



# *Growing McMinnville* **MINDFULLY**

## **McMinnville Growth Management and Urbanization Plan, 2003 – 2023**

City of McMinnville  
Remand Order 12-WKTASK-001814

### **FINDINGS**

December, 2020

# TABLE OF CONTENTS:

---

	<b>Page</b>
<b>EXECUTIVE SUMMARY</b>	5
1.0 INTRODUCTION	5
2.0 SUMMARY OF FINDINGS	6
2.1 Oregon Revised Statutes	6
2.2 Statewide Goals	7
2.3 Summary of Findings Regarding State Law	14
2.4 Summary of Findings Regarding Local Laws	15
3.0 FINDINGS OF FACT – General Findings and Fact Base Incorporated by Reference	15
4.0 CONCLUSORY FINDINGS	16
<b>1.0 INTRODUCTION AND BACKGROUND</b>	<b>17</b>
1.1 Introduction	17
1.2 Proposed UGB Amendment – Phase II of the MGMUP	18
1.3 Proposed Amendments to the McMinnville Comprehensive Plan	20
1.4 Proposed Amendments to the McMinnville Municipal Code	22
1.5 History of the MGMUP and the 2020 Remand	23
1.6 The MGMUP 2020 Remand	26
1.7 The Development of the Findings	26
1.8 Conclusory Findings	27
<b>2.0 PROCEDURAL FINDINGS</b>	<b>29</b>
2.1 Introduction	29
2.2 Application of the Court of Appeals Decision	29
2.2.1 The Court of Appeals Decision	29
2.2.2. Court Direction for Remand and Alternatives Analysis	30
2.2.3 Step One: Determination of Land Need	30
2.2.4 Step Two: Determination of Adequacy of Candidate Lands Under ORS 197.298(1) and (3)	31
2.2.5 Step Three: Determination of Suitability of Candidate Lands for Inclusion Under Goal 14	32
2.3 Remand Regulatory Framework	33
2.4 Scope of Review	33
2.4.1 DLCD and LCDC Authority for Review	33
2.4.2 Scope of Documents in Review	34
2.5. Applicable Criteria	35

2.5.1 <i>Applicability of Recent Amendments to State Law</i>	35
2.5.2 <i>Compliance with Statewide Planning Goals</i>	39
2.5.3 <i>Compliance with Applicable Policies of the McMinnville Comprehensive Plan</i>	39
2.5.4 <i>Compliance with the Directive of the February 29, 2012 LCDC Remand Order</i>	42
2.6 <i>Standard of Review</i>	42
<b>3.0 LAND NEED</b>	<b>43</b>
3.1 <i>Introduction</i>	43
3.2 <i>Relevant Legal Standards</i>	43
3.3 <i>Planning Horizon and Population Forecast</i>	44
3.4 <i>Employment Forecast</i>	47
3.5 <i>Residential Land Need</i>	49
3.5.1 <i>Residential Land Need in 2003</i>	50
3.5.2 <i>Effect of the 2004 LCDC Order 04-WKTASK-001645 on Residential Land Need</i>	50
3.5.3 <i>Effect of the Chegwyn Farms Conservation Easement</i>	51
3.6 <i>Employment Land Need</i>	52
3.7 <i>The Need to Add Additional Land to the City's UGB</i>	53
<b>4.0 LAND USE EFFICIENCIES</b>	<b>57</b>
4.1 <i>Efficiency of Land Use Within the Existing Urban Area</i>	57
4.2 <i>Proposed Land-Use Efficiency Measures</i>	61
4.3 <i>MGMUP 2020 Remand Update to the Land-Use Efficiency Measures</i>	73
<b>5.0 SELECTION OF UGB LAND</b>	<b>82</b>
5.1 <i>Court of Appeals Decision</i>	82
5.2 <i>Deferring to Appendix C as Findings Document for Selection of UGB Land</i>	82
5.3 <i>Following the Court of Appeals Roadmap</i>	82
5.3.1 <i>Applying ORS 197.298(1)</i>	83
5.3.2 <i>Determination of Adequacy per ORS 197.298(1)</i>	83
5.3.3 <i>Determination of Adequacy per ORS 197.298(3)</i>	84
5.3.4 <i>Applying Goal 14 Locational Factors</i>	84
5.4 <i>Proposed UGB</i>	85
5.5 <i>Conversion from Urbanizable Land to Urban Uses</i>	87
5.6 <i>Goal 2 Exceptions</i>	89

<b>6.0 COMPLIANCE – STATE PLANNING GOALS</b>	<b>93</b>
6.1 <i>Goal 1 (Citizen Involvement)</i>	93
6.2 <i>Goal 2 (Land Use Planning)</i>	97
6.3 <i>Goal 3 (Agricultural Lands)</i>	99
6.4 <i>Goal 4 (Forest Lands)</i>	99
6.5 <i>Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces)</i>	100
6.6 <i>Goal 6 (Air, Water and Land Resources Quality)</i>	102
6.7 <i>Goal 7 (Areas Subject to Natural Disasters and Hazards)</i>	103
6.8 <i>Goal 8 (Recreational Needs)</i>	105
6.9 <i>Goal 9 (Economy of the State)</i>	110
6.10 <i>Goal 10 (Housing)</i>	118
6.11 <i>Goal 11 (Public Facilities and Services)</i>	187
6.12 <i>Goal 12 (Transportation)</i>	188
6.13 <i>Goal 13 (Energy Conservation)</i>	190
<b>7.0 COMPLIANCE – COMPREHENSIVE PLAN POLICIES</b>	<b>191</b>
7.1 <i>Chapter II (Natural Resources)</i>	192
7.2 <i>Chapter III (Cultural, Historical, and Educational Resources)</i>	193
7.3 <i>Chapter IV (Economy of McMinnville)</i>	194
7.4 <i>Chapter V (Housing and Residential Development)</i>	195
7.5 <i>Chapter VI (Transportation System)</i>	196
7.6 <i>Chapter VII (Community Facilities and Services)</i>	196
7.7 <i>Chapter VIII (Energy)</i>	197
7.8 <i>Chapter IX (Urbanization)</i>	198
7.9 <i>Chapter X (Citizen Involvement and Plan Amendment)</i>	198
<b>8.0 PUBLIC TESTIMONY</b>	<b>201</b>
8.1 <i>Introduction</i>	201
8.2 <i>Notice Provided</i>	201
8.3 <i>Written Testimony Received</i>	201
8.4 <i>Oral Testimony Received</i>	203
8.5 <i>Findings in Response to Testimony</i>	204
8.6 <i>Conclusory Findings</i>	219
<b>Attachment 1 – Pertinent Legal Documents</b>	
<b>Attachment 2 – Phase I UGB Study Area Findings</b>	
<b>Attachment 3 – Public Testimony</b>	

# EXECUTIVE SUMMARY:

---

*The Executive Summary is a new addition to the MGMUP Findings Document as part of the MGMUP 2020 Update.*

## 1.0 INTRODUCTION:

The McMinnville City Council proposes a number of amendments to the text and maps of the McMinnville Comprehensive Plan and McMinnville Municipal Code. These amendments include an amendment to the McMinnville Urban Growth Boundary (UGB) to add 862.40 gross acres (662.40 gross buildable acres) of land for needed housing, employment opportunities, and livability. This proposed UGB amendment is accompanied by, and supported through, amendments to the Comprehensive Plan and McMinnville Municipal Code (MMC), which are described below.

This is Phase II of the 2003 McMinnville Growth Management and Urbanization Plan (MGMUP) that was first started in 1994 as a periodic review task with the Oregon Department of Land Conservation and Development (DLCD) to update the City of McMinnville's Comprehensive Plan and to plan for future growth for a planning horizon of 2003-2023 in a proactive and strategic way that would maintain the special small town charm of McMinnville.

The MGMUP is the product of ten years of community engagement, community visioning and planning by the City of McMinnville from 1994-2003. It was adopted by the McMinnville City Council in 2003 via Ordinance No. 4796 and submitted to DLCD for review. The City had established a need for 900 gross buildable acres and submitted a UGB amendment for 881 gross buildable acres (1530 gross acres). 259 gross buildable acres was approved (described hereafter as Phase I) and the remaining expansion land was challenged by opposition.

After years of challenges and appeals, the Plan was ultimately remanded to the City of McMinnville by the Land Conservation and Development Commission (LCDC) in 2012 after the Plan was appealed to the Oregon Court of Appeals and remanded back to the LCDC. In particular, the Court of Appeals held that LCDC erred in upholding the City's UGB amendment in regard to the City's application of ORS 197.298 and Goal 14 when it selected land to be included in the new UGB. Disappointed and defeated by many years of opposition and challenges, the City elected to pause on its effort to move forward with the Plan.

In January, 2020, the McMinnville City Council elected to resurrect the MGMUP and work on the final assignment of error from the Court of Appeals in order to address the City's need for additional land supply to accommodate the needed housing, employment opportunities, and livability amenities associated with population growth pressures. This is hereafter referred to as Phase II of the MGMUP UGB amendment of the MGMUP 2020 Remand.

This document presents the Findings of the McMinnville City Council for this effort. These findings explain how the City's proposed Comprehensive Plan Map amendment, Comprehensive Plan text amendments and municipal code amendments satisfy applicable state and local land use regulations. The applicable state land use laws are those identified in either the Oregon Revised Statutes (ORS) or the Oregon Administrative Rules (OARs), as they were written in 2003 when the MGMUP was originally adopted. The applicable City land use laws are cited as either policies from the McMinnville Comprehensive Plan or approval and procedural criteria from the

McMinnville Municipal Code. The Findings also refer to evidence in the UGB record on remand that has been developed to support the proposed changes to the Comprehensive Plan and Municipal Code. Throughout this Findings Report, references are made to the previously adopted findings from 2003 (as amended). The findings here will supplement or amend those previous findings based on the City's renewed work to address the 2011 Court of Appeals remand decision and the 2012 Remand Order from LCDC.

## **2.0 SUMMARY OF FINDINGS**

This summary provides an overview of the applicable state law and local rules, and summarizes how they addressed the remand order and its one assignment of error. The City's findings note where the remanded assignment of error required the City to conduct additional analysis and make additional findings, and also note where the City's previous findings were unaffected by the remand. Where the remand found issues with the previous findings, the City has conducted new analysis as necessary to make findings of consistency with applicable laws and rules. Where this application compelled a different result than the previous UGB and necessitated an amendment to the previous MGMUP and UGB proposal, the findings have been updated to reflect the analysis and findings of consistency for the amended proposal. Where the Court of Appeals did not take issue with the City's previous findings, then those findings are carried forward. If the amended UGB and MGMUP proposals affected those findings, those findings have been updated accordingly to provide the findings of consistency with applicable law.

The body of the findings document includes the original findings in plain text, and also includes text boxes to call out the updated findings that respond to the one remanded assignment of error.

### **2.1 Oregon Revised Statutes**

**ORS 197.298.** The Court of Appeals found issues with the City's findings regarding ORS 197.298. The remand decision provided a "road map" for correctly addressing ORS 197.298 that outlined how to use ORS 197.298 with the applicable Goal 14 location factors in the correct sequence, as well as the exceptions provisions in Goal 2 and ORS 197.732.

The City's updated findings alter the original findings to apply ORS 197.298 and the Goal 14 factors in the correct sequence as follows.

The City:

- established a one-mile boundary around the UGB.
- Identified unbuildable land within the 1-mile boundary.
- Established boundaries for study areas, which included more land than required to meet identified needs and which included the highest priority lands for evaluation.
- Study areas included buildable land as well as some unbuildable areas interspersed within the buildable lands, which therefore could not be excluded.
- Compiled the necessary data to evaluate the study areas.
- Developed a rating and ranking system to consistently evaluate the study areas.

- Applied the applicable state law consistent with the “roadmap” in the Court of Appeals decision.

A proposed UGB was developed based on that analysis. That process and its steps are reviewed in this findings document.

Findings related to Appendix C (originally entitled in the 2003 MGMUP as, “Alternative Lands Analysis,” and now entitled, “Urbanization Report”) have been substantially revised to comply with the “roadmap” in the Court of Appeals remand decision. The findings in this report review the analysis and findings regarding the process to select and evaluate study areas. Appendix C and the relevant part of these findings replace many of the findings previously made with respect to the alternative lands analysis.

**ORS 197.732.** This statute applies to exceptions to statewide goals. The applicable version of Goal 14 for this work included the following:

*"The results of the above considerations shall be included in the comprehensive plan. In the case of a change of a boundary, a governing body proposing such change in the boundary separating urbanizable lands from rural land, shall follow the procedures and requirements as set forth in the Land Use Planning goal (Goal 2) for goal exceptions."*

The findings under Goal 2 relate to the exception standards noted above. ORS 197.732 is addressed together with the Criteria for a Goal 2 exception, which in part correspond with the first screening step per ORS 198.298(1) that applies analysis of Goal 14 Location Factors 5 and 7 to make determinations related to Goal 2.

*Note: OAR 660-024-0020 and OAR 660-004-0010(1) were later amended and specify that an exception is not required for a UGB amendment; however, those do not apply to this remand. OAR 660-004-0010(1) also clarifies that the Goal 2 exceptions process applies to UGB amendments initiated prior to those changes.*

## **2.2 Statewide Goals**

**Goal 1.** The Court of Appeals did not find issues with the City’s Goal 1 findings. The City’s prior findings regarding Goal 1 are still applicable as the City found that its multi-year public engagement process met the requirements of Goal 1. In addition, the City has addressed Goal 1 in the remand through a process that is called for in the context of a quasi-judicial review to address the legal issues associated with the one assignment of error. In responding to the remand decision, the City has held several publicly-noticed City Council work sessions to brief the City Council on the legal issues and share preliminary findings. The City has also established a 2-step process for public information/outreach and public input.

- **Public Information.** In addition to the publicly-noticed work sessions, the City has established a website specific to this work which includes project materials and updates with information about work-sessions, presentation materials, public outreach meetings, and the public hearing schedule. The City also held seven City Council work sessions, one County Board work session, six virtual meeting presentations with interest groups / interested parties, and five virtual public information meetings to explain the project updates to the MGMUP and the UGB amendment. The public hearing schedule provides

for multiple dates to obtain public testimony. The public information meetings are occurring in a manner that is consistent with COVID protocols for public health.

- **Public Involvement.** Following the original multi-year public involvement program, the process provided for public input on the remanded legal issues associated with the one assignment of error. The fundamental policy framework developed through the prior public involvement process remains substantially intact. The remand addresses the application of that policy framework through the filter of the single assignment of error, which is necessary to ensure the policy framework is applied in a manner consistent with applicable state law.
- **Public Comment.** The City Council opened a public hearing on December 1, 2020 and, over the course of three consecutive evenings, accepted public testimony related to the proposed UGB and MGMUP amendments that respond to the remand decision. The City also accepted written comments related to the proposed amendments. Public comments provided under this quasi-judicial process adhered to the City Council's judicial role for responding to the LCDC's remand order.

**Goal 2.** The proposed UGB and MGMUP is based on evidence and the policy framework in the City's acknowledged Comprehensive Plan and planning documents. The identified land needs, buildable lands inventory (BLI), and sufficiency to meet identified needs are based on the acknowledged 2001 Residential Land Needs Analysis (RLNA) and the 2003 Economic Opportunities Analysis (EOA). Appendix B to the MGMUP summarizes the land needs, buildable lands, and sufficiency of lands within the UGB. Appendix B summarizes the remaining land needs for "Phase 2" of the UGB amendment following the inclusion of three exception areas and the high school site in "Phase 1" of the UGB amendment. Appendix B also reviews the efficiency measures that were proposed at the time "Phase 1" properties were added to the UGB. Appendix B further notes the efficiency that was achieved through adoption of key efficiency measures. It also recognizes that certain efficiency measures did not continue forward after 2005, and in those instances, evaluates the effects of other efficiencies that were achieved on buildable lands within the UGB through measures the City did take. The findings demonstrate that through up-zoning and other efficiencies, the City achieved substantially the same efficiencies on those lands. As a result, the land sufficiency within the UGB has not changed substantively from the capacity identified in the BLI with respect to efficiency measures.

Consequently, the land need for "Phase 2" of the UGB expansion remains the same with one exception. In 2009, a conservation easement was recorded on property both inside and outside the UGB, affecting approximately 81 acres within the UGB. Therefore, the land need in Appendix B reflects the additional need offset as a result of taking those lands out of the buildable land supply. Appendix B provides the updated information that addresses this change in land need.

The applicable law in effect for this remand UGB decision requires taking an exception under Goal 2 for a UGB amendment. The Goal 2 exception criteria correlate to the Goal 14 Location Factor 5 and 7 findings and the provisions of ORS 197.732 that were in effect at the time.

The process and analysis provided in Appendix C, the Alternative Sites Analysis, documents the evaluation of the study areas using the applicable Goal 2 exceptions criteria that apply to a UGB amendment. The City's findings are updated and supplemented with findings that demonstrate that the City followed the "roadmap" specified in the Court of Appeals decision and determined that these criteria are satisfied.



*Note: OAR 660-024-0020 and OAR 660-004-0010(1) were later amended and specify that an exception is not required for a UGB amendment; however, those do not apply to this remand. OAR 660-004-0010(1) also clarifies that the Goal 2 exceptions process applies to UGB amendments initiated prior to those changes.*

**Goals 3 and 4.** The Court of Appeals did not find issues with the City's Goal 3 or Goal 4 findings. While OAR 660-024 now clarifies that Goals 3 & 4 don't apply to UGB amendments, that interpretation was not formally codified in rule in 2003. Therefore, the City's findings regarding Goal 3 and Goal 4 continue to apply to the remand. The Court of Appeals did not object to the original Goal 3 exception findings based on Goal 2 and Goal 14. These findings continue to apply as written, except when they relate to revised Goal 2 and Goal 14 findings that impact the selection of agricultural resource land to meet identified urban land needs. In those cases, the revised Goal 2 and Goal 14 findings will apply. Goal 4 findings continue to apply because no forest resource land is proposed for inclusion in the UGB.

**Goal 5.** The Court of Appeals did not find issues with the City's Goal 5 findings. However, the application of state law to address the one assignment of error did result in a different UGB boundary than was previously proposed. The City compiled and evaluated existing Goal 5 inventory data when conducting the required analysis of study areas for inclusion of lands within the UGB. Goal 5 findings were made for each study area. Technical resources relied on for the analysis included Yamhill County's Goal 5 resource inventory, the Oregon Department of Geology and Mineral Industries maps of surface mining sites, and the Oregon State Parks Office of Historic Preservation inventory of historic places. Revisions in Appendix D of the MGMUP include a "Proposal" to update the Goal 5 resource inventory and implement a protection plan prior to or concurrent with urbanization of lands added to the UGB. The City's original and supplemental findings, and the Goal 5 Proposal, demonstrate compliance with Goal 5.

**Goal 6.** The Court of Appeals did not find issues with the City's Goal 6 findings. The Goal 6 findings continue to apply.

**Goal 7.** The Court of Appeals did not find issues with the City's Goal 7 findings. However, the application of state law to address the one assignment of error did result in a different UGB boundary than was previously proposed. The City compiled and evaluated data for hazards when conducting the required analysis of study areas for inclusion of lands within the UGB and made findings for each study area. Technical resources relied on for the analysis included flood hazard mapping in the record, the Oregon Department of Geology and Mineral Industries hazard maps for flood, steep slope, landslide and earthquake hazards, and the Oregon State Fire Marshal's office maps for wildfire hazards. Revision in Appendix D of the MGMUP include a "Proposal" to update the Goal 7 hazard inventory and implement a protection program prior to or concurrent with urbanization of lands added to the UGB. The City's original and supplemental findings and the Goal 7 Proposal demonstrate compliance with Goal 7.

**Goal 8.** The Court of Appeals did not find issues with the City's Goal 8 findings. The City's Goal 8 findings continue to apply. The City also has made findings that the proposed UGB contains sufficient land to meet all of its land needs, including parkland needs, based on the level of service specified in the adopted Comprehensive Plan policies. In addition, Appendix D of the MGMUP includes a "Proposal" to update the City's Parks and Recreation Master Plan. The City's original and supplemental findings and the Goal 8 Proposal demonstrate compliance with Goal 8.

**Goal 9.** The Court of Appeals did not find issues with the City's Goal 9 findings. The City's Goal 9 findings continue to apply. The findings included significant excerpts from the City's adopted and acknowledged EOA and its Urbanization Report, which together documented the needs and how the needs would be met. However, the application of state law to address the assignment of error did result in a different UGB boundary than was previously proposed. While the identified need (demand), BLI (supply), and determination of sufficiency are based on the adopted and acknowledged EOA and Urbanization documents, the City has provided supplemental findings addressing how the need is met through the revised UGB proposal.

The revised boundary proposal includes annexation of the Riverside North exception area for industrial use, and rezoning other industrial land to commercial. The Riverside North area was previously found to be unsuitable to meet residential and commercial needs. Since there was an acknowledged 46 acre industrial land surplus, there was not a prior need to add this exception area. That meant commercial and residential land needs would need to be met elsewhere. The revised UGB proposal allows for inclusion of more higher-priority exception lands, including Riverside North, which meets the commercial and industrial lands needs in a way that maintains the acknowledged industrial surplus, and reduces the size of the UGB expansion to meet commercial land needs.

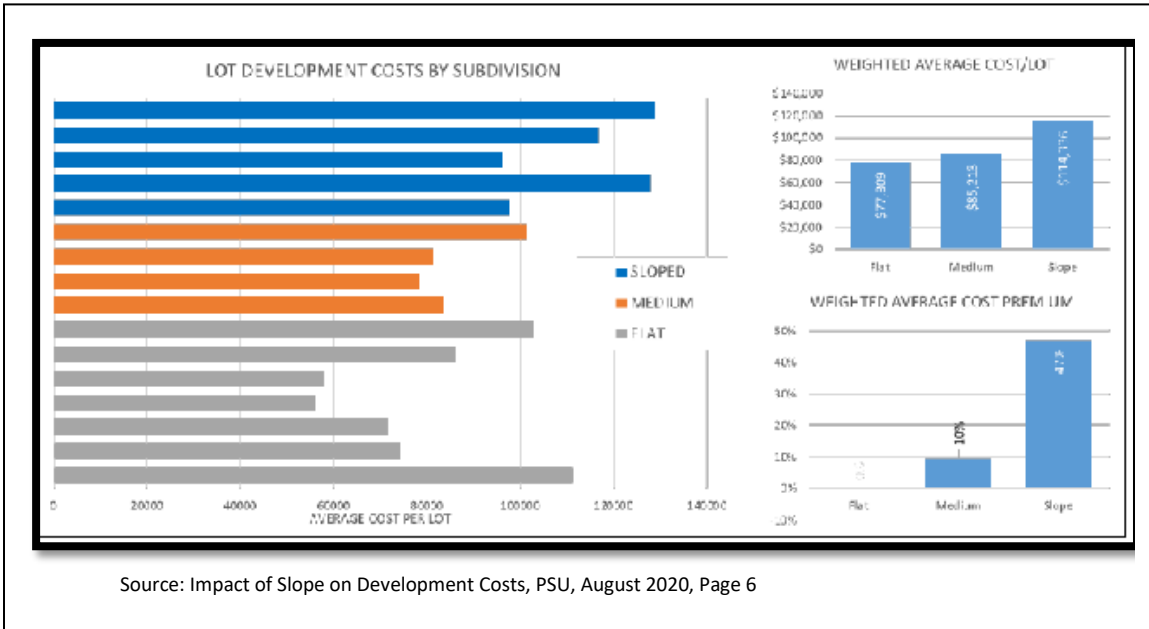
The revised UGB proposal also supports the City's policy objectives for neighborhood-serving commercial use. The revised UGB and related Framework Plan would alter the location of proposed Neighborhood Activity Centers (NACs) and their associated employment districts. The supplemental findings provide additional information about this. With the revised findings, the City has demonstrated that the UGB proposal will meet its employment land needs consistent with the City's adopted Goal 9 Goals and Policies.

**Goal 10.** The Court of Appeals did not find issues with the City's Goal 10 findings. The application of state law to address the one assignment of error, however, did result in a different UGB boundary than was previously proposed. The City's Goal 10 findings continue to apply but with some revisions related to the adjusted UGB, and updated findings that address how the residential land need deficit is met with the revised UGB. The identified needs are based on the City's adopted and acknowledged 2001 Residential Land Needs Analysis and on Appendix B – Revised Buildable Land Analysis.

The analysis of study areas for suitability to meet identified housing needs also was informed by an analysis of housing development costs that was prepared in August of 2020 by Portland State University's Center for Real Estate (PSU). The study examined 96 housing developments in the Willamette Valley and found a significant correlation between the cost to develop housing and slope conditions. Their analysis showed that housing developments on land with more than 10% slopes, whether for single-family or multi-family dwellings, carry cost premiums that range from 24% higher for single family projects to as much as 97% higher for multi-family projects. Projects on land with slopes between 5% and 10% also carried higher cost but the marginal increase in cost was much less than development on land with more than 10% slope. This information was used in the analysis of study areas to assess relative ability to deliver affordable housing. The report is included in Appendix C, Attachment 3.

The report reached the following conclusion about the effect of slope on lot development costs in single-family subdivisions.

“The following graphic summarizes total lot development costs by subdivision in this data set, broken out by degree of slope. The weighted average premium (adjusting for subdivision size) was 10% for a medium sloped property (between 5% and 9% slope) vis-à-vis a flat site, increasing to a 47% premium for a (steeper) sloped site (with >10% slope).”

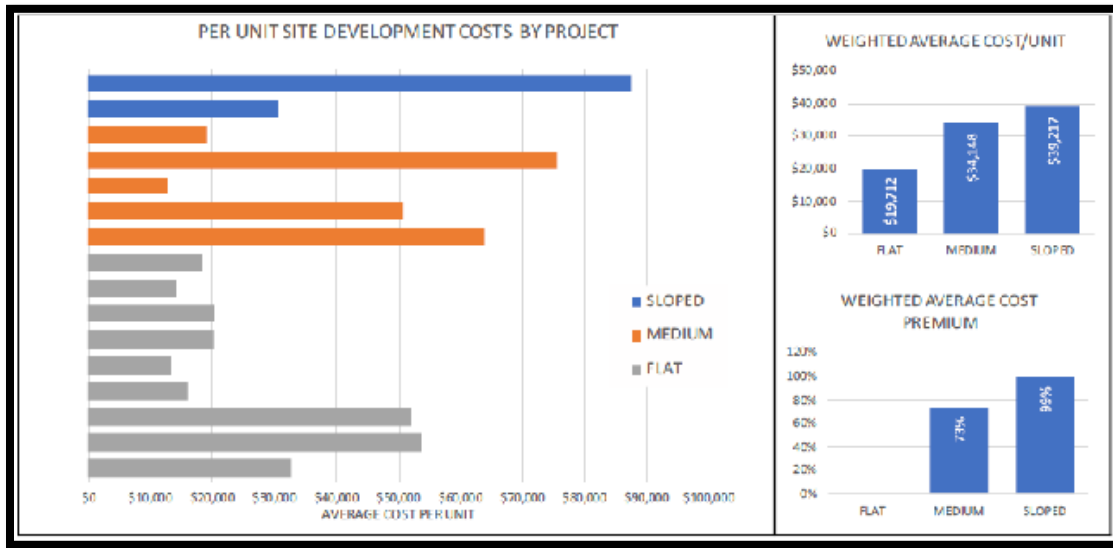


**SUMMARY OF DATA SET #1**

For multi-family developments, the effect of slope on development costs were more significant.

“The research team had more information on total project costs, with five projects built on highly sloped sites, twelve projects built on moderate slopes and thirty-five projects built on mild slopes or flat sites. From these observations, we computed the average project cost per unit weighted by the number of units and found development costs of \$323,945 per unit for highly sloped sites, \$249,899 for moderately sloped sites, and \$235,885 for mild slope or flat sites. Put differently, the total project cost per unit of moderate sloped sites required a 9% premium over mild slope or flat sites, and highly sloped sites required a 37% cost premium over mild slope or flat sites.”

**SUMMARY OF DATA SET #3**



Source: Impact of Slope on Development Costs, PSU, August 2020, Page 10

The findings for Goal 10 have been updated to address how the residential land deficit is corrected with the amended UGB proposal. In addition, the City previously proposed to meet some of its identified residential land need through efficiency measures. After the Court of Appeals decision, the City repealed Ordinance 4841, which had adopted certain amendments to the 2003 MGMUP. That action prevented some of the efficiencies that were intended to occur in Neighborhood Activity Centers (NACs) from taking effect. Other efficiency measures, however, did go into effect, and the City subsequently implemented other zoning measures that achieved the intended residential efficiencies. This occurred predominantly through up-zoning of properties that mostly were in or near areas previously planned for NACs and/or areas within transit route corridors. The effect of these actions are summarized in Appendix C, Attachment 2, Technical Memorandum 13.

The updated findings also identify an action that removed a significant amount of buildable residential land: the recording of a conservation easement in 2009. The conservation easement applied to land both within and outside the UGB. The portion within the UGB affected approximately 81 buildable acres. The identified residential land need in Appendix B was modified to account for the need to offset that reduction to the buildable land inventory (BLI). The findings account for the efficiencies achieved through re-zoning as well as the reduction of buildable land related to the conservation easement. The findings demonstrate that the proposed UGB expansion meets the identified land needs in the RLNA with adjustments for supply and efficiency measures, and in a manner that is consistent with needed housing densities. Supplemental findings address how different areas are able to achieve the identified housing needs in the adopted and acknowledged RLNA.

**Goal 11.** The Court of Appeals did not find issues with the City’s Goal 11 findings. The City’s Goal 11 findings continue to apply. The assignment of error found fault with the lack of consistency in evaluation public facilities and with how public facility costs were used to evaluate study areas. The City retained Jacobs Engineers to conduct an analysis of all study areas for service feasibility and relative cost to extend water and sewer services. Its report is included in

Appendix C, Attachment 3. The findings address serviceability generally, by rating each study areas on a 5-point scale from “good” to “very poor.” Study areas also were evaluated for the cost to extend services economically. Cost comparisons converted area costs to a dwelling unit basis using the rated housing capacity in each study area. The findings in Appendix C for Goal 14 Location Factor 3 – Public Facilities reflect both the engineering feasibility to serve study areas as well as the service delivery costs per dwelling.

As a “Proposal” in Appendix D, the City identified the need to update its Public Facilities Plan for the areas added to the UGB to ensure that adequate facilities and services are planned for prior to or concurrent with urbanization.

**Goal 12.** The Court of Appeals did not find issues with the City’s Goal 12 findings. The City’s Goal 12 findings continue to apply. The City evaluated study areas relative to transportation considerations and made findings regarding transportation facilities for all modes. The City retained Jacobs Engineers to conduct an analysis of all study areas for comparative solutions to expand the transportation network. Its report is included in Appendix C, Attachment 3. The findings address transportation solutions generally, by rating each study areas on a 3-point scale from “good” to “very poor. Study areas also were evaluated for the cost to expand transportation facilities and transit accessibility. Cost comparisons considered the ability to upgrade existing network connections as well as the cost to build new infrastructure in each study area. The analysis also considered relative impacts on the existing transportation network from urban expansion. The findings in Appendix C for Goal 14 Location Factor 3 – Public Facilities reflect transportation feasibility to expand in each study areas, as well as the relative delivery costs on a per dwelling basis.

As a “Proposal” in Appendix D, the City identified the need to update its Transportation System Plan (TSP) consistent with the Transportation Planning Rule to address transportation needs related to the proposed UGB, which must occur prior to or concurrent with zoning that would allow urbanization in the areas added to the UGB. The approach to defer the TSP planning update until urban zoning is proposed is allowed by, and is consistent with, current law. No rezoning is proposed at this time that would trigger TPR provisions.

*Note: OAR 660-024-0020(1)(d) specifies: “The transportation planning rule requirements under OAR 660-012-0060 need not be applied to a UGB amendment if the land added to the UGB is zoned as urbanizable land, either by retaining the zoning that was assigned prior to inclusion in the boundary or by assigning interim zoning that does not allow development that would generate more vehicle trips than development allowed by the zoning assigned prior to inclusion in the boundary.”*

**Goal 13.** The Court of Appeals did not find issues with the City’s Goal 13 findings. The City’s Goal 13 findings continue to apply.

**Goal 14.** The Court of Appeals found issues with the City’s Goal 14 findings. The Court addressed the City’s application of Goal 14 and the Goal 14 location factors, including how they should be applied in relation to ORS 197.298. The City has significantly amended its Goal 14 findings after altering its approach to apply Goal 14 consistent with the “road map” outlined in the remand decision. Revised findings address the assignment of error.

The Court of Appeals did not find issues with the City’s findings regarding the Goal 14 “need” factors. Rather, the assignment of error found that the City did not use the Goal 14 location

factors in the correct sequence, incorrectly combined findings relative to provisions of Goal 14 and ORS 197.298 that are similar but not identical, did not analyze all study areas in a consistent manner, and did not consistently apply Goal 14 location factors to all study areas.

In responding to the Court's "road map" for addressing the assignment of error, the City has applied the Goal 14 factors in the correct sequence relative to ORS 197.298(1), made findings consistently regarding the application of ORS 197.298(3), developed and applied a rating system to consistently evaluate all study areas, identified which criteria in the rating system were applicable to the respective Goal 14 location factors, and conducted additional technical analysis in response to the assignment of error in the evaluation and rating process. The findings reference a series of Technical Memos which provide detailed information regarding the technical analysis and findings. The City evaluated the study areas described in the record, as well as additional study areas within one-mile of the UGB, to determine if there were additional higher priority lands suitable to meet identified land needs.

The Court of Appeals decision noted that conducting the analysis consistent with the "road map" could compel a different result and that in fact was the case. The City found that land needs could be met with a mix of higher priority land and adjacent lands of lower priority that must be included in the UGB in order to provide public facilities and services to those higher priority lands. Including qualifying higher priority lands allowed the City to meet its land needs without including other lower priority lands that were included in the 2006 UGB amendment. The City also identified higher priority exception lands that could meet a portion of the need as required by applicable law, despite concerns about the higher cost of services and relative inefficiency in meeting land needs that results from including the exception lands as compelled by state law. The updated findings demonstrate the revised UGB proposal is consistent with Goal 14.

While the findings are substantially amended and supplemented regarding Goal 14, much of the original data regarding the study areas remains relevant and carries forward into the updated findings.

The City's updated and supplemented findings demonstrate that the revised UGB proposal resulting from the applying the Court's road map, fully address the single assignment of error, and correctly apply Goal 14 and the applicable statutes. The resulting proposed UGB and revised MGMUP are consistent with Goal 14.

**Goals 15-19.** Goals 15-19 are not applicable to McMinnville's UGB amendment.

### **2.3 Summary of Findings Regarding State Law**

As the findings demonstrate, the City found the proposed UGB and MGMUP are consistent with all applicable Statewide Planning Goals, Statutes, and Administrative Rules, and the City has addressed the one assignment of error remanded by applying the Court's "roadmap" in analyzing and developing the proposed UGB and MGMUP update. Appendix D of the proposed MGMUP also includes adoption of provisions in the City's Comprehensive Plan to update the relevant functional planning documents (public facilities, transportation, Goal 5 Natural Resources, Goal 7 Hazards, etc.) prior to, or concurrent with urbanization of areas added to the UGB, to ensure those plans are consistent with and support the proposed UGB and MGMUP.

The analysis provided in Appendix C demonstrates the proposal is consistent with ORS 197.298, 197.732, Goal 2, and Goal 14. Appendix C narrates in detail how the City analyzed study areas

in a consistent manner and took decisions regarding the suitability of study areas to meet identified land needs in priority order with respect to the requirements of ORS 197.298.

