Appendix C:
Case Study Report

Three Mile Lane Area Plan

May 2021

THREE MILE LANE

Area Plan

City of McMinnville

Case Study Report

May 2019

Contents:

The Three Mile Lane Area Plan ("3MLAP") will develop an Area Plan for the 3ML corridor in McMinnville, Oregon. The project will update the 1981 Three Mile Lane Overlay District (amended in 1994) and the 1996 Highway 18 Corridor Refinement Plan. The area contains approximately 1,340 acres of land with a variety of existing land uses and several large vacant parcels.

The 3MLAP will integrate a wide range of land uses (residential, industrial, commercial, tourism, hospital and airport) and a multi-modal transportation system (vehicular, bicycle, pedestrian and transit) that serves both local and state transportation needs and provides active connectivity within the plan area as well as to the City's downtown core.

The project will also consider how to maximize the opportunities for job creation, housing, and resiliency planning in the corridor by leveraging the land assets to their highest and best use for affordable housing, industrial development, tourism development, hospital expansion, airport expansion and gateway improvements.

This project is partially funded by a grant from the Transportation and Growth Management ("TGM") Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Fixing America's Surface Transportation Act ("FAST-Act"), local government, and State of Oregon funds. The contents of this site do not necessarily reflect views or policies of the State of Oregon.

This Case Study report summarizes a redevelopment analysis for three key properties in the 3ML study area, totaling approximately 180 acres. The case study involved a workshop with key property owners on March 13, 2019, followed by an evaluation of site conditions for these properties and the surrounding area— highlighting opportunities and constraints, the development of three building programs based on a market analysis, conceptual graphics of each program alternative, and an economic analysis that assesses the impact of each alternative on jobs, assessed property value, and other key indicators.

The Case Study shows stakeholders and the public how development could occur in the 3ML study area in order to better inform future planning and implementation.

As context for the case study concept [land use] alternatives, this document includes a summary of applicable work to date, including a market analysis, a workshop with property owners, and a charette for the entire 3ML study area.

Study Area Location

The map below shows the 3ML Plan Area relative to the McMinnville city limits. The study area is located in southeast McMinnville, centered around State Highway 18/3ML.

Highway 18/3ML is an important connection but is also a significant barrier, effectively separating residential and commercial uses north of the highway from the uses south of the highway.
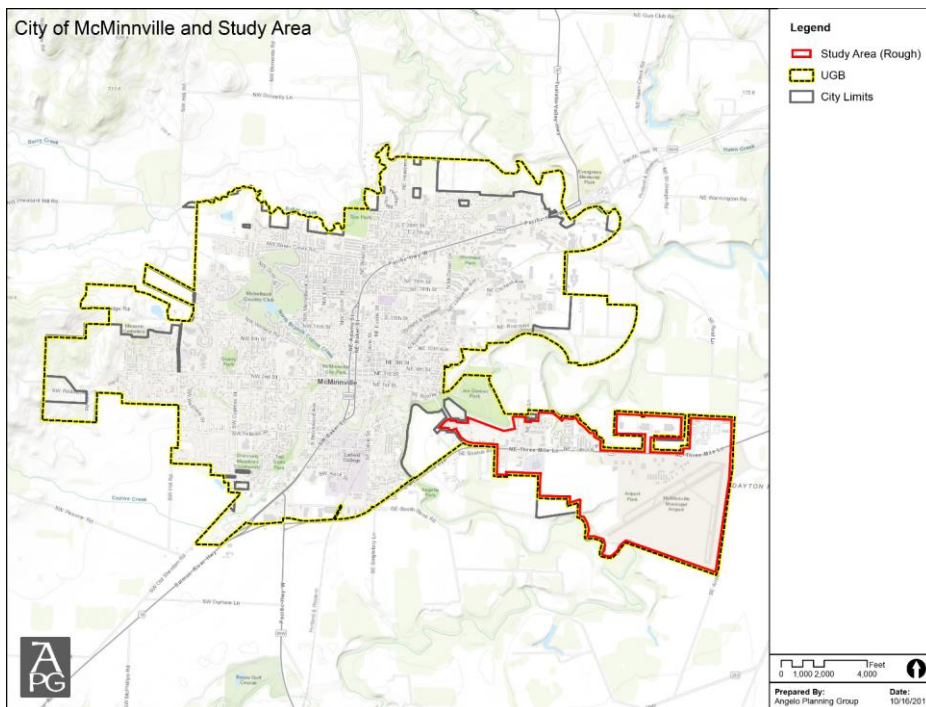
Case Study Properties

The map below focuses on the 3ML Study Area and specifically identifies the three case study properties (shown in white), totaling 180 acres. This map was also the document that was used during the property owner workshop to develop the three land use alternatives presented later in this report.

The map also shows several other features including topography, five-minute walksheds, viewpoints, hydrology, potential access points, and challenges and threats to pedestrian connectivity and access.
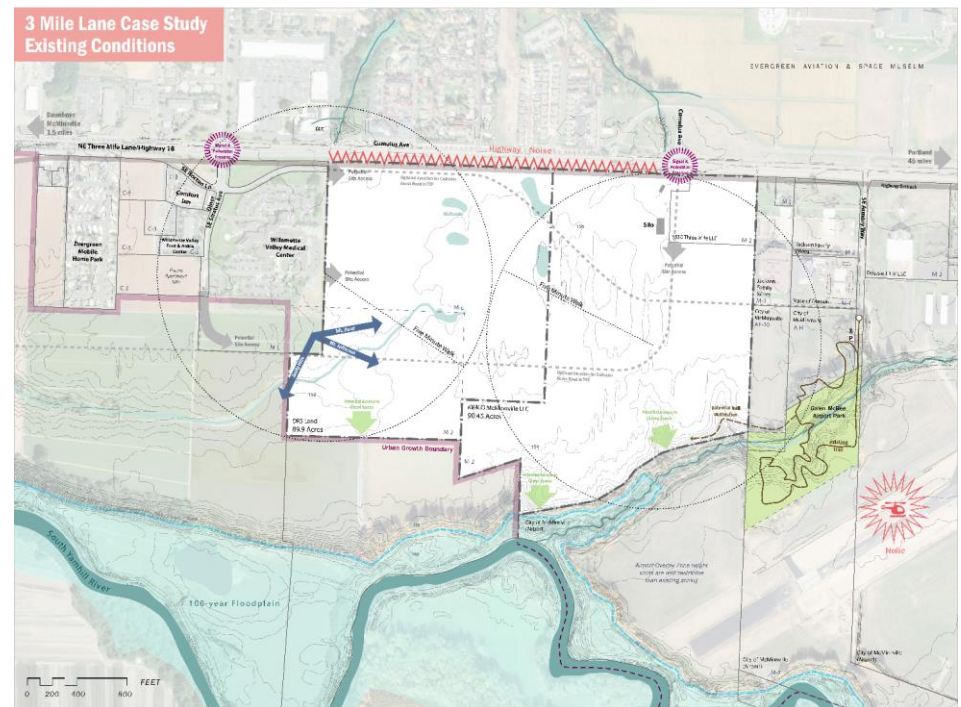
THREE MILE LANE | Area Plan

