:

- *Larger single-family units on smaller lots*—between 1987 and 1997 the median size of new single-family dwellings increased 13%, from 1,605 sq. ft. to 1,975 sq. ft. During the same period, the median lot size decreased 2%, from 9,295 sq. ft. to 9,100 sq. ft. Moreover, the percentage of units under 1,200 sq. ft. decreased from 13% in 1987 to 8% in 1997. The percentage of units greater than 2,500 sq. ft. increased from 26% in 1987 to 31% in 1997.
- *Larger multifamily units*—between 1987 and 1997, the median size of new multiple family dwelling units increased 15%, from 920 sq. ft. to 1,055 sq. ft. Moreover, the percentage of units with less than 600 sq. ft. decreased from 8% to 5%, while the percentage with more than 1,200 sq. ft. increased from 18% to 27%.
- *More household amenities*—between 1987 and 1997 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, brick exteriors, 2 or more car garages, or 2 ½ or more baths increased. The same trend is seen in multiple family units: the percentage of units with two or more bathrooms increased from 39% to 49% between 1987 and 1997.
- *Homeownership rates have increased slightly over that past 25 years.* Homeownership rates increased from about 64.6% in 1974 to 66.3% in 1998. The increase is largely due to higher homeownership rates for homeowners over age 55.

These data suggest that demand for owner-occupied single-family units in subdivisions will continue to be strong. Demand for multiple family units will be for larger units with more amenities.

Housing needs assessment

The remaining steps described in the HB 2709 workbook necessary to analyze a community's housing needs are:

- Step 3. Identify local demographic characteristics of the population and, if possible, household trends that relate to demand for different types of housing.
- Step 4. Determine the types of housing that are likely to be affordable to the projected population based on household income.
- Step 5. Estimate the number of additional needed units by structure type.
- Step 6. Determine the needed density range for each [zoning] designation and the average needed net density for all designations.

These steps result in the *alternative* forecast of new housing units (or what can be thought of as the *housing* needs forecast). The remainder of this section addresses these steps as provided below.

Evaluation of housing affordability

In this section we evaluate the relationship between income, housing cost, and housing affordability. A typical standard used to determine housing affordability is that a household should pay no more than 30% of its total monthly household income for housing, including utilities. According to the U.S. Census, nearly 1,450 households in McMinnville—nearly 22%—paid more than 30% of their income for housing in 1990. This figure increased to over 75% of

households with incomes under \$10,000, but this is not surprising as this annual income equates to a full-time wage of only \$4.79 an hour (\$1.71 an hour less than the current minimum wage rate). This income segment is representative of about three percent of McMinnville's households.

One way of exploring the issue of financial need is to review wage rates and housing affordability. Staff at the Oregon office of HUD conducted an analysis of wages and rents in 2000. Table 55 shows HUD analysis of affordable housing wage and rent gap for households in McMinnville at different percentages of median family income (MFI). The data are for a typical family of four. The results indicate that a household must earn about \$13.50 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

Table 55. Analysis of affordable housing wage and rent gap by HUD income categories, 2000

Value	Minimum					
	Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2086	2086	2086	2086	2086	2086
Minimum Wage	\$6.50	\$7.72	\$12.87	\$20.59	\$25.74	\$30.89
Annual Wage At Minimum Wage	\$13,559	\$16,100	\$26,850	\$42,950	\$53,700	\$64,440
Annual Affordable Rent	\$4,068	\$4,830	\$8,055	\$12,885	\$16,110	\$19,332
Monthly Affordable Rent	\$339	\$403	\$671	\$1,074	\$1,343	\$1,611
HUD Fair Market Rent(2 Bedroom)	\$702	\$702	\$702	\$702	\$702	\$702
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent? Yes						
Rent Paid Monthly OVER 30% of Income	\$363	\$300	\$31	na	na	na
Rent Paid Annually OVER 30% of Income	\$4,356	\$3,594	\$369	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	32%	22%	1%	na	na	na
Total Spent on Housing	62%	52%	31%	20%	16%	13%
For this area what would the "Affordable Housing Wage" be?	\$13.46	\$13.46	\$13.46	\$13.46	\$13.46	\$13.46
The Affordable Housing Wage Gap IS:	\$6.96	\$5.74	\$0.59	na	na	na

Source: HUD, Oregon office; analysis by ECONorthwest

MFI: Median family income

Table 56 shows sample occupations and wage levels for households in McMinnville. According to forecasts by the Oregon Employment Division, service-related employment will continue to increase its share of total employment in the region. The implication is that a significant number of jobs created in the region, and by extension, in McMinnville, will be lower wage jobs. Other things being equal, lower wage jobs will reduce households' ability to purchase housing and could increase the housing affordability gap.

Table 56. Sample occupations and HUD Section 8 program income limits for Yamhill County, 2000

Income Level	Hourly Wage	Annual Wage	Sample Occupations
Minimum Wage	\$6.50	\$13,559	Service station attendant, temporary work, convenience store clerk, dishwasher
30% of MFI	\$7.72	\$16,100	Fast food cooks, dining room attendants, service station attendants
50% of MFI	\$12.87	\$26,850	Retail clerks, home health aides, electronic assemblers, carpenters
80% of MFI	\$20.59	\$42,950	Electronic engineering tech, real estate sales/broker, accountants
120% of MFI	\$30.89	\$64,440	Physician, Attorneys, Dentists, Professors, Engineers

Source: HUD, Oregon Region Office, Oregon Employment Department (sample occupations), analysis by ECONorthwest, 1998

MFI: Median family income

The Department of Housing and Urban Development (HUD) uses a standard formula to determine whether a household is considered “low income,” “very low income,” and “extremely low income” for purposes of program eligibility. The HUD standards define households as “low income” if total household income is 80% or less than the median income of the area; as “very low income” if household income is 50% or less than the median; and as “extremely low income” if household income is 30% or less than the median. Households that fall below the 50% median family income standard are eligible for the Section 8 housing assistance program.

Table 57 applies the basic income standards to McMinnville based on year 2000 median family income for a family of four. We derived an estimate of the number of households in each category using a year 2000 income distribution from Claritas, Inc. Comparing the HUD standards to the Claritas income data indicate that 4,810 households in McMinnville were considered low-income (53% of all households), 3,069 were considered very low-income (34% of all households), and 1,556 were considered extremely low-income (17% of all households). This approach has a significant limitation in that it does not factor in household size; however, it is instructive as a general measure of how much households’ can afford to spend on housing.

Table 57. Estimate of low-income households in McMinnville, 2000

Variable	Value	Percent of Households
Total Households	9,151	100%
2000 Median Family Income (Claritas)	\$53,076	
2000 Median Family Income (HUD, 4 persons)	\$53,700	
Low Income (80% MFI)	\$42,950	
Est. Number of Households	4,810	53%
Very Low Income (50% MFI)	\$26,850	
Est. Number of Households	3,069	34%
Extremely Low Income (30% MFI)	\$16,100	
Est. Number of Households	1,556	17%

Source: Claritas Inc, U.S. Department of Housing and Urban Development, Calculations by ECONorthwest.

The total amount a household spends on housing is referred to as cost burden. Total housing expenses are generally defined to include payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience “cost burden” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

Table 58 shows a rough estimate of affordable housing cost and units by income levels for McMinnville in 2000. Several points should be kept in mind when interpreting this data:

- Because all of the affordability guidelines are based on median family income, they provide a rough estimate of financial need and may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.
- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily *available* to low income households. For example, if McMinnville has a total of 1,000 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table 58 indicate that:

- Nearly 25% of McMinnville households cannot afford a studio apartment according to HUD's estimate of \$463 as fair market rent;
- More than 35% of McMinnville households cannot afford a two-bedroom apartment at HUD's fair market rent level of \$702;
- A median family household can afford a home valued up to about \$133,000;

Table 58. Rough estimate of housing affordability, McMinnville, 2000

Income Level	Number of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Notes
Under \$10,000	725	7.9%	\$0 to \$250	\$0 to \$25,500	
\$10,000-\$19,999	1,475	16.1%	\$250 to \$500	\$25,000 to \$50,000	HUD FMR studio: \$463
\$20,000-\$24,999	643	7.0%	\$500 to \$625	\$50,000 to \$62,500	HUD FMR 1 bedroom: \$569
\$25,000-\$29,999	607	6.6%	\$625 to \$750	\$62,500 to \$75,000	HUD FMR 2 bedroom: \$702
\$30,000-\$34,999	616	6.7%	\$750 to \$875	\$75,000 to \$87,500	
\$35,000-\$39,999	538	5.9%	\$875 to \$1,000	\$87,500 to \$100,000	HUD FMR 3 bedroom: \$976
\$40,000-\$49,999	866	9.5%	\$1,000 to \$1,250	\$100,000 to \$125,000	HUD FMR 4 bedroom: \$1,060
Yamhill County Median: \$53,076			\$1,327	\$132,690	
\$50,000-\$74,999	1,998	21.8%	\$1,250 to \$1,875	\$125,000 to \$187,500	
\$75,000-\$99,999	882	9.6%	\$1,875 to \$2,450	\$187,500 to \$245,000	
\$100,000-\$149,999	489	5.3%	\$2,450 to \$3,750	\$245,000 to \$375,000	
\$150,000 and over	312	3.4%	More than \$3,750	More than \$375,000	
Total	9,151	100.0%			

Sources: Claritas, Inc. and Oregon Housing & Community Services. *Housing Strategies Workbook: Your Guide to Local Affordable Housing Initiatives*, 1993.

Notes: FMR-Fair market rent

The preceding discussion underscores that household income is a key indicator of a household's ability to pay for housing. Income, however, is affected by a variety of factors that are difficult, and sometimes impossible, for local public policy to influence. Our analysis of income data for McMinnville led to a number of conclusions:

- McMinnville had a slightly greater percentage of persons in poverty than did the state as a whole in 1990. About 12% of Oregon residents fell below the federal poverty line in 1990, compared to more than 13% of residents in the McMinnville.
- Poverty rate⁴⁸ varies by household type. Female householder families experienced higher poverty rates than other household types: more than one-third of the female householder families fell below the poverty level in 1990. This increased to more than 60% for female households with children age 5 or under.
- Elderly individuals experienced the lowest poverty rates in 1990. Less than 8% of persons age 65 and over in McMinnville fell below the poverty level.

The other key variable in the affordability equation is housing cost. Current data on the distribution of housing values or local rent, however, were unavailable for this study. Such data would allow a comparison of incomes with housing cost. This would identify where gaps exist in affordable units. Thus, we rely on assessment data and other sources that are

Table 59 shows the market value of single-family housing in the McMinnville UGB as reported by the Yamhill County Assessor in June 2000. The data only include single-family residences (property classification 101) with both improvement and land values. The results do not include mobile homes; mobile homes are assessed as personal property.

The results show that about 22 percent of the city's single-family housing is valued at under \$100,000, while about 25% is valued between \$100,000 and \$125,000. About 42% of the city's housing is valued between \$125,000 and \$187,500. Eleven percent is valued above \$187,500.

⁴⁸ The poverty thresholds are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index. The average poverty threshold for a family of four persons was \$12,674 in 1989.

Table 59. Market value of single-family housing, McMinnville UGB, June 2000

Value	Number of DU	Percent of DU	Cumulative Percent
< 30k	16	0.3%	0.3%
30k <50k	68	1.2%	1.5%
50k <75k	312	5.7%	7.2%
75k <100k	797	14.6%	21.8%
100k <125k	1,377	25.1%	46.9%
125k <187.5k	2,301	42.0%	89.0%
187.5k+	605	11.0%	100.0%
Total	5,476	100.0%	

Source: Yamhill County Assessment data; analysis by ECONorthwest, 2000

Table 60 shows average rental rates by housing type from the Yamhill County Housing Authority. While the data provide a general indication of rental rates, they do not provide the number of units in each category or a distribution of rental rates.

