



City of McMinnville
Planning Department
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STAFF REPORT

DATE: July 26, 2022
TO: Mayor and City Councilors
FROM: Heather Richards, Planning Director
SUBJECT: PUBLIC HEARING: (Docket G 7 – 21), Consideration of the Planning Commission recommendation to adopt the *Three Mile Lane Area Plan* as a Supplemental Document to the *City of McMinnville Comprehensive Plan*, and amending the *Comprehensive Plan, Volume II, Chapter VI, Transportation System*, to add a proposal to amend the *Comprehensive Plan Map and Transportation System Plan* consistent with the *Three Mile Lane Area Plan*.

STRATEGIC PRIORITY & GOAL:



GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

OBJECTIVE/S: Strategically plan for short and long-term growth and development that will create enduring value for the community

Report in Brief:

This is a continuation of the public hearing from May 10, 2022 and June 14, 2022 to consider the McMinnville Planning Commission recommendation to adopt the *Three Mile Lane Area Plan and its Appendices (“Plan”)* as a supplemental document to the *McMinnville Comprehensive Plan* and to amend the *McMinnville Comprehensive Plan, Volume II, Chapter VI, Transportation System*, to add a proposal to amend the *McMinnville Comprehensive Plan Map and McMinnville Transportation System Plan* consistent with the *Three Mile Lane Area Plan*.

The Planning Commission voted unanimously to recommend adoption of the *Plan* at their meeting on March 17, 2022, to the McMinnville City Council after housing two nights of public hearings. The City Council elected to host a public hearing prior to their consideration and the first City Council public hearing was conducted on May 10, 2022. That public hearing was continued to June 14, 2022. And at the June 14, 2022 public hearing, the City Council elected to continue the public hearing again to July 26, 2022.

The discussion section of this staff report has been updated since the June 14, 2022 public hearing. It starts on page 29 of this staff report.

Attachments:

- Attachment A: Size of Retail Analysis
- Attachment B: Answers to Councilor Geary’s Transportation Questions
- Attachment C: Public Testimony Received, 06.14.22 – 07.19.22
- Attachment D: Correction to the Public Record
- Attachment E: Additional Items to Enter into the Public Record

Background:

The **Three Mile Lane Area Plan** (3MLAP) has been developed over the past three years in collaboration with ODOT and a local Project Advisory Committee. It was funded by a Transportation Growth Management grant. A consultant team comprised of Angelo Planning Group, David Evans and Associates, Inc., Leland Consulting Group and Walker Macy worked with the project management team and the project advisory committee to develop the plan. ODOT served as the project manager and contract manager.

There are two proposed actions:

- 1.) *Adopt the Three Mile Lane Area Plan and its appendices as a supplemental document to the McMinnville Comprehensive Plan.*

The *Three Mile Lane Area Plan* includes the final plan document (Plan) and five appendices:

Three Mile Lane Area Plan

- Appendix A: Public Involvement
- Appendix B: Existing Conditions
- Appendix C: Case Study Report
- Appendix D: Evaluation and Screening
- Appendix E: Implementation

These documents can be found on the project website at: [G 7-21 - Three Mile Lane Area Plan \(3MLAP\) Comprehensive Plan Amendment | McMinnville Oregon.](#)

- 2) *Amend the Comprehensive Plan, Volume II, Chapter VI, Transportation System, to add a proposal after policy 132.23.00 (below) that reads as follows (on the next page):*

132.23.00 The McMinnville Transportation System Plan shall be updated as necessary to remain consistent with: (a) the city's land use plan; (b) regional and

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statewide plans; and (c) the applicable local, State, and federal law. Ord. 4922, February 23, 2010)

20.05 The comprehensive plan map amendments and any associated rezones consistent with the 3MLAP could be initiated by the City or property owners through future map amendment applications, at which time any necessary changes to the TSP would need to be made. Until the comprehensive plan map amendments are adopted for individual properties, the properties would continue to be subject to the use provisions of current Comprehensive Plan map and zoning map designations and provisions of any property-specific PD overlay zones. Those properties would still be subject to any new development standards of the new Three Mile Lane Overlay Zone.