Natural Features

The south side of US 18 (Three Mile Lane) is particularly flat, with floodplains and wetlands infringing only slightly on the study area at the southwestern edge of the airport, as well as bordering the northern and northwestern sections of the study area.

Aside from wetlands, there are few other natural features that would impact development. A moderately-sized tree grove separates the airport from the case study focus properties.

Property Ownership

The north and south sides of US 18 have distinctly different land use and property ownership patterns. North of 3ML, land uses are mixed, with fewer large parcels except for the Evergreen Aviation & Space Museum complex. The north side includes single-family and multifamily uses, mobile homes, and commercial, industrial, and vacant land. South of 3ML, much of the land is utilized by the McMinnville Municipal Airport (identified as public/institutional use), industrial, and undeveloped land. Jackson Family Wines and several commercial and manufactured home uses are also located in this area.

McMinnville Municipal Airport is clearly the largest property in the study area. In terms of development potential, however, the largest greenfield sites (i.e., never developed) are to the immediate west, owned by Kimco and DRS Land (approximately 90 acres each). These parcels, along with the 10-acre parcel in the northeast of Kimco's property, comprise the case study focus area.
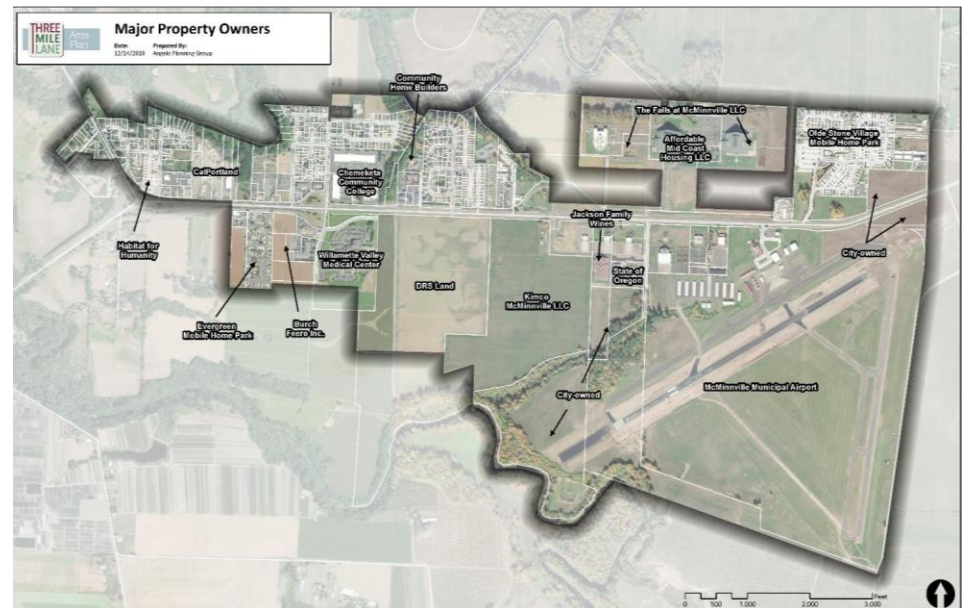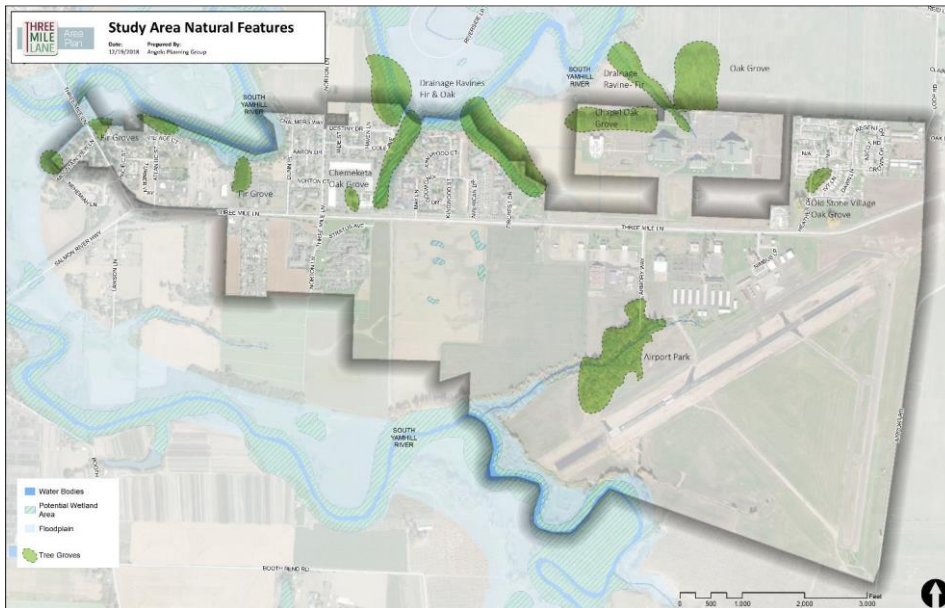
Market Analysis Key Takeaways

Early in the project, LCG conducted a market analysis to assess regional conditions for residential, commercial, office, and industrial development and to identify specific development opportunities within the Three Mile Lane (3ML) corridor by leveraging the land assets to their highest and best use. The market analysis identified significant household and employment growth in the region over the next 20 years, which will drive demand for new housing, commercial, and industrial construction. The 3ML area is positioned to capture a significant share of this regional demand given the presence of large greenfield sites within the area—a situation which is relatively rare in the broader region.