## **2.4 Summary of Findings Regarding Local Law**

The Court of Appeals did not find issues with the City's findings of consistency with local law. The City's findings regarding consistency with local law continue to apply, except as amended. The City finds that the findings remain applicable with the revisions to the proposed UGB, except as amended to remove references to specific locations for NACs, to include findings regarding inclusion of the Riverside North exception area for industrial land use, and the update of Chapter X findings that supplement the findings regarding the remand process.

The City's findings further demonstrate the revised UGB and MGMUP are consistent with applicable local land use goals, policies, and regulations contained in the adopted and acknowledged Comprehensive Plan. Appendix D of the MGMUP includes proposed amendments to Volume 2 of the Comprehensive Plan (Goals, Policies, and Proposals) and Appendix E of the MGMUP includes proposed amendments to the Zoning Ordinance to be adopted concurrent with, and as part of the proposed MGMUP and UGB amendment. These provide internal consistency with applicable local law. The County also adopted the MGMUP, UGB, findings, and supporting documents as part of the Yamhill County Comprehensive Plan.

For the remand proceedings, the City has followed its quasi-judicial procedure to review and respond to the one remanded assignment of error in the Court of Appeals decision, in accordance with the requirements provided in the McMinnville Zoning Ordinance and applicable state law.

## **3.0 FINDINGS OF FACT – General Findings and Fact Base Incorporated by Reference**

This findings document provides conclusory findings regarding consistency with applicable provisions of state and local law. Supporting these is a factual basis upon which the conclusory findings rest.

The fact base includes the data referenced in the original findings and record, and is also supplemented with the new technical memos and appendices that are incorporated into these findings by reference. These include the following:

- Studies that document the physical conditions, features, resources, hazards, etc. within the study areas.
- Studies that identify serviceability considerations and costs, including maps, tables, and narrative.
- Documentation for developing and applying criteria to study areas for evaluating their suitability under applicable law and in the sequence required by applicable law.
- Findings that relate those criteria to the applicable provisions of state law for which findings must be made.

Findings that determined the adequacy of study areas to meet identified needs by applying the law consistent with the process and issues laid out in the Court of Appeals decision and remand.

#### **4.0 CONCLUSORY FINDINGS**

This findings document provides the conclusory findings regarding consistency of the proposed MGMUP and UGB amendment with applicable law. It incorporates findings of fact and a fact base from other supporting documents and appendices by reference.

The City Council finds that based on the findings contained in this findings report, the revised UGB amendment and updated MGMUP are consistent with all of the applicable criteria, and that the updated analysis addresses the upheld one assignment of error in the Court of Appeals remand decision, applying the “roadmap” as provided in the Court decision.



# **1.0 INTRODUCTION AND BACKGROUND**

***This section of the MGMUP Findings Document has been amended for the MGMUP 2020 Update. Where the original language of the 2003 MGMUP Findings amended in 2005 is included, it is preceded with a statement, such as “Following is the original language or text of the 2003 MGMUP Findings amended in 2005.***

## **1.1 Introduction**

The McMinnville City Council proposes a number of amendments to the text and maps of the McMinnville Comprehensive Plan and McMinnville Municipal Code. These amendments include an amendment to the McMinnville Urban Growth Boundary (UGB) to add 862.40 gross acres (662.40 gross buildable acres) of land for needed housing, employment opportunities, and livability. This proposed UGB amendment is accompanied by, and supported through, amendments to the Comprehensive Plan and McMinnville Municipal Code (MMC), which are described below.

This is Phase II of the 2003 McMinnville Growth Management and Urbanization Plan (MGMUP) or Plan that was first started in 1994 as a periodic review task with the Oregon Department of Land Conservation and Development (DLCD) to update the City of McMinnville’s Comprehensive Plan and to plan for future growth for a planning horizon of 2003-2023 in a proactive and strategic way that would maintain the special small town charm of McMinnville.

The MGMUP is the product of ten years of community engagement, community visioning and planning by the City of McMinnville from 1994-2003. It was adopted by the McMinnville City Council in 2003 via Ordinance No. 4796 and submitted to DLCD for review. The City had established a need for 900 gross buildable acres and submitted a UGB amendment for 881 gross buildable acres (1530 gross acres). 259 gross buildable acres was approved (described hereafter as Phase I) and the remaining expansion land was challenged by opposition.

After years of challenges and appeals, the Plan was ultimately remanded to the City of McMinnville by the Land Conservation and Development Commission (LCDC) in 2012 after the Plan was appealed to the Oregon Court of Appeals and remanded back to the LCDC. Disappointed and defeated by many years of opposition and challenges, the City elected to pause on its effort to move forward with the Plan.

In January, 2020, the McMinnville City Council elected to resurrect the MGMUP and work on the final assignment of error from the Court of Appeals in order to address the City’s need for additional land supply to accommodate the additional housing, employment opportunities, and livability amenities associated with population growth pressures. This is hereafter referred to as Phase II of the MGMUP UGB amendment of the MGMUP 2020 Remand.

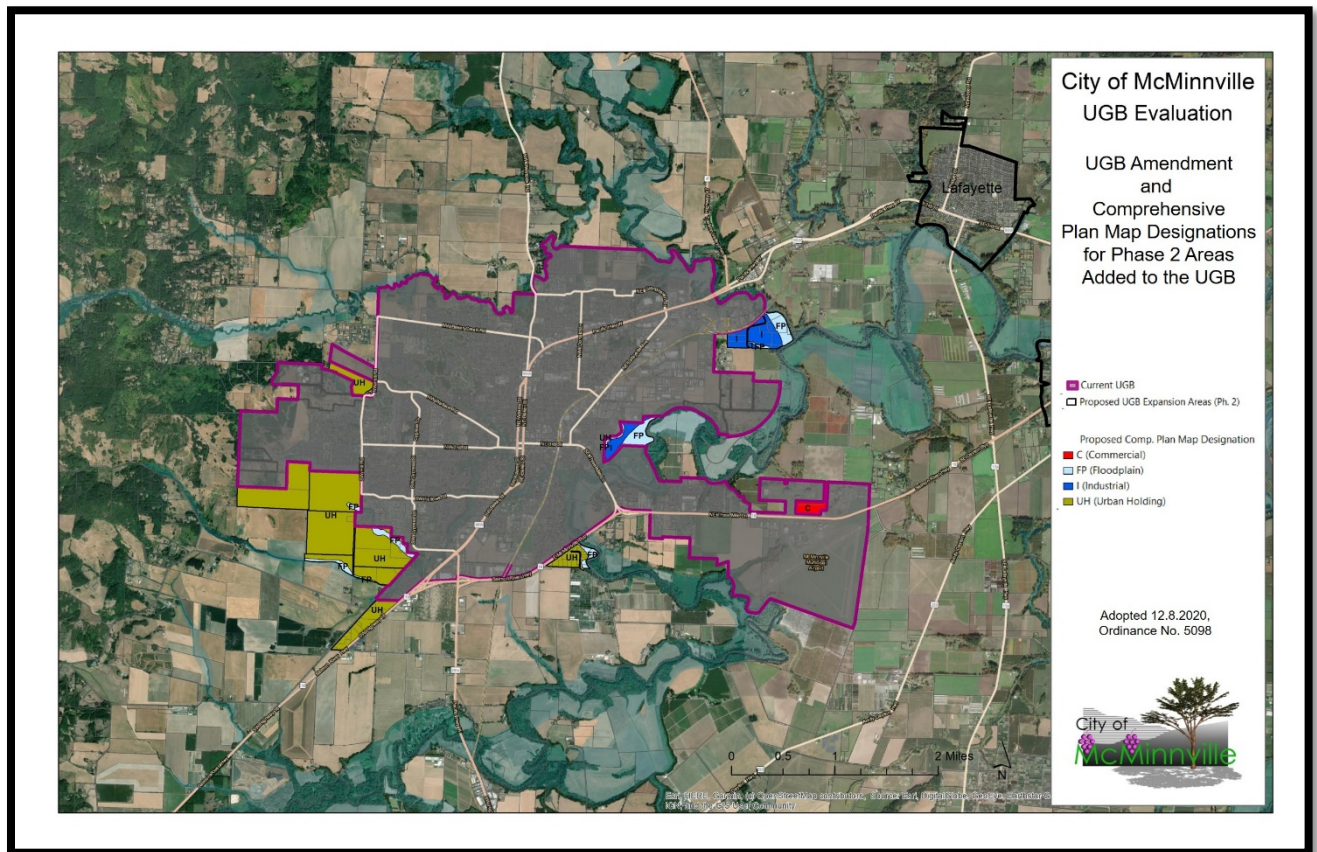
This document presents the Findings of the McMinnville City Council for this effort. These findings explain how the City’s proposed Comprehensive Plan Map amendment, Comprehensive Plan text amendments and municipal code amendments satisfy applicable state and local land use regulations. The applicable state land use laws are those identified in either the Oregon Revised Statutes (ORS) or the Oregon Administrative Rules (OARs). The applicable City land use laws are cited as either policies from the McMinnville Comprehensive Plan or approval and procedural criteria from the McMinnville Municipal Code. The Findings also refer to evidence in the UGB

record on remand that has been developed to support the proposed changes to the Comprehensive Plan and Municipal Code.

## 1.2 Proposed UGB Amendment – Phase II of the MGMUP

The McMinnville City Council proposes an amendment to the McMinnville UGB to add 862.40 gross acres for needed housing, employment opportunities and other urban uses associated with livability (parks, public amenities, churches, schools, etc.). The amendment is reflected on Map 1 below. (For more details, including proposed tax lots and acreages, please see Appendix F of the MGMUP).

### **Map 1: McMinnville MGMUP Remand UGB Comprehensive Plan Map Amendment Identifying UGB Land Expansion for the Phase II MGMUP UGB Amendment.**



The City Council proposes to apply the following comprehensive plan designations on the land proposed for the UGB amendment.

**Table 1-1: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross acres, (Phase II)**

<b>Comprehensive Plan Designation</b>	<b>Gross Acres</b>
<b>Urban Holding</b>	<b>621.60</b>
<b>Commercial</b>	<b>27.50</b>
<b>Industrial</b>	<b>92.30</b>
<b>Floodplain</b>	<b>121.0</b>
<b>Total</b>	<b>862.40</b>

This UGB amendment equates to 662.40 gross buildable acres to serve an identified land need of 665 gross buildable acres per Table 1-2 below.

**Table 1-2: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross buildable acres, (Phase II)**

<b>Comprehensive Plan Designation</b>	<b>Gross Buildable Acres</b>
<b>Urban Holding</b>	<b>595.40</b>
<b>Residential</b>	<b>0.00</b>
<b>Commercial</b>	<b>26.70</b>
<b>Industrial<sup>1</sup></b>	<b>40.30</b>
<b>Total</b>	<b>662.40</b>

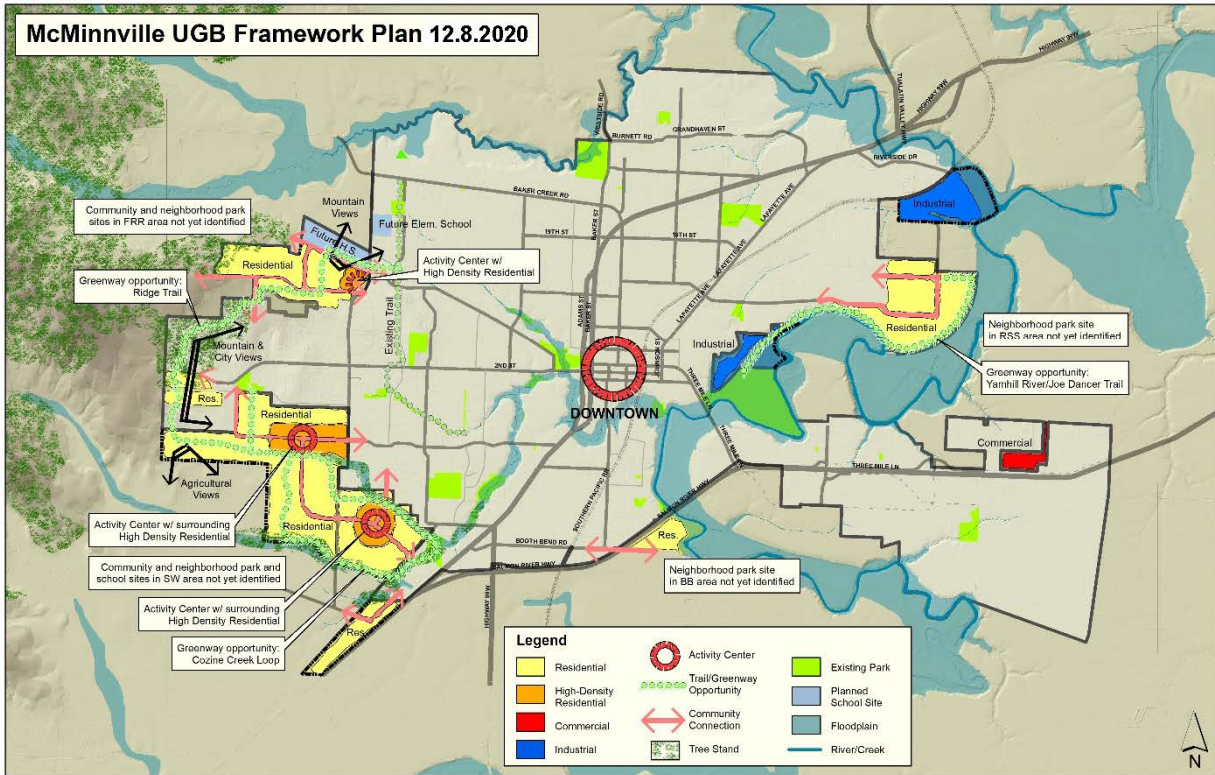
<sup>1</sup> The City of McMinnville will retain its Industrial Land surplus in order to achieve its economic development strategy.

Most of the proposed UGB expansion for Phase II of the MGMUP is southwest of the existing UGB. This proposed UGB expansion will accommodate approximately 1,651 housing units, 106 gross buildable acres for office, retail and neighborhood serving commercial development, park acreage for community parks, neighborhood parks, and greenways, and acreage for other uses such as churches, public facilities and infrastructure.

The McMinnville City Council proposes to engage in an area planning process for the proposed expansion area to ensure that all of the identified needs in Appendix B of the MGMUP are realized. The Area Plans will be adopted by the McMinnville City Council as high level master planning for a UGB expansion area prior to annexation of land into the city limits. All property owners with parcels greater than 10 acres will then need to provide a conceptual master plan to annex into the city indicating how they propose to achieve the covenants of the adopted Area Plan for the their property.

As part of this planning effort, the McMinnville City Council will adopt Appendix G of the MGMUP that prescribes the Area Planning and Master Planning process, and provides a Framework Plan as a guiding document for the area planning process per Map 2 below.

## Map 2: McMinnville UGB Framework Plan

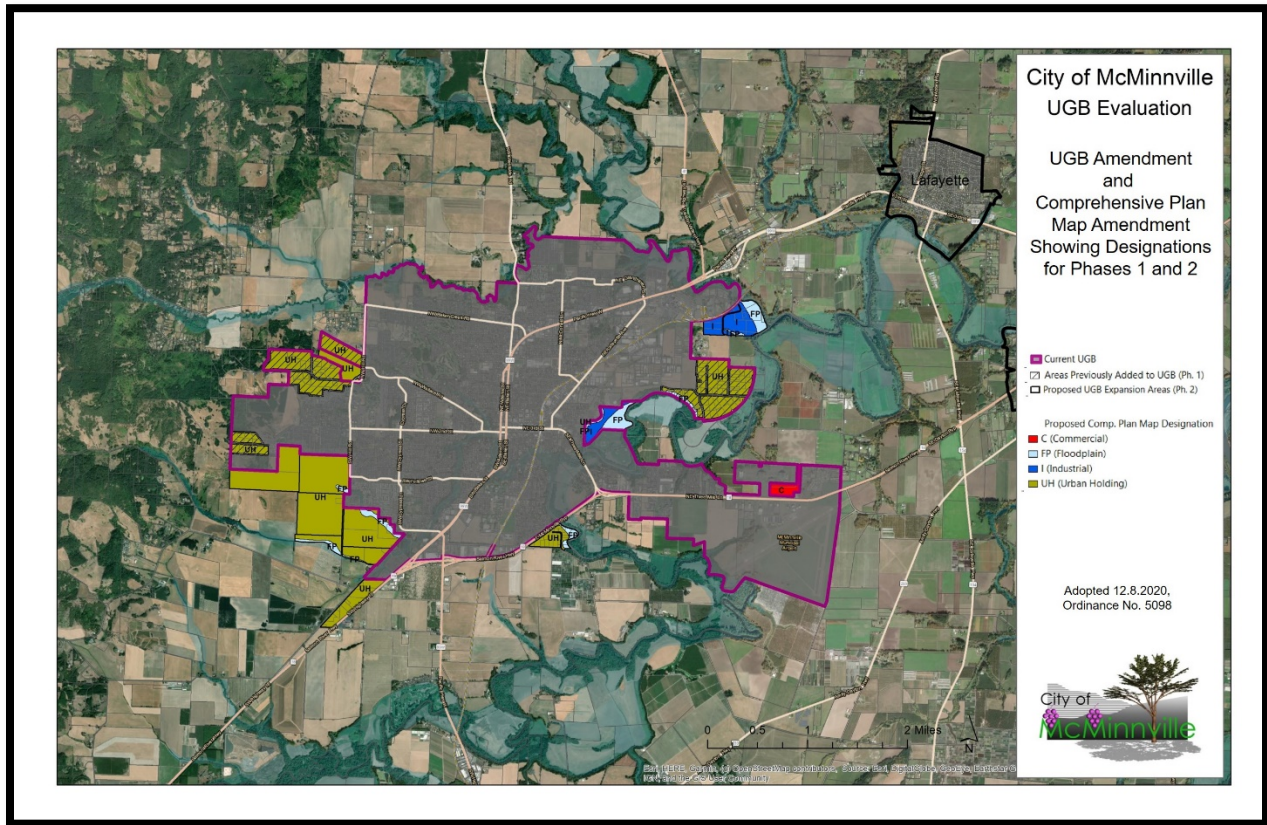


### 1.3 Proposed Amendments to the McMinnville Comprehensive Plan

In addition to the proposed Comprehensive Plan Map Amendment identified in Map 1 to amend the existing UGB by 862.40 gross acres and 662.40 gross buildable acres, the McMinnville City Council proposes to amend the Comprehensive Plan Map by re-designating the land that was originally amended into the City of McMinnville's UGB in 2004 (hereinafter referred to as the Phase I UGB amendment of the MGMUP) to accommodate the proposed Framework Plan and Area Planning process described in Appendix G of the MGMUP. (Please see Map 3 below).



**Map 3: McMinnville MGMUP Remand UGB Comprehensive Plan Map Amendment Showing Comprehensive Plan Designations for Phase I and Phase II of the MGMUP UGB Amendment**



This results in the comprehensive plan designations identified in Table 1-3.

**Table 1-3: Comprehensive Plan designations in the McMinnville UGB, 2003-2023, gross acres, (Phase I and Phase II)**

Comprehensive Plan Designation	Gross Acres
Urban Holding	1039.50
Commercial	27.50
Industrial	92.30
Floodplain	121.00
<b>Total</b>	<b>1280.30</b>

The McMinnville City Council also proposes text amendments to the following chapters of the McMinnville Comprehensive Plan:

**Volume II – Goals and Policies:**

- **Chapter II – Natural Resources** (adding two proposals regarding Natural Hazards)
- **Chapter IV – Economy** (some minor text amendments and one new proposal regarding updating the commercial and industrial zones in the zoning ordinance every ten years)
- **Chapter V – Housing** (removing the Westside Density Policy, adding policies relative to a new High Density Residential Zone (R-5) and adding a proposal regarding evaluating the locational policies for low, medium and high density residential zones to ensure integration of housing types in neighborhoods and throughout the community).
- **Chapter VII – Facilities and Services** (adding proposals relative to the need to update the public facility plans every five years and following every major UGB amendment).
- **Chapter IX – Urbanization** (adding policies about the MGMUP Guiding Principles for Future Land Use in McMinnville, the UGB expansion area planning process, neighborhood activity centers, and adding ten new proposals about the need to develop more specified comprehensive plan designations and zones for parks, public facilities and the airport)

The MGMUP and its appendixes are also proposed to be adopted as new appendixes to the McMinnville Comprehensive Plan as outlined below:

**MGMUP – The “Plan” or the McMinnville Growth Management and Urbanization Plan**

- **Appendix A – Population and Employment Forecast**
- **Appendix B – Buildable Lands Analysis**
- **Appendix C – Urbanization Report or the Alternative Lands Analysis**
- **Appendix D – Proposed Comprehensive Plan Policy Amendments**
- **Appendix E – Proposed Zoning Ordinance Amendments**
- **Appendix F – Proposed Comprehensive Plan Map Amendment**
- **Appendix G – The Framework Plan and Area Planning Process**

**1.4 Proposed Amendments to the McMinnville Municipal Code**

The proposed McMinnville Municipal Code (MMC) amendments are to Chapter 17 of the MMC, commonly referred to as the Zoning Ordinance or the Development Code, and are more specifically described as:

- Add a new Planned Development Overlay, Neighborhood Activity Center Overlay District
- Add a new Chapter, 17.10, Area and Master Planning Process
- Add a new Chapter, 17.22, High Density Residential Zone

## 1.5 History of the MGMUP and the 2020 Remand

The MGMUP 2020 Remand builds upon the foundational documents of the MGMUP from 1994 to 2006 that are established in the legal record of the Court of Appeals of the State of Oregon Decision A134379, 1000 Friends of Oregon, Friends of Yamhill County, and Ilsa Persa, Petitioners versus the Land Conservation and Development Commission, and the City of McMinnville, Respondents, Land Conservation and Development Commission 06WKTASK001709, 08WKTASK001760, July 13, 2011.

**Table 1.4: History of Legal Milestones for the MGMUP**

August 26, 1994	Department of Land Conservation and Development (DLCD) approved the City of McMinnville's periodic review work program.
1994 – 1995	City conducts commercial land inventory and projection of need.
1994 – 1995	City conducts residential land inventory and projection of need.
1995 – 1997	City amends residential land inventory and need to conform with newly adopted HB 2709
1996 – 1998	City conducts McMinnville 2020 Visioning project
May 21, 1998	Yamhill County approves city's population projection to 2020 and methodology.
June 30, 1998	DLCD affirms city's population projection and methodology approved by Yamhill County.
May 22, 2001	McMinnville City Council approved <b>Ordinance No. 4746</b> adopting the 2001 McMinnville Residential Land Needs Analysis as part of the Comprehensive Plan per Goal 10, and ORS 197.296.
June, 2001	Department of Land Conservation and Development appealed the City Council adoption to the Oregon Land Use Board of Appeals.
November, 2001	Final draft of 2001 Economic Opportunity Analysis is prepared
December 19, 2001	LUBA remanded the McMinnville Residential Land Needs Analysis to the City.
2002 – 2003	City conducts local community forums to respond to remand.
March 25, 2003	Yamhill County approves City's population project to 2023 based on extrapolating approved population projection for 2020 and approved methodology.
October 14, 2003	The City approved <b>Ordinance 4795</b> adopting the McMinnville Economic Opportunities Analysis as part of the Comprehensive Plan, per Goal 9.
October 14, 2003	The City approved <b>Ordinance 4796</b> in response to Task 1, "Inventory of Commercial Lands" of the periodic review work program pursuant to ORS 197.633 and OAR Chapter 660, Division 25, as well as a urban growth boundary (UGB) amendment pursuant to ORS 197.626, OAR 660-025-0040(1)(a), and OAR 660-025-0175(1), adopting the McMinnville Growth Management and Urbanization Plan (MGMUP); Appendix A, "Population and Employment Justification"; Appendix B, "Revised Buildable Land Analysis"; Appendix C, "Alternative Sites Analysis"; Appendix D, "Proposed Plan Policy Amendments"; Appendix E, "Proposed Zoning Ordinance Amendments"; Appendix F, "Proposed Comprehensive Plan Map Amendments and Zone Changes"; and the McMinnville Growth Management and Urbanization Plan –

	Findings including the revised 2001 McMinnville Housing Needs Analysis and 2001 McMinnville Economic Opportunity Analysis”.
December 6, 2004	Land Conservation and Development Commission (LCDC) partially approved (418 gross acres of UGB amendment) and partially remanded (1,121 acres of UGB amendment), <b>LCDC Order 04-WKTASK-001645</b> .
January 11, 2006	The City approved <b>Ordinance No. 4840</b> and <b>Ordinance No. 4841</b> , amending the MGMUP and its appendices and findings to respond to the LCDC remand of 2004, requesting a UGB amendment for 793.61 gross acres and 663.40 gross buildable acres.
January 23, 2006	DLCD received a letter of objection from Mark Davis to the City’s MGMUP approval.
February 3 and February 17, 2006	DLCD received letters of objection from 1000 Friends of Oregon, Friends of Yamhill County and Ilsa Perse to the City’s MGMUP approval.
May 31, 2006	DLCD approved McMinnville’s Periodic Review Task 1 and the UGB Amendment by <b>DLCD Order 001696</b> .
June 22, 2006	DLCD received an appeal of Order 001696 from 1000 Friends of Oregon, Friends of Yamhill County and Ilsa Perse.
November 8, 2006	LCDC issued <b>Approval Order 06-WKTASK 001709</b> which approved the City’s Periodic Review Task 1 and UGB amendment, pursuant to OAR 660-025-0160 and OAR 660-025-0160, after conducting a hearing in September, 2006.
August 1, 2007	1000 Friends of Oregon, Friends of Yamhill County and Ilsa Perse petitioned the Court of Appeals about the LCDC Approval Order 06-WKTASK 001709.
November 20, 2007	LCDC withdrew Approval Order 06-WKTASK 001709.
Early 2008	City and Petitioners (1000 Friends, Friends of Yamhill County and Ilsa Perse) tried to mediate a remedy.
November 17, 2008	LCDC issued <b>Order on Reconsideration of Approval Order 08-WKTASK-001760</b> , when it became clear that the mediation efforts did not work, which again approved the City’s Periodic Review Work Task 1 and UGB Amendment.
Early 2009	City and Petitioners (1000 Friends, Friends of Yamhill County and Ilsa Perse) again tried to mediate a remedy.
October 13, 2009	1000 Friends, Friends of Yamhill County and Ilsa Perse filed a supplemental opening brief in the Court of Appeals appealing LCDC’s <b>Order on Reconsideration of Approval Order 08-WKTASK-001760</b> .
July 13, 2011	Court of Appeals issued a remand decision on the appeal of <b>Order on Reconsideration of Approval Order 08-WKTASK-001760</b> .
January 31, 2012	State Court Administrator sent a copy of the decision to LCDC and the court decision became effective.
February 29, 2012	LCDC remands the City’s MGMUP UGB amendment back to the City per <b>Remand Order 12 – WKTASK-001814</b> .
January 8, 2013	The City adopts <b>Ordinance No. 4961</b> amending Ordinance No. 4796, and 4840 to remove the MGMUP, Appendix C, elements of Appendix D, elements of Appendix E, and the MGMUP Findings from the McMinnville Comprehensive Plan, repealing Ordinance No. 4841 in its entirety, and “to delay further work necessary to satisfy” the LCDC <b>Remand Order 12 – WKTASK-001814</b> .



January 22, 2020	McMinnville City Council directed staff to finish the work on the LCDC <b>Remand Order 12 – WKTASK-001814</b> .
December 1, 2020	McMinnville City Council first evidentiary hearing of <b>MGMUP UGB 2020 Remand</b> .
December 8, 2020	McMinnville City Council adopts Ordinance No. 5098, amending the McMinnville Comprehensive Plan map to add 862.40 gross acres (or 662.40 gross buildable acres) to McMinnville's UGB, assigning Comprehensive Plan designations to all land within McMinnville's UGB, adopting Comprehensive Plan Policy Amendments and Zoning Ordinance Amendments.
December 10, 2020	Yamhill County Board of County Commissioners' first evidentiary hearing to consider McMinnville's UGB proposal.
December [REDACTED], 2020	Yamhill County Board of County Commissioners adopt Ordinance No. [REDACTED] approving the MGMUP and McMinnville's UGB proposal.

The proposed UGB amendment for the City of McMinnville is for the planning horizon of 2003-2023. This UGB amendment work first started in 1994, with Work Task 1 of the City of McMinnville's periodic review work program that was initiated in 1988 and approved on August 26, 1994. Work Task 1 originally included an "Inventory of Commercial Lands". That work task was later modified to include a UGB amendment.

The UGB amendment is built upon a visioning effort that the City undertook with widespread community engagement in 1997 and 1998 for a McMinnville 2020 vision. The City of McMinnville prepared materials for the UGB amendment, including a coordinated population forecast, housing needs analysis, employment opportunity analysis and land-use efficiency measures in compliance with state regulations at the time. Over the years, the City has faced significant opposition at every official decision-making point of the approval process, and has found itself revising data, updating the analysis, and amending the decision timetable in order to respond to the oppositional challenges, which is reflected in the following timeline.

In 2003, the City of McMinnville City Council approved and submitted the McMinnville Growth Management and Urbanization Plan (MGMUP or "Plan") to the Department of Land Conservation and Development (DLCD) Executive Director for acknowledgement (Ordinance No. 4796). That submittal was challenged by local and state-wide opponents and was remanded to the City of McMinnville for corrections. In 2005, the City of McMinnville City Council approved an amendment of the MGMUP to address the DLCD Remand (Ordinance No. 4840 and Ordinance No 4841). The Executive Director of DLCD approved the Plan, and it was appealed to the Land Conservation and Development Commission (LCDC). LCDC approved the Plan, and the LCDC decision was appealed to the Court of Appeals of the State of Oregon (Court of Appeals) in 2006. The City and its opponents tried to mediate differences from 2007 – 2010. Mediation stopped in 2010 when opponents submitted a supplemental petition to the Court of Appeals. The Court of Appeals reviewed the appeal in 2011 and issued a decision remanding one assignment of error to LCDC, who then subsequently remanded the same assignment of error to the City of McMinnville in 2012. (See Attachment 1 for LCDC Remand Order WKTASK-001814, Court of Appeal Decision A134379, City of McMinnville Ordinance's 4841, 4840, 4796, and the Court of Appeal legal record.)

## **1.6 The MGMUP 2020 Remand**

The City Council recognizes that the UGB process in McMinnville has gone on longer than anyone anticipated, but concludes that the City cannot abandon the work products and public engagement that informed the UGB proposal preceding the Remand Order. The City of McMinnville has invested a tremendous amount of resources and staff time in the preparation of these materials, and the community of McMinnville has invested years of public engagement, community dialogue and visioning in the outcome of this proposal. Nearly twelve years of work went into preparing the MGMUP and the Council finds that it should not abandon that work for a new planning period, which would necessitate a new proposal and years more of anticipated legal challenges.

In 2005 and 2006, before the City adopted Ordinances 4840 and 4841, the City sought informal comment from DLCD regarding certain updates to the documents, including a proposed update to the BLI and Needs Analysis to update the Planning Horizon to 2006-2026 due to the time that had passed since the plan was based on the 2003-2023 planning documents. At that time, DLCD advised the City that it was required to use the 2003-2023 planning period since the documents had already been acknowledged as part of the completion of the Periodic Review work program. (LCDC Order 04-WKTASK-001645). Therefore, the City continues to rely on the acknowledged population, employment, and land need analysis that informed the 2003-2023 planning horizon for this UGB proposal. This continuation of the Periodic Review work program is allowed by the Remand Order and other applicable legal standards.

The McMinnville City Council is choosing to utilize the legal record as the basis for the MGMUP 2020 Remand effort. The population and employment forecast in Appendix A and the Buildable Land Needs Analysis in Appendix B (with one amendment to recognize a conservation easement that was recorded on 81 acres of residential land within the city's existing UGB in 2008 that altered the established buildable lands inventory – Instrument #200806532 and Instrument #200903015), both serve as foundational elements of the land need analysis. And the partial approval of 418 acres (259 gross buildable acres) of land in 2004 by DLCD is accounted for in the remand effort. With a total land need of 924.10 gross buildable acres to establish the housing, employment and livability land needs concluded by Appendix B to meet a future population forecast of 44,055 determined by Appendix A, this MGMUP 2020 Remand effort is focused on the remaining 665.10 gross buildable acres of land need that remains.

## **1.7 The Development of the Findings**

This findings document presents the findings of the McMinnville City Council. The findings in this document address the relevant legal standards in State of Oregon statutes and administrative rules that are applicable to McMinnville's 2003 – 2023 UGB proposal. These findings explain how the City's proposed plan and land use regulation amendments satisfy applicable land use law and rules of the State and the City of McMinnville. The applicable State land use laws are those identified either in the listed Oregon Revised Statutes (ORS) or the listed Oregon Administrative Rules (OAR), most of which related to Statewide Land Use Planning Goals (Goals). The applicable City land use laws are cited either as policies and regulations from McMinnville's Comprehensive Plan, from the 2020 MGMUP, or from the McMinnville City Code. The findings also refer to evidence in the existing planning record, particularly from the previously adopted 2003 Findings, and to new evidence that has been developed during the remand response period, to support the proposed changes to the McMinnville Comprehensive Plan, MGMUP, UGB, and the McMinnville City Code.

The findings reference documents and evidence in the McMinnville UGB Remand Record. Documents, analytics, and reference resources that were developed more recently are referenced in the findings and are included as part of the remand submission record. The full record is also available on the City’s web site via the following link: [www.growingmcminnvillemindfully.com](http://www.growingmcminnvillemindfully.com), and more specifically at <https://www.mcminnvilleoregon.gov/planning/page/mgmup-2003-ugb-remand-project>.

Generally, findings summarize more detailed analysis found in referenced supporting documents in order to address the relevant legal standards and help the reader understand the UGB proposal. The findings are more easily understood if the reader has access to the key documents supporting the UGB proposal such as the record. The record and key documents supporting the findings are also posted on the City’s website.

The UGB adoption package consists of the MGMUP, its appendices and attachments, and the Findings Report. The UGB adoption package will assure efficient use of land within the UGB and in expansion areas to accommodate all the City’s needs for housing, employment opportunities and livability for the planning horizon of 2003-2023. For continuity and to help the reader grasp the foundation that the 2003 MGMUP findings provide for the MGMUP 2020 Remand Update, the introduction and background findings from the 2003 MGMUP findings are included on the next page.

## **1.8 Conclutory Findings**

This findings document provides the conclusory findings regarding consistency of the proposed MGMUP and UGB amendment with applicable law. It incorporates findings of fact and a fact base from other supporting documents and appendices by reference.

The City Council finds, that based on the findings contained in this findings report, that the revised UGB amendment and updated MGMUP are consistent with all of the applicable criteria, and that the updated analysis addresses the one assignment of error in the Court of Appeals remand decision, applying the “roadmap” as provided in the Court decision.

---

### ***Following is the original Introduction and Background of the MGMUP Findings adopted in 2003 and amended in 2005 . . . .***

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.<sup>1</sup> McMinnville has been one of the fastest growing cities in Oregon and is now the 15<sup>th</sup> 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.<sup>2</sup> These new residents will require additional land for housing, commerce, industry, schools, parks, and places of worship, among other uses.

---

<sup>1</sup> Portland State University estimated McMinnville’s July 1, 2002 population at 28,200.

<sup>2</sup> Appendix A provides justification for the population and employment forecasts.