Table 60. Average rental rates by housing type, McMinnville, 2000

Housing type	Rent range
Apartments	
1 Bedroom – older units	\$350 - \$465
1 Bedroom – built in 90's	about \$500
2 Bedrooms – older units	\$425 - \$575
2 Bedrooms – built in 90's	\$560 - \$630
3 Bedrooms – older units	\$605 - \$650
3 Bedrooms – built in 90's	\$690 - \$750
Duplexes	
1 Bedroom – mostly converted 30's & 40's homes	\$400 - \$500
2 Bedrooms – mostly built in 70's	\$525 - \$550
2 Bedrooms – built in 90's, & others	\$495 - \$700
3 Bedrooms – all years	\$650 - \$885
3 Bedrooms – built in early 90's	\$725 - \$750
Single-family detached	
1 Bedroom	\$350 - \$500
2 Bedrooms	\$450 - \$775
3 Bedrooms	\$500 - \$950
4 Bedrooms – mostly "older" ? Homes	\$800 - \$950
Mobile homes	
Running about \$100 less than that of Single Family Detached rents	

Source: Yamhill County Housing Authority

As a final step in our housing affordability analysis, we performed a rough correlation of income with needed housing types as defined by ORS 195.303. This analysis is also consistent with guidance provided in the Workbook.⁴⁹ Table 61 shows ECO's evaluation for market segments, incomes, and financially attainable housing products. We use the HUD income guidelines as the market segments and Claritas data for the income distribution. The table provides an

⁴⁹ Specifically, Step 4, page 29 and the figure on page C-11.

estimate of financially attainable housing types by income and tenure. Households in the upper-middle and high-income segments will be able to afford new housing.

Table 61. Financially attainable housing type by income range

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products		
				Owner-occupied	Renter-occupied	
High (120% or more of MFI)	\$64,000 or more	1,295	14%	All housing types; higher prices	All housing types; higher prices	
Upper Middle (80%-120% of MFI)	\$43,000 to \$64,000	3,135	34%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI)	\$27,000 to \$43,000	1,634	18%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	
Low (25%-50% or less of MFI)	\$16,000-\$27,000	1,531	17%	Manufactured in parks	Apartments; manufactured in parks; duplexes	
Very Low (Less than 25% of MFI)	Less than \$16,000	1,556	17%	None	Apartments; government assisted housing	

Source: Estimates by ECONorthwest

Alternative housing forecast by density and type mix, 2000-2020

The preceding discussion provides a general sense of the relationship between income and housing cost. The available data sources, however, do not allow crosstabulation of income, housing cost, and key demographic variables such as age of household head and household size. Thus, we are left with task of determining current housing affordability gaps using an incomplete base of data. The Census provides such a database, however, the most recent Census data are from 1990 making this data source unacceptable for the purpose of determining housing affordability.

The 1990 Census provides some insight into the relationship between housing type and tenure. Table 62 shows the relationship between tenure and housing type for McMinnville in 1990. The results are not surprising: some people rent single-family housing types; few households owned duplexes or multiple-family housing types.

Analyzed by housing type, 76% of owners lived in single-family units and 18% lived in mobile or manufactured units. In other words, very few owners lived in multiple family units. About 27% of renters lived in single-family units, while about 10% lived in manufactured units, and 45% lived in apartments.

Table 62. Tenure by housing type, McMinnville, 1990

Housing Type	Owner-Occupied	Renter-Occupied	Total DU
Single-family detached	76%	27%	3,665
Single-family attached	3%	10%	404
Duplex	1%	13%	391
Apartment	1%	45%	1,305
Mobile/Manufactured	18%	4%	790
Other	0%	1%	52
Total	100%	100%	6,607
1990 Tenure Split	58%	42%	

Source: U.S. Census, 1990

The data in Table 62, as well as more recent regional data suggest the needed housing mix by tenure in McMinnville is 58% owner-occupied and 42% renter occupied. The data also suggest that nearly all owners will need single-family housing types, while about 50% of renters will need single-family housing types (including duplexes).

The difficulty arises in making a long-range forecast of housing need. As the data presented in this report imply, many factors affect housing affordability. Thus, one is ultimately left with the need to make a qualitative assessment of the future housing market. Following are a set of assumptions, consistent with the factors affecting housing choice, that Council finds are reasonable for making a 20-year forecast of future housing demand in McMinnville.

- *On average, the types of future housing products will be similar to past housing products.* That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing. As a first approximation, the next five years, and maybe the first 10 years, of residential growth will look a lot like the past five years. This is due, in part, to inertia in housing markets, customer expectations, lending policies, existing land use and transportation policies, and residential development projects under review. If these factors hold true, then using the past trends and current composition of housing as a first approximation of the composition of new housing is a reasonable first approximation.
- *If the future differs from the past, it is likely to move in the direction (on average) of smaller units and less expensive construction techniques.* Underlying demand and supply conditions may change gradually over time, and will cause households to satisfy their housing preferences in different ways than they would have had those conditions not changed. Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing, and for an increase in the percentage of new housing that is manufactured housing. Factors contributing to this shift are more single-person households, households reaching the “empty-nest” life stage, and housing cost.⁵⁰ Some data suggest these trends are already emerging in McMinnville. Multiple family and manufactured housing is playing a larger role in the housing stock. *If population and employment are assumed to grow, average incomes will probably grow also.*

⁵⁰ A more detailed discussion of demographic trends affecting housing choice is presented in Appendix C of the *McMinnville Residential Land Needs Analysis* (see page C-1).

Though median incomes in McMinnville and Yamhill County are still below the US median, the long run trends in Oregon have been for average inflation-adjusted (real) incomes to grow slightly relative to average real incomes in the US. Oregon, and the Willamette Valley in particular, now has one of the most diverse economies in the nation. Recessions—with increases in interest rates, drops in national housing construction, and drops in timber prices and production—are less likely to hit Oregon's economy the way they did in the early 1980s. Due to the uncertainty of future economic conditions, the best assumption for long-run forecasting of housing is that real incomes in McMinnville and Yamhill County will stay constant.

It is reasonable to assume the general relationship shown in Table 42 will continue. Unfortunately, this analysis introduces a third dimension for which no complete local data exist: rental rates and housing value. Unfortunately, existing housing value and rental rates tell us little about what the distribution of housing costs will be in the future.⁵¹ Thus, we are left to make assumptions about the relationship between housing cost, tenure, and type.

Based on the data available, however, a general trend becomes evident: households with lower incomes tend to have much higher incidence of renting, and lower cost units have a higher percentage of renters than higher cost units.

The data in Table 62 showed that owners almost exclusively choose to live in single-family housing types (including manufactured). Thus, we assume that all of the owner-occupied need will be met through single-family and manufactured housing.

Table 63 shows an alternative forecast of the distribution of housing by type and tenure based on the distribution shown in Table 42. The alternative forecast shows about 50% of rental housing need met by single-family housing types (including manufactured homes).

⁵¹ To our knowledge, no forecasting service provides forecasts of housing value.

Table 63. Alternative forecast of housing units by type and tenure, McMinnville, 2000-2020

Housing type	Owner-Occupied	Renter-Occupied	Total Needed DU 2000-2020
Single-family			
Detached	50%	10%	1,884
Manufactured	40%	25%	1,481
Row/townhouse	10%	15%	673
Single-family Total	100%	50%	4,038
Multi-family			
Apartment	0%	50%	1,346
Group Quarters	0%	100%	200
Total	100%	100%	5,584
Tenure Mix	60%	40%	

Source: ECONorthwest

Revised housing needs analysis, 2003-2023

The Council finds that the housing needs analysis presented in the 2001 *McMinnville Residential Land Needs Analysis* must be updated to meet the 20-year buildable land requirement of ORS 197.296(2).

This section summarizes the results of modifications to the 2000 *McMinnville Residential Land Needs Analysis*. This section updates the buildable lands analysis presented in the *McMinnville Residential Land Needs Analysis* and the *McMinnville Economic Opportunity Analysis* to bring them current to January 1, 2003. It builds from the population and employment forecasts shown in Table 64.⁵²

Table 64. Population and employment growth, McMinnville UGB, 2003-2023

Year	Population	Employment	Pop/Emp
2000	26,499	13,865	1.91
2003 (Jan 1)	28,510	14,741	1.93
2023 (Jan 1)	44,057	22,161	1.99
Change 2003-2023			
Number	15,547	7,420	2.10
Percent	54.5%	50.3%	
AAGR	2.20%	2.06%	

Source: ECONorthwest, City of McMinnville

It also provides a summary of the provisions of ORS 197.296 that were not included in the initial study, with the exception of ORS 197.296(6). The requirements of ORS 197.296(6) are addressed in the findings that accompany the UGB expansion proposal.

⁵² A detailed discussion of population and employment projections is presented in Appendix "A" of the *McMinnville Growth Management and Urbanization Plan*.

The *McMinnville Residential Land Needs Analysis* concluded the following:

- McMinnville had about 935 gross buildable acres available for residential development. In addition, another 12 acres of developed land was classified as “potentially redevelopable.”
- McMinnville will need about 5,584 new dwelling units between 2000 and 2020.
- Based on a tax lot level residential capacity analysis, the 935 gross acres of vacant buildable residential land within the existing McMinnville UGB will accommodate 3,407 residential units resulting in a capacity deficit of 2,178 units. This calculation assumes no allocation of land for other residential uses such as schools, parks, churches, public and semi-public uses, and infrastructure.
- This translates into a need for an additional 449 gross buildable acres of land needed beyond the existing UGB to accommodate projected residential development. Added to this need are about 412 gross acres needed for development of public and semi-public uses that will also locate on residential land.
- At recent historical residential densities and housing mix, the total gross vacant buildable residential land need necessary to accommodate projected growth is 861 gross acres (449 gross acres for residential dwelling units, and 412 gross acres for public and semi-public uses).

The *McMinnville Residential Land Needs Analysis* posed several questions that were not fully answered in the study:

- Is *needed* density the same as or less than *actual* historic density?
- Is *needed* mix the same as *actual* historical mix?
- Does the UGB contain enough buildable land at *actual* historic densities?

These questions must be answered to provide a residential lands study that fully addresses the requirements of ORS 197.296. The following sections provide a response to these questions.

Is *needed* density the same as or less than *actual* historical density?

The *McMinnville Residential Land Needs Analysis* concluded that *needed* density is *higher* than *actual* historical density (pages 5-27 and 5-28). In short, in order to meet the requirements of Goal 10 and ORS 197.296, McMinnville must adopt measures that will “demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.”

The *McMinnville Residential Land Needs Analysis* concluded:

“Based on the data available, however, a general trend becomes evident: households with lower incomes tend to have much higher incidence of renting, and lower cost units have a higher percentage of renters than higher cost units.” (page 5-24)

The alternative forecast of housing need presented in the *McMinnville Residential Land Needs Analysis* explicitly assumes that measures will be taken to achieve needed housing density and mix:

“More specifically, the alternative considers national, regional, and local demographic trends, an assessment of income levels and housing affordability, and a move towards

more efficient land use (e.g., that no single-family development occurs in the R-4 zone).”
(page 5-25)

A review of the housing need forecast presented in the *McMinnville Residential Land Needs Analysis*, as well as new data available since the study was completed, led to several proposed modifications to the original housing need estimate.

Table 65 compares assumptions used for the baseline (adopted May 2001 analysis) and revised housing need analysis (the analysis provided in this memorandum). Modifications were made in several areas:

- Persons in group quarters were increased from 310 to 800 to reflect new Census data, and growth in the student population at Linfield College.
- The housing mix was changed from an actual mix of 66% single-family to 60% single-family. Multiple-family housing was increased from 34% to 40%. This reflects changes in household types and other affordability issues.
- Average household size remained constant at 2.54 persons per occupied housing units, but household sizes by *type of dwelling* shifted slightly to reflect the new housing mix and additional persons in group quarters.
- Density assumptions for single-family attached and manufactured housing types were increased to reflect recent development trends.
- The planning period was adjusted from 2000-2020 to 2003-2023. This makes the population projections consistent with the buildable lands inventory and allows determination of lands needed to accommodate housing for 20 years as required by ORS 197.296.

The revised housing need analysis also considered single-family attached housing as a multi-family housing type. This is consistent with the approach many other housing needs analyses use.