The market analysis highlighted the most feasible development typologies based on rents and development trends. Generally, these typologies share similar characteristics, such as surface parking and a low-rise scale. Higher density development—such as mid-rise buildings—may face feasibility challenges. **Residential demand** is strong for both single-family and multifamily, with high home values, household incomes, sales volumes, absorption, and construction activity. The quantity of what would be built in the study area depends largely on the City's vision for the area, applicable zoning, and buildable land. Higher-density housing is also likely to be more feasible than other land uses. Likely typologies include townhomes, apartments up to four stories, single-family, and multiplexes. **Retail demand** is also strong, particularly for general merchandise—which typically large-format retail— and neighborhood-serving retailers that will support existing and future households and tourism. **Lodging demand** exists due to the burgeoning tourism industry, potential airport activity, and existing needs for meeting space, although the limited office market means the bulk of lodging demand will fall during the summer months when tourism activity is highest. Market conditions reflect strong **industrial demand** due to the growth of agriculture, food and beverage production, and manufacturing, with potential pent-up demand because of the lack of appropriate—particularly large—industrial sites. 3ML is poised to accommodate large industrial users, but heavily industrial may negatively impact prospects for other land uses such as lodging and multifamily. However, 3ML could also capture a proportion of regional demand by focusing on "craft" or light industrial users, which may or may not include retail components. The **office market** is relatively weak, but opportunities may arise because of McMinnville's high quality of life and the corridor's proximity to the airport and institutional users such as healthcare and education.

Land Use	Regional Demand	3ML Capture
Single-family Housing	2,555 units	N/A
Multifamily Housing	1,224 units	20%
Retail	539,200 sf	28%
Office	144,500 sf	20%
Industrial	793,000 sf	10%
Lodging	NA	NA

Residential
Retail
Lodging
Industrial
Office
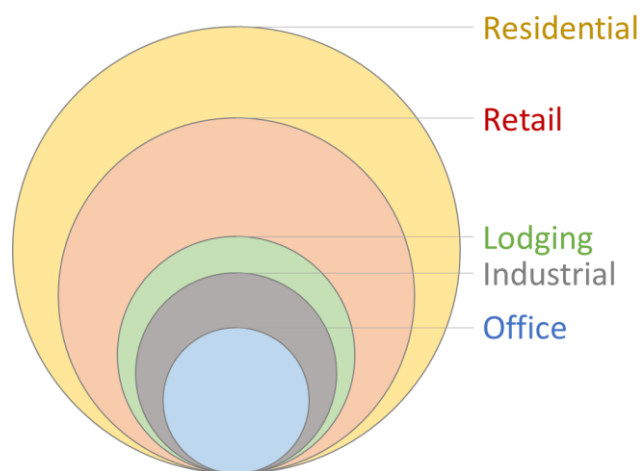
Potential program of users is provided in the table at left and corresponding diagram.

It is important to note that these numbers—particularly those presented as the potential 3ML land use program—are as much policy-driven as market-driven, and will vary depending on the eventual vision for the area.

The market analysis indicates strong potential for **multifamily housing**, **retail**, **office**, **lodging**, and **light industrial** uses in the 3ML area.

Land Use Character

The projected land uses will support a district with a unique character that mixes **light industrial** employment around **amenities and tourism** uses, while also supporting **neighborhoods** and capitalizing on the area's **natural features**.

LIGHT INDUSTRIAL
- Light industry
- Light industry
- Agricultural building forms

AMENITIES AND TOURISM
- Existing regional attraction
- Industrial structure converted to community market
- Gateway

NEIGHBORHOODS
- Diverse forms of housing development, e.g. cottages
- Recreation
- Complete streets

NATURAL FEATURES
- Mature stands of trees within the Three Mile Lane study area
- Access to outdoor activities / food production
- Nature trails

Case Study

The conceptual land use alternatives presented in the following pages are the result of a workshop with three property owners in the 3ML study area to explore possible redevelopment scenarios. Each scenario represents a different exploration of how the market-driven land uses could be arrayed across the sites in ways that support the community's values and the goals, objectives, and criteria developed through the 3ML planning process. The property owner workshop involved a review of the findings and background information collected to date—including the market analysis—and a broader discussion of visions, criteria, and principles. The project team then applied these visions to the site to develop the three alternatives.

Each case study concept includes a description of its primary theme or differentiator as well as key aspects related to its interface with existing adjacent uses and potential phasing implications. Following the three alternatives is an analysis of economic impacts that summarize job creation, tax base increase, and other economic conditions that would change as a result of the area's development.

Design Charette

In addition to the focused property owner workshop, the City of McMinnville held a design charrette for the entire corridor study area with the Citizen Advisory Committee on April 8, 2019. Given the larger context, it is important for this case study to include the findings of the charette in design considerations. The key concepts and themes that resulted from these two events are summarized as follows.

Urban design considerations included: maintaining the local identity through gateway design elements and development opportunities; establishing formal view protection corridors for Mt Hood, Mt Jefferson, and Amity Hills; encouraging mixed uses whenever feasible; and mitigating the visual impact of development on the Highway 18 edge. Transportation and connectivity was a major theme throughout both processes. Participants identified connectivity—in terms of internal circulation to parks and recreational features and surrounding neighborhoods—as essential.