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. In 2001 and 2002, the City 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.

-----

## 2.0 PROCEDURAL FINDINGS

---

***The Procedural Findings is a new addition to the MGMUP Findings Document as part of the MGMUP 2020 Update.***

### 2.1 Introduction

These procedural findings describe the process that the City used to respond to the Land Conservation and Development Commission (LCDC) Remand Order 12-WKTASK-001814. On February 29, 2012, LCDC issued a remand order for the City of McMinnville's response to a partial remand order issued in 2004, LCDC Remand Order 04-WKTASK-001645. The February 29, 2012 remand order was in response to a Court of Appeals decision of the LCDC Order on Reconsideration of Approval Order 08-WKTASK-001760, the commission's approval of the City's response to the 2004 remand. The Court of Appeals issued a decision remanding one assignment of error to the LCDC approval. LCDC then subsequently turned around and remanded that one assignment of error to the City of McMinnville.

The remand was in response to the City of McMinnville's revised UGB submittal (793.61 gross acres and 663.40 buildable acres) adopted with Ordinance No. 4840 and Ordinance No. 4841, seeking approval of the second phase of a UGB submittal to satisfy the needed housing, employment and livability land supply to serve a population forecast of 44,055 people. The first phase of the UGB submittal (418 gross acres and 259 buildable acres) was approved as a partial approval of the original submittal in 2004.

Through this remand order, LCDC identified those areas where the city either needed to prepare new findings and/or complete new work on certain tasks consistent with LCDC's Order. The Commission ordered that the city's UGB amendment submittal needed to be remanded for further findings that were consistent with the Court's final opinion and order. On remand, the LCDC order states that *"the city may either (a) include the city's UGB amendment submittal, as illustrated in Figure 6 (Exhibit B) of Ordinance 4841, based on (1) findings of its particular and quantified land use need that are to be accommodated by any additional land added to the McMinnville UGB that are supported by substantial evidence; (2) application of ORS 197.298 to determine the land available to accommodate those quantified land use needs; (3) application of Goal 14 to justify the inclusion of suitable land in any amended UGB; or (b) fulfill the requirements of accommodating its identified needs, including by amending the city's UGB, in any other manner that complies with the statewide planning goals."*

The City Council is electing to amend the UGB amendment submittal adopted by Ordinance No. 4841 consistent with the Court's final opinion and order.

### 2.2 Application of the Court of Appeals Decision

#### 2.2.1 The Court of Appeals Decision

Before the Court of Appeals of the State of Oregon, Petitioners 1000 Friends of Oregon, Friends of Yamhill County, and Ilsa Perse appealed the Land Conservation and Development Commission's approval of the City of McMinnville's UGB amendment. The Court of Appeals issued its decision on July 13, 2011.

Petitioners argued that there were three assignments of error:

---

- **First Assignment of Error:** The Commission erroneously interpreted provisions of law (ORS197.298, Goal 14, ORS 197.732(1)(c)(B), and Goal 2, Part II(c), and OAR 660-004-0020) made a decision not supported by substantial evidence, and acted inconsistently with official agency position, in approving the City of McMinnville’s proposal to expand the UGB onto certain lands planned and zoned for exclusive farm use, rather than onto other lands.
- **Second Assignment of Error:** The Commission erroneously interpreted provisions of law and made a decision not supported by substantial evidence when it approved the City’s proposal regarding the amount and type of land necessary for parks in the expansion area.
- **Third Assignment of Error:** The Commission failed to follow the law and made a decision not supported by substantial evidence when it inaccurately accounted for the city’s high density housing need and approved the city’s determination of the number of acres by which the UGB must be expanded.

The Court agreed with the First Assignment of Error and dismissed the Second and Third assignments of error. The City is taking up the remand from the Court of Appeals and LCDC, and limits its consideration of evidence submitted to that which addresses the single assignment of error that was remanded. Accordingly, the Council finds that any and all evidence and testimony not pertaining to the one remanded assignment of error, including but not limited to evidence and testimony addressing amount and type of land necessary for parks, and amount and type of land required to address the City’s high density housing needs, is beyond the scope of the issue before the Council on remand and therefore is rejected.

## 2.2.2 Court Direction for Remand and Alternatives Analysis

The Court of Appeals provided an analysis laying out the proper procedure for applying ORS 197.298 and Goal 14 for prioritizing lands as part of a UGB amendment process. The decision states:

ORS 197.298 does provide the first cut in the sorting process and that Goal 14 is then applied to justify the inclusion or exclusion of the sorted lands and any remaining choices about what land to include in the boundary. Goal 14 also plays a role in identifying the types of land that are subjected to the priorities statute. Goal 14 is used in evaluating the adequacy of available land under ORS 197.298(1). . . . *1000 Friends of Oregon v. Land Conservation & Dev. Comm’n*, 244 Or. App. 239, 254 (2011).

## 2.2.3 Step One: Determination of Land Need

The Court of Appeals then walked through the proper process for undertaking the UGB analysis as described above. It first identified “Step One” as a determination of land needed under ORS 197.298.

[T]he descending priorities in ORS 197.298(1) are applied to determine whether the priority land is “inadequate to accommodate the amount of land needed.” The first step is to determine the “amount of land needed.” That determination is necessarily made by the application of Goal 14, which provides that “[e]stablishment and change of the boundaries shall be based upon considerations of the following factors: (1) Demonstrated need to

accommodate long-range urban population growth requirements consistent with LCDC goals; (2) Need for housing, employment opportunities, and livability. . . .” *1000 Friends*, at 255 (internal citations omitted).

In applying those two Goal 14 factors, the Court noted that “Factor 1 pertains to a determination of overall land need in order to accommodate population growth” and that Factor 2 “requires subcategorization of that [Factor 1] need at least to specify separate quantities of land needed for ‘housing, employment opportunities, and livability.’”

#### **2.2.4 Step Two: Determination of Adequacy of Candidate Lands Under ORS 197.298 (1) and (3)**

The Court then identified “Step Two” as the requirement to make a determination of the adequacy of the candidate lands under ORS 197.298(1) and (3).

[A]ny necessary UGB amendment process for purposes of land development begins with the identification of buildable land that is contiguous to the existing boundary. ORS 197.296(6)(a) makes this step explicit for housing needs, requiring the locality to “[a]mend its urban growth boundary to include sufficient buildable lands to accommodate housing needs.” For this and other purposes, ORS 197.295(1) defines “buildable lands” as “lands in urban and urbanizable areas that are suitable, available and necessary for residential uses . . . [including] both vacant land and developed land likely to be redeveloped.” LCDC has further defined “suitable and available” buildable lands to exclude land that is severely constrained by natural hazards under Goal 7; subject to natural resource protection measures under Goals 5, 15, 16, 17, or 18; severely sloped; within a floodplain; or to which public facilities “[c]annot be provided.” OAR 660–008–0005(2).

The adequacy assessment under ORS 197.298(1), then, applies to land that could be developed. The candidate land, whether exception land or different types of agricultural land, must be “buildable.” So, evaluating whether candidate land is “inadequate” under ORS 197.298(1) requires considering qualities other than whether the land is buildable.

\* \* \*

[T]he more specific limitations in ORS 197.298(3) displace the application of their more generic and flexible Goal 14 counterparts in the application of ORS 197.298(1). That displacement gives meaning to ORS 197.298(3), which reads that it—as opposed to other factors—is applied to determine “if land of higher priority is . . . inadequate to accommodate the amount of land estimated in subsection (1).” That explicit requirement precludes the application of any analogous, but less restrictive, suitability criteria under ORS 197.298(1) to make that same determination, i.e., whether higher-priority land “is inadequate to accommodate the amount of land needed.” That limited use of Goal 14 in applying ORS 197.298(1) avoids the complete conflation of Goal 14 and ORS 197.298 and allows for the sequential application of ORS 197.298(3).

Instead, the Goal 14 locational factors that are applied under ORS 197.298(1) . . . are those that are not the counterparts to the ORS 197.298(3) factors: Factor 5 (“Environmental, energy, economic and social consequences”) and Factor 7 (“Compatibility of the proposed urban uses with nearby agricultural activities”). The application of Goal 14, Factors 5 and 7, at this point parallels the separate considerations

for determining the location of a UGB amendment that are required by the Goal 2 exception criteria that are incorporated into Goal 14; that parallel reinforces the logic of a limited use of Goal 14 as part of the application of ORS 197.298. *1000 Friends*, at 262-264.

### **2.2.5 Step Three: Determination of Suitability of Candidate Lands for Inclusion Under Goal 14.**

The Court of Appeals then explained “Step Three” as the identification of which lands should be included under Goal 14. Its decision explained how.

Goal 14 is independently applied, then, *after* land has been prioritized under ORS 197.298 as adequate to accommodate the identified need. ORS 197.298 operates, in short, to identify land that *could* be added to the UGB to accommodate a needed type of land use. Thereafter, Goal 14 works to qualify land that, having been identified already under ORS 197.298, *should* be added to the boundary. This works in two ways—both to make choices among land in the lowest rung of the priority scheme and to justify the inclusion of the entire set of lands selected under ORS 197.298. Once candidate lands have been located under ORS 197.298 (i.e., the higher-priority lands that have been identified as adequate to satisfy part of a land need and any remaining lower-priority lands that exist in quantities sufficient to accommodate the remaining need), the location of the boundary changes is determined by the full and consistent application of the Goal 14 locational factors, the Goal 2 exception criteria to those candidate lands, and relevant plan and ordinance criteria.

It is at this point in the analysis that cost efficiencies in the provision of public facilities and services become relevant. Considerations of Goal 14, Factor 3 (provision of public facilities and services) and Factor 4 (efficiency of land uses), at this point—in combination with the other Goal 14 locational factors—may prompt the discarding of candidate land identified under ORS 197.298, and the selection of land otherwise consistent with the Goal 14 factors. *1000 Friends*, at 265–66 (emphases in original).

Although the Legislature has implemented changes to ORS 197.298, including the adoption of ORS Chapter 197A (otherwise applicable through ORS 197A.320), as well as changes to Goal 14 and its implementing rules, the Legislature preserved the right of the City to complete its UGB analysis under the then-statutes and rules. Oregon Laws 2016, Chapter 81, Section 1 provides the following:

Notwithstanding ORS 197A.320, a city outside of Metro that submitted to the Director of the Department of Land Conservation and Development, pursuant to ORS 197.610, a proposed change to an acknowledged comprehensive plan or a land use regulation that included an evaluation or an amendment of its urban growth boundary, or that received approval of a periodic review work program that included a work task to amend or evaluate its urban growth boundary pursuant to ORS 197.633, prior to January 1, 2016, but did not complete the evaluation or amendment of its urban growth boundary prior to January 1, 2016, may complete the evaluation or amendment pursuant to statutes and administrative rules in effect on June 30, 2013.



## **2.3 Remand Regulatory Framework**

Per OAR 660-024-0000, the City Council chooses to use the same regulatory framework that existed when the MGMUP was first drafted, approved and submitted to the Department of Land Conservation and Development for review and acknowledgment.

The Court found that the City didn't apply some of the applicable state law in the correct sequence. The Court also found that the City incorrectly treated certain similar provisions in rule and statute as allowing for identical findings. However, since the provisions were similar, but not identical, separate findings were required to address these separate requirements. Therefore, a finding regarding one provision was an insufficient finding regarding compliance with the other similar, but not identical, provision. Separate conclusory findings regarding separate provisions of state law and rule, while made separately, may rely on many or all of the same factual findings to arrive at similar conclusions.

OAR 660-024, which implements Goal 14 and ORS 197.040, was not in effect until 2007 and, therefore, it is not applicable to this remand. OAR 660-024-0020 clarifies which goals and administrative rules are applicable to UGB amendments and specifies exceptions for how certain provisions do or do not apply. Since this law was not in effect at the time of the remand, the City applies all statewide goals, unless other law in effect specified certain goals or rules didn't apply. Further, to the extent OAR 660-024 simply codified prior case law that was in effect at the time of this work, the case law is taken into account, even if it was not later codified into rule after the effective date of this work.

*Note: For further clarification, the current administrative rules reference the "new" and "old" Goal 14. The "old" Goal 14 took effect after this work, so the remand is based on the earlier version of Goal 14, one which pre-dated the "old" Goal 14 referenced in the current Goal language.*

## **2.4 Scope of Review**

### **2.4.1 DLCD and LCDC Authority for Review**

The LCDC Remand Order determines the scope of review for this UGB amendment. DLCD and LCDC have jurisdiction to review UGB amendments of greater than 50 acres by a city with a population of 2,500 or more (ORS 197.626, OAR 660-025-0040). As of January 1, 2003, the City had a population of 28,500 people. The Buildable Land Needs Analysis, (Appendix B of the MGMUP), identified a need to expand the UGB by 1,530 gross acres or 881 buildable acres to meet the housing, employment and livability land supply needs for a population of 44,055 people. On October 14, 2003, the city submitted a UGB amendment to DLCD for approval. That submittal was partially approved for 418 gross acres (259 buildable acres) and the rest was remanded for additional evaluation.

On January 11, 2006, the City submitted a UGB amendment for 793.10 gross acres (663.40 buildable acres) to DLCD to respond to the 2004 remand for the remaining land need identified in 2003. This submittal was appealed to the Court of Appeals and remanded back to the City in 2012 for additional evaluation.

As of July 1, 2019, the City has an estimated population of 33,930 people, and proposes to expand the UGB to include an additional 862.40 gross acres or 662.40 gross buildable acres to meet the

remaining land need that was not approved in the original 2003 submittal or the amended 2006 submittal.

So this UGB amendment is reviewable by DLCD. The decision of the DLCD Director may be appealed to LCDC.

In situations such as these, the Oregon Land Use Board of Appeals (LUBA) does not have jurisdiction to review a local government's decision on a UGB amendment. ORS 197.825(2)(C)(a) excludes this decision from LUBA's jurisdiction:

***“197.825 Jurisdiction of board; limitations; effect on circuit court jurisdiction. (1) Except as provided in ORS 197.320 and subsections (2) and (3) of this section, the Land Use Board of Appeals shall have exclusive jurisdiction to review any land use decision or limited land use decision of a local government, special district or a state agency in the manner provided in ORS 197.830 to 197.845.***

\*\*\*

*(2) The jurisdiction of the board:*

*(c) Does not include a local government decision that is:*

*(A) Submitted to the Department of Land Conservation and Development for acknowledgment under ORS 197.251, 197.626 or 197.628 to 197.651 or a matter arising out of a local government decision submitted to the department for acknowledgment, unless the Director of the Department of Land Conservation and Development, in the director's sole discretion, transfers the matter to the board;”*

To summarize, upon adoption, the City is submitting its UGB expansion proposal and all related materials to the DLCD pursuant to ORS 197.626. DLCD will review this proposal in the manner provided for review of a work task under ORS 197.633. OAR 660-025 includes these relevant procedures for review, and further requires that any appeals of a DLCD Director's decision are heard by LCDC. LUBA does not have jurisdiction to review the City's decision pursuant to ORS 197.825 (2)(c)(A).

## **2.4.2 Scope of Documents in Review**

The proposed amendments to the City's Comprehensive Plan and land use regulations (MGMUP and Appendices), including the UGB boundary amendment, are a derivative of the LCDC 2012 Remand Order, which was reviewed by DLCD and LCDC in the manner of periodic review and review of work tasks. These materials, including those corresponding amendments to Yamhill County's comprehensive plan and land use regulations, are being re-submitted to the DLCD to determine whether the revised submittal meets the Court of Appeal's Decision and applicable statewide planning goals, their implementing rules, applicable state statutes, and applicable local comprehensive plan and land use regulations.

## 2.5 Applicable Criteria

The following standards, as determined by the legal record of the 2012 LCDC Remand Order, are applicable to the review and action on the proposed UGB amendment and related plan and land use regulation amendments.

### 2.5.1 Applicability of Recent Amendments to Statutes and Rule

OAR 660, Division 24 has been amended several times since the City first began the process of expanding the UGB, most recently in 2016. Statutes pertaining to amendment of UGBs (including ORS 197.298 and 197A) were also amended in 2013 and 2016.

OAR 660-024-0000(3)(a), Purpose and Applicability states that a local government may choose to not apply this division to a plan amendment concerning the evaluation or amendment of a UGB, regardless of the date of that amendment, if the local government initiated the evaluation or amendment of the UGB prior to April 5, 2007. Per OAR 660-024-0000(3)(b), initiated is described as one of two actions, including issuing the public notice specified in OAR 660-018-0020 for the proposed plan amendment concerning the evaluation or amendment of the UGB.

OAR 660-024-0000

#### **Purpose and Applicability**

*(1) The rules in this division clarify procedures and requirements of Goal 14 regarding a local government adoption or amendment of an urban growth boundary (UGB). The rules in this division do not apply to the simplified UGB process under OAR chapter 660, division 38.*

*(2) The rules in this division interpret Goal 14 as amended by the Land Conservation and Development Commission (LCDC or commission) on or after April 28, 2005, and are not applicable to plan amendments or land use decisions governed by previous versions of Goal 14 still in effect.*

*(3) The rules in this division adopted on October 5, 2006, are effective April 5, 2007. The rules in this division amended on March 20, 2008, are effective April 18, 2008. The rules in this division adopted March 13, 2009, and amendments to rules in this division adopted on that date, are effective April 16, 2009, except as follows:*

*(a) A local government may choose to not apply this division to a plan amendment concerning the evaluation or amendment of a UGB, regardless of the date of that amendment, if the local government initiated the evaluation or amendment of the UGB prior to April 5, 2007;*

*(b) For purposes of this rule, "initiated" means that the local government either:*

*(A) Issued the public notice specified in OAR 660-018-0020 for the proposed plan amendment concerning the evaluation or amendment of the UGB; or*

*(B) Received LCDC approval of a periodic review work program that includes a work task to evaluate the UGB land supply or amend the UGB;*

*(c) A local government choice whether to apply this division must include the entire division and may not differ with respect to individual rules in the division.*

*(4) The rules in this division adopted on December 4, 2015, are effective January 1, 2016, except that a local government may choose to not apply the amendments to rules in this division adopted December 4, 2015 to a plan amendment concerning the amendment of a UGB, regardless of the date of that amendment, if the local government initiated the amendment of the UGB prior to January 1, 2016.*

DLCD approved the City's periodic review work program on August 26, 1994. The City of McMinnville adopted the MGMUP and its findings on October 14, 2003, issuing notice to DLCD on June 4, 2003. (Please see copy of notice below).

In addition, the provisions of Goal 14 were amended by LCDC on April 28, 2005. The amendments allowed local governments that initiated an evaluation of the (UGB) land supply prior to April 28, 2005, and consider(ed) an amendment of the UGB based on that evaluation to apply the former version of Goal 14 to that amendment. Since these amendments were adopted after the City's plan amendment submittal, the City, as identified in the Oregon Court of Appeals decision, is using the Goal 14 provisions that were in place prior to April 28, 2005, as outlined below.

*Goal 14 (Urbanization), OAR 660-015-0000(14), provides particular standards for setting or changing a UGB.*

*"Urban growth boundaries shall be established to identify and separate urbanizable land from rural land. Establishment and change of the boundaries shall be based upon considerations of the following factors:*

- 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.*

**DLCD Notice of Proposed Amendment, June 4, 2003.**

<b>FORM 1</b>	
<b>DLCD NOTICE OF PROPOSED AMENDMENT</b>	
<small>This form must be received by DLCD at least 45 days prior to the first evidentiary hearing per ORS 197.610, OAR Chapter 660 - Division 18 and Senate Bill 543 and effective on June 30, 1999. (See reverse side for submittal requirements)</small>	
Jurisdiction: <u>City of McMinnville</u>	Local File No.: <u>G 3-03</u> <small>(If no number, use none)</small>
Date of First Evidentiary Hearing: <u>July 21, 2003</u> <small>(Must be filled in)</small>	Date of Final Hearing: <u>August 5, 2003</u> <small>(Must be filled in)</small>
Date this proposal was sent or mailed: <u>June 4, 2003</u> <small>(Date mailed or sent to DLCD)</small>	
Has this proposal previously been submitted to DLCD? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> Date: _____	
<input checked="" type="checkbox"/> Comprehensive Plan Text Amendment	<input checked="" type="checkbox"/> Comprehensive Plan Map Amendment
<input checked="" type="checkbox"/> Land Use Regulation Amendment	<input checked="" type="checkbox"/> Zoning Map Amendment
<input checked="" type="checkbox"/> New Land Use Regulation	Other: _____ <small>(Please Specify Type of Action)</small>
Briefly summarize the proposal. Do not use technical terms. Do not write "See Attached." <u>The City of McMinnville is proposing the expansion of its current urban growth boundary by approximately 900 gross vacant buildable acres. Supporting data and analysis are provided in the attached "Growth Management and Urbanization Plan."</u>	
Plan Map Changed from: _____ to _____	
Zone Map Changed from: _____ to _____	
Location: _____ Acres Involved: _____	
Specified Change in Density: Current: _____ Proposed: _____	
Applicable Statewide Planning Goals: _____	
Is an Exception Proposed? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Affected State or Federal Agencies, Local Governments or Special Districts: <u>Yamhill County, ODOT, DLCD</u>	
Local Contact: <u>Doug Montgomery</u> Area Code + Phone Number: <u>(503) 434-7311</u>	
Address: <u>230 NE 2nd Street</u>	
City: <u>McMinnville</u> Zip Code + 4: <u>97128</u>	
DLCD No.: _____	

In addition, House Bill 4126, Chapter 81 of Oregon Laws 2016, effective date March 29, 2016, states:

*Notwithstanding ORS 197A.320, a City outside of Metro that submitted to the Director of the Department of Land Conservation and Development, pursuant to ORS 197.610, a proposed change to an acknowledged comprehensive plan or a land use regulation that included an evaluation or an amendment of its urban growth boundary, or that received approval of a periodic review work program that included a work task to amend or evaluate its urban growth boundary pursuant to ORS 197.633, prior to January 1, 2016, but did not complete the evaluation or amendment of its urban growth boundary prior to January 1, 2016, may complete the evaluation or amendment pursuant to statutes and administrative rules in effect on June 30, 2013.*

This law allows jurisdictions like McMinnville that have been working on a UGB expansion for many years to use the June 30, 2013 versions of the statutes and rules instead of ORS 197A.320 (effective July 1, 2013). Since the City submitted notice to DLCD on June 4, 2003, regarding an amendment of its UGB amendment pursuant to ORS 197.610, and this same UGB amendment is the subject of the LCDC Remand Order of 2012, and the subject of this re-submittal to DLCD,

and since the City of McMinnville is a city outside of Metro, the City of McMinnville may complete the amendment “pursuant to the statutes and administrative rules in effect on June 30, 2013”.

*ORS 197.298 (Prior to June 30, 2013):*

- 1) *In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary except under the following priorities:*
  - a) *First priority is land that is designated urban reserve land under ORS 195.145, rule or metropolitan service district action plan.*
  - b) *If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710.*
  - c) *If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247(1991 Edition).*
  - d) *If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both.*
- 2) *High priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.*
- 3) *Land of lower priority under subsection (1) of this section may be included in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land estimated in subsection (1) of this section for one of more of the following reasons:*
  - 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 with a proposed urban growth boundary requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.*

*(Please note that the COA Decision A134379 determined that urban services as defined under ORS 197.298(3)(b) were the same “urban facilities and services” defined in Goal 11, to include “police protection; sanitary facilities; storm drainage facilities; planning, zoning and subdivision control; health services; recreation facilities and services; energy and communication services; and community governmental services” (OAR 660-015-0000(11). (COA Decision Document A134379, page 44)*

Therefore, the City Council finds that it will complete the MGMUP UGB proposal based on the Goal 14 provisions that were in place prior to April 28, 2005, and the ORS 197.298 provisions that were in place prior to June 30, 2013.

## 2.5.2 Compliance with Statewide Planning Goals

The following statewide planning goals are applicable to review of this proposed UGB amendment and related plan and land use regulation amendments.

- Goal 1: Citizen Involvement
- Goal 2: Land Use Planning
- Goal 3: Agricultural Lands
- Goal 4: Forest Lands
- Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces
- Goal 6: Air, Water and Land Resources Quality
- Goal 7: Natural Hazards
- Goal 8: Recreational Needs
- Goal 9: Economic Development
- Goal 10: Housing
- Goal 11: Public Facilities
- Goal 12: Transportation
- Goal 13: Energy
- Goal 14: Urbanization

*Note: OAR 660-024 now clarifies that Goals 3 & 4 don't apply to UGB amendments, however that interpretation was not formally codified in rule in 2003.*

## 2.5.3 Compliance with Applicable Policies of the McMinnville Comprehensive Plan

The City is making coordinated amendments to several documents, including the Comprehensive Plan. Because these amendments are part of a single coordinated approach, the Comprehensive Plan, as amended by the current amendment, applies. The findings discuss both the existing and amended policies to clarify which existing policies are no longer applicable and to describe how the amendments comply with the amended Comprehensive Plan. The following existing Comprehensive Plan policies are discussed, as well as the amended policies that amend, replace or supplement the existing policies

### **Chapter II – Natural Resources**

#### *Existing Policies*

- (retain agricultural use in UGB)
- 2.00 (avoid development on lands with natural hazards)
- 9.00 (designate floodplains as “Floodplain comprehensive plan designation and zone to prevent development in flood plains)

### **Chapter III – Cultural, Historical, and Educational Resources**

#### *Existing Policies*

- 18.00 and 19.00 (coordinate with the school district for future school planning)

### **Chapter IV – Economy of McMinnville**

#### *Existing Policies*

- 21.00 (locate commercial services not currently available in McMinnville within the city limits)
- 21.01 and 21.05 (update Economic Opportunities Analysis to ensure 20 year land supply of commercial and industrial land)
- 22.00 (maximum and most efficient use of commercially designated lands will be encouraged)
- 24.00 cluster development of commercial uses shall be encouraged rather than auto-oriented strip development)
- 26.00 (large scale commercial development should be on arterials)
- 27.00 (neighborhood commercial uses will be allowed in residential areas)

#### *New Policies*

- 27.10 (Neighborhood Activity Centers shall be located in areas that meet the goals and policies of Chapter IX (Urbanization) of the Comprehensive Plan)

### **Chapter V – Housing and Residential Development**

#### *Existing Policies*

- 58.00 (variety of housing types)
- 59.00 (multi-family and mobile home developments)
- 68.00 (encourage a compact form of urban development)
- 69.00 (utilize innovative land-use ordinances to encourage mixed-use opportunities)
- 71.05 (encourage annexations consistent with the comprehensive plan)
- 71.09 (medium (R3) and high density (R4) residential location criteria)

#### *New Policies*

- 71.11 (High Density Residential (R-5))
- 71.12 (Lands zoned R-5 should be located within existing or planned transit corridors, and dispersed throughout the community)



## **Chapter VII – Community Facilities and Services**

### *Existing Policies*

- 151.00 (water and sewer – land development criteria)
- 159.00 (Parks, Recreation and Open Space Master Plan levels of service)
- 163.05 (location of community and neighborhood parks out of the floodplains, greenways and trails are ok)
- 164.00 (city shall acquire floodplains as natural resources, open spaces and greenways)
- 166.00 (city shall recognize open space and natural areas as necessary elements of the urban area)
- 170.05 (for purposes of projecting future park land needs, the Parks, Recreation and Open Space Master Plan shall be used).

### *New Policies*

- 170.06 (city shall encourage siting of parks and public spaces in or adjacent to Neighborhood Activity Centers)

## **Chapter VIII – Energy**

### *Existing Policies*

- 173.00 (city shall coordinate with McMinnville Water and Light in making future land use decisions)
- 178.00 (city shall encourage a compact urban development pattern to conserve energy)

## **Chapter IX – Urbanization**

### *Existing Policies*

- 181.00 (city shall establish an urban growth boundary)
- 182.00 (amendments to urban growth boundary should be considered periodically)
- 183.00 (city shall establish three categories of lands within the UGB – 1) those in the UGB but not in the city limits; 2) those within the city limits but not developed; 3) those within the city limits and developed)
- 186.00 (planned development overlays should be used for new industrial areas)
- 187.00 (city shall adopt additional implementation measures to carry out the Comprehensive Plan)
- 187.10 – 187.50 (Great Neighborhood Principles)

### *New Policies*

- 181.10 (Use MGMUP 7 Guiding Principles for Future Land Use when evaluating areas for future urbanization)
- 181.20 – 181.70 (what the city should consider when evaluating lands for urbanization)

- 182.50 (coordinated master planning and plan updates)
- 184.50 (comprehensive plan map designations)
- 187.60.00 (Planning process for UGBs)
- 187.60.10 (Framework Plan, Area Plan and Master Plan)
- 187.70.00 – 187.70.30 (Framework Plans)
- 187.80.00 – 187.80.30 (Area Plans)
- 187.90.00 – 187.90.40 (Master Planning)
- 188.00 – 188.07 (Neighborhood Activity Centers)

## **Chapter X – Citizen Involvement and Plan Amendment**

### *Existing Policies*

- 188.00 (city shall provide opportunities for citizen involvement)
- 189.00 (city shall establish procedures for amending the comprehensive plan)
- 193.00 (Citizen Advisory Committees)
- 196.00 (provide information in understandable form)

### **2.5.4 Compliance with the Directive of the February 29, 2012 LCDC Remand Order**

The LCDC Remand Order WKTASK-001814 directed the City to either determine its land use needs and apply ORS 197.298 and Goal 14 in the manner announced by the court’s decision, or otherwise fulfill the requirements of accommodating its identified needs in compliance with the statewide planning goals and consistent with the court’s decision.

The City Council finds that the City determined its land use needs and applied ORS 197.298 and Goal 14 in the manner announced by the court’s decision.

### **2.6 Standard of Review**

DLCD’s review of the City’s proposal will address compliance with the applicable statutes, goals, and administrative rules. For proposals such as this UGB amendment and amendments to the city’s and county’s comprehensive plans, “compliance with the goals” means the submittal, on the whole, conforms with the purposes of the goals and any failure to meet individual goal requirements is technical or minor in nature (ORS 197.747).

The proposed amendment must satisfy Statewide Planning Goal 2, Land Use Planning. To do so, the City must show that the proposal will be supported by an adequate factual base. The City’s proposed amendments to its Comprehensive Plan and land use regulations (the McMinnville Municipal Code) are legislative decisions. A legislative decision satisfies Goal 2’s requirement for an adequate factual base if the decision is supported by substantial evidence. Substantial evidence exists to support a finding of fact when the record, viewed as a whole, would permit a reasonable person to make that finding.

## 3.0 LAND NEED

*This section of the MGMUP Findings Document has been amended for the MGMUP 2020 Update. Where the original language of the 2003 MGMUP Findings amended in 2005 is included, it is proceeded with a statement, such as “Following is the original language or text of the 2003 MGMUP Findings amended in 2005.”*

### 3.1 Introduction

The Court of Appeals did not find issues with the City’s findings regarding the identified land need. The City’s findings regarding the identified land need continue to apply, except as amended and discussed below.

Per ORS 197.296 the City established its planning horizon (2003-2023) and coordinated population forecast (44,055) in collaboration with Yamhill County. The City then established its “baseline” housing, residential land, and employment land needs through adoption of its 2001 HNA, EOA, BLI, and “sufficiency analysis”.

The City then established several different efficiency measures to encourage higher density residential development within the existing UGB, and finally established a need for an urban growth boundary amendment to meet its housing, employment and livability land need for the planning horizon.

The City initiated the process for formal analysis of its proposed UGB amendment on June 4, 2003 by mailing notice of its first evidentiary hearing to DLCD.

LCDC Order 04-WKTASK-001645 acknowledged the planning horizon, population forecast, HNA, EOA and BLI for this UGB effort.

The Council concludes that the City will continue to rely on the data in the acknowledged population forecast, Housing Needs Analysis, Economic Opportunity Analysis and Buildable Lands Inventory (as amended by the Chegwyn Farms Conservation Easement – see Section 3.4.3 of this document).

### 3.2 Relevant Legal Standards

	<b>Applicable ORS and/or OAR</b>	<b>Applicable State Planning Goal</b>
Planning Horizon and Population Forecast	197.296	Goal 14
Total Housing Unit Projection	197.296	Goal 10 and 14
Needed Housing Types and Mix	197.296	Goal 10 and 14
Needed Housing Density	197.296	Goal 10
Buildable Lands Inventory for Housing	197.296	Goal 10 and 14
Capacity Analysis	197.296	Goal 14
Employment Forecast	OAR 660-009	Goal 14
Employment Trends and Site Needs	OAR 660-009	Goal 9
Buildable Lands Inventory for Employment Lands	OAR 660-009	Goal 9

### 3.3 Planning Horizon and Population Forecast

ORS 197.296 establishes the context for planning to provide sufficient buildable lands within the UGB to accommodate estimated housing needs for 20 years. ORS 197.296(2) provides:

*(2) At periodic review pursuant to ORS 197.628 to 197.650 or at any other legislative review of the comprehensive plan or regional framework plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, a local government shall demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary 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.*

The City established a planning horizon of 2000 – 2020 in 1995, and worked with Yamhill County on a coordinated population forecast for 2020. This was then extrapolated to 2023 for a planning horizon of 2003 – 2023.

---

***Following is the original Language for the MGMUP Population Forecast adopted in 2003 and amended in 2005. . . .***

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.<sup>3</sup>

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.
- 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%.

---

<sup>3</sup> “McMinnville Growth Management and Urbanization Plan,” May 2003, pg. A-9.

**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)
<b>Oregon</b>	<b>2,633,156</b>	<b>2,842,321</b>	<b>7.9%</b>	<b>3,421,399</b>	<b>3,504,700</b>	<b>33.1%</b>	<b>1.31%</b>	<b>23.3%</b>	<b>1.76%</b>
<b>Yamhill County</b>	<b>55,332</b>	<b>66,551</b>	<b>20.3%</b>	<b>84,992</b>	<b>87,500</b>	<b>58.1%</b>	<b>2.10%</b>	<b>31.5%</b>	<b>2.31%</b>
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%
<b>McMinnville</b>	<b>14,080</b>	<b>17,894</b>	<b>27.1%</b>	<b>26,499</b>	<b>28,200</b>	<b>100.3%</b>	<b>3.21%</b>	<b>57.6%</b>	<b>3.86%</b>
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**

<b>Year</b>	<b>Yamhill County</b>	<b>McMinnville</b>	<b>Ratio of McMinnville to County</b>
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**

<b>Date</b>	<b>Yamhill County</b>	<b>McMinnville</b>	<b>Ratio of McMinnville to County</b>
2000 Census	84,992	26,499	31.2%
2020 PSU	87,500	28,200	32.2%
2003	88,887	28,510	32.1%
<b>2023</b>	<b>125,144</b>	<b>44,055</b>	<b>35.2%</b>
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.

---

***MGMUP 2020 Update:***

Conclusion: The planning horizon and population forecast have been acknowledged by DLCD and LCDC. In order to comply with this acknowledgement, the Council finds that it will continue to use the planning horizon and population forecast already established for this remand work.

The City Council concludes changing the planning period and population forecast amounts to abandoning the work products and public investment preceding the LCDC Remand Order, including the many partial acknowledgments in the legal record. It has taken nearly twenty-five years of work on the UGB expansion to get to this point, significant financial resources, staff, and community involvement. The Council finds that this work and investment should not be abandoned for the perceived benefit of a longer or different planning period which necessitates an entirely new proposal. Therefore, the City will continued to rely on the 2003-2023 planning horizon and the 2023 population forecast (44,055) for the UGB proposal, as allowed by the Remand and applicable legal standards.

