



May 20, 2021

McMinnville Planning Commission
Heather Richards, McMinnville Planning Director
Tom Schauer, Senior Planner
231 NE Fifth Street
McMinnville, OR 97128

Re: ZC 3-20 (Kimco rezone on Three Mile Lane)

Dear Commissioners and staff:

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. 1000 Friends of Oregon is a non-profit, charitable organization dedicated to working with Oregonians to support livable communities. Our organizations' memberships include McMinnville residents who support the mission and values of the Oregon land use program.

We have reviewed Docket ZC-3-20, an application to rezone approximately 37.7 acres on Three Mile Lane from Industrial-M2 to General Commercial-C3, a zone that allows big-box retail and fast food outlets. Kimco has been clear in its intent to develop a regional shopping center on this site.¹ We have the following comments:

- The city's acknowledged Economic Opportunities Analysis (EOA), adopted in 2014, shows that retail wages are *by far* the lowest of any job sector in McMinnville- less than half that of industrial sector jobs like manufacturing. McMinnville's employment base is already skewed towards retail jobs compared to the other geographies the EOA examined (EOA, pp. 14-15).

Rezoning this employment land for lowest wage sector jobs will only exacerbate McMinnville's problems of housing affordability. This train may already be pulling out of

¹ "Kimco has advised the city it wants to devote some of the land to "a regional shopping center...." (*News-Register*, "Residents Berate Council," August 15, 2012).

the station, but the city should at least acknowledge and recognize that this zone change will likely exacerbate its housing problems.

- Rezoning the entire parcel for retail use is not consistent with OAR 660-009-0010(4)(a) because it would not be consistent with the acknowledged EOA for two reasons:

1) The city's acknowledged EOA, adopted in 2014 shows a deficit of about 36 acres of commercial land, but only about 12 acres of this deficit is for retail. Roughly 2/3 of the projected commercial jobs will be in office and other non-retail services.

The planned development overlay should limit retail to 1/3 of the site and reserve the balance for office and other higher-paying commercial sectors. Alternatively, the Office/Residential zone should be considered for a portion of this property.

2) The analysis in the application and staff report fails to account for the city's recently adopted urban growth boundary amendment. Among other lands, this amendment added approximately 27 acres gross buildable acres of commercially designated land to the urban growth boundary on the north side of Three Mile Lane. This amendment also added approximately 622 gross buildable acres of land designated Urban Holding to the urban growth boundary. The city's comprehensive plan calls for 11-22 acres of additional commercial land in to be located in three "neighborhood activity centers" on land that is now designated "Urban Holding". These UGB additions eliminate the commercial deficit identified in the acknowledged EOA.

- Highway 18/Three Mile Lane "fills the crucial role of Highway 18 bypass, sparing McMinnville the traffic nightmare Newberg and Dundee are trying to address at astronomical cost."²

One need look no farther than Bend and Seaside for examples of the costly consequences that result when regional retail magnets are allowed to locate on the bypass routes. Allowing a regional shopping center will undermine the highway's freight capacity and create congestion for both local residents and those using Highway 18 for travel to Oregon's wine country and coast.

We agree with the staff conclusion that the applicant has not demonstrated the adequacy of proposed mitigation measures.

- "Retail Leakage" is cited as a problem to be addressed by this zone change, i.e. the potential for more of local residents' retail expenditures to be dollars to be spent within McMinnville. However, the city's acknowledged EOA found *county-wide* retail leakage, as opposed to McMinnville leakage. This isn't to say that McMinnville residents don't shop elsewhere for some goods and services, but on the whole, *McMinnville has a net inflow of retail dollars*:

² News-Register, September 1, 2012

Geographic Area	Annual Retail Sales Per Capita
McMinnville	\$15,677
Newberg	12,734
Yamhill County	8,844
Oregon	12,690
United States	13,443

Source: U.S. Census Bureau, 2017 Economic Census

- A large flat, vacant industrial parcel, already within an UGB, served by a free-flowing state highway (Highway 18), near an airport, and in a single ownership is an extremely uncommon asset for any city to have; it is, indeed, prime industrial land. The application states, “the 2013 EOA indicates that there are 5 industrial parcels that are 20+ acres in size, so the City will continue to have an adequate supply of larger industrial parcels if the Property is converted from Industrial to Commercial.”³ A 90-acre parcel fills an entirely different need, however, than 20-acre parcels. Potential industrial users for such a large site are not common, but preserving this site for industrial use would very likely have greater long-term benefits to the community than would a shopping center.

As already noted, this train may already be leaving the station, but it is still important to recognize the trade-offs. Whatever economic benefits may accrue from the proposed rezone must be weighed against (a) the limited benefit to the community from low-wage retail jobs that will exacerbate our problems of housing affordably, (b) the loss of prime industrial land that can support family wage jobs, and (c) the traffic implications for the highway that serves as the bypass around McMinnville.

Thank you for the opportunity to provide these comments. Please include them in the official record of this proceeding and notify us of your decision in this matter.

Sincerely,



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cc: DLCD
ODOT

³ Applicant’s findings, Attachment 2, p. 19