The community also provided input on parks and open space opportunities. Considerations included: prioritizing connections to existing trails and open space (such as connections into Joe Dancer Park), creating a public greenway along South Yamhill River with trail and connections to the study area and McBee Park, and increasing open space opportunities in the study area adjacent to residential uses.

Participants also identified a number of key strengths and opportunities, including: high visibility from Highway 18, many large and/or underutilized parcels, proximity to the airport, concentration of tourist amenities and medical uses, strong connections to regional assets, and an abundance of natural features. Specific opportunities the participants identified included: pedestrian bridges over the highway could provide needed connections at key points, the creation of special complete street standards to encourage biking and walking, requiring stormwater treatment and extensive street tree plantings on all study area streets, considering shared parking standards and 'shadow platting' to encourage future infill on surface lots, and opportunities for new residential at the south edge of the case study site and west of the hospital.

SWOT Analysis

The following page shows a SWOT analysis (strengths, weaknesses, opportunities, threats) for the 3ML area as developed by the Citizen Advisory Committee (CAC). The SWOT analysis provides the City and the project team a useful insight into the community's perspective on the area and the aspects that they value the most.

	Helpful	Harmful
Internal	**Strengths** • High visibility from Highway 18 • Many large and/or undeveloped parcels • Airport • Concentration of tourist amenities • Concentration of medical uses • Variety of housing types • Strong connection to regional features – mountain views, agricultural land • Abundance of natural features (Yamhill River, wooded areas, Airport Park) • Expansive vista of McMinnville for pass-thru traffic • Placemaking started with Evergreen campus and vineyards • Gateway parcels owned by the City at eastern entrance • Proximity to Joe Dancer Park	**Weaknesses** • Geographical constraint of Yamhill River • Poor connectivity within study area • Poor connectivity from study area to downtown McMinnville & adjacent areas • Limited bicycle and pedestrian facilities • Limited transit service • Deficient intersections at ends of study area • Highway 18 is a north/south barrier within study area • Existing base zones may not meet mixed use intent of study area • Minimal commercial amenities • Lack of neighborhood identity • Lack of sense of place
External	**Opportunities** • Creation of Gateways – Hwy 18 into study area, and from study area into downtown McMinnville • Integration of Complete Streets • Development of greenways/trail network using existing natural features & corridors • Unifying urban design elements • Large-scale, cohesive development on undeveloped lots • Neighborhood serving amenities • Improved wayfinding • Integration of Great Neighborhood Principles • Reinforce McMinnville's position in wine country • Leverage of airport as economic development asset • Reconstruction of the Yamhill River Bridge • Large contiguous tracts of developable land • Water Trail on Yamhill River • More river crossings for connectivity	**Threats** • Loss of larger employers due to lack of office space/amenities • Uncertain status of Evergreen Space & Aviation Museum • Access to frontage development awkward • Pedestrian/Bicycle Safety Perceptions • Cut off from City Center and Amenities

The project is guided by the following goals and associated objectives. Feedback was received on project goals and objectives during three focus group meetings conducted in December 2018 and January 2019. The team developed qualitative and quantitative criteria related to the goals for use in evaluating alternatives developed as part of this project.

GOAL 1: Support and enhance the district's economic vitality and marketability

This plan aims to support development of significant industrial and commercial parcels within the study area, enhance existing business by diversifying goods and services available in the area, and increase tourism. Alternatives will be evaluated qualitatively for how well they address the area's development/redevelopment potential.

GOAL 2: Provide opportunities for a complementary mix of land uses, consistent with the vision of a diverse and vibrant district

The study area contains several existing residential neighborhoods, including assisted-living and manufactured home residences, as well as major employers and tourism destinations. This plan aims to provide a mix of land uses that support one another to create a unique part of the city.

GOAL 3: Enhance multi-modal connections throughout the district.

This plan aims to create a complete, multimodal transportation network that serves the north and south side of Highway 18 within the district, and that connects the business community, the hospital, residential neighborhoods and tourism amenities to each other and to the city center. Alternatives will be evaluated through criteria measuring transportation safety and performance for all modes of travel: pedestrian, bicycle, transit, freight, and personal vehicles.

GOAL 4: Create an aesthetically pleasing gateway to the City of McMinnville.

The study area is a primary gateway to the City of McMinnville. Alternatives will be evaluated qualitatively for how well they provide an identity for the district, reflect McMinnville's intrinsic character and highlight the landscape features of the district.

All three land use alternatives share common characteristics, many of which have been identified in the base map below—as presented earlier in this report. The key defining features, potential opportunities, and themes that are common to all land use alternatives are as follows.

Road network. The concepts show main collectors only. At full build out there will be significantly more site circulation and connectivity as well as a local network that resembles a typical urban grid, creating defined blocks. Much of this internal or small-scale streetscape and right-of-way will be a developer responsibility and completed as development occurs. As such, the costs of these improvement do not factor into this analysis. Instead, the analysis simply assumes that a certain percentage of the gross acreage will be lost to right-of-way. This percentage changes based on land use. While the plan does not currently highlight any land use opportunities outside the city limits, potential future transportation connections are indicated.

Open space and trails. While there are few existing trails and open space amenities within the case study area, each alternative equally highlights opportunities for a riverside greenway trail and/or connections with nearby parks to help develop the area's identity.

River relationship. The river is a major asset to the 3ML area, particularly in the case study area. The alternatives look to leverage the river by placing land uses that will benefit from proximity to this asset. Further, the river provides an immovable edge, geographically constraining development.

Airport. The airport's proximity to the case study area is likely to impact the types of desirable land uses, largely due to noise. As such, residential uses are kept away from the easternmost section of the area. However, the airport is also a major feature of the case study area and potentially improves prospects for office, employment, and other compatible uses.

ODOT interface. The land use programs and build-out patterns shown in the alternatives must align with the continued operation of Highway 18 as a major transportation route. As such, the transportation pattern is largely inward-facing, with limited connections or access points to Highway 18.