**3.4 Employment Forecast**

In 2003, the state had no legal requirement for employment projections. Employment, however, is the key factor driving demand for commercial and industrial lands, and was integral for the City's Periodic Review, Work Task #1, *Commercial Lands Inventory*.

-----

**Below is the original Language for the MGMUP Employment Forecast adopted in 2003 and amended in 2005 . . . .**

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%
<b>Total Employment</b>	<b>14,741</b>	<b>22,161</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7,420</b>	<b>2.06%</b>

Source: ECONorthwest, 2003

See, “McMinnville Growth Management and Urbanization Plan - Findings,” October 2003, pp. 10-11.

-----

**MGMUP 2020 Update:**

Conclusion: The employment forecast have been acknowledged by DLCD and LCDC. In order to comply with this acknowledgement, the Council finds that it will continue to use the employment forecast already established for this remand work. The City Council concludes that the city will continue to rely on McMinnville’s employment forecast for this planning horizon to add 7,420 new employees between 2003 and 2023 for a total employee forecast of 22,161 employees in 2023.



### 3.5 Residential Land Need

---

***Below is the original language for the MGMUP Findings for Residential Land Need adopted in 2003 and amended in 2005:***

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**

<b>Zone</b>	<b>Additional Dwelling Unit Need</b>	<b>Gross Density</b>	<b>Needed Gross Res Acres</b>
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
<b>Total</b>	<b>3,065</b>	<b>5.7</b>	<b>536.9</b>

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 1,022.10 gross buildable residential acres.

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

<b>Category</b>	<b>Needed Gross Buildable Residential Acres</b>
New Housing	536.9
Parks	314.0
Schools	96.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
<b>TOTAL</b>	<b>1022.10</b>

Source: City of McMinnville, ECONorthwest  
 Note: Parkland need assumes the City standard of 14.0 acres per 1,000 residents will be met.

See, "McMinnville Growth Management and Urbanization Plan - Findings," October 2003, pp. 11-12.

***MGMUP 2020 Update:***

**3.5.1 Residential Land Need in 2003**

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, for a total residential land need of 1,022 gross buildable acres.

**3.5.2 Effect of the 2004 LCDC Order 04-WKTASK-001645 on Residential Land Need.**

On December 4, 2004, LCDC remanded the 2003 MGMUP UGB submittal back to the City of McMinnville, partially approving the addition of 259 gross buildable acres to the McMinnville UGB (217 gross buildable acres of residential land and 42 gross buildable acres of public school land - herein referred to as the Phase I MGMUP UGB amendment), and directing the City to remove 60 gross buildable acres of park land need from the overall residential land need due to the presence of Joe Dancer Park North in the county that served the City of McMinnville's community park land need.

**Table 7. Revised total additional residential acres needed in the McMinnville UGB, 2003-2023 – Based on the LCDC Order 04-WTASK-001645**

<b>Category</b>	<b>Needed Gross Buildable Residential Acres</b>
New Housing	319.9
Parks	254.0
Schools	54.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
<b>TOTAL</b>	<b>703.10</b>

**3.5.3 Effect of the Chegwyn Farms Conservation Easement**

In 2009, the Yamhill County Water and Soil Conservation District assumed ownership of a 170 acre Chegwyn Farm Conservation Easement that retained the farm’s future in perpetuity prohibiting it from being sold for development (Instrument #200903015). 81 acres of the 170 acres encumbered in the conservation easement are within the current UGB, and were considered in the MGMUP buildable lands inventory as undeveloped residential land.

The Council concludes that for this remand work due to the legal constructs of the Chegwyn Farm Conservation Easement, 81 acres of residential buildable land needs to be removed from the UGB buildable lands inventory established in 2002 and thus added to the overall residential land need, resulting in a total gross buildable residential land need outside the 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 784.10 gross buildable acres (619 acres for residential dwelling units, and 485 acres for public and semi-public uses). Note: Appendix B has been updated to reflect this impact to supply, and sufficiency of buildable lands to meet the identified needs.

**Table 8. Revised total additional residential acres needed in the McMinnville UGB, 2003-2023 – Based on the Chegwyn Farms Conservation Easement.**

<b>Category</b>	<b>Needed Gross Buildable Residential Acres</b>
New Housing	400.9
Parks	254.0
Schools	54.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
<b>TOTAL</b>	<b>784.00</b>

### 3.6 Employment Land Need<sup>4</sup>

Table 9 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.

**Table 9. Total employment growth by land use type in McMinnville UGB, 2003–2023**

<b>Land use category</b>	<b>2003</b>	<b>2023</b>	<b>Growth 2003-2023</b>	<b>Percent</b>
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%
<b>Total</b>	<b>14,741</b>	<b>22,161</b>	<b>7,420</b>	<b>100%</b>

Source: ECONorthwest.

<sup>4</sup> 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.

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 10 shows the amount of new land needed for commercial and industrial development in McMinnville over the 2003–2023 period. 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.

The Council finds that McMinnville will need approximately 106 gross buildable acres of commercial land and that McMinnville has a surplus of 46 gross buildable acres of industrial land.

**Table 10. McMinnville total employment land needed in the McMinnville UGB, 2003-2023**

<b>Category</b>	<b>Needed Gross Buildable Commercial/Industrial Acres</b>
Commercial	106.0
Industrial	(46.0)
<b>TOTAL</b>	<b>106.0</b>

See, Appendix B: Buildable Land Analysis for analysis of the needed gross buildable commercial and industrial acres.

### **3.7 The Need to Add Additional Land to the City’s UGB**

Combining Table 8 (Residential Land Need) and Table 10 (Employment Land Need) it is clear that in order to meet the housing, employment and livability needs of McMinnville, the City still has need to expand its UGB, even after the Phase I addition of land to the UGB in 2003. See Table 11 for total land need.

**Table 11. Total remaining land need in the McMinnville UGB, 2003 – 2023 (Phase II).**

Category	Needed Gross Buildable Acres
New Housing	400.9
Parks	254.0
Schools	54.0
Private Schools	1.5
Religious	47.6
Government	0.9
Semi-Public Services	22.5
Infrastructure	2.6
<b>Residential</b>	<b>784.0</b>
Commercial	106.0
Industrial	(46.0)
<b>TOTAL</b>	<b>890.0</b>

Table 12 provides a summary of land still needed, by plan designation, to accommodate forecast population and employment growth between 2003 and 2023, after the 2003 Phase I UGB amendment. The estimates indicate that McMinnville will need about 890.0 additional gross buildable acres. The majority of this land (784.0) will be needed for residential uses.

**Table 12. Total remaining land need by in the McMinnville UGB, 2003 – 2023 (Phase II), by land designation.**

Designation	Needed Gross Buildable Acres
Residential	784.0
Commercial	106.0
Industrial	(46.0)
<b>TOTAL</b>	<b>890.0</b>

ORS 197.296 (6) states that:

- (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)(1) 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. \*\*\**
- (b) Amend its comprehensive plan, regional framework 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. \*\*\*; or*
- (c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.*

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.

*Goal 14:*

- (1) Demonstrated need to accommodate long range urban population growth requirements consistent with LCDC goals<sub>[i,j]</sub>”*
- (2) Need for housing, employment opportunities, and livability<sub>[i,j]</sub>”*

The Council finds that the City of McMinnville still needs to amend its UGB to add land supply to accommodate housing, employment and livability land needs for the planning horizon of 2003-2023, and population forecast of 44,055, even after the 259 gross buildable acres that were added to the UGB in 2003. The remaining land need is approximately 890.0 gross buildable acres, 784.0 acres of residential land (including parks, schools, religious and public/semi-public uses) and 106.0 acres of commercial land (including office, neighborhood-serving commercial and large commercial).

Goal 10, Goal 14 and ORS 197.296 all require that the City maximize land-use efficiencies within its existing urban growth boundary prior to any expansion of the boundary.

Chapter 4.0 of this Findings Document demonstrates how the City developed a methodology to achieve 225 acres of residential land-use efficiencies within the existing UGB.

Table 13 shows how these land-use efficiencies reduce the UGB expansion land need to 665 gross buildable acres for the MGMUP 2020 Remand Update.

**Table 13. Total remaining land need in the McMinnville UGB, 2003 – 2023 (Phase II), after applying Land-Use Efficiencies.**

<b>Designation</b>	<b>Needed Gross Buildable Acres</b>
Residential	784.0
Commercial	106.0
Industrial	(46.0)
<b>TOTAL</b>	<b>890.0</b>
<b>LAND-USE EFFICIENCIES</b>	<b>(225.0)</b>
<b>TOTAL</b>	<b>665.0</b>

Table 14 illustrates the final UGB expansion land need after the applying the land-use efficiencies discussed in Chapter 4.0 of this Findings Document by comprehensive plan designation.

**Table 14. Total remaining land need in the McMinnville UGB, 2003 – 2023 (Phase II), by land designation, after applying Land-Use Efficiencies.**

<b>Designation</b>	<b>Needed Gross Buildable Acres</b>
Residential	559.0
Commercial	106.0
Industrial	(46.0)
<b>TOTAL</b>	<b>665.0</b>

**Findings:** In conclusion, the Council finds that ORS 197.296 and Goal 14, Factor 1 are satisfied in regards to establishing the land need for accommodating its long-range population growth requirements for the planning horizon of 2003 – 2023, population target of 40,055 people, consistent with Oregon Statutes and 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.



## 4.0 LAND USE EFFICIENCIES

*This section of the MGMUP Findings Document has been amended to reflect the MGMUP 2020 Update, which are noted in green text boxes.*

### 4.1 Efficiency of Land Use within the Existing Urban Area

Goal 10, Goal 14 and ORS 197.296 all require that the City maximize land-use efficiencies within its existing urban growth boundary prior to any expansion of the boundary.

In 2003, the City determined that there was 1,309.5 gross buildable acres of vacant land, far less than the calculated land needed for the planning period.<sup>5</sup> Per Appendix B of the MGMUP, based on the calculated need for housing, employment and livability amenities, the City would need an additional 1,125 gross buildable acres in a UGB expansion to serve the planning horizon of 2003-2023 and population target of 44,055.

#### **MGMUP 2020 Remand Update:**

With the amendment of Appendix B to accommodate the Chegwyn Farm Conservation Easement, the vacant buildable land and resulting additional land need was adjusted 81 acres, respectively resulting in 1,228.5 gross buildable acres of vacant buildable land within the urban growth boundary, and a need for an additional 1,209 gross buildable acres of expansion land to serve the same planning horizon and targeted population forecast.

However, per Goal 10, Goal 14 and ORS 197.296, the City must attempt to minimize the needed expansion by implementing local regulations and programs that would encourage higher land-use efficiencies within the existing urban growth boundary. 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.

The Council finds that to comply with this statute, the City will both 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

---

<sup>5</sup> 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.

MGMUP.<sup>6</sup> In this way, the City is also complying with Goal 14, to maximize land-use efficiencies within the existing urban growth boundary.

Additionally, Goal 14, Factor 4, considers the *maximum efficiency of land uses within and on the fringe of the existing urban area*”.

As a result of this 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.

The City 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. These land-use efficiencies are described in Section V, “Growth Management and Urbanization Measures to Achieve the Concept Plan” of the MGMUP.

Guided by the Principles of the MGMUP to encourage compact development and smart growth covenants, the Council proposes regulations that will encourage urban design that facilitates more transportation choices (therefore less dependence on automobiles), and connects residents 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.

---

<sup>6</sup> 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.

In this way, the urban growth boundary expansion is minimized due to McMinnville's aggressive application of 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.

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

- 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.

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.

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 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
<b>Measures described in ORS 197.296</b>																	
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									✓					✓			
<b>Measures described in HB 2709 Workbook</b>																	
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	✓							✓			✓						
<b>Additional measures</b>																	
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											✓				✓		

2003 Findings – P. 18-20

## 4.2 Proposed Land Use Efficiency Measures

***Below is the original language for the MGMUP Findings for Residential Land Need adopted in 2003 and amended in 2005, pp. 146-156.***

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 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.

### 4.2.1 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 14 summarizes properties proposed for rezoning.

#### **Impact on land use efficiency**

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

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

On September 10, 2004, the LCDC approved the City's rezoning of seven of these parcels. This action was taken following DLCD staff's amended recommendation to their Commission and after DLCD's consultation with staff from 1000 Friends of Oregon during a recess occurring at the September 10<sup>th</sup> hearing. Subsequently, when the hearing reconvened, DLCD recommended to the Commission that seven of those 20 parcels, totaling 4.4 gross vacant buildable acres – for which no traffic analysis was either provided or requested – be so rezoned.

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

In attempting to determine the standards under which the remaining rezoned parcels would be reviewed, the City requested clarification from DLCD. In a letter dated February

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

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

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

In summary, this measure results in the rezoning of 10 parcels totaling 23.53 acres. Of the nearly total acres, 7.91 acres over 96 acres were identified as developed in the City's buildable lands inventory. The proposed changes do not affect the amount of buildable commercial land need. They increase the amount of buildable residential land by slightly more than 15.62 acres, while decreasing the amount of buildable industrial land supply by about 12.77 acres.

**Table 16. 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	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	
<b>TOTALS:</b>		<del>114.25</del> <b>224.42</b>	<del>96.46</del> <b>88.68</b>	<del>16.67</del> <b>15.65</b>								
<b>Adjustment to Commercial Buildable Land Supply:</b>						<b>0.49</b>						
<b>Adjustment to Industrial Buildable Land Supply:</b>						<del>(13.82)</del> <b>(12.77)</b>						
<b>Adjustment to Residential Buildable Land Supply:</b>						<del>16.18</del> <b>15.62</b>						

Source: City of McMinnville Planning Department, April 2003, Amendments in 2005 by Ordinance No. 4840 and 4841 indicated in green.

## 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.

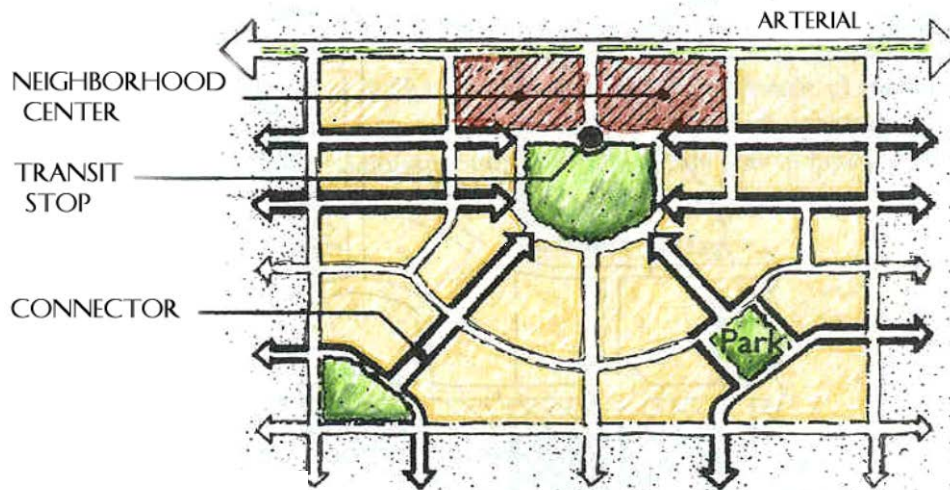
### **Support Area**

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 17 below.

**Table 17. Potential downtown housing units**

<b>Building</b>	<b>Location</b>	<b>Available Floor Space (sq ft)</b>	<b>Potential Housing Units</b>
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
<b>Totals:</b>			<b>61</b>

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 36 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.

**MGMUP 2020 Remand Update:**

The MGMUP 2020 Remand retains the R-5 zone as a means of helping to provide the 1,685 apartment housing units identified in the Housing Needs Analysis (Table 3 of this Plan and Table 8 of Appendix B). However in order to meet the City's housing policies of integrated neighborhoods and encouraging a dispersal of high density residential housing throughout the community (Comprehensive Plan Policy #71.11, #86.00 and #187.50(10)), the MGMUP 2020 Remand update amends the statement that the R5 zone will only occur in the Neighborhood Activity Centers. Per proposed Comprehensive Plan policy 71.12, if there are other appropriate locations identified for the R5 zone both within the existing city limits and within the UGB during the Area Planning process, the R5 zone should be utilized.

This remand update will also maintain the same 36 acres of R5 zoned land need within the UGB expansion area as originally proposed in the 2003 Plan (Table 11 of Appendix B and Table 71 of the Findings Document).

*ORS 197.296 (3)(b), states that the City must conduct an analysis of housing need by type and density range. If the housing need determined under ORS 197.296(3)(b) exceeds the housing capacity inventoried under ORS 197.296(3)(a), then ORS 197.296(6) requires that the local government (a) "amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years;" (b) amend its plan and implementing 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;" or (c) adopt a combination of actions under (a) and (b). The City followed the dictates of ORS 197.296 in the periodic review process.*

The City conducted a Housing Needs Analysis and identified the need for 1,685 apartment units to satisfy future housing needs of the targeted population forecast per ORS 197.296(3)(b). (Table 3 of the "Plan" and Table 8 of Appendix B).

Originally the City proposed to meet this need in two ways per ORS 197.296(6)(c) by creating a new multifamily residential zone that would allow only apartment units as a housing type with a targeted density of at least 15 units per gross buildable acre - the R5 zone. The City wanted half of the apartment units to be built within the existing UGB and half to be planned as part of a UGB expansion area. Thus the City proposed to rezone 36 acres of land within the existing UGB to R5 and then to amend the urban growth boundary with a planned 36 acres of R5 zoned land for 72 acres of R5 zoned land and 40 acres of R4 zoned land to achieve the needed apartment units in the Housing Needs Analysis per ORS 197.296(3)(b).

The 36 acres within the existing UGB was part of two planned Neighborhood Activity Centers (Grandhaven and the Northwest) and the 36 acres in the UGB expansion area was part of two planned Neighborhood Activity Centers (Southwest and Three Mile Lane).

However, when the Grandhaven Neighborhood Activity Center and the Northwest Neighborhood Activity Center due to a long court challenge, the City rezoned land to the R4 zone to work towards meeting the city's apartment unit housing need within the existing UGB.

This land-use measure was successful in generating 900 apartment units, (53% of the overall need). While the R-5 rezone did not occur, the housing type that the R5 zone was meant to realize, apartment units, (which is the only housing type allowed in the R5 zone) did develop per the locational policies of high density residential development in Comprehensive Plan policy #71.09. In effect, the planned R-5 housing was achieved through other land use actions within the existing UGB, and the need for R5 zoned land in the UGB expansion area remains 36 acres as originally planned and described to achieve the housing need identified to satisfy ORS 197.296(3)(b).

See Technical Memorandum #17B of Attachment 2 to Appendix C of the MGMUP.

The 2020 MGMUP Remand does not identify specific locations in the expansion areas for the R-5 zone to be applied, but the Framework Plan does identify potential locations where higher density residential R-5 zoning could be implemented based on potential locations for Neighborhood Activity Centers, along with other land uses that are envisioned for these districts. Specific locations, sizes, and uses within the NACs, including R-5 zoned areas, will be further defined through Area Planning and Master Planning processes.

### **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."<sup>7</sup>

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 higher density housing along potential transit corridors in west McMinnville.<sup>8</sup> More specifically, the City proposes to adopt policies that encourage higher density residential development within

---

<sup>7</sup> Excerpt from "Policy Statement Re: West Second Sewer Line Extended to Hill Road," dated January 19, 1979.

<sup>8</sup> 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.



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 18.

**Table 18. Summary of proposed transit corridor parcel rezonings**

Tax Lot No.	Gross Acres	Gross Vacant		Existing Zone	Historic Density	DU's at historic density	Potential Density	DU's at Proposed Density	Increased DU's	Property Owner	
		Buildable Acres									
R4416BC03201	2.35	2.35		LDR-9000	3.5	8	10	23	15	John Fuller	
R4416BD01600	1.00	0.5		R-3	5.4	3	10	5	2	David Logsdon	
R4420CB00301	1.59	1.59		C-3PD	0	0	10	15	15	Elton Thayer	
<b>TOTALS:</b>	<b>5.19</b>	<b>4.51</b>				<b>11</b>		<b>43</b>	<b>32</b>		
<b>Adjustment to Commercial Buildable Land Supply:</b>						<b>(1.59)</b>					

*Amendments in 2005 by Ordinance No. 4840 and 4841 indicated in green text.*

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

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

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



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

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

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

### **4.3 MGMUP 2020 Remand Update to the Land-Use Efficiencies Findings**

***Section 4.3 of this Chapter is new to the MGMUP Findings Document as part of the MGMUP 2020 Update.***

In 2020, as part of the MGMUP Remand response the City reviewed all of the 2003 proposed land-use efficiencies for achievement in 2020. Below is a summary of that review, which is also provided in Technical Memorandum #13, Attachment 2 of Appendix C.

#### **4.3.1. Allow ADUs in residential zones**

This efficiency measure was adopted and the efficiency assumptions were incorporated into the land need calculations.

#### **4.3.2. Rezone portion of West Hills from R-1 to R-2**

This efficiency measure was adopted and the efficiency assumptions were incorporated into the land need.

### 4.3.3. Rezone other residential and non-residential properties –

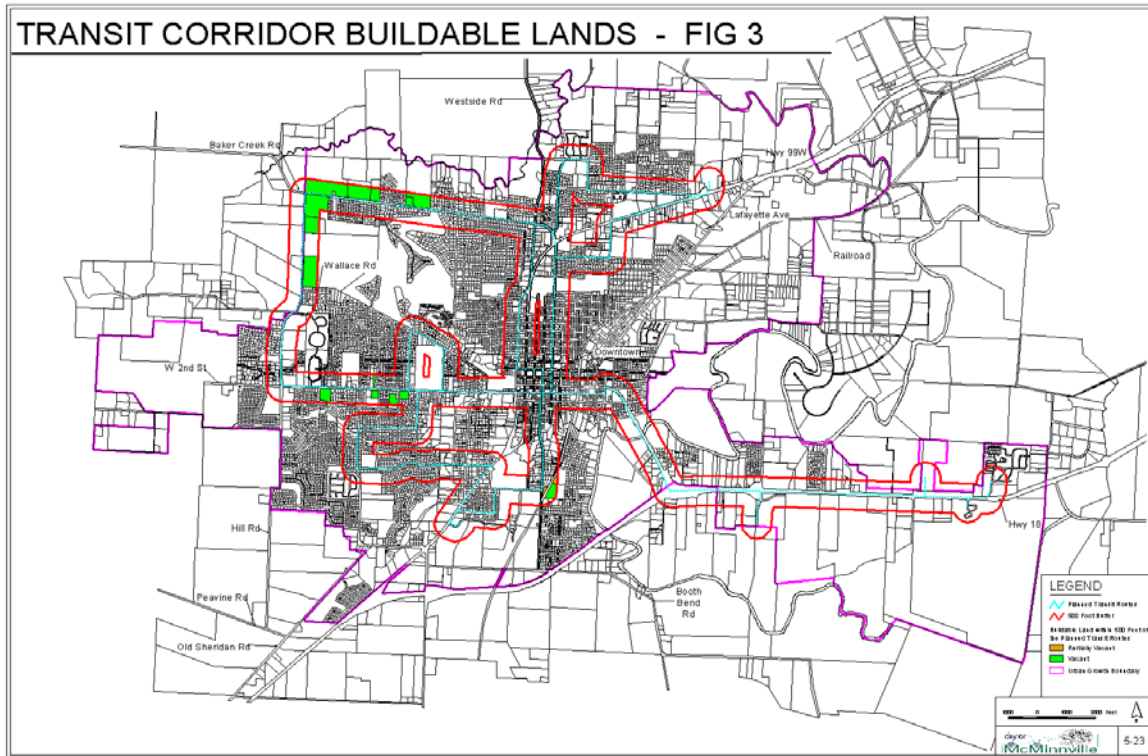
A table of proposed properties for rezoning was adopted as part of the land-use efficiencies. All but three of the properties were rezoned as planned. Some of the properties have since developed and the increased dwelling unit efficiency is 99 dwelling units. (See Table 19).

**Table 19. Properties Rezoned** (A larger version of this table is available in Tech Memo #13)

PROPERTIES REZONED															
Map ID	Tax Lot No	Gross Acres	Existing Dev	Gross Vacant Buildable Acres	Current Plan Des	Current Zone	Proposed Plan Des	Proposed Zone	2020 Remand Update, Rezoned	Current Zone	2020 Remand Update, Notes	Notes	Property Owner	Property Address	
1	R4418BD01100	0.88	0.88	0.00	IND	M-1	COM	C-3	Yes	C-3	Rezoned per Ord 4805 (CPA 6-00 & ZC 16-00). This was a city initiated application.	Developed	McMinville Concrete	900 NE Highway 99W	
2	R4418BD01700	0.49	0.00	0.49	IND	M-1	COM	C-3	Yes	C-3	Rezoned per Ord 4805 (CPA 6-00 & ZC 16-00). This was a city initiated application.	Limited Access	McMinville Concrete	900 NE Highway 99W	
3	R4421CB07700	0.32	0.32	0.00	IND	M-1 PD	RES	R-3	Yes	R-3	Rezoned per Ord 4809 (CPA 4-00 & ZC 11-00). This was a city initiated application.	Single Family Residence	Rich Bauser	1300 SE Hamblee	
4	R4421CD07900	4.51	0.00	4.51	IND	M-1 PD	RES	R-4 PD	Yes	R-4 PD	Rezoned as part of MGMUP Ord 4796 (G 3-03). Property was later subdivided in 2004 & 2007 as part of the Milsons, Milsons, P. & Milwright Subdivisions. Total of 71 split lots. (71 Units)	Limited Access	Linfield College	1150 SE Ford	
5	R4421CD08000	0.03	0.03	0.00	IND	M-1 PD	RES	R-4 PD	Yes	R-4 PD	See Map #4 note above, part of same development	Pump Station	City of McMinville	1180 SE Ford	
6	R4428BA00200	0.71	0.00	0.71	IND	M-1 PD	RES	R-4 PD	Yes	R-4 PD	See Map #4 note above, part of same development	Limited Access	BDB, Inc.	500 SE Chandler	
7	R4429AD07100	1.55	0.00	1.55	IND	M-2	RES	R-4 PD	Yes	R-4 PD	Rezoned as part of MGMUP Ord 4796 (G 3-03).	Former asphalt batch plant	Marin & Wright	103 SE Booth Band	
8	R4420 00201	65.79	65.79	0.00	MU	AH	IND	M-2 PD	Yes	AH&M-2 PD	Map shows portion of property in AH and portion in M-2 PD – Not sure when this occurred	Airport Park Property	City of McMinville	375 SE Army Way	
9	R4422CC00100	2.67	0.00	1.75	MU	AH	RES	R-4 PD	Yes	R-4 PD-C-3 PD	Rezoned as part of MGMUP Ord 4796 (G 3-03). Map shows northern portion as R-4 PD & southern portion as C-3 PD (15 Units)	Vacant	H&R Burch	2355 NE Cumulus	
10	R4424C 00100	2.61	0.91	1.10	MU	AH	RES	R-1 PD	Yes	R-1 PD	Rezoned as part of MGMUP Ord 4796 (G 3-03).	Within airport hazard overlay	Mark Melrose	10055 NE Loop Rd	
11	R4424C 00900	0.80	0.80	0.00	MU	AH	IND	C-3	Yes	M-1 PD	This property doesn't appear to have been rezoned per the original proposal. This property was rezoned to M-1 PD per Ord 4842 (CPA 1-11 & ZC 1-11)	Within airport hazard overlay	Evergreen Doo	10605 NE Loop Rd	
12	R4424C 01000	1.12	1.12	0.00	MU	AH	IND	C-3 PD	Yes	M-1 PD	This property doesn't appear to have been rezoned per the original proposal. This property was rezoned to M-1 PD per Ord 4842 (CPA 1-11 & ZC 1-11)	Within airport hazard overlay	Yamhill County	10605 NE Loop Rd	
13	R4424C 00800	50.80	46.80	0.00	MU	AH	COM	C-3 PD	No	AH	Does not appear to have been rezoned, map still showing AH zoning designation	Within airport hazard overlay	City of McMinville	10000 NE Loop Rd	
14	R4424C 01100	1.88	1.88	0.00	MU	AH	COM	C-3	Yes	C-3	Rezoned as part of MGMUP Ord 4796 (G 3-03).	Within airport hazard overlay	MTS Storage	10655 NE Loop Rd	
15	R4423 00600	5.33	5.33	0.00	MU	AH	RES	AH	99	AH	Not sure of the complete history with this, but zoning map shows as AH and the Comp map shows the right-of-way area as Res.	Frontage road right-of-way	Evergreen Helicopters	3400 NE Cumulus	
16	R4423 00900	2.99	2.99	0.40	MU	AH	RES	AH	99	AH	Not sure of the complete history with this, but zoning map shows as AH and the Comp map shows the right-of-way area as Res.	Frontage road right-of-way	Evergreen Vintage	3600 NE Cumulus	
17	R4421AC03200	0.19	0.19	0.00	RES	R-4	COM	C-3 PD	Yes	C-3 PD	Property rezoned to C-3 PD per Ord 4968 (CPA 1-13 & ZC 1-13). This application also included tax lot R4421AC03100 for a total of 0.44 acres. Property has since been developed with an auto dealership.	Auto sales lot	Jim Doan	331 NE Macy	
18	R4428BA00290	0.66	0.00	0.66	IND	M-2	RES	R-4 PD	No	M-1 PD	Property Rezoned per Ord 4739 (ZC 4-00)	Gravel lot	Linfield College	1180 SE Davis	
19	R4421BA07700	0.11	0.11	0.00	IND	M-2	RES	R-4	Yes	R-4	Rezoned as part of MGMUP Ord 4796 (G 3-03).	Single-family residence		730 NE 8th	
20	R4421BA07000	0.12	0.12	0.00	IND	M-2	RES	R-4	Yes	R-4	Rezoned as part of MGMUP Ord 4796 (G 3-03).	Single-family residence		750 NE 8th	
<b>Totals:</b>		<b>114.25</b>	<b>96.46</b>	<b>16.67</b>											

#### 4.3.4. Increase density on transit corridors

One of the city's efficiency measures was to increase residential density within ½ mile of the planned transit corridors. In 2003, the city adopted a Comprehensive Plan policy encouraging higher density housing within ½ mile of the planned transit corridor. Since this efficiency measure was first proposed, 21 properties have been rezoned and developed for a net increase in housing units of 237 dwelling units. (See Table 20 Rezones within Transit Corridor (1/2 mile)).



**Table 20. Rezones within Transit Corridor** (A larger version of this table is available in Tech Memo #13)

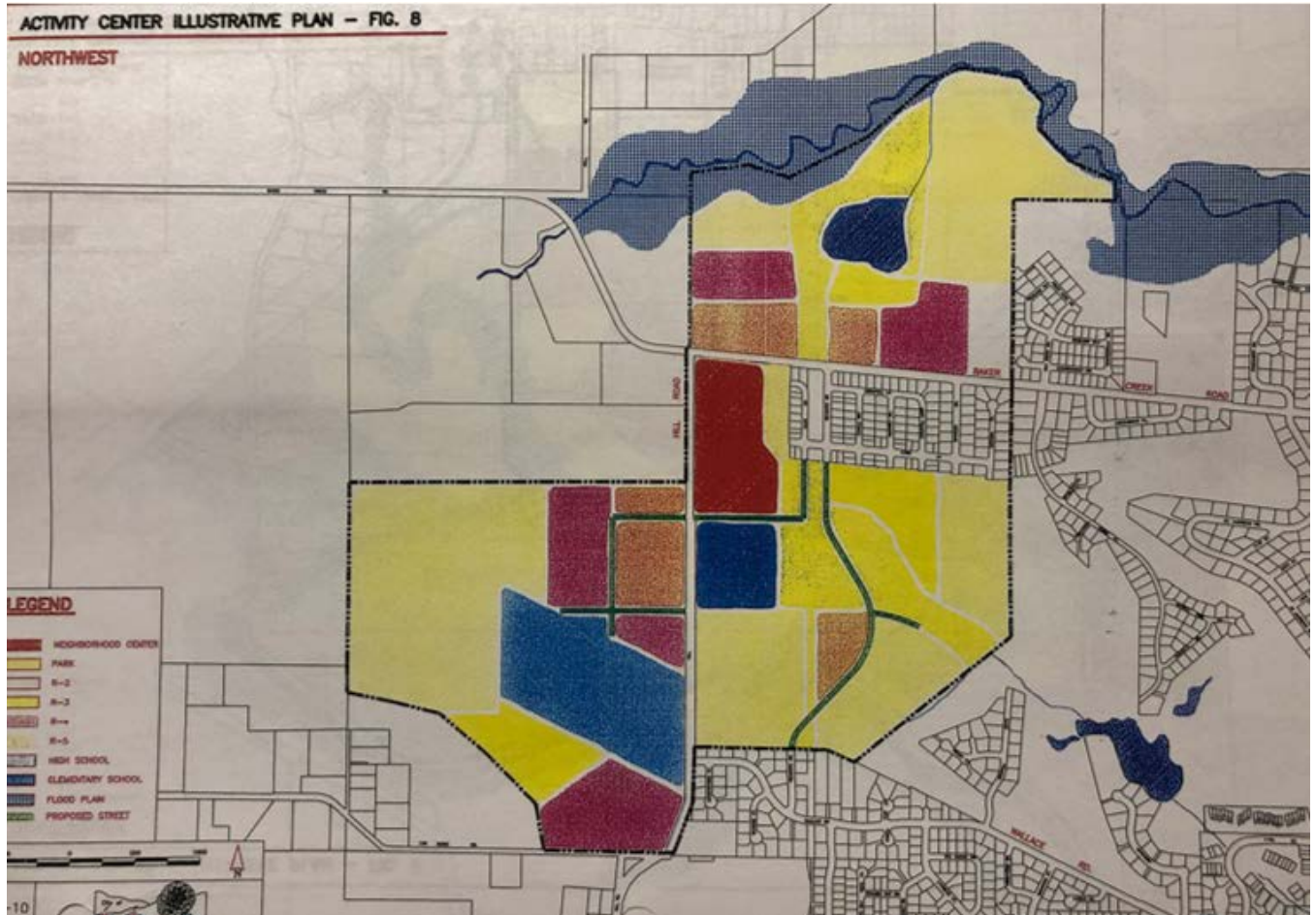
Rezones within Transit Corridor (1/2 mile)

Tax Lot	Lot Size	Rezone From	Rezone To	Developed	Number of Units	Increased # of Units = Land-Use Efficiency	Subdivision name	Year of Rezone	Transit Corridor
R4422 03404	2.02 acres	R-1	R-3 PD	Yes	10	3	Norton Estates	2003	NE 3 Mile Lane/Hwy 18
R4420CB01400	1.94 acres	R-1	R-4 PD	Yes	12	6	Brookside Estates	2003	NW 2 <sup>nd</sup> Street
R4418 00300(p)	14.83 acres	EF-40	R-2 PD	Yes	62	0	Cottonwood	2003	NW Hill Road
R4420CB01200	2.88 acres	R-2	R-4 PD	Yes	30 sfa	18	Maple Leaf Townhomes	2003	NW 2 <sup>nd</sup> Street
R4409 04600	11.3 acres	EF-40	R-2 PD	Yes	47	0	Gerhard Phase 2	2004	NE 27 <sup>th</sup> Street
R4418 00302(p)	17.93 acres	EF-80	R-2 PD	Yes	59	(-18)	Cottonwood 1 <sup>st</sup> Addition	2004	NW Hill Road
R4429BC03100	2.0 acres	R-2 PD	R-2 PD	Yes	9	1	Heather Meadows	2004	SW Fellows Street
R4418 00302(p)	36.4 acres	EF-80	R-1 PD	Yes	89	(-38.4)	Michelbook Meadow/Park Meadows 3 <sup>rd</sup> , 4 <sup>th</sup> , & 5 <sup>th</sup> Additions	2005	NW Hill Road
R4417 01001	5.15 acres	EF-80	R-1	Partially	8	(-10)	Norwegian Wood	2006	NW Baker Creek Road
R4419DB03900	2.22 acres	R-1	R-4	Yes	21 sfa	14	Pemberly Townhomes	2006	NW Hill Road
R4419DB04000									NW 2 <sup>nd</sup> Street
R4422 03400	20.3 acres	EF-80	R-2 PD	Yes	33	-23	Norton Crest	2006	NE 3 Mile Lane/Hwy 18
R4422 03401				7.27 acres is a church					
R4420CA02100	.80 acres	R-1	R-4	Yes	6 sfa	4	Eckman Addition	2006	NW 2 <sup>nd</sup> Street
R4422DC00100	3.0 acres	R-1	R-2 PD	Yes	9	(-1.5)	Berkey Estates	2006	NE 3 Mile Lane/Hwy 18
R4422DC00200									
R4422DD00300	7.19 acres	R-1/FP	R-4/FP	Yes	29	4	Whispering Meadows	2006	NE 3 Mile Lane/Hwy 18
R4421DD00600	3.47 acres	R-1/VLDR	R-4 PD	Partially	35	23	Aspire Community	2010	NE 3 Mile Lane/Hwy 18
R4422CD01700	2.83 acres	R-2	R-4	No		12		2012	NE 3 Mile Lane/Hwy 18
R4418 00200	40 acres	EF-80/R-1	R-1 PD	Yes	213		Baker Creek West	2017	NW Hill Road
R4418 00203	3.337 acres				70 MF		Baker Creek East		NW Baker Creek Road
R4418 00205	MF								
R4416BC03200	4.6 acres	EF-80/R-2	R-4	Yes	120 MF	101	Evans Street Apartments	2017	NE Evan Street
R4416BC03201									
R4420CB00100	1.11 acres	R-1	R-4	No	21	18		2017	NW 2 <sup>nd</sup> Street
R4420CB00101									
R4420CB00102									
R4423 00900	4.93 acres	AH	R-4	Yes	66 MF	23	Evergreen Valley Apartments	2017	NE 3 Mile Lane/Hwy 18
R4427 00701	4.93	C-3 PD	C-3 PD	No	MF			2018	NE 3 Mile Lane/Hwy 18
R4418 00100(p)	6.62 acres	C-3 PD	C-3 PD	No	Up to 120 MF				NW Hill Road
									NW Baker Creek Road
R4409DC01100	2.93	R-1	R-3	No	17	7	Monika Subdivision	2019	NE 27 <sup>th</sup> Street
R4419AD01500	.23 acres	R-1	R-4	No	8 MF	7		2019	NW 2 <sup>nd</sup> Street
R4427 00400	6.98 acres	C-3 PD	C-3 PD	No	MF			2020	NE 3 Mile Lane/Hwy 18
R4427 00404									
R4427 00405									
<b>TOTAL:</b>						<b>237</b>			

**4.3.5. Increase density in the northwest area at the corner of Hill Road and Baker Creek Road**

The 2003 efficiency measures were assumed to achieve efficiency of 238 DUs in the northwest area of the UGB at the corner of Hill Road and Baker Creek Road through the implementation of a planned Neighborhood Activity Center with a combination of higher density residential zoning and lower density residential zoning. This was to be achieved through the inclusion of higher density zoning, including R-4 and R-5 zoning on land in the UGB north of Baker Creek Road, and a smaller portion of R-5 zoning south of Baker Creek Road in the southeasterly portion of the area.