Table 65. Comparison of assumptions for baseline (from 2000 *Residential Land Needs Study*) and revised housing need (2003-2023)

Assumption	Revised Need	Baseline (2000 Report)
New persons, 2000-2020		13,567
Average Annual Population Growth Rate (2000-2020)		2.2%
New persons, 2003-2023	15,545	
Average Annual Population Growth Rate (2003-2023)	2.2%	
New persons in group quarters, 2000-2020		310
New persons in group quarters, 2003-2023	800	
Housing Mix		
Single-family	60%	66%
Multiple family	40%	34%
Household size		
Single-family	2.76	2.66
Multiple family	2.21	2.10
Weighted average household size	2.54	2.54
Vacancy rate		
Single-family	2.5%	2.5%
Multiple family	5.0%	5.0%
Density Assumptions (DU/Net Res Acre)		
Single family detached (R-1)	4.5	4.5
Single-family detached (other zones)	5.5	na
Single family attached	10.0	9.1
Multiple family	17.0	16.8
Manufactured in subdivisions	5.5	5.1
Net-to-Gross Acres Factor		
Single family detached	25.6%	25.6%
Single family attached	24.7%	24.7%
Multiple family	11.6%	11.6%
Manufactured	10.0%	10.0%

Consistent with the methods described in the DLCD workbook (*Planning for Residential Growth, 1997*), the following tables that summarize housing and land need address population in group quarters separately. The revised housing need analysis assumes 800 new persons in group quarters between 2003 and 2023. This equates to about 5.1% of the total population—a slightly lower ratio of persons in group quarters than as reported by the 2000 Census figure of 6.0%. Analysis of historical Census data shows the percentage of persons in group quarters has steadily decreased in McMinnville since 1980. The analysis assumes an average of 2.0 persons per group quarter dwelling unit and that group quarter dwelling units will develop at the same density as multiple family housing (17.0 du/net residential acre). McMinnville will need approximately 400 group quarter units. However, the analysis only assigns need for vacant land to 50% of those units. The remaining units are allocated to land already classified as developed at Linfield College. Thus, McMinnville will require approximately 13 gross buildable residential acres for group quarter dwellings.

Table 66 shows the allocation of needed housing units by type and zoning designation (the need forecast). The need forecast is based on estimates of how needed housing units will be distributed by zone. More specifically, the forecast considers national, regional, and local demographic trends, an assessment of income levels and housing affordability, and a move towards more efficient land use (e.g., that no single-family development occurs in the multi-family zone) as well as measures the city proposes to adopt to meet identified housing needs as stated in the *McMinnville Residential Land Needs Analysis*.

The forecast predicts a need for 60% single-family housing types and 40% multiple-family housing types. This need forecast classifies single-family attached units and duplexes as multi-family housing types and makes a distinction between manufactured homes in subdivisions and manufactured homes in parks. The revised need forecast also recognizes the creation of a new exclusive multi-family residential zone (R-5). Eighteen percent of all housing need is allocated to this new zone.

Table 66. Forecast of needed housing units by type and zoning designation, McMinnville, 2003-2023

Housing type	Plan Designation					Total
	R-1	R-2	R-3	R-4	R-5	
Single-family						
Detached (R-1)	10%	0%	0%	0%	0%	10%
Detached (Other zones)	0%	25%	5%	0%	0%	30%
Manufactured in subdivisions	2%	8%	0%	0%	0%	10%
Manufactured in parks	0%	0%	4%	6%	0%	10%
Single-family Total	12%	33%	9%	6%	0%	60%
Multi-family						
Row/townhouse	0%	0%	5%	7%	0%	12%
Apartment	0%	0%	0%	10%	18%	28%
Multi-family Total	0%	0%	5%	17%	18%	40%
Total	12%	33%	14%	23%	18%	100%

Source: ECONorthwest

Is needed mix the same as actual historical mix?

The next step in the housing needs analysis (Step 6 in the Workbook) is to determine the needed density ranges for each plan designation and the average needed net density for all structure types.

Table 5-15 in the *McMinnville Residential Land Needs Analysis* shows the baseline forecast of new dwelling units and land need by type for the 2000-2020 period. The results are based on development trends observed between 1988 and 2000 and the 2000-2020 population forecast. The baseline forecast indicated McMinnville needed a mix of 66% single-family and 34% multi-family at an overall density of 4.7 dwelling units per gross residential acre.

Table 67 shows that the new need forecast generates different results than the previous baseline forecast in terms of housing mix and density. The key difference between the baseline forecast and the new need forecast shown in Table B-7 is the allocation of additional housing units to multiple family housing types in the alternative forecast. The need forecast requires 6,014 dwelling units (increase from prior count due primarily to increased population estimate) and decreases land need by more than 240 gross buildable acres, primarily due to proposed land use efficiency measures that increase residential density. The density increases from 4.7

du/gross residential acre in the baseline (historical trend) forecast, to 5.7 du/gross residential acre—an 18% increase. Net density under the need forecast is 7.2 du/net residential acre.

Table 67. Forecast of *needed* new dwelling units and land need by type, McMinnville, 2003-2023

Housing type	Number of DU	Needed DU by Type	Density (DU/ Net Res Acre)	Density (DU/Gross Res Acre)
Single-family	3,607	60.0%	5.4	4.3
Detached (R-1)	601	10.0%	4.5	3.3
Detached (Other)	1,804	30.0%	5.5	4.1
Manufactured in subdivisions	601	10.0%	5.5	5.0
Manufactured in parks	601	10.0%	6.5	5.9
Multi-family	2,407	40.0%	14.0	11.6
Row/Townhouse/Duplex	722	12.0%	10.0	7.5
Apartment	1,685	28.0%	17.0	15.0
Total	6,014	100.0%	7.2	5.7

Source: ECONorthwest
 Note: Group quarters not included in number or percent of dwelling units

Table 68 shows residential land needed for housing by zone designation. This table addresses step 6 of the HB 2709 workbook requiring that cities “determine the needed density ranges for each plan designation and the average needed net density for all structure types.” The results are based on the housing need mix shown in Table 67.

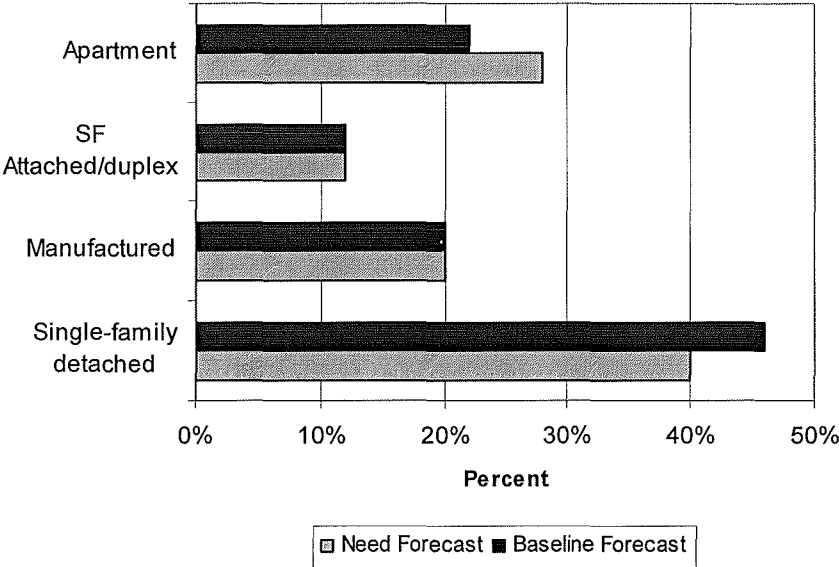
Table 68. Need forecast of housing, land need (gross acres), and needed density by zoning and housing type, 2003-2023

Housing type	Zoning					Total
	R-1	R-2	R-3	R-4	R-5	
Number of Dwelling Units						
Single-family	721	1,985	540	360	-	3,607
Detached (R-1)	601	-	-	-	-	601
Detached (Other)	-	1,504	300	-	-	1,804
Manufactured in subdivisions	120	481	-	-	-	601
Manufactured in parks	-	-	240	360	-	601
Multi-family	-	-	301	1,023	1,083	2,407
Row/townhouse	-	-	301	421	-	722
Apartment	-	-	-	602	1,083	1,685
Total	721	1,985	841	1,383	1,083	6,014
Land Need (Gross Acres)						
Single-family						
Detached (R-1)	180	-	-	-	-	180
Detached (Other)	-	368	74	-	-	441
Manufactured in subdivisions	24	97	-	-	-	122
Manufactured in parks	-	-	41	62	-	103
Multi-family						
Row/townhouse	-	-	40	56	-	96
Apartment	-	-	-	40	72	112
Total	204	465	155	158	72	1,053
Implied Density (DU/Gross Acre)	3.5	4.3	5.4	8.8	15.0	5.7

Source: ECONorthwest

Figure 2 shows a comparison of housing demand and housing need for the period between 2003 and 2023. The figure shows some notable differences between demand (the baseline forecast) by housing type and need by housing type. The overall mix between single-family and multiple-family shifts from 66% single-family (baseline) to 60% single-family (need). The need forecast shows a significantly lower need for single-family detached housing (decreasing from 45% to 35%) and a higher percentage for all other housing types.

Figure 2. Comparison of baseline forecast and alternative forecast of new housing units, 2000-2020



ORS 197.303 includes government-assisted housing as a needed housing type. McMinnville allows government-assisted housing outright in all of its residential zones. Moreover, the City of McMinnville does not have a program to construct or finance government-assisted housing. From a land use perspective, there is little more McMinnville can do to facilitate government-assisted housing development.

The Yamhill County Housing Authority and other agencies develop government-assisted housing throughout Yamhill County. According to assessment records, about 200 government-assisted housing units have been developed in McMinnville by various organizations. According to staff at the Yamhill County Housing Authority, they expect to build approximately 50 government-assisted housing units annually in Yamhill County in the next 20 years, or 1,000 units over the planning period. Approximately 300-400 of the government-assisted units would be located in McMinnville.

The Yamhill County Housing Authority manages the HUD Section 8 rental assistance program in Yamhill County. According to staff, approximately 1,200 households receive Section 8 assistance in Yamhill County. Staff estimates that approximately 400 households receive Section 8 assistance in McMinnville. Housing Authority staff does not anticipate expanding the Section 8 program in the foreseeable future because their allocation of Section 8 vouchers is relatively high on a per household basis compared to other areas.

Total residential land need, 2003-2023⁵³

This section estimates total residential land need for the period between 2003 and 2023. In addition to land needed for new residential units, it estimates land needed for parks, public

⁵³ Total residential land need includes land needed for new housing during the planning period, and residential land needed for public and semi-public uses.

facilities, and other semi-public uses to arrive at an estimate of total need for land designated for residential purposes.

The revised population forecast creates need for additional public and semi-public lands that will locate in residential zones.

Table 69 shows total residential land need from 2003 to 2023. Including parks and schools, Total need for land designated for residential uses is approximately 1,538 gross acres. Note that estimates for land need for public and semi-public uses (which are part of this estimated need) are based on net acres and may underestimate total land need. The need forecast, which accounts for existing and some proposed efficiency measures, reduces total residential land need by 242 acres—or about 15%.

Table 69. Total residential land need-Housing Need and Baseline (historical densities) Forecast 2003-2023

Category	Needed Gross Acres	
	Need Forecast	Baseline
New housing	1053.2	1,295.0
Parks	314.0	314.0
Schools	96.0	96.0
Private Schools	1.5	1.5
Religious	47.6	47.6
Government	0.9	0.9
Semi-Public Services	22.5	22.5
Infrastructure	2.6	2.6
Total	1,538.4	1,780.2

Source: City of McMinnville, ECONorthwest

Comparison of Supply and Demand: Does the UGB contain enough buildable land at actual densities? (Task 5 of the workbook)

This section compares residential land supply and demand. It begins with an evaluation of residential land capacity. It then compares supply and demand to answer the question of whether McMinnville has enough land to accommodate needed housing at actual densities as posed in the DLCD HB 2709 workbook.

In brief, the previous section found that needed residential density is *not* the same as the actual residential density, and the present McMinnville UGB does *not* contain enough buildable land at actual densities to provide for residential needs. This is further described in the discussion below.