Gross to net calculations. Each land use "bubble" is portrayed as gross acreage—i.e., not including right of way and open space requirements, which will remove a portion of the gross acreage. Further, once a street grid is formalized, the larger land parcels might get further subdivided for smaller-scale private development. The analysis makes basic assumptions about these dedications in order to arrive at a net developable land area for use in the economic analysis.

3 Mile Lane Case Study
Base Map + Circulation Framework
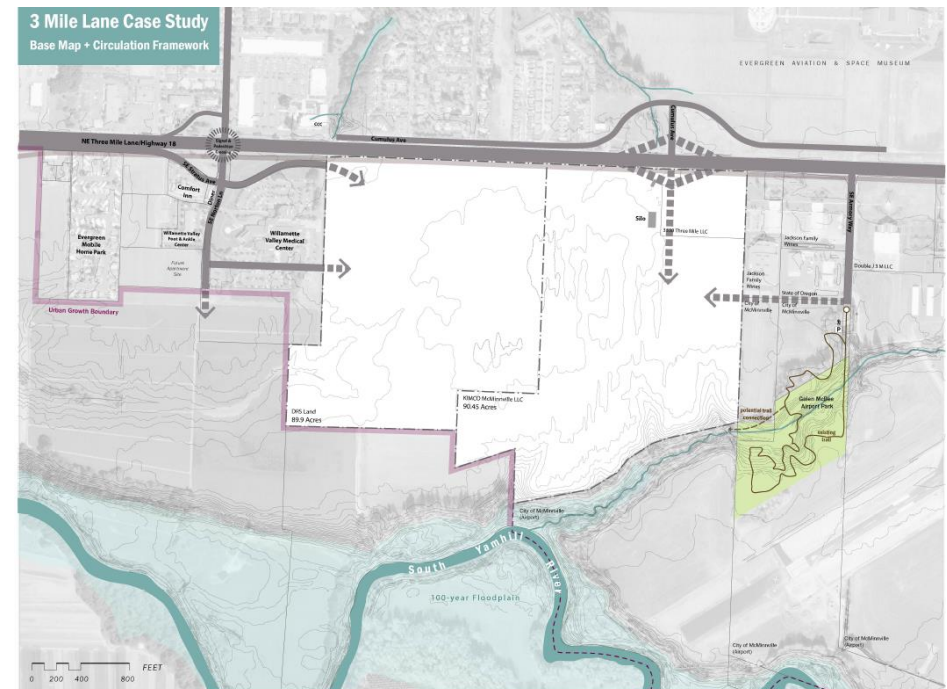
Case Study Design Considerations

The following images provide examples of the desired quality of future development, as discussed during the case study workshop.

Consider visual impact of development on Highway 18 edge

Encourage mixed uses whenever feasible

Encourage low impact development stormwater design

Establish formal view protection corridors

Honor McMinnville's agricultural heritage

Establish grid of internal circulation and connectivity

Create a public greenway along South Yamhill River with trail and connections to study area and McBee Park

Ensure public bicycle and pedestrian connectivity

3 Mile Lane Case Study
Concept 1

EVERGREEN AVIATION & SPACE MUSEUM

NE Three Mile Lane/Highway 18

Signal & Pedestrian Crossing

Cumulus Ave

Cumulus Ave

SE Armory Way

SE Stratus Ave

Comfort Inn

Diner

SE Nimbus Ln

Evergreen Mobile Home Park

Willamette Valley Foot & Ankle Center

Future Apartment Site

Willamette Valley Medical Center

Medical Office

Commercial

Commercial 'Town Center'

Silo

3330 Three Mile LLC

Office

Commercial

Jackson Family Wines

Jackson Family Wines

Double J 3 M LLC

State of Oregon

City of McMinnville

City of McMinnville

P

Urban Growth Boundary

Industrial

Industrial

DRS Land 89.9 Acres

KIMCO McMinnville LLC 90.45 Acres

Galen McBee Airport Park

potential trail connection

existing trail

Potential Future Greenway

City of McMinnville (Airport)

South Yamhill River

100-year Floodplain

City of McMinnville (Airport)

City of McMinnville (Airport)

Case Study Design Considerations

• Consider visual impact of development on Highway 18 edge

• Establish formal view protection corridors for Mt Hood, Mt Jefferson and Amity Hills

• Create a public greenway along South Yamhill River with trail and connections to study area and McBee Park

• Encourage mixed uses whenever feasible

• Ensure public bicycle and pedestrian connectivity throughout study area

• Establish grid of internal circulation and connectivity to adjacent streets

• Create special complete street standards to encourage biking and walking

• Encourage installation of low impact development (L.I.D.) stormwater design concepts on study area streets

• Consider shared parking standards and 'shadow platting' to encourage future infill on surface parking lots

FEET

0   200   400   800

Program summary

	Office	Commercial	Industrial	Residential	Corp. Campus	Total
Acres	21.5	41.5	104.5	0	0	168

Major theme.

Concept 1 is largely employment focused. Most of the land is identified for industrial uses, with the remaining land identified for medical and conventional office and commercial development.

Unique Features.

Concept 1 does **not** include any residential uses. Instead, the program takes advantage of 3ML's large, vacant land tracts, which provide the flexibility and separation from existing residential uses for industrial uses that may include heavy industrial operators.

Key relationships to adjacent uses.

Identifying the area next to the hospital for medical office will help create a medical hub that develops the area's identity.

Phasing and development options.

This program offers a flexible approach to development. Large industrial users will dictate the size and location required for their operations. However, the site will need time to be prepared for new development with new infrastructure and utilities.

Immediate phases include retail development in the northeastern section of the case study area. The market analysis confirmed that there is significant demand for new retail development.