**Figure 1. Proposed 2003 Neighborhood Activity Center at the Corner of Hill Road and Baker Creek Road**



Since the MGMUP was appealed, the City was not able to move forward with the Neighborhood Activity Center overlay and this property did not develop as the efficiency measure planned.

The property however did recently receive an approved land-use decision for a R-4 planned development. This Findings Report will examine whether or not the efficiency measure was achieved through another action.

The original Comprehensive Plan designation for this property was a combination of a commercial and residential zoning, with 10 acres in commercial zoning and 45.32 acres in residential zoning. The buildable lands inventory assigned a R2 residential capacity (4.3 du/acre) to the land with a residential designation and no housing units to the land with a commercial designation. (The Comprehensive Plan designation was passed by an ordinance that prohibited housing in this particular property designation.) The total amount of dwelling units assigned to this property in the buildable lands inventory was 194 dwelling units.

Recently the City Council approved a Comprehensive Plan amendment and a R-4 planned development on this property that planned for 280 dwelling units on the residentially designated land and 120 dwelling units on the commercially designated property (the prohibition on housing

was repealed). (Ordinances No. 5084 – 5089, 2020). This resulted in an overall efficiency of 206 additional dwelling units in this area.

<b>Baker Creek North</b>			
Land Use	Gross Density (proposed)	Size	Number of Units
R-4	5.75	48.7	280
C-3	18.12	6.62	120
<b>Total # of Units</b>			<b>400</b>

The property on the south side of Baker Creek Road maintained the same density as originally planned in the buildable lands inventory.

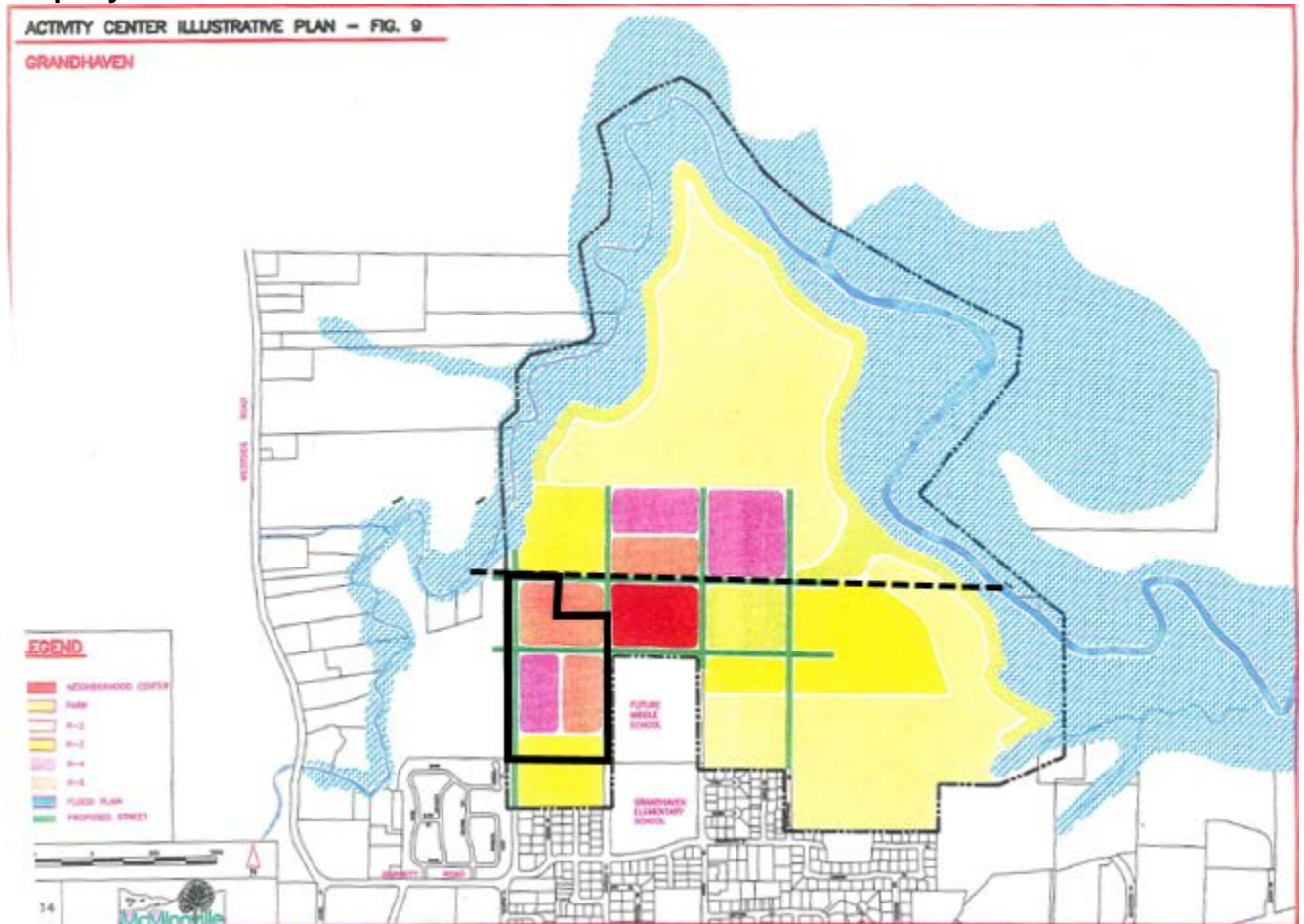
Total efficiency achieved = 276 dwelling units.

#### **4.3.6. Increase density in the Grandhaven Neighborhood**

The efficiency measures were assumed to achieve efficiency of 143 DUs in the Grandhaven neighborhood through higher density zoning associated with a planned Neighborhood Activity Center.



**Figure 2. Grandhaven Neighborhood Activity Center Showing Location of Chegwyn Property**



Since the MGMUP was appealed, the City was not able to move forward with the Neighborhood Activity Center overlay and this property did not develop as the efficiency measure planned.

The property however did recently receive an approved land-use decision for a R-4 planned development (Ordinance No. 4953, 2012). This Findings Report will examine whether or not the efficiency measure was achieved through another action.

Tax lot R4409 2100, approximately 22 gross acres, was assigned 107 dwelling units in the 2003 BLI, assumed to develop at a low density residential.

However, in 2012, this property was rezoned from EF-80 to R-4 PD (Ord 4953), for the Chegwyn Planned Development. Construction is nearing completion on the last phase of this development, which will yield 168 dwelling units for all phases. This is achieved with a mix of housing types including 102 bungalows, 36 multi-family units, 1 duplex, and 28 small-footprint, small-lot cottages.

This achieved a net increase of 61 dwellings over the 107 dwelling capacity assigned to this property in the 2003 BLI.

#### 4.3.7 Add downtown upper floor housing opportunities to buildable land inventory

The City has adopted standards allowing additional opportunities for upper floor housing in the City's downtown, and in some cases allowing densities which exceed the R-4 densities which typically apply in commercial zones, upon certain findings including those associated with infrastructure capacity. This efficiency measure is already reflected in the BLI and need assumptions.

#### 4.3.8 Summary

All of the land use efficiencies listed above were enacted after the Plan was initially developed except for two: creating NACs, and establishing an exclusive multi-family zone. These did not move forward when the Plan was appealed to the Court of Appeals and the UGB expansion area was not approved. These two land use efficiencies were intended to be implemented in expansion areas. The MGMUP 2020 Remand still maintains the two land use efficiencies as an implementation strategy in residential expansion areas. Moreover, the City reviewed the efficiencies that were achieved in the interim period since the Plan was first developed and has concluded that the total housing efficiencies envisioned in McMinnville's existing UGB were achieved as planned (225 acres). See Technical Memorandum #13 provided in Attachment 2 of Appendix C to this Plan.

#### Revised Efficiencies

Proposed Efficiency Measure	2003	2020
Allow ADUs in Residential Zones	200	200
Rezone Portion of West Hills from R-1 to R-2	204	204
Rezone Other Residential and Non-Residential Land	80	95
Direct Increased Density to Transit Corridor	90	237
Direct Increased Density to Northwest Neighborhood Activity Center Baker Creek Planned Development – Remand Update	238	276
Direct Increased Density to Grandhaven Neighborhood Activity Center Chegwyn Village Planned Development – Remand Update	143	61
Add downtown upper floor housing opportunities to downtown buildable lands inventory	61	61
<b>TOTAL:</b>	<b>1,016</b>	<b>1,134</b>

As a result of applying the measures described in this chapter, total land need decreases from 1,209 gross buildable acres in the revised analysis (see Appendix B, Table 20 of the *McMinnville Urbanization and Growth Management Plan*) to 924 gross buildable acres. This is a reduction of 225 gross buildable acres, or some 20 percent of the projected land need.



#### **4.3.9 Findings**

As a result of applying the measures described in this chapter, the Council finds that the total land need decreases from 1,209 gross buildable acres in the revised analysis to 924 gross buildable acres, a reduction of 225 acres.

## 5.0 SELECTION OF UGB LAND

---

***This whole section of the original MGMUP Findings document has been replaced by the MGMUP 2020 Remand findings below.***

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.

### 5.1 Court of Appeals Decision

The Court of Appeals decision upheld one assignment of error and found that a different sequence of analysis was required than was followed in the City's evaluation process of candidate study areas for urban expansion. Therefore, the findings for the selection of candidate expansion land are made consistent with the "roadmap" outlined in the decision.

### 5.2 Deferring to Appendix C as Findings Document for Selection of UGB Land

Appendix C of the MGMUP has all of the relevant information and findings for the selection of candidate land for this UGB amendment. The Council adopts and incorporates as if fully set forth herein Appendix C as the findings document for the process, analysis and final selection of land. Below is a summary of the outcome of Appendix C. The findings for the selection of candidate land for the Phase I MGMUP UGB amendment are provided in Attachment 2 to this document.

### 5.3 Following the Court of Appeals Roadmap

The City evaluated study areas within a one-mile radius of the Urban Growth Boundary. This included the original study areas and additional study areas that were candidates for meeting land needs on higher priority lands.

The "roadmap" in the Court of Appeals decision was applied consistently to each study area as described in Appendix C and the related Technical Memos. The study areas were reviewed using a consistent scoring and rating system, with thresholds identified for each rating score to determine relative urban suitability with respect to each rating criteria. Each of the rating criteria pertained to issues that are required to be evaluated under applicable state law. The ratings were used to assess each study area suitability for meeting identified land needs in the required sequence.

The City:

- Established a one-mile boundary around the UGB.
- Identified unbuildable areas within the 1-mile boundary (**Map 1**).
- Established study areas that included more land than required to meet identified needs, and that included the highest priority lands for evaluation. Study areas included buildable land as well as some unbuildable areas interspersed among the buildable lands, which therefore could not be excluded (**Map 2**).

- Compiled the necessary data to evaluate the study areas (**See Appendix C, Attachment 2 Technical Memorandums and related maps**).
- Developed a screening and rating system to consistently evaluate the study areas in a manner consistent with the Court of Appeals “roadmap” and described below (**see Appendix C and Technical Memorandums**).

### 5.3.1 Applying ORS 197.298(1)

Per the COA Decision A134379, after determining need in Step One, Step Two of the alternatives land needs analysis is to determine the adequacy of candidate lands under ORS 197.298(1) and (3). (COA Decision Document A134379, Page 21).

### 5.3.2 Determination of Adequacy per ORS 197.298(1):

The COA Decision A134379 decided that the City needed to determine if candidate lands within a priority sequence were adequate to accommodate the amount of land needed by applying the “consequences and compatibility” factors under Goal 2, Part II; ORS 197.732(2)(c); and Goal 14 (COA Decision Document A134379, page 30-31):

Goal 2: Part II (Exceptions):

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

ORS 197.732: Goal Exceptions:

- (2)(c)(C): The long term environmental, economic, social and energy consequences resulting from the use at 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;
- (2)(c)(D): The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts

Goal 14:

- Factor 5: Environmental, energy, economic and social consequences;
- Factor 7: Compatibility of the proposed urban uses with nearby agricultural activities.

The City established a rating system documented and applied in Appendix C and technical memos. The City Council has determined that any study area that scores less than a “1.5” as the average score of the composite screening criteria for Factor 5, or “1.5” as the average score of the composite screening criteria for Factor 7, is considered inadequate to accommodate needed

urban land.

If a study area scored less than 1.5 as an average score of the composite screening criteria for Factor 5 or equal to or less than 1.5 for Factor 7, it was considered inadequate to accommodate needed urban land and did not warrant further study. Those that met or exceeded the requisite scoring for Factors 5 and 7 warranted further study.

### **5.3.3 Determination of Adequacy per ORS 197.298(3):**

The COA Decision A134379 determined cities could include land of lower priority under ORS 197.298(1) in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land needed based on one of three determinations under ORS 197.298(3).

- ORS 197.298(3)(a) – Specific types of identified land needs cannot be reasonably accommodated on higher priority lands.
- ORS 197.298(3)(b) – Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or
- ORS 197.298(3)(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.

These determinations were not applicable to lands within the highest priority (exception lands). If one of these determinations was found to apply to a lower priority study area, it was found to warrant further study.

### **5.3.4 Applying Goal 14 Locational Factors**

Per the COA Decision A134379, Step Three of the alternatives land needs analysis is to determine which candidate lands should be included under Goal 14. (COA Decision Document A134379, Page 31).

There are five locational factors for Goal 14: Factors 3 – 7. In order to analyze candidate lands relative to these locational factors, the City of McMinnville developed a clear and objective ratings methodology for each factor that is dependent upon discrete screening criteria.

Each screening criteria was then further divided into sub-components for a thorough review and evaluation. The subcomponents all revolved around quantifiable data and transparent application of that data. Each screening criteria was evaluated with clear and objective analytics, and scored accordingly with a rating of 1, 2 or 3. 1 = poor, 2 = moderate and 3 = good.

Please reference the Alternatives Analysis Screening Criteria Workbook and Technical Memorandums for more detailed information about the analysis and the data that was used for each Goal 14, Location Factor Screening Criteria. For each study area, findings were made for each factor based on the analysis. Based on Goal 14 composite ratings, when reviewed in their entirety per OAR 660-015-0000(14), a determination was made for each study area as to whether it is suitable for urbanization. Following the priority scheme, those found suitable for urbanization were recommended for inclusion in the UGB if they met an identified land need.

## 5.4 Proposed UGB

A proposed UGB was developed from the screened study areas, which included the higher priority land. Lower priority land was only included when determined necessary to provide services to higher priority land. Once those lower priority areas were included, there was no remaining unmet land need.

Appendix C provides the Alternative Sites Analysis, which provides the analysis and findings regarding the study areas. Appendix C and the relevant part of these findings has been substantially updated to provide the data, analysis, and documentation regarding the process and outcome that resulted from applying the roadmap in the remand decision.

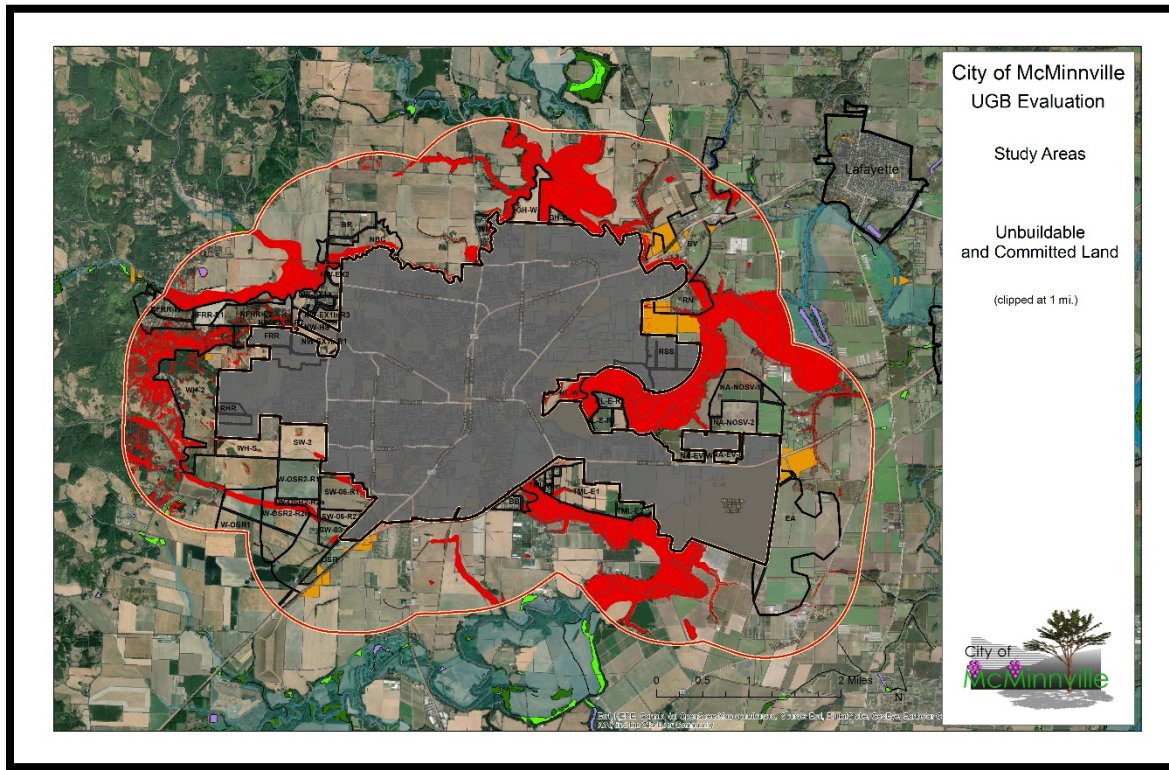
The City identified and evaluated the study areas, some of which were further broken down into sub-areas and studied. **See Map 1.** The City did not make further findings regarding prioritization for the study areas that were previously added to the UGB in Phase 1. However, where there are opportunities to coordinate the land use planning with the Phase 2 additions, this is addressed as part of the MGMUP's framework plan.

As documented in findings for each study area in Appendix C and in the respective Technical Memoranda, after screening, the analysis found that the proposed UGB should include the following areas:

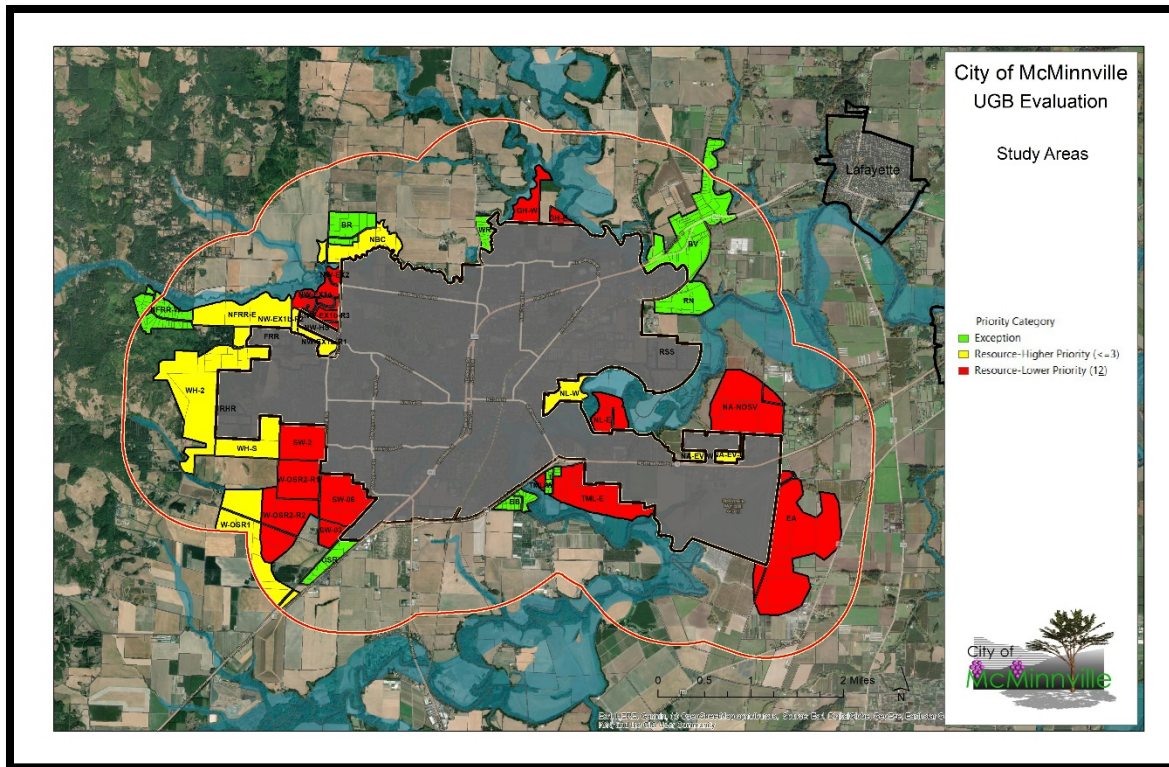
- Exception Areas: Old Sheridan Road (OSR), Riverside North (RN or RSN), Booth Bend Road (BB)
- Predominant Class 3 soils: Northwest Expanded 1b-R1 (NW-EX1b-R1) , West Hills South (WH-S), Norton Lane West (NL-W), North of Airport - Evergreen East (NA-EV-E)
- Predominant Class 2 soils (needed to provide services to West Hills South with higher priority Class 3 soils per ORS 197.298(3)(c)): Southwest 2 (SW-2), West of Old Sheridan Road 2-R1 (W-OSR2-R1), West of Old Sheridan Road 2- R2a (W-OSR2-R2a) which is the part north of Cozine Creek, and SW-06 (Subareas R1 and R2).
- After inclusion of those areas, the identified need is met, and there is no further need for inclusion of other lands.
- No areas with Predominant Class 1 soils were included in the UGB. Aside from the areas with Predominant Class 2 soils needed to provide services to higher priority land, no other areas with Predominant Class 2 soils were included in the UGB,

Map 3 shows the Comprehensive Plan Map designations to be applied to the areas.

**Map 1. Unbuildable and Committed Areas**

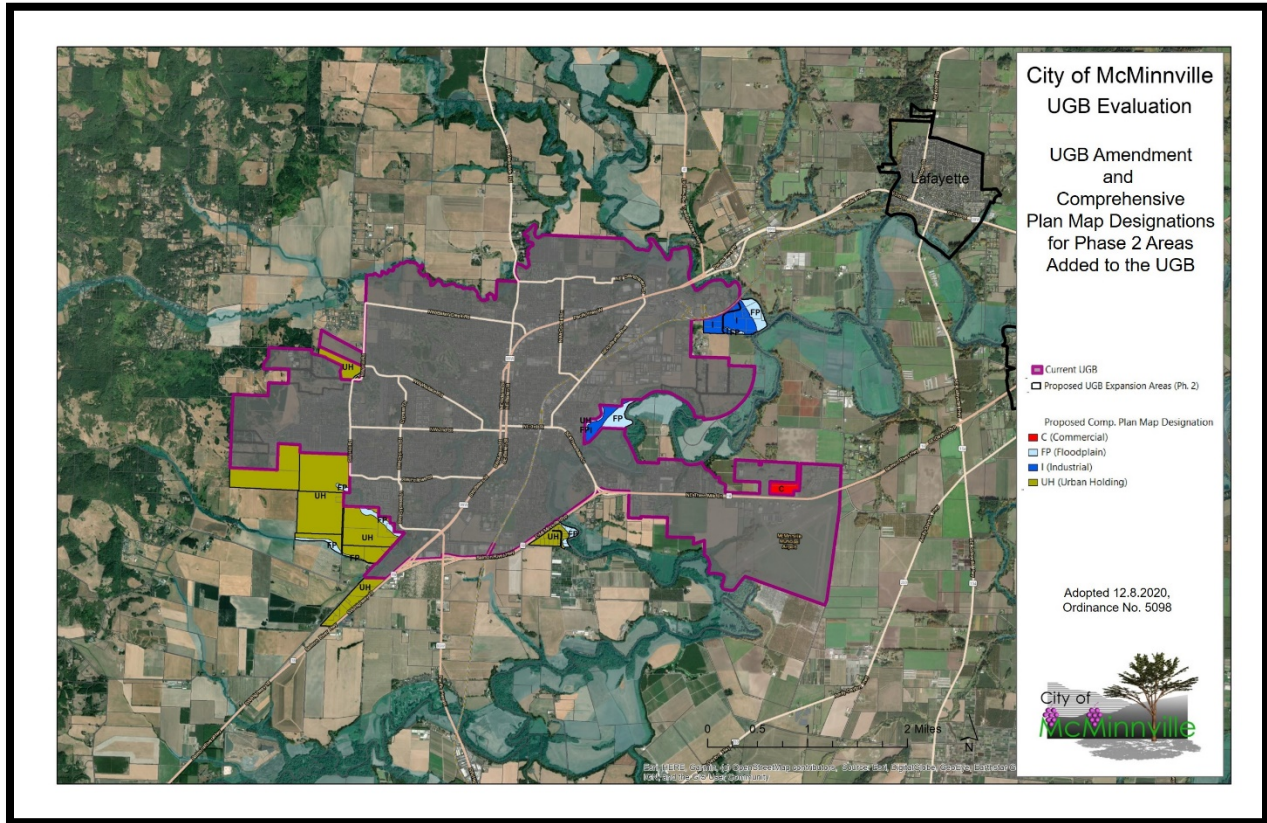


**Map 2. Study Areas by Priority Class**





### Map 3. UGB Amendment with Comprehensive Plan Designations



**Findings:** The Council finds that, per the analysis and findings described in Appendix C of the MGMUP, the City has met the direction of the Court of Appeals in applying ORS 197.298 and Goal 14 for selection of candidate land for a UGB expansion to meet the city’s housing, employment and livability land need for the planning horizon of 2003-2023, population target of 44,055 people.

#### 5.5 Conversion from Urbanizable Land to Urban Uses

*(These findings are the same findings in the 2003 MGMUP Findings at pp. 74-75.)*

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<sub>[.j]</sub>”

**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<sub>[.j]</sub>”

**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<sub>[.j]</sub>”

**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 [sic] (Chapter III).

### 4. Conversion Factor 4

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

**Findings:** The Council finds that 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.

(See, “McMinnville Growth Management and Urbanization Plan – Findings,” October 2003, pp. 74-75.)



## 5.6 Goal 2 Exceptions

*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 cities to make findings if they need to take an exception to any of the other land-use goals to accommodate their needs.

### **MGMUP REMAND 2020 UPDATE:**

**Goal 2.** The proposed UGB and MGMUP is based on the factual base and policy framework in the City's acknowledged Comprehensive Plan and planning documents. The identified needs, buildable lands, and sufficiency to meet the needs are based on the needs in the Housing Needs Analysis and Economic Opportunities Analysis. Appendix B to the MGMUP summarizes the needs, buildable lands, and sufficiency of lands within the UGB. Appendix B summarizes the remaining land needs for "Phase 2" of the UGB amendment following the inclusion of three exception areas and the high school site in "Phase 1" of the UGB amendment. Appendix B also reviews the efficiency measures that were proposed at the time "Phase 1" properties were added to the UGB. Appendix B further notes the efficiency that was achieved through adoption of key efficiency measures. It also recognizes that certain efficiency measures did not continue forward, and in those instances, evaluates the effects of efficiencies that were achieved on those and other buildable lands within the UGB through measures the City did take. The findings demonstrate that through up-zoning and other efficiencies, the City achieved substantially the same efficiencies on those lands. As a result, the land sufficiency within the UGB has not changed substantively from the capacity identified in the BLI with efficiency measures. Therefore, the remaining land need for "Phase 2" of the UGB expansion remains the same, with one exception. In 2009, a conservation easement was recorded on property both inside and outside the UGB, affecting approximately 81 acres within the UGB. Therefore, the needs reflect the additional need offset as a result of taking those lands out of the buildable land supply. Appendix B provides the updated information that addresses that need.

The applicable law in effect for this remand requires an exception to Goal 2 for a UGB amendment. The Goal 2 exception criteria correlate to the Goal 14 Factor 5 and 7 findings and provisions of ORS 197.732 in effect at the time.

The process and analysis provided in Appendix C, the Alternative Sites Analysis, documents the evaluation of the study areas by applying the applicable Goal 2 exceptions criteria that apply to a UGB amendment. The City's findings are updated and supplemented with findings that demonstrate the City followed the roadmap specified in the Court of Appeals decision and determined that these criteria are satisfied.

*Note: OAR 660-024-00020 and OAR 660-004-0010(1) were later amended and specify that an exception is not required for a UGB amendment; however, those do not apply to this remand. OAR 660-004-0010(1) also clarifies that the Goal 2 exceptions process applies to UGB amendments initiated prior to those changes.*

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. Hazards have been mapped and evaluated as part of the analysis in Appendix C.

### **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).

See, *generally*, “McMinnville Growth Management and Urbanization Plan – Findings,” October 2003, pp. 76-77.

## 6.0 COMPLIANCE – STATE PLANNING GOALS

*The following chapter has the original findings established in 2003 as amended in 2005, with updates in green text boxes for the 2020 Remand..*

### 6.1 Goal 1 (Citizen Involvement)

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

#### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 1 findings. The City's prior findings regarding Goal 1 are still applicable as it applied to the City's multi-year public engagement process. In addition, the City has addressed Goal 1 in the remand through a process that is called for in the context of a quasi-judicial review of the remand to address the legal issues associated with the one assignment of error. With the remand, the City has held several publicly-noticed City Council work sessions to brief the City Council on the legal issues and share preliminary findings. The City has also established a two-step process for public information/outreach and public input.

Following the original multi-year public involvement program, the process provided for public input on the remanded legal issues associated with the one assignment of error. The fundamental policy framework developed through the prior public involvement process remained substantially intact. The remand addressed the application of that policy framework through the filter of the single assignment of error which is necessary to ensure the policy framework is applied in a manner consistent with applicable state law.

- **Public Information.** In addition to the publicly-noticed work sessions, the City established a website specific to this work which includes project materials and updates with information about work-sessions, presentation materials, public outreach meetings, and the public hearing schedule. The City also established a marketing program through social media outlets.
- **Public Information Sessions:** The City conducted nine different public information sessions for the public to learn more about the proposal and the plan prior to the public hearing. The public information meetings are occurring in a manner that is consistent with COVID protocols for public health.
- **City Council Work Sessions:** The City Council held seven work sessions concerning the remand response between January and October of 2020. These work sessions were announced in advance in the Council Agenda and were available for public viewing. Yamhill County held one work session in July that focused on the remand response. That work session also was noticed in advance and was available for public viewing.

- **Public Notices:** The City provided a Measure 56 notice to all property owners directly impacted by the 2020 Remand proposal as well as those within 300 feet of a directly impacted property. In addition, the City published a notice of the public hearing in the local newspaper on three separate occasions and developed a marketing campaign on public media to let people know about the public information sessions and public hearing.
- **Public Comment.** The public hearing schedule provided for multiple dates to obtain public testimony. The City Council opened the public hearing on (December 1, 2020) and over the course of three consecutive evenings accepted public testimony related to the proposed UGB and MGMUP amendments that respond to the remand decision. The City also accepted written comments related to the proposed amendments. Public comments provided under this quasi-judicial process adhered to the City Council's judicial role for responding to the LCDC's remand order.

**Public Information Sessions and Public Hearings for MGMUP 2020 Remand**

<b>Date</b>	<b>Event</b>	<b>Time</b>
<b>October 14</b>	Chamber of Commerce	12:00-1:00 pm
<b>October 16</b>	1000 Friends, Friends of Yamhill County*	2:00-3:00 pm
<b>October 21</b>	Rotary	12:00-1:00 pm
<b>November 4</b>	Kiwanis	12:00-1:00 pm
<b>November 11</b>	Public Information Session**	6:30-8:00 pm
<b>November 13</b>	Public Information Session**	2:00-3:30 pm
<b>November 17</b>	Public Information Session**	6:30-8:00 pm
<b>November 23</b>	Public Information Session**	8:00-9:00 am
<b>December 1</b>	Council Public Hearing	6:00 pm
<b>December 2</b>	Council Public Hearing	6:00 pm
<b>December 3</b>	Council Public Hearing and First Reading	6:00 pm
<b>December 8</b>	Council Second Reading if needed	7:00 pm
<b>December 10 or 17</b>	Yamhill County Board of Commissioners Meeting	10:00 am

**Findings: Council finds that Goal 1 is satisfied.**

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 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.