Residential land capacity

The buildable lands inventory built up from a tax lot database. Moreover, the method classified buildable residential lands into three categories: vacant, partially vacant, and potentially redevelopable. That inventory identified 935 gross acres of vacant or partially vacant residential land and about 12 gross acres of potentially redevelopable land. Data for development that occurred between July 1, 2000 and December 31, 2002 indicate that an additional 83 acres of

residential land was developed since the *McMinnville Residential Land Needs Analysis* was completed leaving about 865 gross buildable residential acres as of January 1, 2003.

To evaluate residential development capacity in McMinnville, ECONorthwest applied the actual residential density recorded between 1988 and 2000 to each vacant and partially-vacant parcel in the R-1 to R-4 zones. For all other zones, we applied the overall average density recorded between 1988 and 2000. This method is consistent with the requirements of ORS 197.296.

Table 70 shows the development capacity of all vacant, partially vacant, and redevelopable residential tax lots within the McMinnville UGB by zone and land classification as of January 1, 2003. The *McMinnville Residential Land Needs Analysis* found a total capacity of 3,477 dwelling units within the UGB. A total of 528 new dwelling units were built between July 2000, and January 2003, reducing residential capacity by that number of units. **Assuming all partially vacant and potentially redevelopable land will develop over the 20-year planning period**, McMinnville has a residential capacity of 2,949 dwelling units within its current UGB.

Table 70. Estimated residential development capacity (in dwelling units) inside the current McMinnville UGB, by zone and land classification at full build-out

Zone	Vacant	Partially- Vacant	Potentially Redevelop- able	Total
R-1	831	98	0	929
R-2	109	26	0	135
R-3	18	27	24	69
R-4	164	12	26	202
R-5	na	na	na	na
All Other Zones	1,346	268	0	1,614
Total	2,469	430	50	2,949

Source: ECONorthwest, 2000

Analysis of land partitions, however, suggests that development of partially vacant land occurs relatively slowly (see partition history discussion in Chapter 4 of the *McMinnville Residential Land Needs Analysis*). At the resulting average rate of approximately 3 dwelling units per year, a total of 60 new dwelling units would be built on partially developed land that is too small to subdivide between 2003 and 2023.⁵⁴ Analysis of the size of partially vacant parcels indicates that 26 of the 58 partially vacant parcels are too small to subdivide. Development of these parcels to permit additional housing would therefore require partitioning. Despite the fact that many of these partially vacant parcels have been held in their current configuration for decades and will likely not be partitioned—or subdivided—during this planning period, **this analysis assumes that all of the partially-vacant land will develop over the next 20 years**. This is a very aggressive assumption, and one that may overestimate the amount of land available for projected land needs.

⁵⁴ Staff review of the partition data presented in Chapter 4 of the *McMinnville Residential Land Needs Analysis* indicates that it included partitions over a 10-year period, but calculated averages over an 8-year period. Thus, the average number of partitions per year dropped from the 3.75 reported in the *McMinnville Residential Land Needs Analysis* to the 3.0 reported in this memorandum.

Revised residential land need estimate

The housing need forecast estimates that McMinnville will need 6,014 new dwelling units between 2003 and 2023. Subtracting out the estimated residential capacity of lands within the current McMinnville UGB of 2,949 dwelling units yields a need for land capable of accommodating an additional 3,065 dwelling units.

Table 71 shows land needed to accommodate the additional 3,065 units at the *needed* residential densities shown in Table 5. The results show a **need for 537 gross buildable residential acres** beyond existing buildable land (e.g., outside the present McMinnville UGB) to accommodate new residential development.

Table 71. Additional land needed for housing outside the present McMinnville UGB, 2003-2023

Zone	Additional Dwelling Unit Need	Gross Density	Needed Gross Res Acres
R-1	368	3.5	104.1
R-2	1,011	4.3	236.8
R-3	429	5.4	78.9
R-4	705	8.8	80.4
R-5	552	15.0	36.7
All Other Zones	na	na	na
Total	3,065	5.7	536.9

Source: ECONorthwest, 2003

Table 72 shows total residential land need from 2003 to 2023. Including parks and schools, we estimate total need for land designated for residential, public, and semi-public uses at 1,035 gross residential acres.

Table 72. Total additional acres needed in the McMinnville UGB, 2003-2023

Category	Needed Gross Res Acres
New housing	536.9
Group Quarters	13.3
Parks	314.0
Schools	96.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
Total	1,035.4

Source: City of McMinnville, ECONorthwest

Note: Parkland need assumes the City standard of 14.0 acres per 1,000 residents will be met. The recent \$9 million park bond is a strong indication of the City's commitment to this standard.

Summary of residential land need

Based on population forecasts, assumptions about household size, persons in group quarters, and vacancy rates, McMinnville will need about 6,014 new dwelling units between 2003 and 2023. At needed densities, this translates into a buildable land need of 1,053 acres for residential development. Parks and other public and semi-public facilities are expected to require an additional 485 buildable residential acres for a total residential land need of about 1,538 acres.

As of December 31, 2002, McMinnville had an estimated 865 gross buildable residential acres within its UGB. Based on a tax lot level residential capacity analysis, the 865 gross acres of buildable residential land within the existing McMinnville UGB will accommodate 2,949 residential units. This results in a capacity deficit of 3,065 units. This translates into a need for an additional 537 buildable acres of land needed beyond the existing UGB to accommodate projected residential development (Table 12). Added to this need are about 485 acres needed for development of public and semi-public uses that will also locate on residential land and 13 acres for group quarters housing. **Thus, the total gross vacant buildable residential land need outside the present McMinnville UGB, according to analysis and findings consistent with ORS 197.296 and the DLCD *Planning for Residential Growth* workbook, necessary to accommodate projected growth is 1,035 gross acres (537 acres for residential dwelling units, 13 acres for group quarters, and 485 acres for public and semi-public uses).**

Finally, the Workbook poses several questions that can be answered by the analysis in this report:

- Is *needed* density the same as or less than *actual* historic density?

No. Actual density of residential development in McMinnville between 1988 and 2000 was 4.7 dwelling units per gross acre or 5.9 dwelling units per net acre. The need forecast estimates *needed* density at 5.7 dwelling units per gross acre or 7.2

dwelling units per net acre. The assumption here is that a combination of shifting demand and new policies (measures) can increase the average density of new construction by almost 20% over the next 20 years.

- Is *needed* mix the same as *actual* historic mix?

No. Figure B-1 indicates that needed and actual mix as shown by comparing the baseline and alternative forecasts is different. The alternative forecast (needed mix) indicates the City will need a higher percentage of multiple-family units and a corresponding decrease in single-family detached housing.

- Does the UGB contain enough buildable land at *actual* historic densities?

No. The data presented in chapters 5 and 6 of the *McMinnville Residential Land Needs Analysis, May 2001, as revised in this analysis*, indicate the UGB will not accommodate the number of new dwelling units between 2003 and 2023 at actual historic, or needed, densities.

These results assume McMinnville will adopt measures to increase housing density and shift the housing mix to a greater percentage of multi-family dwellings. Residential efficiency measures are described in the memorandum titled *Review of Land Use Efficiency Measures*.

4. Affordable Housing Policies and Implementation Measures

The previous sections have summarized from hundreds of pages of data and technical analysis to state the basic conclusion: despite changes to plans and policies to increase the density of development inside the UGB, the expected growth in McMinnville will exceed the capacity of land inside the UGB to accommodate that growth. McMinnville estimates that the current urban growth boundary will need to be expanded by some 1,367 acres to accommodate its projected growth and land demands to the year 2023. As such, State law requires the City to:

- **Develop a plan for the development of land inside the UGB that is as efficient as possible given the constraints imposed by natural features, the existing built environment, market considerations, and other policies.** A clear emphasis of Oregon law is preserving farm and forestland by limiting urban expansion. State law requires a city to make sure it has done everything reasonable to accommodate growth *inside* its existing UGB before expanding that UGB.
- **If land inside the existing UGB is not sufficient to accommodate forecasted growth, expand the UGB in accordance with procedures established by state law.** Statewide goals (especially Goal 14 on Urbanization, but others as well) have very specific requirements a city must meet.⁵⁵

The Land Conservation and Development Commission has always acknowledged that, as their name implies, judgments must be made about how to balance sometimes competing objectives. For example, Goal 10, Housing, requires a city to provide land for all need housing

⁵⁵ Oregon Revised Statute, specifically ORS 197.296(4), requires jurisdictions that determine that the urban growth boundary does not contain sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density to take one or a combination of the following actions. It must amend either: (1) the comprehensive plan, functional plan, or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years without expansion of the UGB; (2) the urban growth boundary to include sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density; or (3) both.

types to accommodate its forecasted population: it is obligated to expand its UGB if the land is not available inside its current UGB. But before it does so it must demonstrate that it has taken reasonable measures to meet the housing needs inside the UGB. In practice, those measures are typically ones that allow, encourage, or require increased housing density. Another balancing must occur here: state law requires that any increased densities must be balanced against some evaluation of current and likely future market conditions.

Proposed Land Use Efficiency Measures

The DLCD Residential Lands Workbook describes a process for complying with the requirements of Goal 10 and ORS 197.296. The McMinnville Residential Land Needs Analysis addressed many of the requirements. That study, however, stopped at the point of identifying housing needs. It did, however, identify a potential deficit of residential land in the McMinnville UGB which requires the City to address the next step (Task 6 in the DLCD Workbook)—identifying and evaluating measures to increase the likelihood needed residential development will occur.

This section describes and evaluates the impact of proposed new measures to meet the state requirements for Goal 10 and Goal 14, and ORS 197.296. In summary, these measures include:

- Amending current plan or zone designations;
- Encouraging infill and redevelopment;
- Creating “Neighborhood Activity Centers:”
- Protecting areas of community importance;
- Use of downtown upper floor space for housing;
- Allowing limited commercial use on industrial zoned lands;
- Establishing an exclusive multiple-family zone; and
- Encouraging increased densities in planned and existing transit corridors.

Amend current plan or zone designation

City staff conducted an exhaustive review of lands within the current McMinnville urban growth boundary for the purpose of identifying those properties that lend themselves to use(s) identified in the *McMinnville Residential Land Needs Analysis*, and which currently do not permit such use(s). Table 73 summarizes properties proposed for rezoning.

Impact on land use efficiency

This measure results in the rezoning of 20 parcels totaling 114.25 acres. Of the 114 total acres, over 96 acres were identified as developed in the City’s buildable lands inventory. The proposed changes increase the amount of buildable commercial land need by less than one acre. They increase the amount of buildable residential land by slightly more than 16 acres, while decreasing the amount of buildable industrial land supply by about 14 acres.