EVERGREEN AVIATION & SPACE MUSEUM

NE Three Mile Lane/Highway 18

Signal & Pedestrian Crossing

Cumulus Ave

SE Stratus Ave

Comfort Inn

SE Horton Ln

Diner

Willamette Valley Foot & Ankle Center

Evergreen Mobile Home Park

Future Apartment Site

Willamette Valley Medical Center

Residential (Assisted Living)

Office / Industrial

Office

Commercial 'Town Center'

Silo

3330 Three Mile LLC

Office

Jackson Family Wines

Jackson Family Wines

Double J 3 M LLC

State of Oregon

City of McMinnville

City of McMinnville

SE Armory Way

Residential

Industrial

Corporate Campus

Central Gathering Space

DRS Land 89.9 Acres

KIMCO McMinnville LLC 90.45 Acres

Urban Growth Boundary

potential trail connection

Galen McBee Airport Park

existing trail

Potential Future Greenway

City of McMinnville (Airport)

South Yamhill River

100-year Floodplain

City of McMinnville (Airport)

City of McMinnville (Airport)

Case Study Design Considerations

- Consider visual impact of development on Highway 18 edge
- Establish formal view protection corridors for Mt Hood, Mt Jefferson and Amity Hills
- Create a public greenway along South Yamhill River with trail and connections to study area and McBee Park
- Encourage mixed uses whenever feasible
- Ensure public bicycle and pedestrian connectivity throughout study area
- Establish grid of internal circulation and connectivity to adjacent streets
- Create special complete street standards to encourage biking and walking
- Encourage installation of low impact development (L.I.D.) stormwater design concepts on study area streets
- Consider shared parking standards and 'shadow platting' to encourage future infill on surface parking lots

FEET

0   200   400   800

Concept 2: Corporate Campus

Program summary

	Office	Commercial	Industrial	Residential	Corp. Campus	Total
Acres	20	37	20	26.5	62	166

Major theme.

Concept 2 reflects a scenario where much of the land is purchased by a single property owner and developed as a large corporate campus. A corporate campus is consists of buildings in close proximity to each other with centralized support, amenities, and other internal functions for a single user. A corporate campus provides flexibility for open space and parking; there is often freestanding structured parking or surface parking or a combination of both. The western edges of the study area would allow for a mix of residential and service uses.

Unique Features.

About 7 acres of land is highlighted for assisted living in the northwestern section of the case study area in Concept 2 only. A large, internal area of open space is also included in the corporate campus land use designation.

Key relationships to adjacent uses.

Any office uses adjacent to residential and healthcare uses would be medical-related or serve community needs (e.g., banking).

Phasing and development options.

Residential development would serve an immediate need, and absorption is expected to be strong. Thus, residential construction should be considered an early phase.

Immediate phases include retail development in the northeastern section of the case study area. The market study confirmed that there is significant demand for new retail development.
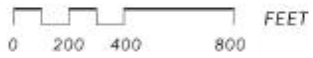
Flexibility is key to attracting a corporate campus. The City and/or developer would have to be opportunistic and actively market the property and McMinnville as a corporate destination. Full build out of the property, including new infrastructure, additional housing, and commercial amenities within walking distance would help attract a corporate user. Thus, a corporate campus is likely a long-term prospect.

3 Mile Lane Case Study
Concept 3

EVERGREEN AVIATION & SPACE MUSEUM

Cumulus Ave

NE Three Mile Lane/Highway 18

Cumulus Ave

Signal & Pedestrian Crossing

SE Stratus Ave

SE Norton Ln

Comfort Inn
Diner

SE Armory Way

Willamette Valley Foot & Ankle Center

Evergreen Mobile Home Park

Future Retirement Site

Willamette Valley Medical Center

Medical Office/Commercial

Commercial 'Town Center'

Silo

3550 Three Mile LLC

Office

Jackson Family Wines

Double J 3 M LLC

Jackson Family Wines

State of Oregon
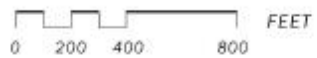
City of McMinnville

City of McMinnville

Urban Growth Boundary

Industrial

Industrial

Industrial

Residential

DRS Land 89.9 Acres

KIMCO McMinnville LLC 90.45 Acres

Residential

Galen McBee Airport Park

potential trail connection

existing trail

Potential Future Greenway

South Yamhill River

City of McMinnville (Airport)

100-year Floodplain

City of McMinnville (Airport)

City of McMinnville (Airport)

Case Study Design Considerations

- Consider visual impact of development on Highway 18 edge
- Establish formal view protection corridors for Mt Hood, Mt Jefferson and Amity Hills
- Create a public greenway along South Yamhill River with trail and connections to study area and McBee Park
- Encourage mixed uses whenever feasible
- Ensure public bicycle and pedestrian connectivity throughout study area
- Establish grid of internal circulation and connectivity to adjacent streets
- Create special complete street standards to encourage biking and walking
- Encourage installation of low impact development (L.I.D.) stormwater design concepts on study area streets
- Consider shared parking standards and 'shadow platting' to encourage future infill on surface parking lots

FEET

0   200   400   800

THREE MILE LANE Area Plan

Program summary

	Office	Commercial	Industrial	Residential	Corp. Campus	Total
Acres	40	30	51.5	47	0	169

Major theme.

Concept 3 represents the most balanced alternative, with a relatively even split between office, retail, industrial, and residential uses.

Unique Features.

Industrial development under Concept 3 would be expected to be light or craft industrial due to its proximity to the residential uses on the southernmost edge of the case study area.

There is a large office area in the northwest section, which is envisioned as a flexible area in which either office, medical office, or retail could develop based on market demand.

Another feature of Concept 3 is that all residential development is parallel to the river to take advantage of the rare riverfront location. This location may attract developers of more upscale housing, or simply just improve residential prospects in general.

Key relationships to adjacent uses.

As noted already, heavy industrial is unlikely under Concept 3 due to the proximity to healthcare and residential land uses. Medical office is likely to occur mainly next to the existing hospital.

Phasing and development options.

With three distinct "bands" of land uses (residential, industrial, and commercial), this concept facilitates a flexible approach to development. Immediate demand and need for housing means that the first phase of development is likely to be residential, along with similarly high-demanded retail in the northeast portion. The industrial development in the middle of the two aforementioned uses can then be opportunistic as interest arises, as can the medical office and/or additional retail uses to the northwest.