### Summary of Public Hearings and Work Sessions

<b>Date</b>	<b>Topic</b>	<b>Comments</b>
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.



## 6.2 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.*

### **Remand 2020 Update**

The MGMUP 2003 Findings document did not have a specific finding for Goal 2 in this chapter, but rather had findings for Goal 2 in other sections of the document. The 2020 effort is pulling together those sections that are relevant to the remand work and providing them below.

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. LCDC has reviewed the City's Comprehensive Plan for compliance with the Goals and in finding that the Comprehensive Plan was consistent with the Goals, "acknowledged," the Comprehensive Plan. Once acknowledged, the Comprehensive Plan acts implement the Statewide Planning Goals and to replaces them for the purposes of local land use decision-making. Goal 2 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. 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, applied in the sequence specified in the Court of Appeals decision:

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.

The Court of Appeals decision notes that there have been subsequent amendments to applicable Statewide Planning Goals and administrative rules not applicable at the time of the remand. Therefore, the applicable Goal 2 provisions are addressed in this response to the remand for this UGB amendment. (See Note 1 *infra*)

The UGB is based on an adequate factual base in the record, including the acknowledged Housing Needs Analysis and Economic Opportunities Analysis. The record identifies the land needs, supply, and sufficiency (surplus or deficit) to meet the identified needs. The record documents the land use efficiency policies and implementing measures that have been adopted, and are proposed for adoption, to efficiently accommodate needs on lands already within the UGB and areas to be added to the UGB. The record reflects the identified land needs met by the “Phase 1” portion of the UGB amendment which previously added four areas to the UGB (Riverside South, Redmond Hill Road, Fox Ridge Road, and the Northwest High School Site), and the balance of the remaining identified land need for the “Phase 2” portion of the amendment.

The record documents the factual base and analysis conducted to demonstrate compliance with the applicable Goal 2, Part II Exceptions provisions that address “compatibility and consequences.” The analysis for these factors was applied consistently to all study areas in the sequence of the “roadmap” outlined in the Court of Appeals decision, and led to the selection of the Study Areas in the UGB proposal.

The adoption and incorporation of those findings as a 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 supported by substantial evidence and an adequate factual base that the applicable Goal 2 standards have been met.

**Note 1:**

*The Court of Appeals noted the following:*

- *The reference to the Goal 2 exception requirements in Goal 14 was eliminated in the revision to Goal 14 adopted in 2005. In its place, the goal now requires that,*
  - *“[p]rior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.”*
- *In addition, OAR 660-0004-0010(1)(c)(C) now provides that,*
  - *“[w]hen a local government changes an established urban growth boundary applying Goal 14 as amended April 28, 2005, a goal exception is not required unless the local government seeks an exception to any of the requirements of Goal 14 or other applicable goals[.]”*

*In addition, OAR 660-024-0020 “Adoption or Amended of a UGB” now also provides:*

(1) All statewide goals and related administrative rules are applicable when establishing or amending a UGB, except as follows

(a) The exceptions process in Goal 2 and OAR chapter 660, division 4, is not applicable unless a local government chooses to take an exception to a particular goal requirement, for example, as provided in OAR 660-004-0010(1);

(b) Goals 3 and 4 are not applicable'

...

**Findings: Council finds that Goal 2 is satisfied.**

### 6.3. Goal 3 (Agricultural Lands)

*To preserve and maintain agricultural lands.*

#### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 3 findings. While OAR 660-024 now clarifies that Goals 3 & 4 don't apply to UGB amendments, that interpretation was not formally codified in rule at the time. Therefore, the City's findings regarding Goal 3 continue to apply to the remand. The Goal 3 findings reference Goal 2 and Goal 14 findings, and the Goal 3 findings continue to apply as written, subject to the revised Goal 2 and Goal 14 findings which are referenced.

**Findings: Council finds that Goal 3 is satisfied.**

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.

### 6.4 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.*

**REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 4 findings. While OAR 660-024 now clarifies that Goals 3 & 4 don't apply to UGB amendments, that interpretation was not formally codified in rule at the time. Therefore, the City's findings regarding Goal 4 continue to apply to the remand. Goal 4 findings continue to apply, as no new forest land is proposed for inclusion in the UGB.

**Findings: Council finds that Goal 4 is satisfied.**

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.

## **6.5 Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces)**

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

**REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 5 findings. However, the application of state law to address the assignment of error that the Court upheld did result in a different UGB boundary than was previously proposed. The City compiled and evaluated existing inventory data for Goal 5 resources when conducting the required analysis for inclusion of lands within the UGB and made findings for each area.

The City compiled and evaluated existing Goal 5 inventory data when conducting the required analysis of study areas for inclusion of lands within the UGB. See Appendix C, Attachment 2, Technical Memorandum #15. In addition, Goal 5 findings are noted for each study area in the body of Appendix C. Technical resources relied on for the analysis included Yamhill County's Goal 5 resource inventory, the Oregon Department of Geology and Mineral Industries maps of surface mining sites, and the Oregon State Parks Office of Historic Preservation inventory of historic places.

Adoption of Appendix D of the MGMUP includes a "Proposal" to update the Goal 5 resource inventory and protection plan prior to or concurrent with urbanization of lands added to the UGB. The City's original and supplemental findings and the Goal 5 Proposal demonstrate compliance with Goal 5.

In addition to the resources discussed below, Appendix D includes evaluation of habitat for species of critical concern, and includes findings used in the evaluation of study areas related to this habitat.

**Findings: Council finds that Goal 5 is satisfied.**

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.

## 6.6 Goal 6 (Air, Water and Land Resources Quality)

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

### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 6 findings. The Goal 6 findings continue to apply.

**Findings: Council finds that Goal 6 is satisfied.**

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.

## 6.7 Goal 7 (Areas Subject to Natural Disasters and Hazards)

*To protect life and property from natural disasters and hazards.*

### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 7 findings. However, the application of state law to address the assignment of error the Court upheld did result in a different UGB boundary than was previously proposed. The City compiled and evaluated data for hazards when conducting the required analysis of study areas for inclusion of lands within the UGB and made findings for each study area. Technical resources relied on for the analysis included flood hazard mapping in the record, hazard mapping from the Oregon Department of Geology and Mineral Industries for flooding, steep slopes, landslide and earthquake hazards, and the Oregon State Fire Marshal's office maps for wildfire hazards. The City used this information when conducting the required analysis of Factor 7 for lands to include within the UGB and made findings for each area.

Adoption of Appendix D of the MGMUP includes a "Proposal" to update the Goal 7 hazard inventory and program prior to or concurrent with urbanization of lands added to the UGB. The City's original and supplemental findings and the Goal 7 Proposal demonstrate compliance with Goal 7.

**Findings: Council finds that Goal 7 is satisfied.**

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.

**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.<sup>9</sup> 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.

## 6.8 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.*

### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 8 findings. The City's Goal 8 findings continue to apply. The City has also made findings that the proposed UGB contains sufficient land to meet all of its land needs, including parkland needs based on the level of service specified in the adopted Comprehensive Plan policies. In addition, adoption of Appendix D of the MGMUP includes a "Proposal" to update the City's Goal 8 Parks and Recreation Master Plan.

**Findings: Council finds that Goal 8 is satisfied.**

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.

---

<sup>9</sup>McMinnville 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.

**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, 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**

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

Source: City of McMinnville, 2003

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

<sup>b</sup> 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.

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

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

By way of background, the City's Parks, Recreation and Open Space Master Plan was produced following a nearly two-year long citizen led planning process which included the direct involvement of over 500 McMinnville residents. This process included "in-house" departmental and inter-departmental workshops and interviews, a thorough inventory of existing facilities and services, stakeholder interviews, a community-wide survey mailed to each of the more than 10,000 households in McMinnville, patron surveys at the various City recreation facilities, two community workshops soliciting citizen participation, several working sessions with the Parks Citizens' Advisory Committee, and, ultimately, public hearings before the Planning Commission and City Council. This plan was adopted in 1999.

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

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

- o McMinnville currently has five community parks: Joe Dancer Park; Wortman Park; Kiwanis Park; Discovery Meadows Park; and, City Park. According to the McMinnville Parks and Recreation Director, all of these parks are fully developed.<sup>10</sup>

- o Three of these existing community parks have lands within the 100-year floodplain (Joe Dancer, Kiwanis, and City Park). Approximately 52 percent of these three park's total land area is constrained by floodplain.<sup>11</sup>

- o The City finds, based upon its extensive history of maintaining parkland in the floodplain, that it is fiscally unsound, environmentally irresponsible, and not in the best interests of its citizens to continue past practices of locating community parks within areas prone to flooding. It also holds strongly to the belief that the City's past use of floodplain land for community park purposes should not, and does not, restrict its ability to modify such practice if in doing so it is fiscally sound, environmentally responsible, and in the best interests of the residents of McMinnville.

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

- Extensive flooding occurred within the boundaries of Joe Dancer Park and Kiwanis Park in February, 1996. This flood caused thousands of dollars of damage to baseball backstops, benches, soccer goals, the concession stand, parking facilities, trails, accessways, irrigation system, and landscaping within the park. Similar flooding and damage occurred also to Lower City Park.<sup>12</sup> Based upon this event, and many others that have preceded this flood, the City finds it fiscally unsound to plan for future community parks that would occupy lands prone to flooding. In so doing, expenses required to repair reoccurring flood related damage can be minimized, thereby allowing other pressing parkland needs to be addressed.

---

<sup>30</sup> Conversation with Jay Pearson, Parks and Recreation Director, April 7, 2005

<sup>11</sup> Acreage figures based upon analysis of City GIS maps, April 2005

<sup>12</sup> Similar damage has happened in prior years, but we are able to document this only through conversation with the Parks and Recreation Director; no photographs are available to document the extent of water damage, however.

- Lands within floodplain areas are typically unsuitable for community park use for much of the year due to the presence of standing water or soggy conditions. McMinnville Parks and Recreation spring and fall soccer games scheduled on fields located within the 100-year floodplain are routinely cancelled during periods of heavy seasonal rain to prevent damage to the fields. Such conditions are not compatible with the needs of a community park or the residents of McMinnville.
- As a practical matter, use of floodplain land for community park purposes is predicated upon such lands being present and within the immediate vicinity of where community parks are needed or planned. Specific to McMinnville's situation, the Parks, Recreation and Open Space Master Plan identifies the location for a future community park. This site is generally situated within the west hills of McMinnville, far from any identified floodplain.<sup>13</sup>

As regard DLCD's recommendation to adjust the City's allocation of parkland need based upon the potential for sharing park facilities with the School District and Linfield College, the City finds the following:

- Linfield College is located in southern McMinnville, adjacent to a future elementary school site and existing industrial uses to the south, developed residential neighborhoods to the east, and commercial and residential uses to the west. This is a well-established neighborhood and there exists no additional vacant land on which to construct a neighborhood or community park. As indicated below, Linfield College intends to retain ownership of the balance of its currently vacant lands for its future campus needs.
- The residents of McMinnville enjoy many of the athletic facilities available on McMinnville School District and Linfield College campus property. These include gymnasiums, track, stadiums (for football), and field house (swimming, diving). However, the City's parkland needs are specific to neighborhood parks, community parks, and greenway/greenspace/natural areas. These are not land needs of the School District or Linfield College and are specific to the City. The schools and Linfield College do not provide, nor, as observed below, is there potential for, sharing of such parkland needs.
- The City's adopted Parks, Recreation and Open Space Master Plan does not include a recommendation for a community park within or adjacent to the Linfield campus. Other community parks exist to the west (Discovery Meadows Park, less than one mile distance) and Joe Dancer Park and Kiwanis Park to the northeast (approximately one mile distance). This area of McMinnville is already well served by such parks.
- City staff has consulted with the McMinnville Parks and Recreation Director, McMinnville School District Business and Finance Director, and Linfield College Vice-

---

<sup>13</sup> The Plan does not identify a specific site within the west hills on which this future community park would be located. Even so, the nearest floodplain lands are more than two miles away.

President of Finance as regard the potential of sharing park facilities.<sup>14</sup> In summary, Linfield College intends to retain the balance of its campus property for its own use. Further, they express doubts that any joint use of facilities would work. The McMinnville School District provided a similar response.

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

### **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.

## **6.9 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.*

### **REMAND 2020 UPDATE:**

**Goal 9.** The Court of Appeals did not find issues with the City's Goal 9 findings. The City's Goal 9 findings continue to apply, except as updated by Appendix B. The application of state law to address the assignment of error upheld by the Court did result in a different UGB boundary than was previously proposed, and updated findings address how the deficit is met with the revised UGB. The identified needs are based on the City's adopted and acknowledged EOA, as updated in Appendix B to reflect needs already met through the Phase I UGB amendment.

The findings that follow include significant excerpts from the City's adopted and acknowledged EOA and its Urbanization Report, which together documented the needs and how the needs would be met.

While the identified need (demand), BLI (supply), and determination of sufficiency are based on the adopted and acknowledged EOA and Urbanization documents, the City has provided supplemental findings addressing how the need is met with the revised UGB proposal. With the revised boundary proposal, the City proposes inclusion of the Riverside North area for industrial use, and rezoning some industrial land to commercial. This would allow the City to retain its industrial surplus and reduce the size of the UGB

---

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

expansion needed for commercial land. The Riverside North area is an exception area that was previously found to be unsuitable to meet residential and commercial needs. Since there is an industrial surplus, there wasn't a need to add this exception area. That meant commercial and residential land needs would need to be met elsewhere. The revised proposal allows for inclusion of the higher-priority lands in Riverside North while meeting the commercial and industrial lands needs in a way that maintains the industrial surplus.

The revised UGB proposal also supports the City's policy objectives for neighborhood-serving commercial use. The revised UGB and related Framework Plan would alter the location of proposed Neighborhood Activity Centers (NACs) and their associated employment districts. The supplemental findings provide additional information about this. With the revised findings, the City has demonstrated that the UGB proposal will meet its employment land needs consistent with the City's adopted Goal 9 Goals and Policies.

**Findings: Council finds that Goal 9 is satisfied.**

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 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 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%
<b>Total Employment</b>	<b>14,741</b>	<b>22,161</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7,420</b>	<b>1.96%</b>

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.<sup>15</sup>

<sup>15</sup> 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%
<b>Total</b>	<b>366.7</b>	<b>100%</b>	<b>2,856,796</b>	<b>100%</b>

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
<b>Commercial Plan Designation</b>	
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
<b>Commercial Subtotal</b>	<b>219.1</b>
<b>Industrial Plan Designation</b>	
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
<b>Industrial Subtotal</b>	<b>269.7</b>

#### 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	Deficit (Surplus)
		Buildable Acres (Jan 2003)	
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. The proposed UGB amendment doesn't cause this constraint. The analysis in the Technical Memo from Jacobs Engineering identifies potential serviceability issues. This provides the opportunity to evaluate potential solutions to address the constraint, and the public facility plan updates to follow the UGB amendment also provide an opportunity to address the longer-term issue in the public facilities plan. The revised UGB no longer includes the Three Mile Lane study area, which may help prevent further exacerbating the constraint absent a looped water line that could resolve the issues for short-term availability.

### 6.10. Goal 10 (Housing)

#### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's Goal 10 findings. The City's Goal 10 findings continue to apply, with some revisions and together with additional updated findings. The application of state law to address the assignment of error upheld by the Court did result in a different UGB boundary than was previously proposed, and updated findings address how the deficit is met with the revised UGB. The identified needs are based on the City's adopted and acknowledged 2001 Residential Land Needs Analysis.

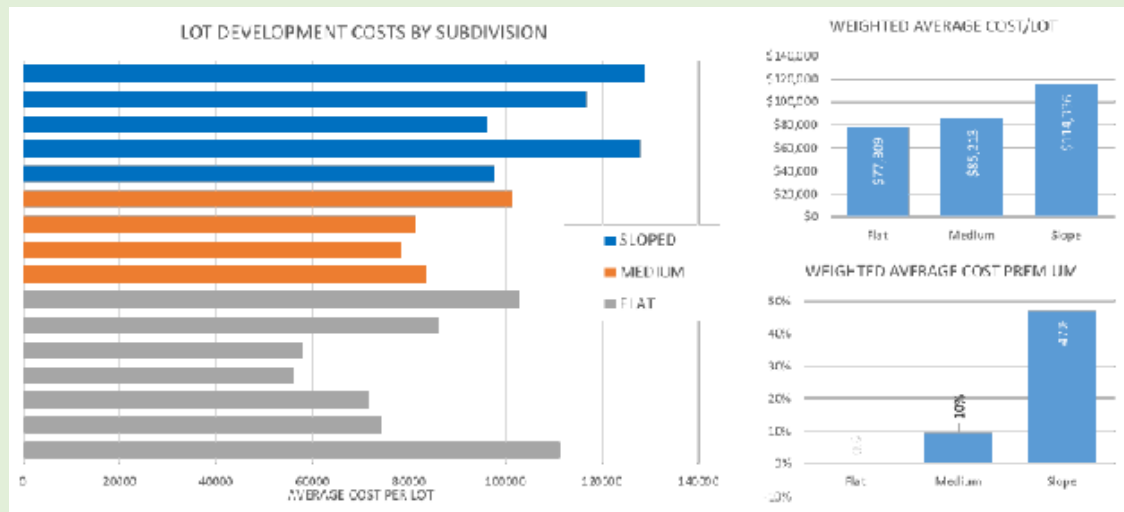
The analysis of study areas for suitability to meet identified housing needs also was informed by an analysis of housing development costs that was prepared in August of 2020 by Portland State University's Center for Real Estate (PSU). The study examined 96 housing developments in the Willamette Valley and found a significant correlation between the cost to develop housing and slope conditions. Their analysis showed that housing developments on land with more than

10% slopes, whether for single-family or multi-family dwellings, carry cost premiums that range from 24% higher for single family projects to as much as 97% higher for multi-family projects. Projects on land with slopes between 5% and 10% also carried higher cost but the marginal increase in cost was much less than development on land with more than 10% slope. This information was used in the analysis of study areas to assess relative ability to deliver affordable housing. The report is included in Appendix C, Attachment 3.

The report reached the following conclusion about the effect of slope on lot development costs in single-family subdivisions.

“The following graphic summarizes total lot development costs by subdivision in this data set, broken out by degree of slope. The weighted average premium (adjusting for subdivision size) was 10% for a medium sloped property (between 5% and 9% slope) vis-à-vis a flat site, increasing to a 47% premium for a (steeper) sloped site (with >10% slope).”

**SUMMARY OF DATA SET #1**

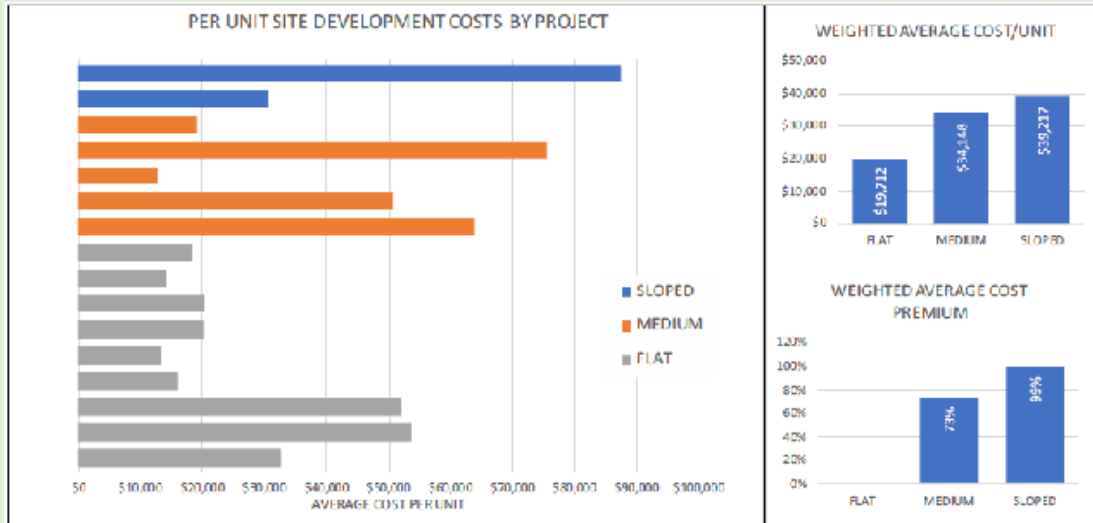


Source: Impact of Slope on Development Costs, PSU, August 2020, Page 6

For multi-family developments, the effect of slope on development costs were more significant.

“The research team had more information on total project costs, with five projects built on highly sloped sites, twelve projects built on moderate slopes and thirty-five projects built on mild slopes or flat sites. From these observations, we computed the average project cost per unit weighted by the number of units and found development costs of \$323,945 per unit for highly sloped sites, \$249,899 for moderately sloped sites, and \$235,885 for mild slope or flat sites. Put differently, the total project cost per unit of moderate sloped sites required a 9% premium over mild slope or flat sites, and highly sloped sites required a 37% cost premium over mild slope or flat sites.”

**SUMMARY OF DATA SET #3**



Source: Impact of Slope on Development Costs, PSU, August 2020, Page 10

The findings have been updated to address how the deficit of land needs is met with the amended UGB proposal. In addition, the City previously proposed to meet some of its identified residential land need through efficiency measures. After the Court of Appeals decision the City repealed Ordinance 4841. That action prevented some of the efficiencies that were intended to occur in Neighborhood Activity centers from taking effect. Other efficiency measures, however, did go into effect, and the City subsequently implemented other zoning measures that achieved the intended residential efficiencies. This occurred predominantly through up-zoning of properties that mostly were in or near areas previously planned for NACs and/or areas within transit route corridors.

The updated findings also identify an action that removed a significant amount of buildable residential land: the recording of a conservation easement in 2009. The conservation easement applied to land both within and outside the UGB. The portion within the UGB affected approximately 81 buildable acres. The identified residential land need in Appendix B was modified to account for the need to offset that reduction to the buildable land inventory (BLI). The findings account for the efficiencies achieved through re-zoning as well as the reduction of buildable land related to the conservation easement. The findings demonstrate that the proposed UGB expansion meets the identified land needs in the RLNA with adjustments for supply and efficiency measures, and in a manner that is consistent with needed housing densities. Supplemental findings address how different areas are able to achieve the identified housing needs in the adopted and acknowledged RLNA.

Much of what follows are detailed excerpts from the City’s adopted and acknowledged “needs” documents and documentation, including the analysis used to update of those documents from the 2000-2020 planning period to the 2003-2023 planning period. Appendix B provides the updated data that reflects the items discussed above and applies the efficiencies to the “baseline need” to identify the need and deficit upon application of efficiency measures. Where conflicting, Appendix B supersedes the data below.

**Findings: Council finds that Goal 10 is satisfied.**



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).<sup>16</sup> 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 1988-2000<sup>17</sup>.

### **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.

---

<sup>16</sup> At the time the *McMinnville Residential Land Needs Analysis* was completed 2000 Census data were unavailable.

<sup>17</sup> 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.

**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 % <sup>a</sup>	Net Density <sup>b</sup>
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
<b>Total</b>	<b>3,320</b>	<b>100.0%</b>	<b>709.2</b>	<b>558.2</b>	<b>21.3%</b>	<b>5.9</b>

Source: City of McMinnville building permit data

<sup>a</sup> R-O-W percentages calculated as 1 - (net acres/gross acres)

<sup>b</sup> 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 it’s 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 <sup>a</sup>
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
<b>Total</b>	<b>3,320</b>	<b>100.0%</b>	<b>709.2</b>	<b>100.0%</b>	<b>558.2</b>	<b>21.3%</b>	<b>5.9</b>

Source: City of McMinnville building permit data

<sup>a</sup> 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 <sup>a</sup>
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
<b>Percent of maximum allowable density</b>	<b>76%</b>	<b>105%</b>	<b>75%</b>	<b>61%</b>

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**

<b>Zone</b>	<b>New DU</b>	<b>Net Acres</b>	<b>Density (DU/net res ac)</b>
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
<b>Total</b>	<b>528</b>	<b>82.1</b>	<b>6.4</b>

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**

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

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.

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.<sup>18</sup>

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 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.<sup>19</sup>
- 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.

---

<sup>18</sup> 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.

<sup>19</sup> 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 <sup>b</sup>	Units	Percent of Total	Gross Density	Net Density
<b>R-1</b>	<b>197.2</b>	<b>27.8%</b>	<b>51.5</b>	<b>26.1%</b>	<b>145.7</b>	<b>531</b>	<b>16.0%</b>	<b>2.7</b>	<b>3.6</b>
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
<b>R-2</b>	<b>293.9</b>	<b>41.4%</b>	<b>71.3</b>	<b>24.2%</b>	<b>222.6</b>	<b>1,448</b>	<b>43.6%</b>	<b>4.9</b>	<b>6.5</b>
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
<b>R-3</b>	<b>150.3</b>	<b>21.2%</b>	<b>19.1</b>	<b>12.7%</b>	<b>131.2</b>	<b>716</b>	<b>21.6%</b>	<b>4.8</b>	<b>5.5</b>
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 <sup>a</sup>	78.3	11.0%	3.8	4.8%	74.5	368	11.1%	4.7	4.9
<b>R-4</b>	<b>67.8</b>	<b>9.6%</b>	<b>9.2</b>	<b>13.6%</b>	<b>58.6</b>	<b>625</b>	<b>18.8%</b>	<b>9.2</b>	<b>10.7</b>
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 <sup>a</sup>	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
<b>Total</b>	<b>709.2</b>	<b>100%</b>	<b>151.0</b>	<b>21.3%</b>	<b>558.2</b>	<b>3,320</b>	<b>100.0%</b>	<b>4.7</b>	<b>5.9</b>

Source: City of McMinnville building permit data

<sup>a</sup> The category "Manufactured Homes in Parks" only addresses spaces where Mobile Home setup permits have been issued

<sup>b</sup> 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
<b>Single-family</b>					
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%
<b>Multiple Family</b>					
Multiple Family	0%	10%	0%	12%	22%
Total multiple family	0%	10%	0%	12%	22%
<b>Total</b>	<b>15%</b>	<b>40%</b>	<b>23%</b>	<b>22%</b>	<b>100%</b>

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**

<b>Classification</b>	<b>Number of Tax Lots</b>	<b>Total Acres</b>	<b>Acres Unavailable for Development</b>	<b>Gross Vacant Buildable Acres</b>	<b>Potentially Redevelopable Acres</b>
<b>Inside the City Limits</b>					
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
<b>Subtotal</b>	<b>6,878</b>	<b>3,214.1</b>	<b>2,560.7</b>	<b>641.3</b>	<b>12.0</b>
<b>Between the City Limits and UGB</b>					
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
<b>Subtotal</b>	<b>64</b>	<b>529.3</b>	<b>235.9</b>	<b>293.4</b>	<b>0.0</b>
<b>Total</b>	<b>6,942</b>	<b>3,743.3</b>	<b>2,796.7</b>	<b>934.6</b>	<b>12.0</b>

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 Unavailable for Develop-	Gross Vacant Buildable Acres	Potentially Redevelopable Acres
<b>Within the City Limits</b>					
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
<b>Between the City Limits and UGB</b>					
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
<b>Total</b>	<b>6,942</b>	<b>3,743.3</b>	<b>2,796.7</b>	<b>934.6</b>	<b>12.0</b>

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.<sup>20</sup> 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.<sup>21</sup>

<sup>20</sup> 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.

<sup>21</sup> This definition does not include potentially redevelopable acres. Potentially redevelopable land is addressed

- Less existing development—this category applies only to “partially vacant” parcels and is the portion of such parcels that is considered developed<sup>22</sup>
- 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.<sup>23</sup> 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.

---

separately from vacant land in the next section.

<sup>22</sup> 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.

<sup>23</sup> 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)
<b>Vacant Land</b>									
<b>Within the City Limits</b>									
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
<b>Subtotal</b>	<b>527</b>	<b>676.8</b>	<b>0.0</b>	<b>39.7</b>	<b>86.3</b>	<b>1.0</b>	<b>127.0</b>	<b>549.7</b>	<b>1.0</b>
<b>Between the City Limits and UGB</b>									
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
<b>Subtotal</b>	<b>32</b>	<b>341.2</b>	<b>0.0</b>	<b>51.4</b>	<b>25.6</b>	<b>9.0</b>	<b>86.0</b>	<b>255.2</b>	<b>8.0</b>
<b>Total Vacant</b>	<b>559</b>	<b>1,018.0</b>	<b>0.0</b>	<b>91.1</b>	<b>111.9</b>	<b>10.0</b>	<b>213.0</b>	<b>805.0</b>	<b>1.4</b>
<b>Partially Vacant Land</b>									
<b>Within the City Limits</b>									
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
<b>Subtotal</b>	<b>54</b>	<b>149.7</b>	<b>24.6</b>	<b>26.5</b>	<b>3.5</b>	<b>3.6</b>	<b>58.2</b>	<b>91.6</b>	<b>1.7</b>
<b>Between the City Limits and UGB</b>									
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
<b>Subtotal</b>	<b>4</b>	<b>105.1</b>	<b>1.9</b>	<b>60.4</b>	<b>4.7</b>	<b>0.0</b>	<b>66.9</b>	<b>38.1</b>	<b>9.5</b>
<b>Total</b>	<b>58</b>	<b>254.8</b>	<b>26.5</b>	<b>86.9</b>	<b>8.2</b>	<b>3.6</b>	<b>125.1</b>	<b>129.7</b>	<b>2.2</b>

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
<b>Number of tax lots</b>									
<b>Inside City Limits</b>									
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
<b>Subtotal</b>	<b>482</b>	<b>31</b>	<b>22</b>	<b>25</b>	<b>9</b>	<b>2</b>	<b>8</b>	<b>2</b>	<b>581</b>
<b>Between City limits and UGB</b>									
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
<b>Subtotal</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>3</b>	<b>3</b>	<b>36</b>
<b>Total</b>	<b>483</b>	<b>33</b>	<b>28</b>	<b>32</b>	<b>15</b>	<b>10</b>	<b>11</b>	<b>5</b>	<b>617</b>
<b>Acres</b>									
<b>Inside City Limits</b>									
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
<b>Subtotal</b>	<b>93.6</b>	<b>15.5</b>	<b>19.0</b>	<b>44.6</b>	<b>48.6</b>	<b>24.6</b>	<b>198.7</b>	<b>196.8</b>	<b>641.3</b>
<b>Between City limits and UGB</b>									
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
<b>Subtotal</b>	<b>0.4</b>	<b>1.5</b>	<b>8.6</b>	<b>20.0</b>	<b>35.4</b>	<b>53.0</b>	<b>64.1</b>	<b>110.4</b>	<b>293.4</b>
<b>Total</b>	<b>94.0</b>	<b>17.0</b>	<b>27.6</b>	<b>64.6</b>	<b>84.0</b>	<b>77.5</b>	<b>262.8</b>	<b>307.2</b>	<b>934.6</b>
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

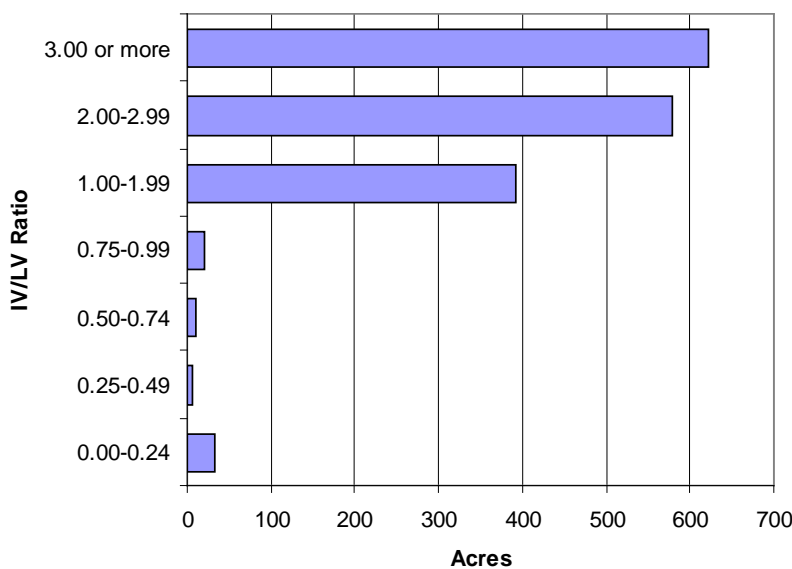
### Redevelopment potential

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.<sup>24</sup> 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.<sup>25</sup> 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

<sup>24</sup> 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).

<sup>25</sup> Developed parcels include parcels that are fully developed, and the developed portion of partially developed parcels.

exists in McMinnville at this time. Over time, that relationship can change in response 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**

<b>Improvement/ land value ratio</b>	<b>Number of tax lots</b>	<b>Potentially Redevelop- able Acres</b>
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
<b>Total</b>	<b>62</b>	<b>12.0</b>

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
<b>Total</b>	<b>946.6</b>	<b>82.1</b>	<b>864.5</b>

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.<sup>26</sup>
- Vacancy rates will be cyclical, but will average 3%-5% between 2003 and 2023.

---

<sup>26</sup> 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%
<b>McMinnville</b>	<b>14,080</b>	<b>17,894</b>	<b>27.1%</b>	<b>24,420</b>	<b>36.5%</b>
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, DLCD 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.<sup>27</sup> 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**

<b>Year</b>	<b>Yamhill County</b>	<b>McMinnville</b>
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

---

<sup>27</sup> 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.

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 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.<sup>28</sup>

Table 42 show persons in group quarters for Yamhill County and McMinnville in 1980 and 1990.<sup>29</sup> 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.<sup>30</sup> 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

<sup>28</sup> 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.

<sup>29</sup> 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.).

<sup>30</sup> 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.

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 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
	McMinnville	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
<b>Single-family</b>			
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
<b>Subtotal</b>	<b>5,250</b>	<b>14,029</b>	<b>2.67</b>
<b>Multiple family</b>			
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
<b>Subtotal</b>	<b>1,305</b>	<b>2,650</b>	<b>2.03</b>
<b>Other housing types</b>	<b>52</b>	<b>123</b>	<b>2.37</b>
<b>Total</b>	<b>6,607</b>	<b>16,802</b>	<b>2.54</b>

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
<b>Total Households</b>	<b>616</b>	<b>1,607</b>	<b>1,920</b>	<b>1,777</b>	<b>1,046</b>	<b>986</b>	<b>1,199</b>
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**

<b>Category</b>	<b>% below poverty</b>
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**

<b>Units in structure</b>	<b>DU</b>	<b>Vacant DU</b>	<b>Vacancy Rate</b>
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%
<b>Single-family</b>	<b>4,859</b>	<b>106</b>	<b>2.2%</b>
<b>Multiple family</b>	<b>1,748</b>	<b>65</b>	<b>3.7%</b>

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.<sup>31</sup> 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**

<b>Housing Type</b>	<b>Permits Issued</b>	<b>Percent of Total</b>
<b>Single-family</b>		
Single-family detached	1,532	46.1%
Single-family attached	392	11.8%
Manufactured	674	20.3%
Total single-family	2,598	78.3%
<b>Multiple family</b>		
Multiple family	722	21.7%
Total multiple family	722	21.7%
<b>Total</b>	<b>3,320</b>	<b>100.0%</b>

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.