Table 73. Properties proposed for rezoning

Map ID	Tax Lot No.	Gross Acres	Existing Dev	Gross Vacant Buildable Acres	Current Plan Des	Current Zone	Proposed Plan Des	Proposed Zone	Notes	Property Owner	Property Address
1	R4416BD01100	0.88	0.88	0.00	IND	M-1	COM	C-3	Developed	McMinnville Concrete	900 NE Hwy 99W
2	R4416BD01700	0.49	0.00	0.49	IND	M-1	COM	C-3	Limited access	McMinnville Concrete	900 NE Hwy 99W
3	R4421CD07700	0.32	0.32	0.00	IND	M-1PD	RES	R-3	Single-family residence	Rich Bauder	1000 SE Hembree
4	R4421CD07900	4.51	0.00	4.51	IND	M-1PD	RES	R-4PD	Limited access	Linfield College	1150 SE Ford
5	R4421CD08000	0.03	0.03	0.00	IND	M-1PD	RES	R-4PD	Pump station	City of McMinnville	1180 SE Ford
6	R4428BA00200	6.71	0.00	6.71	IND	M-1PD	RES	R-4PD	Limited access Former asphalt batch plant site	BDB, Inc	500 SE Chandler
7	R4429AD07100	1.55	0.00	1.55	IND	M-2	RES	R-4PD		Martin & Wright	103 SE Booth Bend
8	R442600201	65.79	65.79	0.00	MU	AH	IND	M-2PD	Airport Park property	City of McMinnville	375 SE Armory Way
9	R4422CC00100	2.87	0.00	1.75	MU	AH	RES	R-4PD	Vacant Within airport hazard overlay	H&R Burch	2355 NE Cumulus
10	R4424C 00100	2.01	0.91	1.10	MU	AH	RES	R-1PD	Within airport hazard overlay	Mark McBride	10635 NE Loop Rd
11	R4424C 00900	0.8	0.80	0.00	MU	AH	COM	C-3	Within airport hazard overlay	Evergreen Doe	10605 NE Loop Rd
13	R4424C 00800	16.8	16.80	0.00	MU	AH	COM	C-3PD	Within airport hazard overlay	City of McMinnville	10000 NE Loop Rd
12	R4424C 01000	1.12	1.12	0.00	MU	AH	COM	C-3PD	Within airport hazard overlay	Yamhill County	10605 NE Loop Rd
14	R4424C 01100	1.88	1.88	0.00	MU	AH	COM	C-3	overlay	MTS Storage	10655 NE Loop Rd
15	R4423 00800	5.33	5.33	0.00	MU	AH	RES	AH	Frontage road right-of-way	Evergreen Helicopters	3400 NE Cumulus
16	R4423 00600	2.3	2.30	0.00	MU	AH	RES	AH	Frontage road right-of-way	Evergreen Vintage	3600 NE Cumulus
17	R4421AC03200	0.19	0.19	0.00	RES	R-4	COM	C-3PD	Auto sales lot	Jim Doran	331 NE Macy
18	R4428BA00290	0.56	0.00	0.56	IND	M-2	RES	R-4PD	Gravel lot	Linfield College	1180 SE Davis
19	R4421BA 7700	0.11	0.11	0.00	IND	M-2	RES	R-4	Single-family residence		736 NE 8th
20	R4421BA 7600	0.12	0.12	0.00	IND	M-2	RES	R-4	Single-family residence		756 NE 8th
TOTALS:		114.25	96.46	16.67							
Adjustment to Commercial Buildable Land Supply:						0.49					
Adjustment to Industrial Buildable Land Supply:						(13.82)					
Adjustment to Residential Buildable Land Supply:						16.18					

Source: City of McMinnville Planning Department, April 2003

Encourage Infill and Redevelopment, where appropriate

This measure builds from the premise that areas that have developed to an historic scale and character should be preserved. Infill and redevelopment should be in character with the unique scale, architecture, and personality of the older, established residential neighborhoods. Some, but not all parts of the city should evolve into denser, more compact development. This measure, however, would not allow densities higher than the underlying zone. Accessory dwelling units should be permitted in the City's single-family residential zoned areas.

Impact of land use efficiency

Many of the impacts of infill and redevelopment activities have already been accounted for in the McMinnville Residential Lands Analysis. That study shadow-platted existing residential lots and identified lots that have additional development capacity at considerable detail. That capacity is reflected in the residential capacity estimates presented in the Buildable Lands Analysis.

An accessory dwelling unit (ADU) ordinance would allow additional dwelling units on lands that have already been classified as developed. While it is difficult to estimate the precise number of ADUs that would be developed over a 20-year period, the experience in other cities has been that a relatively modest number are permitted. Assuming that 10 dwelling units per year are approved, 200 ADU would be developed during the 20-year period. At a density of 10 dwelling units per gross acre, the ADU ordinance would save an estimated 20 gross acres during the 20-year period. A draft ADU ordinance is provided in the appendix to this report.

Create Neighborhood Activity Centers

A cornerstone of the City's urbanization plan is to apply "activity center" planned developments in appropriate locations in order to create support for neighborhood scale commercial and transit supportive development, and broader range of housing opportunities. Under this concept, neighborhoods are each centered or organized around an activity center that would provide a range of land uses within walking distance of neighborhoods—preferably within a one-quarter mile area—including neighborhood-scaled retail, office, recreation, civic, school, day care, places of assembly, public parks and open spaces, and medical offices. Surrounding the activity center (or **focus area**) are **support areas**, which include the highest-density housing within the neighborhood, with housing densities progressively decreasing outward.

These activity centers would be selected due to their location, distribution, proximity to vacant buildable lands, ability to accommodate higher intensity and density development, and their context and ability to foster the development of a traditional, or complete, neighborhood. The selected Neighborhood Activity Centers should be equally spaced around the edge of the McMinnville urban area, with the downtown area serving as the geographic center or hub. These centers need to be located at major street intersections, but their service areas are that of a group of neighborhoods and generally provide services for a consumer market that may range from a one (1) to three (3) mile radius. The geographic area of these centers typically comprises twenty (20) acres and

extends a linear distance of approximately one-eighth of a mile (660 feet). Maximum commercial acreage within these centers may range from five (5) to fifteen (15) acres.

These Activity Centers include both the focus area (the commercial, institutional, and office core) and the surrounding support area (with high and medium-density residential). The support area is critical because it provides the concentrated population necessary to support both the focus area and possible future transit stops, and it serves as a buffer between the more intense uses of the focus area and the lower-density residential uses of the surrounding neighborhood. Furthermore, support areas provide context and community for higher density housing.

The purpose and function of the Neighborhood Activity Center is summarized below.

Focus Area

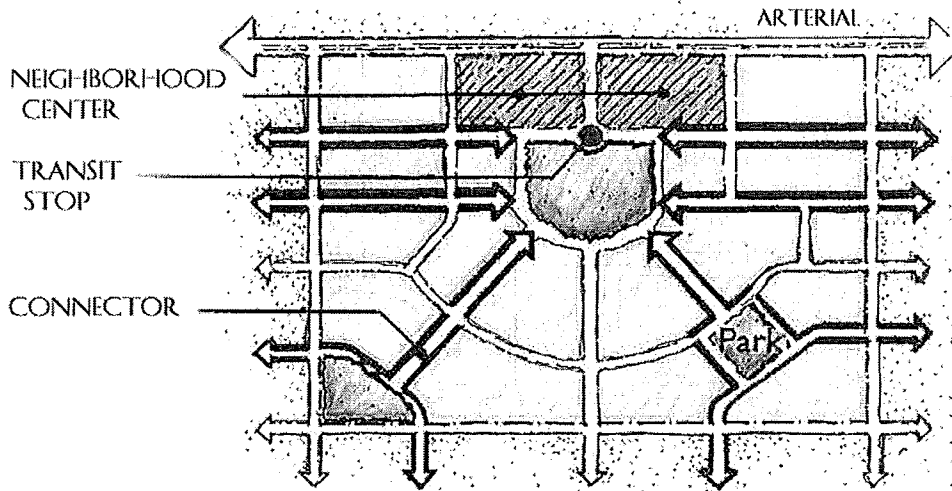
The focus area portion of a neighborhood activity center contains facilities vital to the day-to-day activity of the neighborhood. Thus, the central focus area might contain a grocery store, drug store, service station, place of worship, daycare, limited office space, and small park. These diverse facilities are ideally located in close proximity to one another in the focus area, so that all the essential facilities for the neighborhood are located in one convenient location, accessible in a single stop.

Support Area

The support area part of the neighborhood activity center, which surrounds the activity center's focus area, contains the neighborhood's highest-density housing. This design enables the highest concentration of population within the neighborhood to access the focus area via a short walk, thus reducing the number of automotive trips for daily shopping needs. This arrangement also provides a concentration of population sufficient to support future transit service(s), with a single transit stop serving the shops and services in the focus area and adjacent higher-density housing in the support area.

Ideally, neighborhood activity centers are located at the center of a neighborhood. However, in many cases it is difficult to achieve this central placement. In such cases, the neighborhood model may take on a slightly different arrangement, with the activity center moved to the periphery of, but still within, the neighborhood. This arrangement has a disadvantage, since half of the residents within the neighborhood must make longer trips to reach the activity center. However, moving the activity center to the periphery also provides advantages, as pass-by activity center traffic (visitors/customers to the activity center that do not live in the neighborhood) does not have to enter the neighborhood and merchants may be placed closer to arterial traffic. The graphic below generally illustrates the Neighborhood Activity Center concept.

Figure 3



Impact of land use efficiency

A typical activity center will have between 28 and 70 acres. Activity centers have two components: focus areas and support areas. The focus area is where commercial, retail, and other primarily non-residential uses would occur. The support area is where the City would encourage higher density housing. Support areas will range from 20 to 40 acres, and could accommodate between 160 and 480 dwelling units at densities of between 8 and 16 dwelling units per gross residential acre. The majority of housing in support areas will be multifamily or higher density single-family housing types.

- Activity center focus areas should include a mix of land uses: commercial, office, institutional, mixed-use residential, and possibly high-density residential. The presence of a single usage type in an entire focus area (e.g., commercial), does not meet the criteria for an activity center.
- Each activity center should incorporate some amount of formal outdoor space for public use, such as a formal park or plaza, as focal points for public interaction.
- Different land uses or activities may be placed adjacent to one another, or on different floors of the same building. Such mixing of land uses encourages a compact and pedestrian-oriented center.
- An activity center has a support area consisting of medium and higher density housing.

Protect Areas of Community Importance

The City proposes to adopt policies that would define appropriate development densities on slope constrained land. The proposed modifications would limit application of the City's R-1 zoning district to slope constrained lands. The R-1 zoning designation presently has a minimum lot size of 9,000 square feet and covers approximately 435 acres.

Impact on land use efficiency

The proposed changes would change the R-1 zoning to R-2 on 204 acres of land. The R-2 zoning designation has a minimum lot size of 7,000 square feet and an assumed density of 4.3 dwelling units per gross residential acre. The R-1 district has an assumed gross residential density of 3.5 dwelling units per gross residential acre. Thus, this measure will decrease residential land need by some 38 acres.

Commercial Land Use

According to the McMinnville Downtown Association, there exist five buildings within the McMinnville downtown core that contain vacant, upper floor space. The gross floor area contained within these buildings totals approximately 26,700 square feet. Assuming past development trends and densities particular to the downtown area, some 61 dwelling units could be created within these buildings. This number of dwelling unit count assumes that all of these spaces could be constructed to meet current building and fire, life, safety codes. This is an aggressive assumption given the difficult, and expensive nature of converting upper floor spaces in older, historic buildings for uses other than those originally intended (most of these historically housed professional office uses).

Current City policy strongly encourages the use of these upper floor spaces for housing. Further information regarding the available upper floor space in downtown McMinnville is provided in Table 74 below.

Table 74. Potential downtown housing units

Building	Location	Available Floor Space (sq ft)	Potential Housing Units
Schilling	250 NE 3rd	1,900	2
Johnson		3,000	4
Jamison		1,800	2
Yamhill Hotel	502 NE 3rd	10,000	40
Penney's	448 NE 3rd	10,000	13
Totals:			61

Notes:

1. Units in Yamhill Hotel assume development of "single room occupancy" units, thus the higher unit count.
2. The available floor space within the Yamhill Hotel is on two floors, with 5,000 square feet on each.
3. This information was provided by Patti Webb, Executive Director for the McMinnville Downtown Association, on November 26, 2002.
4. This analysis assumes that applicable building and fire, life, safety codes can be satisfied to make their redevelopment and use for housing possible. This has not always proven to be the case in McMinnville, or in other parts of the country when dealing with older, historic properties.

The City also proposes to modify the C-3 zone, which currently allows multifamily residential as an outright use, to require a commercial component of any residential development in the C-3 zone.

The City will allow use of financial incentives, such as the vertical housing credit, in the downtown area.

Impact of land use efficiency

Development of upper floor housing will serve to increase density, create mixed land uses, and enhance the vitality of downtown McMinnville. As noted previously, provided building code concerns can be satisfied, there exists the potential for an additional 61 housing units within the available upper floor space in downtown McMinnville.

Industrial Land Use

In recognition of the City's finding that there appears to exist a slight "surplus" of industrial land, the City has conducted an exhaustive review of each parcel planned and zoned for industrial use to determine whether it could be rezoned to provide land for other needed uses. As a result of this inventory, the results of which are provided in the table below, the City finds that there are seven parcels that could be redesignated from industrial to commercial or residential use.