Economic Impact Analysis

Using the three land use alternatives presented on the previous pages, Leland Consulting Group conducted a high-level economic impact analysis to assess the impacts each concept has on job creation, wages, housing units, and added building value—with the latter providing valuable property tax generation for the City to use for critical programs and projects.

This summary of economic impacts of the proposed concepts and the benefits to the local and regional economy can provide helpful inputs for a discussion on policy, funding tools, and implementation efforts, which may include decisions about impact fees, urban renewal, and financial incentives.

It is important to note that this case study does not include a feasibility analysis. Such an analysis would test various development prototypes on specific sites and would require detailed cost estimates and architectural drawings. Given that the process is still high-level and conceptual, the type and scale of development is still unknown, and the site is a complete greenfield with no existing infrastructure, conducting a feasibility analysis for the case study sites would not be particularly useful. The strong demand for each of the land uses as described in the market analysis indicates that development on a flat, undeveloped site such as the case study area, would generally be economically feasible.

Prior to private investment, basic utility, road, and other infrastructure will need to be constructed through the site. While this infrastructure may be built by the developers, it is possible that this would be reimbursed by impact fees, as they serve a districtwide function. The assumption, however, is that internal circulation and smaller roads would be a developer expense. The exact implementation structure to construct this shared infrastructure would need to be the result of subsequent planning and negotiation with the City.

The following pages provide the findings of this economic impact analysis, specifically with regard to the following metrics.

- **New jobs created.** For job creation, the analysis uses industry standards for typical space use (square feet) per additional employee for office, retail, and industrial development. The analysis also assumes minimal job creation associated with residential development.

- **Total estimated wages generated from new jobs.** Wages are calculated using Yamhill County employment data for 2017 from the Bureau of Labor Statistics. Average wages for office, retail, and industrial[1] NAICS sectors were multiplied by the total number of jobs created.

- **New housing units development.** The analysis uses a range of 10 dwelling units per acre for single-family homes and townhomes, up to 30 per acre for low-rise apartments.

- **Total value of new construction.** For building value, the analysis uses hard construction cost data from RSMeans for 2018, using cost estimates for surface-parked typologies—which whenever possible.

[1] Office sectors include information, finance and insurance, professional and technical services, and management of companies and enterprises (NAICS 51, 52, 54, 55). Industrial sectors include manufacturing and transportation and warehousing (NAICS 31-33, 48-49). Retail includes only one sector (NAICS 44-45).

THREE
MILE
LANE

Area
Plan

The following table summarizes the findings from the economic impact analysis for each of the three concept alternatives.

The analysis included a series of ranges for each of the five outputs, with a "low" and "high" reflecting the uncertainty with regard to the typology of any potential development. However, the ranges can also serve as two scenarios—conservative and aspirational.

The "high" scenario generally reflects higher-density development (potentially indicative of reduced parking standards or shared parking), including: more multifamily and townhome development than single-family residential; more food-based retail—which requires more employees per square foot than big box; and more flex and manufacturing-related industrial development—rather than warehousing or transportation.

Conversely, the "low" scenario generally reflects lower-density development, including: mostly single-family residential rather than multifamily; more warehouse and transportation-related industrial development, and larger-scale retail development (e.g. big box retail).

Key takeaways for the three concepts are as follow.

- Concept 1 generates the most overall building square footage but the lowest building value due to the focus on industrial development. In fact, the employment focus is clear, with the most number of jobs created under the "high" scenario and $250 million in additional wages. However, under the "low" scenario—where industrial is largely low density warehousing and transportation-focused—job creation and wage generation is one of the lowest.

- Concept 2 is also employment focused, but more balanced between housing and office (campus), with the corporate campus driving higher job and wage generation. Significantly, concept 2 ranks high for all metrics under both "high" and "low" scenarios, demonstrating the flexibility of the concept. Under the "low" scenario, job and wage creation is the highest among the three concepts.

- Concept 3 is housing focused, with almost 1,000 units created under the "high" scenario, which would likely all be apartments as opposed to single-family homes and townhomes in the "low' scenario. Residential development helps drive the high building value, with significantly more value than either of the other two concepts despite the lowest total development square footage. However, the housing focus also means that fewer jobs and less total wages would be created.

	Building Sq. Ft.	Number of Jobs	Wages ($m)	Bldg Val. ($m)	Housing Units
"High" Scenario					
Concept 1	1,560,319	5,779	$250	$236	0
Concept 2	1,270,645	5,509	$259	$336	557
Concept 3	1,163,705	4,967	$233	$386	987
"Low" Scenario					
Concept 1	835,372	1,139	$49	$128	0
Concept 2	753,152	1,370	$66	$186	186
Concept 3	653,727	1,113	$52	$198	329

The three concepts present three distinct opportunities for the 3ML area to develop with new uses. They show that a wide range of opportunities is possible, allowing property owners and developers to react to changing market conditions. The concepts would significantly add jobs and tax base to McMinnville, ranging from 1,100 to 5,800 jobs and $128 to $386 million in added taxable value. Given the strong growth occurring throughout the region and McMinnville's constrained land supply, this is a unique opportunity for McMinnville to capture economic growth while simultaneously providing needed community services, housing, and jobs.

The three case study concepts will be incorporated into three land use options covering the entire 3MLAP planning area. The land use options will be discussed and evaluated by the Citizens Advisory Committee and the public to assess their merits, based on project goals, objectives, and evaluation criteria. Expected outcomes of the 3MLAP include proposed land use and zoning, as well as development standards, to support the preferred land use option. While development of the study area properties will ultimately be developer-driven, there are a number of actions that will lay the foundation for successful implementation. These include:

- **Continued engagement with ODOT**: Safe and convenient access to the area from Highway 18 is an essential component of any development on the sites. Current long-range plans assume a full interchange at Cumulus Avenue. Such an interchange would significantly change the way traffic flows in and out of the study area, but it is an expensive project that currently has no schedule for completion. As such, ongoing dialogue with ODOT should continue so that property owners can coordinate their plans with the necessary improvements to Highway 18 access.