---

<sup>31</sup> 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**

<b>Assumption</b>	<b>Value</b>
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.<sup>32</sup>

---

<sup>32</sup> The DLCDC 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
<b>Single-family dwelling units</b>	
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
<b>Multiple family dwelling units</b>	
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
<b>Totals</b>	
=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
<b>Single-family</b>	<b>4,175</b>	<b>78%</b>	<b>3.9</b>	<b>1,077</b>
Detached	2,453	46%	3.4	721
Manufactured	1,052	20%	4.1	257
Attached/Duplex	670	12%	6.8	99
<b>Multi-family</b>	<b>1,209</b>	<b>22%</b>	<b>14.8</b>	<b>82</b>
Apartment	1,209	22%	14.8	82
<b>Total</b>	<b>5,384</b>	<b>100%</b>	<b>4.7</b>	<b>1,158</b>

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 1605 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**

<b>Income Level</b>	<b>Hourly Wage</b>	<b>Annual Wage</b>	<b>Sample Occupations</b>
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**

<b>Variable</b>	<b>Value</b>	<b>Percent of Households</b>
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		Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase		Notes
	of HH	Percent		Owner-Occupied Unit		
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 rate<sup>33</sup> 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

---

<sup>33</sup> 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.

housing is valued between \$125,000 and \$187,500. Eleven percent is valued above \$187,500.

**Table 59. Market value of single-family housing, McMinnville UGB, June 2000**

<b>Value</b>	<b>Number of DU</b>	<b>Percent of DU</b>	<b>Cumulative Percent</b>
< 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%
<b>Total</b>	<b>5,476</b>	<b>100.0%</b>	

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**

<b>Housing type</b>	<b>Rent range</b>
<b>Apartments</b>	
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
<b>Duplexes</b>	
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
<b>Single-family detached</b>	
1 Bedroom	\$350 - \$500
2 Bedrooms	\$450 - \$775
3 Bedrooms	\$500 - \$950
4 Bedrooms – mostly "older" ? Homes	\$800 - \$950
<b>Mobile homes</b>	
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.<sup>34</sup> 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 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	↑ New Housing Used Housing
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.

<sup>34</sup> Specifically, Step 4, page 29 and the figure on page C-11.

**Table 62. Tenure by housing type, McMinnville, 1990**

<b>Housing Type</b>	<b>Owner-Occupied</b>	<b>Renter-Occupied</b>	<b>Total DU</b>
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.<sup>35</sup> 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.* Though median incomes

---

<sup>35</sup> 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).

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.<sup>36</sup> 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).

---

<sup>36</sup> 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
<b>Single-family Total</b>	<b>100%</b>	<b>50%</b>	<b>4,038</b>
Multi-family			
<b>Apartment</b>	<b>0%</b>	<b>50%</b>	<b>1,346</b>
<b>Group Quarters</b>	<b>0%</b>	<b>100%</b>	<b>200</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>5,584</b>
<b>Tenure Mix</b>	<b>60%</b>	<b>40%</b>	

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.<sup>37</sup>

**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

<sup>37</sup> A detailed discussion of population and employment projections is presented in Appendix "A" of the *McMinnville Growth Management and Urbanization Plan*.



in the findings that accompany the UGB expansion proposal.

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)**

<b>Assumption</b>	<b>Revised Need</b>	<b>Baseline (2000 Report)</b>
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	
<b>Housing Mix</b>		
Single-family	60%	66%
Multiple family	40%	34%
<b>Household size</b>		
Single-family	2.76	2.66
Multiple family	2.21	2.10
Weighted average household size	2.54	2.54
<b>Vacancy rate</b>		
Single-family	2.5%	2.5%
Multiple family	5.0%	5.0%
<b>Density Assumptions (DU/Net Res Acre)</b>		
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
<b>Net-to-Gross Acres Factor</b>		
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	
<b>Single-family</b>						
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%
<b>Single-family Total</b>	<b>12%</b>	<b>33%</b>	<b>9%</b>	<b>6%</b>	<b>0%</b>	<b>60%</b>
<b>Multi-family</b>						
Row/townhouse	0%	0%	5%	7%	0%	12%
Apartment	0%	0%	0%	10%	18%	28%
<b>Multi-family Total</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>	<b>17%</b>	<b>18%</b>	<b>40%</b>
<b>Total</b>	<b>12%</b>	<b>33%</b>	<b>14%</b>	<b>23%</b>	<b>18%</b>	<b>100%</b>

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)
<b>Single-family</b>	<b>3,607</b>	<b>60.0%</b>	<b>5.4</b>	<b>4.3</b>
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
<b>Multi-family</b>	<b>2,407</b>	<b>40.0%</b>	<b>14.0</b>	<b>11.6</b>
Row/Townhouse/Duplex	722	12.0%	10.0	7.5
Apartment	1,685	28.0%	17.0	15.0
<b>Total</b>	<b>6,014</b>	<b>100.0%</b>	<b>7.2</b>	<b>5.7</b>

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.

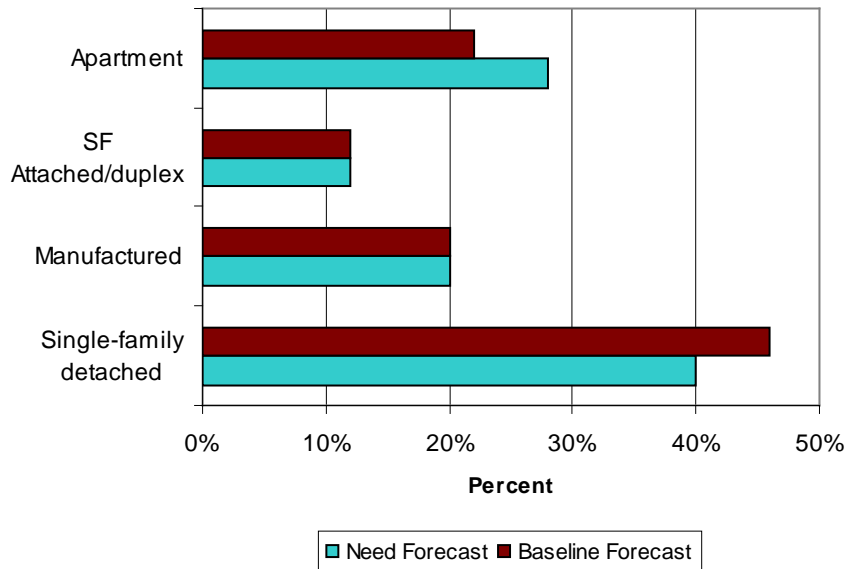
**Table 68. Need forecast of housing, land need (gross acres), and needed density by zoning and housing type, 2003-2023**

Housing type	Zoning					Total
	R-1	R-2	R-3	R-4	R-5	
<b>Number of Dwelling Units</b>						
<b>Single-family</b>	<b>721</b>	<b>1,985</b>	<b>540</b>	<b>360</b>	<b>-</b>	<b>3,607</b>
Detached (R-1)	601	-	-	-	-	601
Detached (Other)	-	1,504	300	-	-	1,804
Manufactured in subdivisions	120	481	-	-	-	601
Manufactured in parks	-	-	240	360	-	601
<b>Multi-family</b>	<b>-</b>	<b>-</b>	<b>301</b>	<b>1,023</b>	<b>1,083</b>	<b>2,407</b>
Row/townhouse	-	-	301	421	-	722
Apartment	-	-	-	602	1,083	1,685
<b>Total</b>	<b>721</b>	<b>1,985</b>	<b>841</b>	<b>1,383</b>	<b>1,083</b>	<b>6,014</b>
<b>Land Need (Gross Acres)</b>						
<b>Single-family</b>						
Detached (R-1)	180	-	-	-	-	180
Detached (Other)	-	368	74	-	-	441
Manufactured in subdivisions	24	97	-	-	-	122
Manufactured in parks	-	-	41	62	-	103
<b>Multi-family</b>						
Row/townhouse	-	-	40	56	-	96
Apartment	-	-	-	40	72	112
<b>Total</b>	<b>204</b>	<b>465</b>	<b>155</b>	<b>158</b>	<b>72</b>	<b>1,053</b>
<b>Implied Density (DU/Gross Acre)</b>	<b>3.5</b>	<b>4.3</b>	<b>5.4</b>	<b>8.8</b>	<b>15.0</b>	<b>5.7</b>

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, 2003-2023<sup>38</sup>**

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

---

<sup>38</sup> 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
<b>Total</b>	<b>1,538.4</b>	<b>1,780.2</b>

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 DLCDB 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
<b>Total</b>	<b>2,469</b>	<b>430</b>	<b>50</b>	<b>2,949</b>

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.<sup>39</sup> 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.

---

<sup>39</sup> 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
<b>Total</b>	<b>3,065</b>	<b>5.7</b>	<b>536.9</b>

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
<b>Total</b>	<b>1,035.4</b>

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.<sup>40</sup>

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 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:

---

<sup>40</sup> 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.

- 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**

The October 2003 MGMUP included the rezoning of 20 individual parcels as a means of adding additional residential or commercial land capacity to the city’s inventory, and, in some cases, to simply correct inappropriately applied zoning (residence zoned for industrial use in an area of other residential zoning, for example

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

On September 10, 2004, the LCDC approved the City’s rezoning of seven of these parcels. This action was taken following DLCD staff’s amended recommendation to their Commission and after DLCD’s consultation with staff from 1000 Friends of Oregon during a recess occurring at the September 10<sup>th</sup> hearing. Subsequently, when the hearing reconvened, DLCD recommended to the Commission that seven of those 20 parcels, totaling 4.4 gross vacant buildable acres – for which no traffic analysis was either provided or requested – be so rezoned.

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

In attempting to determine the standards under which the remaining rezoned parcels would be reviewed, the City requested clarification from DLCD. In a letter dated February

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

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

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

In summary, this measure results in the rezoning of 10 parcels totaling 23.53 acres. Of the nearly total acres, 7.91 acres over 96 acres were identified as developed in the City's buildable lands inventory. The proposed changes do not affect the amount of buildable commercial land need. They increase the amount of buildable residential land by slightly more than 16 15.62 acres, while decreasing the amount of buildable industrial land supply by about 14 12.77 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	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
<b>TOTALS:</b>		<del>114.25</del> <b>24.42</b>	<del>96.46</del> <b>8.68</b>	<del>16.67</del> <b>15.65</b>							
<b>Adjustment to Commercial Buildable Land Supply:</b>						<b>0.49</b>					
<b>Adjustment to Industrial Buildable Land Supply:</b>						<del>(13.82)</del> <b>(12.77)</b>					
<b>Adjustment to Residential Buildable Land Supply:</b>						<del>16.18</del> <b>15.62</b>					

Source: City of McMinnville Planning Department, April 2003, Amended 2005

## 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.

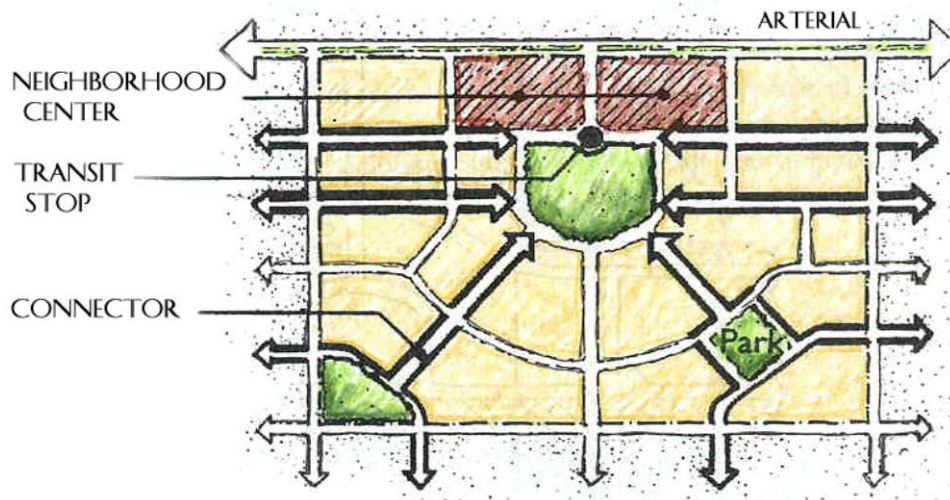
### **Support Area**

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**

<b>Building</b>	<b>Location</b>	<b>Available Floor Space (sq ft)</b>	<b>Potential Housing Units</b>
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
<b>Totals:</b>			<b>61</b>

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.

**MGMUP 2020 Remand Update:**

The MGMUP 2020 Remand retains the R-5 zone as a means of helping to provide the 1,685 apartment housing units identified in the Housing Needs Analysis (Table 3 of this Plan and Table 8 of Appendix B). However in order to meet the City's housing policies of integrated neighborhoods and encouraging a dispersal of high density residential housing throughout the community (Comprehensive Plan Policy #71.11, #86.00 and #187.50(10)), the MGMUP 2020 Remand update amends the statement that the R5 zone will only occur in the Neighborhood Activity Centers. Per proposed Comprehensive Plan policy 71.12, if there are other appropriate locations identified for the R5 zone both within the existing city limits and within the UGB during the Area Planning process, the R5 zone should be utilized.

This remand update will also maintain the same 36 acres of R5 zoned land need within the UGB expansion area as originally proposed in the 2003 Plan (Table 11 of Appendix B and Table 71 of the Findings Document).

*ORS 197.296 (3)(b), states that the City must conduct an analysis of housing need by type and density range. If the housing need determined under ORS 197.296(3)(b) exceeds the housing capacity inventoried under ORS 197.296(3)(a), then ORS 197.296(6) requires that the local government (a) "amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years;" (b) amend its plan and implementing 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;" or (c) adopt a combination of actions under (a) and (b). The City followed the dictates of ORS 197.296 in the periodic review process.*

The City conducted a Housing Needs Analysis and identified the need for 1,685 apartment units to satisfy future housing needs of the targeted population forecast per ORS 197.296(3)(b). (Table 3 of the "Plan" and Table 8 of Appendix B).

Originally the City proposed to meet this need in two ways per ORS 197.296(6)(c) by creating a new multifamily residential zone that would allow only apartment units as a

housing type with a targeted density of at least 15 units per gross buildable acre - the R5 zone. The City wanted half of the apartment units to be built within the existing UGB and half to be planned as part of a UGB expansion area. Thus the City proposed to rezone 36 acres of land within the existing UGB to R5 and then to amend the urban growth boundary with a planned 36 acres of R5 zoned land for 72 acres of R5 zoned land and 40 acres of R4 zoned land to achieve the needed apartment units in the Housing Needs Analysis per ORS 197.296(3)(b).

The 36 acres within the existing UGB was part of two planned Neighborhood Activity Centers (Grandhaven and the Northwest) and the 36 acres in the UGB expansion area was part of two planned Neighborhood Activity Centers (Southwest and Three Mile Lane).

However, when the Grandhaven Neighborhood Activity Center and the Northwest Neighborhood Activity Center due to a long court challenge, the City rezoned land to the R4 zone to work towards meeting the city's apartment unit housing need within the existing UGB. This land-use measure was successful in generating 900 apartment units, (53% of the overall need). While the R-5 rezone did not occur, the housing type that the R5 zone was meant to realize, apartment units, (which is the only housing type allowed in the R5 zone) did develop per the locational policies of high density residential development in Comprehensive Plan policy #71.09. In effect, the planned R-5 housing was achieved through other land use actions within the existing UGB, and the need for R5 zoned land in the UGB expansion area remains 36 acres as originally planned and described to achieve the housing need identified to satisfy ORS 197.296(3)(b).

See Technical Memorandum #17B of Attachment 2 to Appendix C of the MGMUP.

The 2020 MGMUP Remand does not identify specific locations in the expansion areas for the R-5 zone to be applied, but the Framework Plan does identify potential locations where higher density residential R-5 zoning could be implemented based on potential locations for Neighborhood Activity Centers, along with other land uses that are envisioned for these districts. Specific locations, sizes, and uses within the NACs, including R-5 zoned areas, will be further defined through Area Planning and Master Planning processes.

### **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."<sup>41</sup>

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 higher density housing along potential transit corridors in west McMinnville.<sup>42</sup> 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.

---

<sup>41</sup> Excerpt from "Policy Statement Re: West Second Sewer Line Extended to Hill Road," dated January 19, 1979.

<sup>42</sup> 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 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
R4416BC03201	2.35	2.35	LDR-9000	3.5	8	10	23	15	John Fuller
R4416BD01600	1.00	0.5	R-3	5.4	3	10	5	2	David Logsdon
R4420CB00301	1.59	1.59	C-3PD	0	0	10	15	15	Elton Thayer
<b>TOTALS:</b>	<b>5.19</b>	<b>4.51</b>			<b>11</b>		<b>43</b>	<b>32</b>	
<b>Adjustment to Commercial Buildable Land Supply:</b>					<b>(1.59)</b>				

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

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

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

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

Application of this policy to property located within one-quarter-mile of proposed and existing transit routes yields three additional higher density housing opportunities. If the City were to adopt this density enhancement policy, and find it appropriate to rezone these properties (consistent with TPR, zone change criteria, etc), approximately 32 additional dwelling units



(assuming a gross density of 10 dwelling units per acre) could be accommodated within the current McMinnville urban growth boundary. When applying the locational criteria of Plan Policy 91.00, the small number of properties is further reduced. Based upon a thorough review of buildable and redevelopable lands within the previously described corridor, the City finds that a program to achieve an average density of 10 dwelling units per acre within the proposed corridor cannot be achieved.

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

### **Summary of existing and proposed efficiency measures**

The DLCD 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.

**Table 76. 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)
<b>Measures described in ORS 197.296</b>																
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									✓					✓		
<b>Measures described in HB 2709 Workbook</b>																
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	✓								✓		✓					
<b>Additional measures</b>																
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 1,209 gross buildable acres in the revised analysis to 924 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 1,209 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, 924 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**

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

Source: ECONorthwest, 2003

<sup>a</sup> 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.

2020 Remand Note: Table 77 is revised to reflect an 81 acre reduction in gross buildable acres.

## 6.11 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.*

**REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's findings of consistency with Goal 11. The City's findings regarding consistency with Goal 11 continue to apply. The revised UGB proposal doesn't change the applicability of the findings.

**Findings: Council finds that Goal 11 is satisfied.**

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.

## **6.12 Goal 12 (Transportation)**

*To provide and encourage a safe, convenient and economic transportation system.*

**REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's findings of consistency with Goal 12. The City's findings regarding consistency with Goal 12 continue to apply, except as amended regarding specific NACs which are no longer part of the UGB proposal.

The City retained Jacobs Engineers to conduct an analysis of all study areas for service feasibility and relative cost to extend water and sewer services. Their report is included in Appendix C, Attachment 3. The findings address serviceability generally, by rating each study areas on a 5-point scale from "good" to "very poor. Study areas also were evaluated for the cost to extend services economically. Cost comparisons converted area costs to a dwelling unit basis using the rated housing capacity in each study area. The findings in Appendix C for Goal 14 Location Factor 3 – Public Facilities reflect both the engineering feasibility to serve study areas as well as the service delivery costs per dwelling.

*Note: OAR 660-024-0020(1)(d) specifies: "The transportation planning rule requirements under OAR 660-012-0060 need not be applied to a UGB amendment if the land added to the UGB is zoned as urbanizable land, either by retaining the zoning that was assigned prior to inclusion in the boundary or by assigning interim zoning that does not allow development that would generate more vehicle trips than development allowed by the zoning assigned prior to inclusion in the boundary."*

**Findings: Council finds that Goal 12 is satisfied.**

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.<sup>43</sup> 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 framework plan and 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, 2003<sup>44</sup>, 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

---

<sup>43</sup> “McMinnville Growth Sensitivity Study – Major Street System,” The Transpo Group, pg. 8, May 30, 2002.

<sup>44</sup> 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.

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. The revised UGB proposal no longer includes the Three Mile Lane NAC.

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.

### 6-13 Goal 13 (Energy Conservation)

*To conserve energy.*

**REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City’s findings of consistency with Goal 13. The City’s findings regarding consistency with Goal 13 continue to apply.

**Findings: Council finds that Goal 13 is satisfied.**

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.

## 7.0 COMPLIANCE – COMPREHENSIVE PLAN POLICIES

### **REMAND 2020 UPDATE:**

The Court of Appeals did not find issues with the City's findings of consistency with the Comprehensive Plan Goals and Policies. The City's findings regarding consistency with then applicable Goals and Policies continue to apply.

The Council finds that the findings remain applicable with the revisions to the proposed UGB, except as amended below to remove references to the previous specific NACs, to include findings regarding inclusion of Riverside North for industrial land needs, and the update to Chapter X findings to supplement the findings regarding the remand process.

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.

## 7.1 Chapter II (Natural Resources)

**Goal II 1:** *To preserve the quality of the air, water and land resources within the planning area.*

**Findings:** The Council 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.

## 7.2 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 Council 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.

### 7.3 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 Council 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—As an alternative to strip commercial development, the proposed plan amendment provides for the cluster development of neighborhood scale commercial uses within Neighborhood Activity Centers. to be located consistent with the framework plan. 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 suitable for future industrial development but an inappropriate area for future residential development (a number of other factors, as detailed in the “old” Appendix C of the “McMinnville Growth Management and Urbanization Plan,” (made a part of this record) also contributed to this conclusory 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.

## 7.4 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 Council 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. 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.

## 7.5 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 Council 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. The framework plan provides opportunities for proximity of the neighborhood core. In so doing, driving and walking distances for school age children and parents can potentially be shortened to less than one mile in distance. Plan policy 105.05 is therefore satisfied by this plan amendment.

## 7.6 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 Council 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).

## 7.7 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 Council 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.

## 7.8 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 Council finds that the goals and policies of Chapter IX, Urbanization, are satisfied, as detailed in the prior Goal 2 and Goal 14 findings.

## 7.9 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 Council 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.
4. In addition, the City has addressed Chapter X in the remand through a process that is called for in the context of a quasi-judicial review of the remand to address the legal issues associated with the one assignment of error. With the remand, the City has held several publicly-noticed City Council work sessions to brief the City Council on the legal issues and share preliminary findings. The City has also established a 2-step process for public information/outreach and public input.
  - **Public Information.** In addition to the publicly-noticed work sessions, the City established a website specific to this work which includes project materials and updates with information about work-sessions, presentation materials, public outreach meetings, and the public hearing schedule. The City also established a marketing program through social media outlets.
  - **Public Information Sessions:** The City conducted nine different public information sessions for the public to learn more about the proposal and the plan prior to the public hearing. The public information meetings are occurring in a manner that is consistent with COVID protocols for public health.

Following the original multi-year public involvement program, the process provided for public input on the remanded legal issues associated with the one assignment of error. The fundamental policy framework developed through the prior public involvement process remained substantially intact. The remand addressed the application of that policy framework through the filter of the single assignment of error which is necessary to ensure the policy framework is applied in a manner consistent with applicable state law.
  - **Public Notices:** The City provided a Measure 56 notice to all property owners directly impacted by the 2020 Remand proposal as well as those within 300 feet of a directly impacted property. In addition, the City published a notice of the public hearing in the local newspaper on three separate occasions and developed a marketing campaign on public media to let people know about the public information sessions and public hearing.

- **Public Comment.** The public hearing schedule provided for multiple dates to obtain public testimony. The City Council opened the public hearing on (December 1, 2020) and over the course of three consecutive evenings accepted public testimony related to the proposed UGB and MGMUP amendments that respond to the remand decision. The City also accepted written comments related to the proposed amendments. Public comments provided under this quasi-judicial process adhered to the City Council's judicial role for responding to the LCDC's remand order.



# 8.0: PUBLIC TESTIMONY

---

*This Chapter is a new addition to the MGMUP Findings Document as part of the MGMUP 2020 Update.*

## 8.1 Introduction

The City Council elected to host three consecutive nights of the public hearing in order to provide ample opportunity for people to participate. The first evidentiary hearing was conducted on December 1, 2020, which was continued date specific to December 2 and December 3, 2020. The City Council closed the public hearing on December 3, 2020 after hearing all of the oral public testimony, and elected to leave the record open for additional written comments to 12:00 PM on December 4, 2020. Due to the COVID pandemic, the public hearing was conducted via a virtual environment on ZOOM. However people were provided the option to testify in person at the City Council chambers as well. If people wanted to notify the City of their intent to testify on a particular night in advance of the meeting, a sign-up sheet was provided at the project website of [www.growingmcminnvillemindfully.com](http://www.growingmcminnvillemindfully.com).

## 8.2 Notice Provided

The Council provided notice of the public hearing via direct mail to all impacted property owners and all property owners within 300 feet of directly impacted property per ORS and local code guidelines.

Notice was also published in the local newspaper on November 24, November 27 and December 1, 2020, in addition to many different social media platforms.

## 8.3 Written Testimony Received

Thirty-two (32) people provided written testimony in advance of the hearing, during the hearing and after the hearing closed on December 3, but while the record was still open until 12:00 PM on December 4, 2020, as outlined below. (Please see Attachment 3 of the Findings Document for all of the written testimony). Three (3) (Alexis Biddle and Sid Friedman of 1000 Friends and Friends of Yamhill County, Mark Davis and Patty O’Leary) of the thirty-two (32) people elected to provide written testimony twice during the public hearing process. Written testimony was accepted via email and direct mail.

RECEIVED FROM:	DATE:
<i>Morris Eagleman</i> , 1886 NW Wallace Road	November 13, 2020
<i>Ruby Troncin</i> , no address provided	November 19, 2020
<i>AWT LLC</i> representing Thompson Property	November 23, 2020
<i>Kari Moser</i> , 2256 SW Redmond Hill Road	November 23, 2020
<i>Dan Fricke</i> , ODOT	November 25, 2020

<b>Susan Dirks</b> , no address provided	November 28, 2020
<b>Steve Leonard</b> , Fox Ridge Road	November 29, 2020
<b>Mark Davis</b> , 652 SE Washington Street	November 30, 2020
<b>R. Scott Trent</b> , 5423 Bow Canyon Way, Meridian, ID 83642	November 28, 2020
<b>Aaron and Jennifer Wood</b> , no address provided	November 30, 2020
<b>McMinnville Industrial Promotions</b> , PO Box 328	November 30, 2020
<b>Jenny Stolarz</b> , 1301 SW Hill Road	November 30, 2020
<b>Alexis Biddle / Sid Friedman</b> , 1000 Friends of Oregon / Friends of Yamhill County	December 1, 2020
<b>Abigail Neilan</b> , 2461 SW Hannah Circle	December 1, 2020
<b>Dennis McGanty</b> , no address provided	December 1, 2020
<b>Melanie Byer-Jones</b> , 6151 NE Riverside Drive and 6331 NE Riverside Dr.	December 1, 2020
<b>Gene Baty</b> , 5760 SW Parma Drive	December 1, 2020
<b>Peg Hegna</b> , no address provided	December 1, 2020
<b>Al Ashcroft</b> , 2280 Redmond Hill Road	December 1, 2020
<b>Charles Walker</b> , 10315 SW Old Sheridan Road	December 1, 2020
<b>Christine Anderson</b> , 4714 NE Riverside Loop	December 2, 2020
<b>MEDP</b> , 231 NE Fifth Street	December 2, 2020
<b>Perkins Coie</b> representing McMinnville Properties LLC	December 2, 2020
<b>Patty O'Leary</b> , no address provided	December 2, 2020
<b>Cristi Mason-Rivera</b> , 7135 Red Prairie Road, Sheridan	December 3, 2020
<b>Mara Pauda</b> , no address provided	December 3, 2020
<b>Janet Redmond</b> , 13700 SW Peavine Road	December 3, 2020
<b>Alexis Biddle / Sid Friedman</b> , 1000 Friends of Oregon / Friends of Yamhill County	December 3, 2020
<b>Mark Fery</b> , 3850 NE Arnold Lane	December 3, 2020

<b>Travis Johnson</b> , 2325 NW Cemetery Road	December 4, 2020
<b>Mark Davis</b> , 652 SE Washington Street	December 4, 2020
<b>Patty O'Leary</b> , no address provided	December 4, 2020
<b>Ramsey McPhillips</b> , 1300 SW McPhillips Road	December 4, 2020

#### 8.4 Oral Testimony Received

Twenty-one (21) people provided verbal testimony at the City Council Public Hearings on December 1, 2 and 3. Oral testimony was accepted during the hearings either in person at the Civic Hall at 200 NE Second Street, or on ZOOM virtually. (Please see Attachment 3 of the Findings Document for the sign-up sheets of the oral testimony during the public hearings.)

<b>PROVIDED BY:</b>	<b>DATE:</b>
<b>Ezra Hammer</b> , Homebuilders Association	December 1, 2020
<b>Sid Friedman</b> , Friends of Yamhill County	December 1, 2020
<b>Al Ashcroft</b> , 2280 Redmond Hill Road	December 1, 2020
<b>Jennifer Redmond-Noble</b> , 13500 SW Peavine Road	December 2, 2020
<b>Joseph Wain</b> , 463 SW Heath Street	December 2, 2020
<b>Christine Anderson</b> , 4714 NE Riverside Loop	December 2, 2020
<b>Kari Moser</b> , 2256 SW Redmond Hill Road	December 2, 2020
<b>Jerri Solan</b> , 2166 SW Alexandria Street	December 2, 2020
<b>Mark Davis</b> , 652 SE Washington Street	December 3, 2020
<b>R. Scott Trent</b> , 5423 Bow Canyon Way, Meridian, ID 83642	December 3, 2020
<b>Donnie Mason</b> , 20901 Caleb Payne Road	December 3, 2020
<b>Alexis Biddle</b> , 1000 Friends of Oregon	December 3, 2020
<b>Barbara Boyer</b> , 12255 Boyer Road	December 3, 2020
<b>David S. Wall</b> , PO Box 756, Newberg	December 3, 2020
<b>Ramsey McPhillips</b> , 1300 SW McPhillips Road	December 3, 2020
<b>Patricia Lea Trent</b> , 3587 S. Veranda Way, Boise, ID 83706	December 3, 2020

<b>John F. Porter II</b> , 340 NE Hill Street, Sheridan	December 3, 2020
<b>Steve Langer</b> , 4025 NE Arnold Lane	December 3, 2020
<b>Susanne Beukema</b> , 1164 NW Sunrise Court	December 3, 2020
<b>Debbie Robertson</b> , 2964 SW Redmond Hill Road	December 3, 2020
<b>Joe Rivera</b> , 7135 Red Prairie Road, Sheridan	December 3, 2020

## 8.5 Findings in Response to Testimony

The Council received written testimony between November 12 and December 4, 2020 and oral testimony between December 1 and December 3, 2020. The Council provides the following findings in response to the public testimony. Testimony is grouped into common areas of concern, and is not included in order of receipt.

The following does not represent all of the issues raised, but it highlights the themes of testimony heard that were relevant to the proceedings.

### ISSUE: GENERAL STATEMENTS OF SUPPORT OR OPPOSITION

Some testimony was presented in general support or opposition to the proposal overall, or relating to inclusion or exclusion of certain areas or properties. If the testimony included specific reasons for support or opposition relating to the criteria for the locational analysis, that testimony is addressed as a separate issue within these findings.

#### FINDING:

Testimony expressing a preference for the City not to grow is inconsistent with state law that requires cities to plan for growth and provide a 20-year buildable land supply within the UGB. The City is responding to the one assignment of error in the Court of Appeals decision regarding its locational analysis. The remand must base the locational analysis on the amount of growth and land needs provided in the acknowledged population and employment forecasts, and provided in the acknowledged land needs analysis based on those forecasts.

The amount of land proposed for inclusion is determined by those acknowledged documents, and the location of the areas proposed for inclusion resulted from the analysis required by state law and the Court of appeals “roadmap” based on evaluation and inclusion of higher priority lands found to be adequate and suitable for the identified land needs.

The testimony did not include findings in conflict with the findings in the locational analysis or the conclusory findings with the applicable criteria.

### ISSUE: EFFECT OF UGB AMENDMENT AND COMPREHENSIVE PLAN MAP AMENDMENT ON CONTINUATION OF CURRENT USE OF PROPERTY

Testimony was presented expressing questions or concerns about how the proposal would affect continuation of the current use of property. This testimony included questions relating to properties previously added to the UGB in Phase 1, for which the current proposal includes a

Comprehensive Plan Map Amendment from “R” Residential to “UH” Urban Holding. This testimony also included questions relating to properties proposed for addition to the UGB and the Comprehensive Plan designations applied to them.

**FINDING:**

The current proposal doesn’t include rezoning or annexation of property. The county zoning applicable to the properties continues to apply, and land use regulations continue to be administered by Yamhill County under their zoning ordinance and rural zoning regulations, allowing for continuation of allowed uses.

Testimony presented regarding this issue doesn’t affect the conclusory findings that the applicable criteria are satisfied. Testimony presented regarding this issue didn’t include additional facts that conflict with the findings of fact in support of the conclusory findings. No errors were alleged in the City’s remand response to the assignment of error identified in the Court of Appeals decision or LCDC’s subsequent remand to the City.

Staff recommends applying a Comprehensive Plan designation of Urban Holding instead of Residential for certain Phase I and Phase II areas because these areas will accommodate uses beyond residential housing, including, but not limited to, parks, public and semi-public uses, religious uses, and more.

**ISSUE: LESS GROWTH IN MCMINNVILLE**

Testimony was presented expressing that McMinnville should not grow more, or should grow less than the amount of growth upon which this proposal is based.

**FINDING:**

Testimony presented regarding this issue didn’t include additional facts that conflict with the findings of fact in support of the conclusory findings. No errors were alleged in the City’s remand response to the assignment of error identified in the Court of Appeals decision or LCDC’s subsequent remand to the City. Moreover, the testimony is inconsistent with state law that requires cities to plan for growth and provide a 20-year buildable land supply within the UGB.

The proposal is submitted in respond to the remand, and is based on the applicable acknowledged population forecast, employment forecast, housing needs analysis, and economic opportunities analysis which apply to the remand. The MGMUP 2020 remand does not recommend any changes to Appendix A of the MGMUP which provided the population and employment forecasts, and the remand continues to use the same data. Changing the population forecast for McMinnville would be outside the scope of the remand.

**ISSUE: REALLOCATION OF GROWTH TO OTHER SMALL CITIES IN YAMHILL COUNTY**

Testimony was presented expressing that some of the growth in McMinnville’s acknowledged forecasts should be reallocated to other smaller communities in Yamhill County.

**FINDING:**

The proposal is submitted in respond to the remand, and is based on the applicable acknowledged population forecast, employment forecast, housing needs analysis, and economic opportunities

analysis which apply to the remand. The MGMUP 2020 remand does not recommend any changes to Appendix A of the MGMUP which provided the population and employment forecasts, and the remand continue to use the same data. Changing the population forecast for McMinnville or allocating a portion of that forecast population to another city would be outside the scope of the remand.

Testimony presented regarding this issue doesn't affect the conclusory findings that the applicable criteria are satisfied. Testimony presented regarding this issue didn't include additional facts that conflict with the findings of fact in support of the conclusory findings. No errors were alleged in the City's remand response to the assignment of error identified in the Court of Appeals decision or LCDC's subsequent remand to the City.

#### **ISSUE: LOCATION POLICIES REGARDING MEDIUM AND HIGH DENSITY HOUSING**

Testimony was submitted expressing that locational policies with guidelines regarding medium and high density residential use should be less restrictive. (Policy 188.03, also Zoning Ordinance 17.06.425, p. 88 and p. 100 of the record.