The redesignation of these seven parcels will provide an additional 0.5 acres of commercial land and 11.2 acres of residential land within the current McMinnville urban growth boundary.

Also, though it may be viewed as an existing measure, the City's industrial zones allow a limited range of service and professional related commercial uses. As such, the City assumes that 10 percent of its future commercial land need, or approximately 11.7 acres, will locate on land planned and zoned for industrial use.

Impact of land use efficiency

These policies will reduce the need for commercial land by 11.7 acres, and residential land by 11.2 acres. It has the added benefit of providing commercial services closer to employment centers and potentially decreasing automobile trips.

Establish exclusive Multifamily Residential (R-5) zone

The City proposes to create a new exclusive multifamily residential zone. The policy would be implemented as follows:

- The R-4 zone would continue to allow multifamily use subject to specific locational criteria;
- The comprehensive plan would be amended to apply the R-5 zone within designated activity centers and along arterial or major collector streets.
- Detached single-family residences and manufactured homes would be prohibited.
- A minimum average density of 15 units per net buildable acre (which equates to 2,420 square feet per multi-family unit) is proposed.

An analysis of building permits issued between 1988 and 2000 presented in the *McMinnville Residential Land Study* showed that 21% of all housing permitted during that period were multifamily housing types. Moreover, nearly half of the multifamily housing located in the R-2 zone.

The *McMinnville Residential Land Needs Analysis* concluded that McMinnville's housing need is for 25% multifamily housing (tri-plex and larger); a land need of approximately 112 gross residential acres. Establishing an exclusive multifamily zone would ensure

that enough land would be available to build needed multifamily housing over the next 20 years. According to the *McMinnville Residential Land Needs Analysis*, the City had about 34 acres of vacant land in the R-4 zone. The actual amount of land available in the R-4 zone for multi-family housing is less than the 34 acres reported in the *McMinnville Residential Land Study* as many of these R-4 acres are the Creekside at Cozine Woods single-family lots currently under development.

The City proposes to add a new multifamily plan designation (R-5) zone that would prohibit single-family dwellings. The City proposes to designate/zone an additional 72 acres of residential land for multifamily housing in the R-5 zone to meet the identified need. All R-5 lands will be located in neighborhood activity centers. Additionally, the City proposes to provide up to 40 acres of land available for multifamily uses in the R-4 zone.

Impact on land use efficiency

This measure will allow the City to achieve its identified multifamily housing mix of 25%. Of equal importance, it will also preserve lands most appropriate for multi-family housing by not permitting their use for lower density residential development. This step would also assist the City in realizing higher densities within its multi-family zoned lands. On the other hand, it may remove some flexibility currently enjoyed through the planned development process that has allowed the R-2 zone to effectively develop at 105 percent of its designed limit.

Transit Corridor Enhancement Policy

Since 1982, McMinnville's comprehensive plan has limited residential development within west McMinnville to a density no greater than six dwelling units per acre. This policy was adopted in response to the design capacity of the sanitary sewer trunk line constructed in 1981 to serve this part of the city. At the time of this policy's adoption, the then City Council noted that:

"The maximum density of six units per acre for the service area of the sewer trunk cannot be exceeded on an overall average and, in addition, the density in any one area may be limited because a density concentration greater than the maximum design of the line may result in a peak loading effect and, therefore, limit the line's capacity by overloading it locally and causing sewer backups."⁵⁶

Residential development that has occurred in west McMinnville since the adoption of this ordinance has not exceeded this density. It is important to note that, even with this limitation, multi-family housing development has and continues to occur in this area. This is accomplished through use of the previously described Planned Development (PD) process and the City's use of density transfer and density averaging. The City recognizes that because development has not exceeded this maximum density limit, there exists some additional density capacity ("underbuild") in west McMinnville. As such, it is recommended that this "density capacity" be used to facilitate and promote

⁵⁶ Excerpt from "Policy Statement Re: West Second Sewer Line Extended to Hill Road," dated January 19, 1979.

higher density housing along potential transit corridors in west McMinnville.⁵⁷ More specifically, the City proposes to adopt policies that encourage higher density residential development within five hundred feet of an identified potential transit route (1,000 foot 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. Care should be taken, however, in the design and scale of these developments so as to not overburden any particular neighborhood with traffic, noise, and other negative impacts associated with such housing.

If the City adopted such policies and rezone actions, approximately 90 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 75.

Table 75. 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
R4417 01200	6.3	6.30	R-1	3.5	22	10	63	41	Hunt Compton
R4417 01201	1.56	0.95	R-1	3.5	3	10	9	6	William Woodard
R4419AD00100	0.83	0.83	R-3	5.4	4	10	8	4	Richard Donahoo
R4420CB00301	1.59	1.59	C-3PD	0	0	10	15	15	Elton Thayer
R4420CB01200	3.2	2.40	R-2	4.3	10	10	24	14	Velton Bynum
R4420CB01400	1.7	1.70	R-2	4.3	7	10	17	10	Steven Firestone
TOTALS:	15.18	13.77			46		136	90	
Adjustment to Commercial Buildable Land Supply:					(1.59)				

Summary of existing and proposed efficiency measures

The DLCDC Residential Lands Workbook and ORS 197.296 identify a number of potential efficiency measures that can help cities meet Goal 2, 10, and 14 requirements. Table 76 summarizes measures described in the Residential Lands Workbook, in ORS 197.296 (7), as well as additional measures considered by McMinnville in its policy review.

The City plans to implement the above listed measures in order to realize increases in its residential density (from 5.9 to 7.2 dwelling units per net acre), shifts in housing mix (increase in multi-family residential housing; decrease in single-family detached housing), and decreases in the amount of land needed to accommodate future residents. The table shows that McMinnville either has in place, or proposes to adopt new policies, that address all of the policies identified state statute and the Planning for Residential Needs workbook.

⁵⁷ This additional capacity would also be used to facilitate the implementation of Activity Centers in west McMinnville, as described elsewhere in this plan. The transit corridor policy would apply to those portions of the corridor located outside of the defined Activity Centers, not only in west McMinnville, but wherever such transit routes are planned.

Table 76. Summary of existing and proposed land use efficiency measures

	Existing Measures								Proposed Measures							
	Planned Development Process	Infill Flexibility	Narrow Street Standards	Westside Biker/Ped Corridor	Historic Downtown	Mixed Res / Commercial	Street Connectivity	Public Transit Plan	Interim Dev Standards	Amend plan / zone designations	Encourage infill & redev	Create Neighborhood Activity Centers	Protect areas of importance	Upper floor housing	Industrial land modifications	Establish exclusive multi-family zone (R-5)
Measures described in ORS 197.296																
1. Increase in the permitted density on existing residential land	✓										✓					✓
2. Financial incentives for higher density housing														✓		
3. Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer	✓				✓						✓			✓		✓
4. Removal or easing of approval standards or procedures	✓	✓														✓
5. Minimum density ranges											✓				✓	
6. Redevelopment and infill strategies	✓	✓			✓					✓			✓			✓
7. Authorization of housing types not previously allowed by the plan or regulations										✓						
8. Adoption of an average residential density standard																
9. Rezoning or redesignation of nonresidential land									✓					✓		
Measures described in HB 2709 Workbook																
10. Apply appropriate plan and zone designations					✓	✓		✓	✓		✓	✓		✓	✓	✓
11. Remove/revise ineffective regulations			✓		✓	✓	✓	✓						✓	✓	✓
12. Revise or develop design standards and/or require master plans or specific development plans					✓						✓					
13. Provide research, education and up-front services					✓								✓			
14. Streamline the permitting and development process	✓															
15. Increase efficiency with which public infrastructure is provided	✓	✓	✓	✓	✓		✓	✓	✓		✓			✓	✓	✓
16. Adjust fees and taxes; provide other financial incentives					✓								✓			
17. Assemble and dedicate land											✓					
18. Require that certain housing types and densities be planned and built	✓					✓					✓	✓			✓	✓
19. Adopt interim development standards	✓							✓			✓					
Additional measures																
20. Allow accessory dwelling units										✓	✓					
21. Provide multifamily housing tax credits																
22. Allow density bonuses/TDR	✓										✓					
23. Decrease minimum lot sizes	✓										✓					
24. Implement minimum density requirement	✓										✓					
25. Allow small lots (<5000 sf)	✓										✓					
26. Create exclusive multifamily zone											✓				✓	

The intent of the proposed efficiency measures is to (1) meet identified housing needs, (2) increase land use efficiency by increasing overall residential density, and (3) maintain a livable urban environment. The impact of the proposed measures is not cumulative. In other words, the impact of each measure cannot simply be added together to arrive at a net land savings. When taken together, the measures affecting residential lands will serve to increase the capacity of lands within the current urban growth boundary, as well as increase the likelihood that densities of new residential development will increase from 4.7 to 5.9 dwelling units per gross residential acre.

As a result of applying the measures described in this chapter, total land need decreases from 1,125 gross buildable acres in the revised analysis to 900 gross buildable acres, a reduction of 225 acres.

5. Combined UGB Inclusion Areas – Need and Capacity

The revised land needs analysis concludes that McMinnville will require an additional 1,125 gross acres of buildable land beyond its current urban growth boundary in order to meet its residential, commercial, public and semi-public land needs to the year 2023 (see Table 77, below) The application of several land use measures, as described previously, will reduce this land need by some 225 acres. In summary, 900 gross vacant buildable acres of land are needed to provide for McMinnville’s anticipated growth.

Table 77. Comparison of land supply and demand, McMinnville UGB, 2003-2023

Plan Designation	Land Need (2003-2023)	Gross Buildable Acres (Jan 2003)	Deficit (Surplus)
Residential ^a	1,538.4	881.1	1,019.2
Commercial	219.1	102.4	106.0
Industrial	269.7	326.0	(44.7)
Total Buildable Land Need Outside UGB	2,027.2	1,309.5	1,125.2

Source: ECONorthwest, 2003

^a Application of residential carrying capacity analysis produces an unmet residential need of 537 acres and does not allow a simple supply/demand calculation to occur. See Table 11.

Notes:

Commercial land need is reduced by 11.7 acres. The City estimates that some commercial development will occur on industrial lands. See Industrial Land Measures in Chapter 6. The industrial land surplus is reduced by a similar amount. Total buildable land deficit does not include the surplus of industrial land. McMinnville will maintain a 45 acre surplus of industrial land during the planning period.

Inclusion of the sub-areas identified in Table 78, below, will provide an additional 880.66 acres of buildable land for urban development and, more specifically, accommodate the identified land needs. A summary of the dwelling unit capacity of these sub-areas is also provided in Table 78.

Table 78. Sub-area capacity analysis, proposed UGB expansion areas

Exception and Resource Areas	Number of Tax Lots	Gross Acres	Existing Development/ Constraints	Gross Vacant Buildable Acres	Assumed Gross Density	Dwelling Units
Riverside South	71	192.58	63.98	128.60	4.3	552
Lawson Lane	15	18.24	7.48	10.76	4.3	46
Redmond Hill Road	12	39.92	16.77	23.15	3.5	81
Fox Ridge Road	29	143.48	78.48	65.00	3.5	227
Exception Area Subtotals	127	394.22	166.71	227.51	3.98	906
Norton Lane	9	256.20	189.93	66.27	6.3	414
Three Mile Lane	14	321.25	163.62	157.63	6.3	985
Northwest	5	144.53	4.31	140.22	6.3	876
Grandhaven	9	227.63	90.57	137.06	6.3	857
Southwest	11	194.62	42.65	151.97	6.3	950
Resource Area Subtotals	48	1,144.23	491.08	653.15	6.3	4,082
Combined Totals:	175	1,538.45	657.79	880.66	5.7	4,988

J. Goal 11 (Public Facilities and Services)

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Goal 11 requires cities to develop public facility plans to address the timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban development. The goal’s central concept is that public services should be planned in accordance with a community’s needs and capacities rather than be forced to respond to development as it occurs. By complying with the requirements of Goal 14, the intent and purpose of Goal 11 have been satisfied.

K. Goal 12 (Transportation)

To provide and encourage a safe, convenient and economic transportation system.