- **Engage with the airport**: The airport is a major asset to the community, and it is rare to find so much developable land immediately adjacent to an airport. Improved access to the airport that avoids Highway 18 would enable the study area to attract users who would benefit from proximity to an airport. As plans for 3ML are refined, they should be integrated with the airport's development plan to ensure compatibility.

- **Explore interchange funding options**: The Cumulus interchange will be a major catalyst to allowing the project area to develop to its full potential. Given Oregon's constrained funding environment, the City and property owners should continue to explore funding options to accelerate development of this infrastructure. Possible options could include a local improvement district and an urban renewal district.

- **Continue property owner dialogue**: As private property, the case study site's implementation will largely be driven by private developers and based on market demand. However, such development cannot happen without significant public facilities such as an interchange, collector roads, parks, trails, and other assets. A continued dialogue, already underway through this planning effort, will help to coordinate public and private plans, explore joint funding opportunities, and build an atmosphere of mutual trust and cooperation.

- **Continue to engage with other groups**: Given its size, the site presents a unique opportunity to attract employers and other users to McMinnville. Continued planning for the site, and potential marketing, would benefit from the input of tourism and economic development organizations such as Visit McMinnville and the McMinnville Economic Development Partnership.

Appendix

Three Mile Lane Area Plan Case Study Report

		Office	Retail	Industrial	Corporate Campus	Housing	Total
Concept	1	21.5	41.5	104.5	0	0	167.5
ROW	%	20%	20%	20%	20%	20%	
Open Space	%	20%	20%	10%	30%	10%	
Net Developable Area	Acres	12.9	24.9	73.2	0.0	0.0	111.0
Devt FAR	Low	0.25	0.20	0.15	0.25		
	High	0.40	0.35	0.30	0.40		
Bldg sf	Low	140,481	216,929	477,962	0	0	835,372
	High	224,770	379,625	955,924	0	0	1,560,319
Avg. Sq. Ft. per Employee	Low	200	150	450	300		
	High	400	700	1,000	500		
Jobs Generated	Low	351	310	478	0		1,139
	High	1,124	2,531	2,124	0		5,779
Average Per Capita Wage	Low	$55,000	$25,000	$45,000	$55,000		
	High	$60,000	$30,000	$50,000	$60,000		
Total Annual Wages	Low	$19,316,138	$7,747,457	$21,508,295	$0		$48,571,889
	High	$67,430,880	$75,925,080	$106,213,800	$0		$249,569,760
Construction Cost PSF	Low	$200	$150	$140	$200	$180	
Bldg Value	Low	$28,096,200	$32,539,320	$66,914,694	$0	$0	$127,550,214
	High	$44,953,920	$56,943,810	$133,829,388	$0	$0	$235,727,118
Housing Density (du/ac)	Low					10	
	High					30	
Housing Units	Low					0	
	High					0	

Economic Impact Analysis: Concept 2

		Office	Retail	Industrial	Corporate Campus	Housing	Total
Concept	2	20	37	20	62	26.5	139.0
ROW	%	20%	20%	20%	20%	20%	
Open Space	%	20%	20%	10%	30%	10%	
Net Developable Area	Acres	12.0	22.2	14.0	31.0	18.6	79.2
Devt FAR	Low	0.25	0.20	0.15	0.25		
	High	0.40	0.35	0.30	0.40		
Bldg sf	Low	130,680	193,406	91,476	337,590	278,250	753,152
	High	209,088	338,461	182,952	540,144	612,150	1,270,645
Avg. Sq. Ft. per Employee	Low	200	150	450	300		
	High	400	700	1,000	500		
Jobs Generated	Low	327	276	91	675		1,370
	High	1,045	2,256	407	1,800		5,509
Average Per Capita Wage	Low	$55,000	$25,000	$45,000	$55,000		
	High	$60,000	$30,000	$50,000	$60,000		
Total Annual Wages	Low	$17,968,500	$6,907,371	$4,116,420	$37,134,900		$66,127,191
	High	$62,726,400	$67,692,240	$20,328,000	$108,028,800		$258,775,440
Construction Cost PSF	Low	$200	$150	$140	$200	$180	
Bldg Value	Low	$26,136,000	$29,010,960	$12,806,640	$67,518,000	$50,085,000	$185,556,600
	High	$41,817,600	$50,769,180	$25,613,280	$108,028,800	$110,187,000	$336,415,860
Housing Density (du/ac)	Low					10	
	High					30	
Housing Units	Low					186	
	High					557	

Economic Impact Analysis: Concept 3

		Office	Retail	Industrial	Corporate Campus	Housing	Total
Concept	3	40	30	51.5	0	47	121.5
ROW	%	20%	20%	20%	20%	20%	
Open Space	%	20%	20%	10%	30%	10%	
Net Developable Area	Acres	24.0	18.0	36.1	0.0	32.9	78.1
Devt FAR	Low	0.25	0.20	0.15	0.25		
	High	0.40	0.35	0.30	0.40		
Bldg sf	Low	261,360	156,816	235,551	0	493,500	653,727
	High	418,176	274,428	471,101	0	1,085,700	1,163,705
Avg. Sq. Ft. per Employee	Low	200	150	450	300		
	High	400	700	1,000	500		
Jobs Generated	Low	653	224	236	0		1,113
	High	2,091	1,830	1,047	0		4,967
Average Per Capita Wage	Low	$55,000	$25,000	$45,000	$55,000		
	High	$60,000	$30,000	$50,000	$60,000		
Total Annual Wages	Low	$35,937,000	$5,600,571	$10,599,782	$0		$52,137,353
	High	$125,452,800	$54,885,600	$52,344,600	$0		$232,683,000
Construction Cost PSF	Low	$200	$150	$140	$200	$180	
Bldg Value	Low	$52,272,000	$23,522,400	$32,977,098	$0	$88,830,000	$197,601,498
	High	$83,635,200	$41,164,200	$65,954,196	$0	$195,426,000	$386,179,596
Housing Density (du/ac)	Low					10	
	High					30	
Housing Units	Low					329	
	High					987	