#### **FINDING:**

With the findings, the City has demonstrated that the proposal provides land supply to meet the identified land needs, including sufficient land for medium and high density housing, as well as lower densities, to meet the land needs for needed housing types.

The proposed locational policies provide guidance on how the City will achieve other related policies, including its policy for dispersal of multi-family housing described in Policy 86.00, amended as part of the proposal. Policy 86.00 addresses multi-family housing, and does not explicitly address the density of multi-family housing. Multi-family housing includes a variety of housing forms from smaller-scale "middle housing" types to larger multi-family structures, which occur within a range of densities. The City has proposed additional policies and amendments to provide further clarifications and internal consistency among policies.

It is within the City's discretion to adopt policies and implementing provisions that address the urban form for how it will meet its identified housing needs. Staff prepared a separate memo, "Public Comment Response, December 1, 2020 Ordinance No. 5098 Public Hearing" entered into the record, which explains how the multiple policies and implementing provisions relate to one another regarding this issue.

The memo clarifies the proposed policies and some misconceptions presented in testimony regarding this issue. In part, testimony provided states there is an inconsistency between certain policies, including transit-supportive development and Great Neighborhood Principles. However, some of the testimony conflates multi-family housing and R-5 high-density zoning. The testimony incorrectly suggests that densities allowed within moderate density zones would also be subject to the same locational policies of the high density R-5 zone, which is incorrect. Multi-family uses are not limited to the R-5 zone, and are permitted in other zones, including moderate density zones.

The memo further clarifies that some policies describe the locational pattern of certain residential density ranges and urban form within NACs while other policies provide city-wide locational policies. The policies that described the urban form of uses within NACs do not exclude where land uses may occur outside of NACs.

The testimony further commented on zoning and locational policies relative to HB 2001. The current proposal is responsive to the assignment of error on remand. The City will address compliance with the requirements with HB 2001 consistent with the statutory schedule for implementation of HB 2001, which is June 30, 2022 (Section 3 of HB 2001). The City is not required to address the requirements of HB 2001 at this time as part of the remand, which relates to issues broader than the assignment of error of the remand.

**ISSUE: ORIGINAL LAND NEED FOR UGB EXPANSION AREA IS 72 ACRES OF R5 LAND**

Testimony was presented suggesting that the amount of R5 land in the UGB expansion area should be 72 acres and not 36 acres.

**FINDING:**

The original 2003 MGMUP Plan identified the need for 36 acres of R5 zoned land in the UGB expansion area (Table 11 of Appendix B and Table 71 of the Findings Document). Increasing the amount of R5 zoned land in the UGB expansion area to 72 acres would double the amount of R5 zoned land first identified for the UGB expansion area and would overdevelop apartment units within the City of McMinnville since it is the only housing type allowed in the R5 zone.

The adopted 2001 Housing Needs Analysis identified the need for 1,685 apartment units as part of the 6,014 new housing units projected to serve the future population forecast. Per ORS 197.296(6) and (7), the City needs to determine the housing types and number of housing types needed to meet the future population's housing. 900 apartment units have been built within the existing city limits since the original adoption of the plan in 2003, leaving a remainder 47% of the housing type needed to be achieved in the UGB expansion area. The original MGMUP identified that this housing type would be achieved through both R4 and R5 zoned land, as multi-family is allowed in both zones. What is unique about the proposed R5 zone is that only multi-family is allowed in that zone. With half of the apartment units needed in the Housing Needs Analysis already built within the existing city limits as originally projected and forecasted by the Plan, the remaining need will be achieved with the proposed 36 acres of R5 zoned land and 80.40 acres of R4 zoned land proposed in the UGB expansion area (Table 11 of Appendix B and Appendix G).

The amount of acreage dedicated to the R5 zone in the UGB expansion area was an argument of the opponent's petition to the Court of Appeals and was rejected by the Court of Appeals decision. Therefore, the testimony presented regarding this issue doesn't affect the conclusory findings that the applicable criteria are satisfied for identifying land to be included in the UGB.

**ISSUE: MGMUP PLAN LANGUAGE STATES THAT R5 ZONED LAND CAN ONLY OCCUR IN NACs**

Testimony was presented suggesting that since the original language of the MGMUP states that R5 zoned land can only occur within the NACs that it would prohibit R5 zoned land from being located anywhere else within the city limits despite Comprehensive Plan policies that state otherwise.

**FINDING:**

On the page following this original language in the MGMUP is an MGMUP 2020 Remand update stating that the R5 zoned land is meant to occur throughout the community. However, since this is not as clear as it could be, staff recommends that the language be changed to the amended

language included in the December 8, 2020 staff report and in these findings to clarify the intention of the comprehensive plan policies which encourage integration and dispersal of high density residential development throughout the community.

This amendment provides clarification and doesn't affect the conclusory findings that the applicable criteria are satisfied.

**ISSUE: PROPOSED COMPREHENSIVE PLAN POLICY 86.00**

Policy 86.00 expresses the City's policy for dispersal of multi-family housing throughout the urban area, rather than concentrating it in areas that are disconnected from neighborhoods, or in areas lacking high quality amenities, public facilities, and services.

The intent of the original policy was to also encourage multi-family housing in the vicinity of areas rich in amenities and services, including the area around the urban core and Linfield University. The proposal included an amendment to Policy 86.00 to add language indicating proximity to core areas with amenities in Neighborhood Activity Centers to also be a desirable location for multi-family housing.

Testimony was presented expressing that part of Policy 86.00 appeared to be in conflict with the policy of dispersal.

**FINDING:**

The City Council concurred that the language in Policy 86.00 was unclear and could be read in a way that was counter to the intent, requiring clarification. Policy 86.00 has been proposed for amendment to clearly express the policy objective and the updated Policy 86.00 is part of the proposal. The proposed amendment is described in the December 8, 2020 staff report and these findings. This provides clarification regarding the policy and internal consistency within the planning documents in support of the proposal amendment.

This amendment provides clarification and doesn't affect the conclusory findings that the applicable criteria are satisfied.

**ISSUE: PARK LAND NEED IS OVERSTATED**

Testimony was presented suggesting that there was too much park land need in the proposal, that greenways were not part of the overall stated park land need and that based on past performance the city would not be able to financially achieve the park land need stated in the proposal.

**FINDING:**

The amount of park land in the proposed UGB expansion area was an area of challenge and opposition for the MGMUP throughout its development and adoption phases, and was also part of the petitioners appeal to the Court of Appeals. It was rejected by the state and the court of appeals as not having merit since the City had an adopted Comprehensive Plan policy that relied on the adopted Parks Master Plan to determine the number of acres required to serve the community for neighborhood parks, community parks and greenways. (Table 23 of Appendix B and Appendix G outlines the amount of acreage that the adopted Parks Master Plan identifies for park land need specific to population targets. This table includes 102.50 acres of



Greenways/Greenspaces/Natural Areas of the overall identified 313.76 park land need. (See pages 101 – 105 of the Findings Document.)

The City's past performance for acquisition and development of parks does not negate the adopted levels of service in the Parks Master Plan and the comprehensive plan policies. A Parks Master Plan is recommended as part of proposed Comprehensive Plan Policy 182.50. This plan update should identify different types of resources to acquire and develop parks.

The park land need in the UGB expansion area was an argument of the opponent's petition to the Court of Appeals and was rejected by the Court of Appeals decision. Therefore, testimony presented regarding this issue doesn't affect the conclusory findings that the applicable criteria are satisfied for identifying land to be included in the UGB.

### **PROCEDURAL**

#### **ISSUE: LEGALITY OF REMAND WORK**

Testimony was presented questioning how the remand response, rather than new work, was consistent with state law due to the time since the remand decision was issued.

#### **FINDING:**

Legal Counsel and staff explained there are separate regulations governing periodic review and urban growth boundary amendments, and further explained that the Court of Appeals decision resulted in new case law with a different interpretation of the inter-relationship between the applicable state goals, statutes, and administrative rules than was commonly understood by practitioners. As a result, the legislature subsequently amended the applicable statutes, and LCDC subsequently amended the applicable Administrative Rules governing UGB amendments. Within the amended statutes and administrative rules, they included explicit authorization for cities that had initiated a UGB amendment prior to the new statute and rule to continue to use the regulations in effect at the time. DLCD concurred that this procedure for the City's response to the remand is in compliance with applicable state law.

Testimony presented regarding this issue doesn't affect the conclusory findings that the applicable criteria are satisfied. Testimony presented regarding this issue didn't include additional facts that conflict with the findings of fact in support of the conclusory findings.

#### **ISSUE: COUNCIL SHOULD DELAY ACTION AND ENGAGE CITY COMMITTEES/COMMISSIONS**

Testimony was presented that the City Council should delay action, and that the City should provide for more public involvement and Planning Commission involvement before adopting the proposal. Other testimony suggested insufficient public involvement leading to the preparation of the original MGMUP which was locally adopted and approved by DLCD and DLCD before being remanded by the Court of Appeals on the one remaining assignment of error.

#### **FINDING:**

This is a discretionary decision and does not affect compliance with applicable law. The action is to address the one assignment of error upheld in the Court of Appeals decision, consistent with the "roadmap" and LCDC's remand order.

The following is excerpted from Page 13 of the MGMUP 2020 remand document:

“The Court of Appeals decision focused on the City of McMinnville’s alternatives analysis for identifying suitable land in an UGB amendment to satisfy the City’s identified land need housing, employment, and livability in the planning horizon of 2003-2023.

Since the original MGMUP was based on ten (10) years of community engagement and decision-making, the City of McMinnville has chosen to respond to the remand by maintaining the majority of the existing MGMUP and its appendices, where possible, that were originally provided as part of that legal record...”

The prior local community engagement and decision-making is summarized below. This is excerpted from the summaries provided in the preambles for the respective ordinances and the findings in the MGMUP documents.

- The preamble for Ordinance 4795 on page 1609 of the Court of Appeal Record,
- The preamble for Ordinance 4796 on page 911 of the Court of Appeals Record,
- The Findings for the MGMUP on pages 1093-1094 of the Court of Appeals Record,
- The preamble for Ordinance 4840 on page 313 of the Court of Appeals Record,
- The preamble for Ordinance 4841 on page 335 of the Court of Appeals record, and
- The preamble for Ordinance 4961 which followed the Court of Appeals decision.
  
- **Community Visioning Process:**
  - 1997-1999. “McMinnville 2020” Community Visioning Process
- **Residential Lands Analysis**
  - January 23, 2001 public work session with Planning Commission and City Council
  - Joint Planning Commission and City Council public hearings on February 27, 2001 and April 10, 2001
  - Citizens’ Advisory Committee public hearing on March 20, 2001
  - Joint Planning Commission and City Council public hearing on May 22, 2001
- **Economic Opportunities Analysis**
  - December 11, 2001 joint public work session. City Council, Planning Commission, and Citizens’ Advisory Committee
  - January 8, 2002 joint public hearing. City Council, Planning Commission, and Citizens’ Advisory Committee
  - February 12, 2002 joint public hearing City Council, Planning Commission, and Citizens’ Advisory Committee voted to adopt.
  - October 14, 2003 City Council adoption
- Online survey regarding McMinnville’s future growth, Summer 2002
- Community-wide public forums to solicit input on McMinnville’s future growth and how it should be managed on June 3, 2002 and July 8, 2002, at which approximately 150 people participated
- Joint work session held on September 17, 2002 with the City Council, Planning Commission, McMinnville Urban Area management Commission, Citizens’ Advisory Committee, and Yamhill County Board of Commissioners to review the results of the forums and provide direction to staff regarding preparation of the MGMUP.
- **MGMUP**

- June 18, 2003 public work session with City Council, Planning Commission, Citizens' Advisory Committee, County Commissioners, and McMinnville Urban Area Management Commission
- July 21, 2003 public work session with City Council, Planning Commission, Citizens' Advisory Committee, County Commissioners, and McMinnville Urban Area Management Commission
- Joint public hearings August 4 and 5, 2003
- August 12, 2003 public hearing
- Recommendation by the McMinnville Citizens' Advisory Committee, Planning Commission, McMinnville Urban Area Management Commission, and Yamhill County Board of Commissions to City Council that the plan be adopted, subject to certain amendments described on Page 912 of the COA record.
- Adopted, as amended, by the City Council on October 14, 2003
- **MGMUP, amended to address remanded items**
  - May 24, 2005 City Council public hearing
  - October 25, 2005 Joint work session of City Council, Yamhill County Board of Commissioners, and the McMinnville Urban Area Management Commission
  - December 6, 2005 public hearing of City Council, Yamhill County Board of Commissioners, and the McMinnville Urban Area Management Commission
  - January 11, 2006 City Council adoption
- Following a series of subsequent appeals and remands, LCDC issued an order approving the MGMUP on November 8, 2006
- On December 22, 2006 this action was appealed to the Court of Appeals
- Following attempts at reaching a negotiated settlement with the appellants that proved unsuccessful, DLCD drafted amendments to the Commission's 2006 approval order to address interpretations of law. LCDC approved the revised Order in November 2008
- After multiple time extensions were granted, the appellants filed their opening brief with the Court of Appeals in October 2009. Oral arguments were presented to the Court in September 2010.
- On July 13, 2011, the Court issued its decision to reverse and remand LCDC's approval of portions of the MGMUP. This decision became effective on January 13, 2012. On February 28, 2012, LCDC issued an order reversing and remanding its prior decision to the City consistent with the court's final opinion and order.
- The City Council determined that the prudent course of action at that time was to delay further work necessary to satisfy the LCDC Order, and to remove from the adopted MGMUP those elements that were no longer relevant.
- The City Council held a public hearing to take testimony to consider those proposed amendments on November 27, 2012. At the conclusion of the hearing, the City Council held the record open and directed staff to provide a written response to comment offered during public testimony for review at the December 11, 2012 City Council meeting.
- At the December 11, 2012 City Council meeting, City Council reviewed staff's response and received and considered additional public testimony. Following thorough deliberation, the Council found the amendments proposed by staff appropriate and consistent with the referenced LCDC order and directed staff to prepare an amended ordinance for their consideration and adoption.
- On January 8, 2013, the City Council adopted those amendments.

## **ISSUE: CITY SHOULD GROW TO THE NORTH AND/OR NORTHEAST**

Testimony was submitted expressing a preference for the City to grow to the north and/or northeast.

### **FINDING:**

The City established study areas and evaluated land consistent with the priority requirements established in state law and the Court of Appeals “roadmap.” The City found that it could not grow into areas with farm zoning in those directions because of the land priority requirements for evaluation under state law. Those were lower priority lands for inclusion and were not required to meet needs after inclusion of higher priority lands. Lands to the north and northeast which are classified as higher priority exception areas were evaluated consistent with the priority requirements established in state law and the Court of Appeals “roadmap.” Those exception areas were found to be inadequate and/or unsuitable for the identified needs. High priority exception areas at other locations were found to be adequate and suitable for the identified needs and were included in the UGB. There was insufficient acreage in those exception areas to meet all identified land needs, so next priority lands were then evaluated for inclusion.

The City evaluated the areas and made findings as to why they are inadequate and/or unsuitable, and therefore not included. The findings of fact and conclusory findings reflect this analysis and remain unchanged.

## **ISSUE: IMPACT OF GROWTH ON QUALITY OF LIFE**

The City received testimony from several City and area residents concerned about the impact of growth on infrastructure, traffic, community character, crime, and general quality of life. None of the persons testifying on this issue presented evidence of expected increases in crime or traffic or degradation to other quality of life measures tied to growth.

### **FINDING:**

The need to expand the Urban Growth Boundary is determined by state law and local rules that require the City to adopt a land use plan that will accommodate a future population that has been adopted in coordination with Yamhill County. The testimony did not address the locational factors for expanding the UGB, which is the single assignment of error the Court of Appeals upheld that is the subject of the remand. The testimony did not address the regulatory framework that the City is adopting for the lands added to the UGB. The proposed MGMUP includes requirements in Appendix G for additional land use planning to occur before areas added to the UGB can develop, including requirements to update public facility plans. These updates must occur prior to approving annexation and assigning zoning to urbanizable land that would allow urban development to take place. The concern of citizens is noted but none of the testimony provided is relevant to the approval criteria for this proposal, nor is it actionable within the existing structure and requirements of state law.

## **ISSUE: ADEQUACY OF SERVICES TO SUPPORT GROWTH**

The City received testimony from City and area residents concerned about the adequacy of existing infrastructure to accommodate the additional demand that urban expansion will place on urban services. Specific concerns were raised about additional traffic congestion on the existing road network. One person asked if the impact of stormwater runoff had been analyzed.

### **FINDING:**

A serviceability analysis was performed for candidate study areas. Appendix C, Attachment 3b includes a report by Jacobs Engineering re: its analysis of serviceability impacts for 31 study areas. Page 7 of the report outlines the analysis assumptions that were used for assessing infrastructure needs in each study area and anticipated “downstream” effects from urbanization. A stormwater analysis was conducted using National Resource Conservation Service (NRCS) Curve Number method. Table 3 of the report lists the outcome of that analysis, which indicated that all study areas were considered to contribute “Moderate” stormwater runoff impacts given the level of urban development modeled.

The Jacobs report also reviewed its conclusions re: the impact of urbanization in study areas on the transportation system. Table 3 shows that the resource areas in the southwest that are recommended for inclusion in the UGB rated “Good” or “Moderate” for transportation impacts relative to both cost and feasibility. While this analysis was not conducted to a level that would meet requirements for system master planning, it did provide comparative cost and feasibility ratings for study areas. All areas recommended for inclusion in the UGB received adequate ratings for serviceability.

The MGMUP 2020 Plan includes a new plan policy 182.50 (see Appendix D, page 10) that calls on the City to update master plans for public facilities and services within five years of a major UGB expansion. The list of plan effected includes the Transportation System Plan (TSP), the airport plan, water, sewer, and storm drainage plans, the Park and Recreation Master Plan, and planning related to Goal 5 natural and cultural resources and Goal 7 natural hazards. These plans, policies, and implementing measures will address how facilities and resources are to be managed, and development impacts mitigated.

## **ISSUE: NEEDED HOUSING – FOR COMMUTERS OR “RESIDENTS”**

The City received testimony from people concerned about the City expanding in order to provide housing for commuters rather than for residents employed in the City.

### **FINDING:**

The need to expand the Urban Growth Boundary is determined by state law and local rules that require the City to adopt a land use plan that will accommodate a future population that has been adopted in coordination with Yamhill County. The proposed MGMUP was predicated on population, housing land needs, and employment land needs that are presented in Attachment A – Population and Employment Forecast, and Attachment B – Land Need Analysis. The methodology of these forecasts was performed consistent with state rules that were in effect at the time the plan was submitted to LCDC for approval in 2003. There is no provision in the rules governing the preparation of these forecasts that permit the City to discriminate between resident workers, retirees, or commuters. The City is obligated to plan for and include sufficient lands to accommodate the forecast population and employment totals. Neither the Department of Land

Conservation and Development nor the Oregon Court of Appeals took issue with the adopted population or employment forecast on which the MGMUP is based. The adopted population and employment forecast has been acknowledged as the planning basis for the MGMUP. The concern of citizens is noted but none of the testimony provided is relevant to the approval criteria for this proposal, nor is it actionable within the existing structure and requirements of state law.

**ISSUE: EMPLOYMENT FORECASTS HAVE NOT BEEN REALIZED YET**

The City received testimony from people concerned that the City is expanding in order to provide land for employment growth that has not been achieved.

**FINDING:**

The adopted Economic Opportunity Analysis, which includes forecast employment levels, was prepared consistent with the rules that were in place at that time. Neither the Department of Land Conservation and Development nor the Oregon Court of Appeals took issue with the adopted employment forecast on which the MGMUP is based. The adopted employment forecast has been acknowledged as the planning basis for the MGMUP. The concern of citizens is noted but none of the testimony provided is relevant to the approval criteria for this proposal, nor is it actionable within the existing structure and requirements of state law.

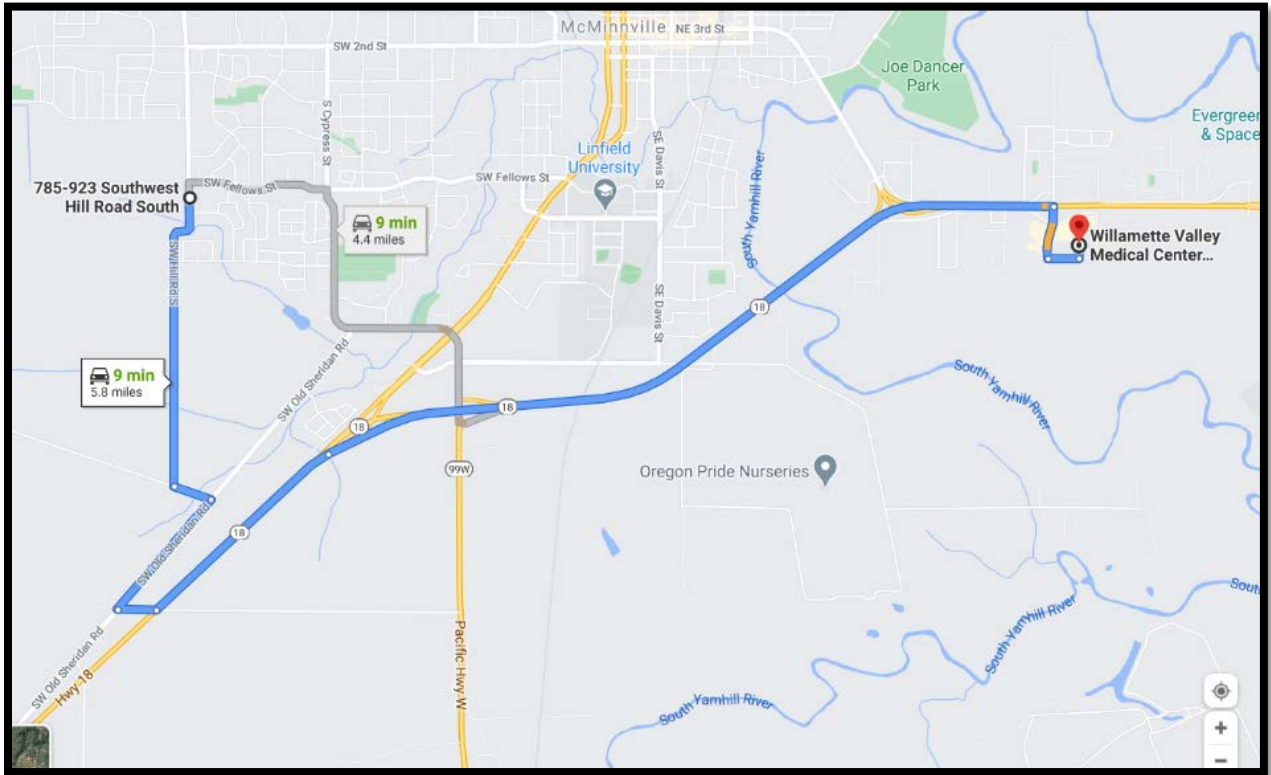
**ISSUE: LOCATION OF UGB EXPANSION AREA AND DISTANCE TO HOSPITAL**

The City received testimony from people concerned that the recommended areas for inclusion in the UGB are too far removed from essential facilities. Specific concerns were raised about travel time to reach the hospital - Willamette Valley Medical Center.

**FINDING:**

Consideration of areas to include in an urban growth boundary involves balancing how well study areas perform in meeting the five location factors under Goal 14, as provided in the Court of Appeals' "roadmap." The analysis of candidate study areas included an analysis of Goal 14 Location Factor 4 – Maximum efficiency of land uses within and at the fringe of the existing urban area. One of the criteria used in the evaluation of this factor was distance to services, which is documented in Appendix C, Technical Memorandum #5. All areas recommended for inclusion in the UGB rated "moderate" or "good" under this criterion that considered the distance to existing transit, residential services, and a grocery store. The intent in the plan to expand transit and to locate Neighborhood Activity Centers in the southwest over time is expected to further mitigate locational disadvantages. On balance, distance to services was not considered significant enough to rule out any of the recommended study areas.

The analysis did not consider travel time to the hospital as a criterion. The comment noted expected delays getting to the hospital via 2<sup>nd</sup> Avenue through downtown. A travel time search using a mapping direction tool starting at SW Fellows/SW Hill Road, which is the northwest edge of the areas in the southwest that are recommended for inclusion, shows that travel time to the medical center is ~9 minutes and the recommended route is not through downtown. The concern of citizens on this issue is noted but the testimony provided is not supported by evidence that would alter the objective analysis that is in the record nor does it rise to a level that would alter the recommendation.



**ISSUE: NATURAL AND CULTURAL RESOURCE PROTECTION**

The City received testimony from people concerned that the MGMUP lacks sufficient information about cultural resource sites, heritage trees, and other significant resources that should be protected from development.

**FINDING:**

The proposed MGMUP includes policies in Appendix D, and planning requirements outlined in Appendix G, that require additional land use planning to occur in areas added to the UGB. These include requirements under MGMUP 2020 Plan policy 182.50 (see Appendix D, page 10) for the City to update master plans within five years of a major UGB expansion. The list of documents to be updated includes plans related to Goal 5 resources, which include natural, historic, and cultural resources, and Goal 7 - natural hazards. These interim planning steps must take place before urban development can take place in areas added to the UGB.

**ISSUE: ADJACENCY OF URBAN DEVELOPMENT ON AGRICULTURAL USES**

Property owners within and adjacent to the proposed Urban Growth Boundary expansion area engaged in agricultural uses are concerned about impacts of urbanization adjacent to their property.

**FINDING:**

To establish priority for lands to be included in the UGB, impact on adjacent agricultural uses was

a consideration in the analysis and selection process as part of Step 3 of the Court of Appeals' "roadmap" – determining suitability. Nearby Agricultural Use Conflicts and Agricultural Adjacency were two screening factors that, by state law, had to be weighed in consideration with many other factors to determine the suitability of land for inclusion in the UGB. Please see Technical Memorandum #3: Nearby Agricultural Use Conflicts and Technical Memorandum #4: Agricultural Adjacency Screening Process for further detail regarding the analysis of lands for impact on adjacent agricultural uses.

There is an existing Great Neighborhood Principle (in existing Comprehensive Plan Policy 187.50 as Great Neighborhood Principle #10) that speaks to urban-rural interface and buffering between those uses. That existing Great Neighborhood Principle is identified below:

10. Urban-Rural Interface. Great Neighborhoods complement adjacent rural areas and transition between urban and rural uses.
  - a. Buffers or transitions in the scale of uses, buildings, or lots shall be provided on urban lands adjacent to rural lands to ensure compatibility.

The currently proposed Zoning text amendments would require that Area Plans and Master Plans be developed to be consistent with the Great Neighborhood Principles. Proposed Section 17.10.50(B)(1) (also can be seen on page E-17 of Appendix E) states that "Area Plans must embody the development principles of the applicable Framework Plan, UGB expansion plan, McMinnville Comprehensive Plan, and any other City land use policies and standards." More specifically, proposed Section 17.10.50(B)(1)(a)(3) specifies that "...Area Plans for UH areas within the MGMUP areas will be developed to be consistent with: ... The City's adopted Great Neighborhood Principles, as described in Comprehensive Plan Policies 187.10 through 187.50." Further, at the Master Plan level, proposed Section 17.10.80(4) (also can be seen on page E-20 of Appendix E) describes one of the review criteria for the consideration of a Master Plan as "Whether the Master Plan is consistent with the City's adopted Great Neighborhood Principles" (and then goes on to list all of the Great Neighborhood Principles). Therefore, the "Urban-Rural Interface" Great Neighborhood Principle and its requirements for buffers or transitions between urban lands and rural lands will need to be addressed through the development of Area Plans and Master Plans, which would occur prior to any development and would ultimately need to be reviewed and approved by the City Council. Management of growth within the UGB through the Area Planning and Master Planning process is discretionary to manage the impacts of growth on surrounding areas.

The Area Planning and Master Planning process established by the MGMUP-Appendix G will provide opportunity for public participation in the urbanization of UGB land and will require demonstration of consistency with Comprehensive Plan policies, including the Great Neighborhood Principle requirement for buffers or transitions between urban lands and rural lands.

#### **ISSUE: R5 LAND ALLOWED ON LOCAL COLLECTOR STREET**

City Council received testimony that the proposed amendment to Section 71.21.010(C) would allow R5 zoned land on a local collector within 600' of a major collector or arterial.

#### **FINDING:**

Section 17.21 references the R4 zone in the McMinnville Municipal Code and not the R5 zone which is proposed to be 17.22.

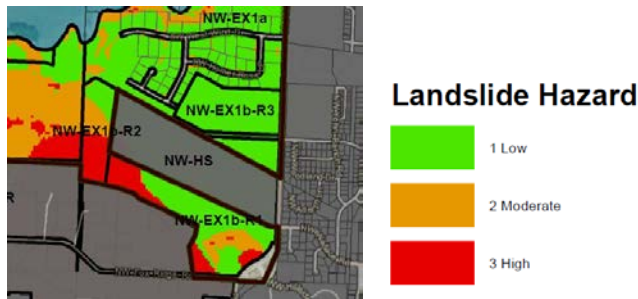


**ISSUE: TAX LOT 00200.**

City Council received testimony from the property owner of Tax Lot 00200, questioning why their property was not chosen to be part of the UGB expansion area. This tax lot was studied as part of the NW-EX1b study area.

**FINDING:**

The findings for this study area can be found in Appendix C, page C-186 – C-204. Tax lot 00200 is identified as NW-EX1b-R2 in this study area findings. It was not recommended for inclusion for a variety of reasons, including the following: this tax lot rated poorly for Factor 3 of Goal 14, especially relative to wastewater feasibility and costs; it rated poorly for Factor 5 due to the prevalence of steeply sloped land greater than 25% and high landslide hazards, and the fact that it is part of the critical wildlife habitat map for Western Bluebirds, White-Breasted Nuthatch and Olive-Sided Flycatchers; and it rated poorly for Factor 6, as the land that was buildable and not in the hazardous and sloped areas is predominantly Class II soils.



**ADDITIONAL RECOMMENDED AMENDMENTS BASED ON PUBLIC TESTIMONY:**

As described above, certain questions arose regarding the intent and effect of certain policies. The City Council found that amended language would provide clarification to the intent and effect of those policies. In response, City staff prepared proposed amendments to the proposed policy language, described in the December 8, 2020 staff report, and presented below.

**FINDING:**

The City Council finds, that the proposed amendments presented in the December 8, 2020 staff report, and described below, provide clarification of the intent and effect, and do not change the conclusory findings regarding compliance with the applicable criteria.

***Additional Amendment 1. Amend proposed Comprehensive Plan Policy #86.00 to:***

Dispersal of new-multi-family housing development will be encouraged throughout the City in areas designated for residential and mixed-use development to encourage a variety of housing types throughout the community and to avoid an undue concentration of multi-family development in specific areas of the community leading to a segregation of multi-family development in McMinnville from residential neighborhoods. Dispersal policies will be consistent with the Great Neighborhood Principles

In areas where there are the amenities, services, infrastructure and public facilities to support a higher density of multi-family development, and the area is commensurate with a higher concentration of multi-family development without creating an unintended segregation of multi-family development, such as McMinnville's downtown, the area surrounding Linfield University and Neighborhood Activity Centers, a higher concentration of multi-family development will be encouraged.

***Additional Amendment 2. New Proposed Amendment to Existing Policy 71.09:***

Medium and High-Density Residential (R-3 and R-4) - The majority of residential lands in McMinnville are planned to develop at medium density range (4 – 8 dwelling units per net acre). Medium density residential development uses include small lot single-family detached uses, single family attached units, duplexes and triplexes, and townhouses. High density residential development (8 – 30 dwelling units per net acre) uses typically include townhouses, condominiums, and apartments:

1. Areas that are not committed to low density development;
2. Areas that have direct access from collector or arterial streets; or a local collector street within 600' of a collector or arterial street; or (similar to proposed MMC Amendment 17.21.010(C))
3. Areas that are not subject to development limitations such as topography, flooding, or poor drainage;
4. Areas where the existing facilities have the capacity for additional development;
5. Areas within one-quarter mile of existing or planned public transportation; and
6. ~~Areas that can be buffered from low density residential areas in order to maximize the privacy of established low density residential areas.~~

***Additional Amendment 3. Amend page 54 of the MGMUP, replacing the MGMUP 2020 Remand update text box with:***

**MGMUP 2020 Remand:**

The MGMUP 2020 Remand retains the R-5 zone as a means of helping to provide the 1,685 apartment housing units identified in the Housing Needs Analysis (Table 3 of this Plan and Table 8 of Appendix B). However in order to meet the City's housing policies of integrated neighborhoods and encouraging a dispersal of high density residential housing throughout the community, the MGMUP 2020 Remand update amends the statement that the R5 zone will only occur in the Neighborhood Activity Centers. Per proposed Comprehensive Plan policy 71.12, if there are other appropriate locations identified for the R5 zone both within the existing city limits and within the UGB during the Area Planning process, the R5 zone should be utilized.

This remand update will maintain the same 36 acres of R5 zoned land need within the UGB expansion area as originally proposed in the 2003 Plan (Table 11 of Appendix B and Table 71 of the Findings Document) based on the analysis identified in Technical Memorandum #17B, that identifies 900 apartment units that were built within the existing city limits after the adoption of the 2003 Plan, meeting the need for half of the overall apartment unit housing identified in the adopted Housing Needs Analysis, leaving only half of that overall need that still remains to be developed.

Originally the City proposed to rezone 72 acres of land to the R5 zone, 36 acres within the existing UGB as part of two planned Neighborhood Activity Centers (Grandhaven and the

Northwest) and 36 acres in two planned Neighborhood Activity Centers in the UGB expansion area, as a means of achieving the stated apartment unit housing need in the Housing Needs Analysis. The only housing type that the R5 zone allows is multifamily dwellings. However, in McMinnville, the R4 zone also allows multifamily development and when the Grandhaven Neighborhood Activity Center and the Northwest Neighborhood Activity Center did not move forward following the Petitioners successful appeal to the Court of Appeals, the City rezoned land to the R4 zone to work towards meeting the city's apartment unit housing need within the existing UGB. This land-use measure was successful in generating 900 apartment units, (53% of the overall need). While the R-5 rezone did not occur, the housing type that the R5 zone is meant to realize, apartment units, (which is the only housing type allowed in the R5 zone) did develop per the locational policies of high density residential development in Comprehensive Plan policy #71.09. In effect, the planned R-5 housing was achieved through other land use actions.

See Technical Memorandum #17B of Attachment 2 to Appendix C of the MGMUP.

The 2020 MGMUP Remand does not identify specific locations in the expansion areas for the R-5 zone to be applied, but the Framework Plan does identify potential locations where higher density residential R-5 zoning could be implemented based on potential locations for Neighborhood Activity Centers, along with other land uses that are envisioned for these districts. Specific locations, sizes, and uses within the NACs, including R-5 zoned areas, will be further defined through Area Planning and Master Planning processes.

Comprehensive Plan Policies are proposed to describe the R-5 zone, how it should be developed and where it should be located. These Policies are proposed to be included in Chapter IX (Urbanization) of the McMinnville Comprehensive Plan. The specific Comprehensive Plan amendments are identified in Appendix D of the MGMUP.

***Additional Amendment 4. Replace Technical Memorandum #17 with Technical Memorandum #17B.***

## **8.6 Conclutory Findings**

The City Council has reviewed the public testimony and the issues presented therein. The City Council finds that, with the above specified amendments, all applicable criteria for the proposed amendments are satisfied, and Ordinance No. 5098 should be adopted based on the Findings of Fact and Conclutory Findings, including these Supplemental Findings.