Oregon Administrative Rule 660-012-0060(1) provides:

“Amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and level of service of the facility.”

In addition, Oregon Administrative Rule 660-012-0060(2) states:

“A plan or land use regulation amendment significantly affects a transportation facility if it:

- (a) Changes the functional classification of an existing or planned transportation facility;*
- (b) Changes standards implementing a functional classification system;*

(c) Allows types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or

(d) Would reduce the performance standards of the facility below the minimum acceptable level identified in the TSP.

(3) Determinations under subsections (1) and (2) of this section shall be coordinated with affected transportation facility and service providers and other affected local governments.”

Findings:

1. The City finds that, based upon a study done by the Transpo Group, a traffic engineering firm, McMinnville’s streets generally have sufficient capacity to accommodate long-term growth, regardless of location within and around the City’s current urban growth boundary, without significant capacity improvement.⁵⁸ This same study recommends that the City encourage mixed-use development patterns in west McMinnville, which will help reduce the growth in cross-town traffic. The McMinnville Growth Management and Urbanization Plan proposes such a plan through the implementation of its Northwest and Southwest neighborhood activity centers, and the continued use of its planned development process to effect mixed-use development patterns as are evident in several locations in McMinnville.

2. The Oregon Department of Land Conservation and Development, in their letter to the McMinnville City Council dated August 4, 2003⁵⁹, commented that:

“The department is particularly concerned about transportation impacts associated with the proposed Three Mile Lane activity center. We understand the City and ODOT have prepared a plan to reduce local traffic on the state highway through frontage roads. Nonetheless, the bridge across the Yamhill River represents a significant potential choke point that could be exacerbated by additional development in the Three Mile Lane vicinity. Also, the proposal for additional residential development in the Three mile Lane activity center will create the distinct possibility that residents will use Highway 18 to access the commercial activity centers near the intersection of Highway 18 and 99.”

In response to DLCD’s comments, the City finds the following response.

Oregon Highway 18 is a State highway that provides valley residents with connection to Lincoln City, Newport and other locations along the Oregon coast. In Yamhill County, this primarily two-lane highway passes through the communities of Willamina, Sheridan, and McMinnville. The Spirit Mountain Casino, the State’s most heavily visited tourist attraction, is located on this highway. Specific to McMinnville, some seven miles of this

⁵⁸ “McMinnville Growth Sensitivity Study – Major Street System,” The Transpo Group, pg. 8, May 30, 2002.

⁵⁹ The City notes for the record that ORS 197.610(3) requires DLCD to advise the local government of any concerns it may have regarding the plan amendment at least 15 days prior to the final hearing. In this case, DLCD submitted its concerns to the City the day before the final hearing.

highway passes generally in an east-west direction through the southern edge of the city. Of this section of highway, that portion that fronts the proposed Three Mile Lane activity center east to its intersection with Cruikshank Road accommodates four (or five) travel lanes. Existing and planned frontage roads flank both sides of this section of highway, pulling traffic from this State highway onto local residential streets. Direct vehicular access to downtown McMinnville and the vast majority of commercial services and employment in the area requires travel to the north, and not to the west, as suggested by DLCD. Only a small fraction of trips generated by the Three Mile Lane activity center would likely travel west on Highway 18 due to the limited range of services that exist in that area of McMinnville.

The maximum number of dwelling units assumed for the Three Mile Lane sub-area is 985 (page 6-18 of the GMUP). Given housing mix, and trip generation figures from the ITE Trip Generation Manual for single-family and multi-family housing, approximately 7,800 average daily vehicle trips would be generated by the future residents of the Three Mile Lane activity center at full-build out. These trips would be dispersed to travel north, east and west of the activity center, as well as to the commercial services that would be developed as part of the center itself. Most of these trips would disperse to the north, however, with far lesser amounts to the east and west, consistent with the past decade of traffic volume history compiled by ODOT for this section of highway. According to ODOT, in 2002 there were an average of 14,500 average daily vehicle trips in the vicinity east of the Highway 18 east interchange. Traffic counts within that section of Highway 18 between the Oregon Highway 99W interchange and immediately west of the Highway 18 east interchange (section that contains the South Yamhill River bridge) was nearly half of that total.

The annual average daily trips that may be generated by the Three Mile Lane activity center are of a relatively small significance and would not significantly affect the South Yamhill River bridge or other sections of Oregon Highway 18. The introduction of neighborhood commercial services, coupled with a higher percentage of multi-family housing (lower trip generation than single-family detached housing), existing and planned frontage roads and interchange improvements, and location of other support services to the north (schools, commercial services, employment areas) contribute to minimizing any potential impact to the State highway system.

The remaining three-mile long section of Highway 18 that traverse the McMinnville urban area is a narrower, two lane road. This same lane configuration exists for a considerable distance east of Cruikshank Road and west and southwest of the Highway 99W interchange as well. The bridge referenced by DLCD as being a "potential choke point" also carries two-lanes of travel. If there would exist a potential choke point, as suggested by DLCD, it would therefore exist along the entire two-lane, three mile section of Highway 18 as described above. There is no evidence in the record to suggest that this would be the case. ODOT, the State agency responsible for administration of the state's highway system, did not find issue with the Three Mile Lane activity center. It did, however, indicate concern regarding the potential urbanization of the Old Sheridan Road sub-area, and the Bunn's Village sub-area due to access and mobility issues.

Conclusion:

The City finds that the proposed amendments would not significantly affect the existing and planned transportation system and that allowed land uses are consistent with the

identified function, capacity, and level of service of the respective facility. Further, the City finds that the proposed amendments are consistent with the purpose and intent of Goal 12.

L. Goal 13 (Energy Conservation)

To conserve energy.

Goal 13 requires an efficient transition from rural to urban land use and declares that land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles. By complying with the requirements of Goals 14 and 12, the requirements of Goal 13 have been satisfied.

III. McMinnville Comprehensive Plan Goals and Policies

Volume II, Goals and Policies, contain the goal, policy, and proposal statements that shall be applied to all land use decision of the city. These goals and policies reflect the directives expressed through the citizen involvement process when adopted in 1981 and as amended as part of this most recent comprehensive plan review process.

Volume II is arranged in the following chapters:

- Chapter II Natural Resources
- Chapter III Cultural, Historical, & Educational Resources
- Chapter IV Economy of McMinnville
- Chapter V Housing and Residential Development
- Chapter VI Transportation System
- Chapter VII Community Facilities
- Chapter VIII Energy
- Chapter IX Urbanization
- Chapter X Citizen Involvement and Plan Amendment

The applicable goals and policies of Volume II of the McMinnville Comprehensive Plan are addressed below.

A. Chapter II (Natural Resources)

Goal II 1: *To preserve the quality of the air, water and land resources within the planning area.*

Findings: The City finds that the goal and policies of Chapter II, Natural Resources, are satisfied by this plan amendment as follows:

1. The City has coordinated with McMinnville Water and Light, Oregon Department of Environmental Quality, and Yamhill County regarding this proposed plan amendment and, in particular, its impact on water, land, and air resources. None of these agencies have offered objections to the proposed amendment. The City will continue to coordinate with these agencies, and others that may have responsibility for such resources, as part of future development proposals that are recommended or that require implementation as part of this plan amendment. This plan amendment is therefore consistent with Plan Policies 6.00, 7.00, 10.00, and 11.00.
2. With adoption of this plan amendment, the City will continue its enforcement of

appropriate development controls on lands with identified building constraints. This is done, in part, through the requirements of its Land Division Ordinance, Zoning Ordinance, and various planned development overlay ordinances. Therefore, this plan amendment implements plan policy 2.00.

3. The City shall continue to review land use proposals involving new major emission sources or expansion of existing sources for the effects upon the local and regional airshed. Compliance with established federal and state standards will continue to be required for approval of these land use decisions. This plan amendment therefore complies with plan policy 7.00.
4. In 1996, the City replaced its existing wastewater treatment facility located on Riverside Drive with a new, \$27 million wastewater treatment facility located at 2700 Clearwater Drive. This new facility increased the treatment capacity by nearly 300 percent, increasing from 4 million gallons per day to 12 million gallons per day. In addition to providing capacity sufficient to accommodate the growth anticipated by this plan amendment, the plant has significantly reduced overflows of effluent to the Yamhill River. In addition, the City has implemented an aggressive program to reduce the occurrence of stormwater inflow and infiltration to its sanitary sewer system. The City continues cooperation with appropriate agencies and interests to ensure the quality of the municipal watershed and water system. Plan policies 8.00, 10.00, and 11.00 are therefore satisfied.
5. With adoption of this plan amendment, the City will continue to administer the current floodplain ordinance to prevent flood induced property damages and to retain and protect natural drainage ways from encroachment by inappropriate uses. The City's current floodplain ordinance prohibits residential and commercial development within the 100-year floodplain. These lands are considered unbuildable and are not available to meet future housing and employment needs. In addition, the proposed plan amendment recognizes the sensitive nature of floodplain land and requires that future adjacent residential development be of lower density. This plan amendment complies with plan policy 9.00.
6. As part of this plan amendment, the City considered noise compatibility between differing land uses when choosing lands appropriate for future residential development, especially higher density housing, as is required by Plan Policies 12.00 and 85.00. For example, this plan amendment does not propose future residential development on land in proximity to the area developed with the Cascade Steel Rolling Mill, a heavy industrial operation that produces considerable noise and dust. Additionally, large commercial ventures would be prohibited from locating within proposed neighborhood activity centers, in part, to reduce noises impacts related to loading dock functions.

B. Chapter III (Cultural, Historical, and Educational Resources)

Goal III 1: *To provide cultural and social services and facilities commensurate with the needs of our expanding population, properly located to service the community and to provide positive impacts on surrounding areas.*

Goal III 2: *To preserve and protect sites, structures, areas, and objects of historical, cultural, architectural, or archeological significance to the City of McMinnville.*

Goal III 3: *To provide for the educational needs of McMinnville through the proper planting, location, and acquisition of school sites and facilities.*

Findings: The City finds that the goals and policies of Chapter III, Cultural, Historical, and Educational Resources are satisfied by this plan amendment as follows:

1. The plan amendment projects land need for future public uses that locate on residential land, to include schools, places of worship, parks, infrastructure, and government functions, as detailed in the “McMinnville Residential Land Needs Analysis.” This plan amendment will ensure that adequate lands for such uses exist for the planning period to serve the increased population. In addition, this plan amendment proposes new plan policies specific to neighborhood activity centers that encourage the location of some of these public uses at their center, thereby serving a larger population base. This plan amendment also continues the City’s long-standing policy and commitment of centralizing government services in the downtown commercial core. This plan amendment complies with the intent and purpose of plan policies 13.00 and 14.00, and Goal IV 4 of Chapter IV, Economy of McMinnville.
2. This plan amendment recognizes the importance of retaining and enhancing its significant historic neighborhoods, and builds from that base (page 1-2, and pages 3-4 through 3-6 of the McMinnville Growth Management and Urbanization Plan). In addition, the plan contains implementation measures that will foster continued improvement of its historic downtown (page 5-5, and 5-19 of the McMinnville Growth Management and Urbanization Plan). No changes are proposed to the City’s adopted historic resources ordinance, which provides protection to the more than 450 identified historic sites in the city. This amendment complies with plan policies 15.00-17.00
3. The City has and continues to coordinate with the McMinnville School District as regard projected student enrollments, existing school capacities, and land need projections to accommodate future school facilities. This coordination and cooperation is evidenced, in part, by the City’s use of land need figures as provided by the McMinnville School District (Chapter 5 of the McMinnville Residential Land Needs Analysis). In addition, the City recognizes the need of the school district to have land for its schools that are geographically distributed around the McMinnville urban area such that the most efficient service pattern can be achieved. This plan amendment proposes adding lands for future urbanization that are located, in most instances, consistent with the school district’s plans for future school sites. Plan policies 18.00-20.00 are thereby satisfied.

C. Chapter IV (Economy of McMinnville)

Goal IV 1: *To encourage the continued growth and diversification of McMinnville’s economy in order to enhance the general well-being of the community and provide employment opportunities for its citizens.*

Goal IV 2: *To encourage the continued growth of McMinnville as the commercial center of Yamhill County in order to provide employment opportunities, goods, and services for the city and county residents.*

Goal IV 3: *To ensure commercial development that maximizes efficiency of land use through utilization of existing commercially designated lands, through appropriately locating future neighborhood and community serving commercial lands and discouraging strip development.*

Goal IV 4: *To promote the downtown as a cultural, administrative service, and retail center of McMinnville.*

Goal IV 5: *To continue the growth and diversification of McMinnville's industrial base through the provision of an adequate amount of properly designated lands.*

Goal IV 6: *To insure industrial development that maximizes efficiency of land uses, that is appropriately located in relation to surrounding land uses, and that meets necessary environmental standards.*

Findings: The City finds that the goals and policies of Chapter IV, Economy of McMinnville, are satisfied by this plan amendment as follows:

1. The "McMinnville Economic Opportunities Analysis" details the amount of commercial land needed for the planning period. The analysis contained in this study concluded that there exists a deficit of 106 acres. To address this deficit, the "McMinnville Growth Management and Urbanization Plan" proposes a number of measures and actions. Because existing plan policy 24.00 encourages the clustering of commercial development, rather than "strip" development, some "exception land" areas were excluded from consideration for future commercial development (not, however, based solely upon this criterion), including the Old Sheridan Road sub-area and Bunn's Village sub-area. As an alternative to strip commercial development, the proposed plan amendment requires the cluster development of neighborhood scale commercial uses within the four proposed Neighborhood Activity Centers (MUGMP, Appendices "D" and "E"). Design controls to ensure their compatibility with adjacent residential development is part of this neighborhood activity center concept and implementing ordinance. Alternatively, other commercial uses, larger in scale and serving a broader market, are planned to locate on arterials and where land sufficient and appropriate for those purposes can be provided, and where conflicts with adjacent land uses would be minimized, consistent with Plan Policies 25.00 and 26.00.
2. As a complement to the above finding specific to the location of commercial lands, the proposed plan amendment recommends that future residential development not be placed such that it would be negatively impacted by existing or planned industrial activity, consistent with the directive of Plan Policies 47.00 and 49.00. Because of this, and that of Plan Policy 50.00 which calls for the expansion of industrial uses adjacent to the existing Riverside Drive industrial area, the City found the Riverside North sub-area to be an inappropriate area for future residential development (a number of other factors, as detailed in Appendix C of the "McMinnville Growth Management and Urbanization Plan," also contributed to this conclusionary finding). In addition, the City's existing industrial locational policies suggest that the Riverside South sub-area should develop to a low-density development pattern to minimize future conflicts with planned

and existing industrial development on adjacent lands.. This plan amendment satisfies plan policies 49.00, 53.00, 56.00 and 57.00.

D. Chapter V (Housing and Residential Development)

Goal V 1: *To promote development of affordable, quality housing for all city residents.*

Goal V 2: *To promote a residential development pattern that is land-intensive and energy-efficient, that provides for an urban level of public and private services, and that allows unique and innovative development techniques to be employed in residential designs.*

Findings: The City finds that the goals and policies of Chapter V, Housing and Residential Development, are satisfied by this plan amendment as follows:

1. The proposed plan amendment, and the City's existing zoning ordinance, provides adequate lands on which a variety of housing types and densities can be constructed. In developing its forecast of future housing need, the City cooperated with other governmental agencies and private groups involved in providing housing to McMinnville residents. Specifically, the plan amendment proposes an increase in multi-family housing over what has historically occurred in McMinnville, thereby increasing opportunities for lower-cost renter housing (implements Plan Policy 59.00). Such housing has been located primarily in neighborhood activity centers, near planned and existing commercial services and where there exists adequate infrastructure to support such residential densities (implements Plan Policies 68.00, 79.00, 85.00, and 90.00).
2. This proposal adopts a Neighborhood Activity Center concept that integrates the functions of housing, commercial and recreational development into a compatible compact framework. Such development concept is to be applied to four specific locations within the urban area as defined in the plan. This development concept will permit higher densities than normally permitted by plan policy in west McMinnville, thereby promoting a more compact development pattern. Neighborhood activity centers, due to their pedestrian orientation, are planned to include common open space, and pedestrian and bicycle connections to adjacent schools, commercial areas, parks, and similar uses. The city will continue to utilize planned development overlays, as appropriate, as a means to achieve additional innovation in development design and to provide social, economic and environmental savings to her residents of the development and city. Plan policies 68.00-74.00, and 75.00 – 83.00 are satisfied by this amendment.
3. Development of residential land within McMinnville requires that adequate levels of urban services be available prior to or concurrent with all proposed development. Such services include sanitary and storm sewer, streets, and municipal water and energy distribution. The proposed amendment continues to require such service provision. The lands proposed for urbanization by this plan amendment either currently have such services available, or can be provided prior to development. This plan amendment therefore satisfies plan policy 99.00.
4. Plan policies proposed by this amendment provide reasons for limiting residential densities in the West Hills of McMinnville, and in the Riverside South sub-area. Such

limitations are due to slope constraints and views of the area when seen from the city (as is the case with the West Hills), and adjacent uses (heavy industry), lack of services and supporting infrastructure (as found in the Riverside South sub-area). The adoption of such limitations on density is consistent with Plan Policy 79.00.

E. Chapter VI – Transportation System

Goal VI 1: *To encourage development of a transportation system that provides for the coordinated movement of people and freight in a safe and efficient manner.*

Findings: The City finds that the goal and policies of Chapter VI, Transportation, are satisfied by this plan amendment as follows:

1. As part of this plan amendment, the City proposes to implement a neighborhood activity center concept. This development concept requires a pedestrian emphasis with connections to all neighborhood commercial buildings that may be contained within the center, as well as to adjoining neighborhoods and public services (schools, for example). As such, this proposal implements McMinnville plan policies 132.00 – 132.20. In addition, other development standards applicable to neighborhood activity centers, specific to off-street parking, and bicycles, serve to satisfy McMinnville plan policies 126.00 – 131.00.
2. Public streets within the McMinnville city limits will be developed in accordance with adopted street standards, as contained in the McMinnville Land Division Ordinance and plan policies 118.00 and 122.00.
3. The proposed transit enhancement policies will serve to improve use and expansion of the existing and planned transit system, consistent with the intent of plan policy 101.00, 103.00, 106.00, and 107.00.
4. Two of the four planned neighborhood activity centers have, as their central focus, public schools (Grandhaven activity center, and the Northwest activity center). In so doing, driving and walking distances for school age children and parents are shortened and are less than one mile in distance. Plan policy 105.05 is therefore satisfied by this plan amendment.

F. Chapter VII – Community Facilities and Services

Goal VII 1: *To provide necessary public and private facilities and utilities at levels commensurate with urban development, extended in a phased manner, and planned and provided in advance of or concurrent with development, in order to promote the orderly conversion of urbanizable and future urbanizable lands to urban lands with the McMinnville Urban Growth Boundary.*

Goal VII 2: *To provide for the orderly and efficient management of solid waste in an environmentally acceptable and economically feasible manner.*

Goal VII 3: *To provide parks and recreation facilities, open spaces, and scenic areas for the use and enjoyment of all citizens of the community.*

Findings: The City finds that the goals and policies of Chapter VII, Community Facilities and Services, are satisfied by this plan amendment as follows:

1. The City's current plan policies and implementation ordinances require that public facilities and services as may be necessary to support urban development be provided in advance of or concurrent with planned development. Such policies and ordinance requirements are found in the City's annexation ordinance (Section 3), the Land Division Ordinance (Section 37), Volume II, Chapter VII of the McMinnville Comprehensive Plan (Plan policies 136.00 and 151.00), Zoning ordinance (Chapter 17.72), McMinnville Urban Growth Boundary Management Agreement (Section 1), and several adopted planned developments (Three Mile Lane Planned Development, and the Northeast Industrial Planned Development, for example). Future development within the McMinnville city limits will be required to satisfy these requirements as a condition of development. This plan amendment does not propose changes to such ordinances or plan policies.
2. The City's adopted urban growth boundary management agreement with Yamhill County sets forth the policies and procedures for managing lands within the McMinnville urban growth boundary. This agreement has served the city and county since its adoption in June of 1981. This plan amendment does not propose changes to this agreement.
3. In 1998, some 500 McMinnville residents participated in helping the McMinnville Planning Department draft the city's first comprehensive park and recreation master plan. This plan, adopted in 1999, serves as the framework for determining future parkland need, type, and location. This plan amendment is consistent with the adopted park plan as described in detail in the "McMinnville Residential Buildable Lands Need Analysis," and "McMinnville Growth Management and Urbanization Plan" (Appendix B).

G. Chapter VIII – Energy

Goal VIII 1: To provide adequate energy supplies, and the systems necessary to distribute that energy, to service the community as it expands.

Goal VIII 2: To conserve all forms of energy through utilization of land use planning tools.

Findings: The City finds that the goals and policies of Chapter VIII, Energy, are satisfied as follows:

1. The plan amendment proposes the development of neighborhood activity centers, which, due to their design and density, will reduce cross-town vehicle trips by making available commercial services to the residents that surround these centers. In addition, the pedestrian orientation of these activity centers will reduce the reliance on the automobile, thus saving energy.
2. The plan amendment encourages increased residential densities along planned and existing transit routes, thereby improving the efficiency and effectiveness of that service, reducing the reliance on the personal automobile, and, as a consequence, saving energy.
3. The City will continue to use its planned development process, which, as evidenced by the actual density of development experienced in the R-2 zone, has proven to be an effective tool in achieving increased residential density, thereby conserving energy.
4. The plan amendment proposes other land use tools, such as the allowance of accessory dwelling units, as an indirect means of conserving energy.
5. The plan amendment proposes an increased density of development that would be contained within a compact setting, edged by existing natural and physical features that define the McMinnville urban area. This pattern of development will conserve greater amounts of energy than lower density and less compact forms of development that may be proposed.
6. The plan amendment has been coordinated with McMinnville Water and Light, the agency responsible for providing electric service to the city. They have indicated that there exists, or will exist, adequate supply to serve development within the McMinnville urban area.

H. Chapter IX – Urbanization

Goal IX 1: *To provide adequate lands to service the needs of the projected population to the year 2023, and to ensure the conversion of these lands in an orderly, timely manner to urban uses.*

Goal IX 2: *To establish a land use planning framework for application of the goals, policies, and proposals of the McMinnville Comprehensive Plan.*

Findings: The City finds that the goals and policies of Chapter IX, Urbanization, are satisfied, as detailed in the prior Goal 2 and Goal 14 findings.

I. Chapter X – Citizen Involvement and Plan Amendment

Goal X 1: *To provide opportunities for citizen involvement in the land use decision-making process established by the City of McMinnville.*

Goal X 2: *To periodically review and amend the McMinnville Comprehensive Plan to reflect changes in community circumstances, in citizen desires, and in the statewide goals.*

Findings: The City finds that the goals and policies of Chapter X, Citizen Involvement and Plan Amendment, are satisfied, as follows:

1. This proposed plan amendment is in response to the directive of its current “periodic review,” which requires that McMinnville amend its comprehensive plan to provide land as may be necessary to satisfy its future commercial need. In addition, this plan amendment responds to the changes in McMinnville that have been brought about by the growth in population and residential development experienced during the past decade. It also reflects the changing demographics of the community, and the desires of its citizens as expressed at community forums, public work sessions and through testimony offered at public hearings held on this plan amendment.
2. Opportunities for citizen involvement were provided throughout the planning process. Community-wide work sessions were held on two occasions at which more than 170 people actively participated. Public hearings before the McMinnville Citizens’ Advisory Committee, McMinnville Planning Commission, McMinnville Urban Area Management Commission, McMinnville City Council, and Yamhill County Board of Commissioners provided additional opportunity for citizen involvement. An on-line survey was also used to solicit public input in the planning process. Copies of all products produced during this planning process were made available to the public through the internet, the McMinnville public library, and City Hall.
3. Public notice of all public hearings was provided consistent with the requirements of the McMinnville zoning ordinance and State law.