Area plans are general guidance documents for how land uses, and public facilities will serve the community in the future and interact with each other in a designated area. It is a high-level planning document meant to provide guidance to other more specific planning processes, such as public utility plans, parks, and open space plans, etc. An Area Plan is not a development plan and is not representative of planned private development projects in the area.

The Three Mile Lane area is a unique district in the southeast portion of the City of McMinnville. The area contains approximately 1,340 acres of land with a variety of existing land uses and several large vacant parcels. The *Three Mile Lane Area Plan* is intended to create an implementable vision for the area's future land uses and multi-modal transportation system.

As an Area Plan, the *Three Mile Lane Area Plan* shall serve as a guiding document for land uses and public facilities in the delineated area of this plan. Specific standards for development will be identified in McMinnville's Master Plans and Municipal Code. Public facility plans will be updated to reflect the new comprehensive plan designations in the area.

The Planning Commission hosted a public hearing on January 20, 2022, and February 17, 2022, closing the public hearing on February 17, 2022, and then deliberated on March 17, 2022, where they elected to recommend adoption of the **Plan** to the McMinnville City Council unanimously.

The Planning Commission amended the Plan in two areas:

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1) Amended the language on page 17, Great Neighborhood Principle #11 to read, “Allow for a mix of housing forms and types that serve a variety of household incomes and respect the current character of Three Mile Lane.”

2) Amended page 50 of the **Plan** to add a provision for the future evaluation and consideration of a bicycle/pedestrian overpass on Highway 18 when the need and opportunity arose.

Per Section 17.72.130, the Planning Commission rendered a decision to recommend the proposed comprehensive plan amendments to the McMinnville City Council. On April 12, per Section 17.72.130(2)(d), the McMinnville City Council made a motion to host a public hearing on May 10, 2022. The public hearing was noticed in the News Register on Tuesday, May 3, 2022.

17.72.130 Public Hearing Process. *Public hearings shall be conducted as per requirements of McMinnville Ordinance No. 3682, as amended;*

- A. *A staff report shall be submitted to the review body, and shall be made available to the public at least seven (7) days before the date of the public hearing. Any public hearing may be continued to a specific date, time and location by oral announcement of that specific date, time, and location prior to the hearing being recessed. This announcement is sufficient notice to all applicants, adverse parties, and interested persons, and no further notice is required.*
- B. *Legislative hearings: Within 45 days following the public hearing on a comprehensive plan text amendment or other legislative matter, unless a continuance is announced, the Planning Commission shall render a decision which shall recommend either that the amendment be approved, denied, or modified:*
 1. *Upon reaching a decision the Planning Commission shall transmit to the City Council a copy of the proposed amendment, the minutes of the public hearing, the decision of the Planning Commission, and any other materials deemed necessary for a decision by the City Council;*
 2. *Upon receipt of the decision of the Planning Commission, the City Council shall:*
 - a. *Adopt an ordinance effecting the proposed change as submitted by the Planning Commission, or*
 - b. *Adopt an ordinance effecting the proposed change in an amended form, or*
 - c. *Refuse to adopt the amendment through a vote to deny, or*
 - d. *Call for a public hearing on the proposal, subject to the notice requirements stated in Section 17.72.120(D).*

After hearing testimony on May 10, 2022, the City Council elected to continue the public hearing to June 14, 2022, asking staff to bring back some information on the process for reviewing land-use developments and their relative impact to both state and local transportation facilities. (Please see Discussion Section of this staff report).

History of the Planning Process:

The *Three Mile Lane Area Planning* effort started in 2017 as part of a summer collaborative planning project with the University of Oregon (Green Cities Plan). Then in 2017, the City applied for a Transportation and Growth Management Grant from the Oregon Department of Transportation (ODOT) and the Department of Land Conservation and Development (DLCD) to conduct an area planning process for the Three Mile Lane Area. The grant was awarded. A scope of work was developed in partnership with ODOT and DLCD in early 2018 and consultants were hired in the summer of 2018.

The scope of work was based on a land-use and transportation study of approximately 1340 acres of land currently within the city limits on both the north and south side of Highway 18 from the eastern entrance of the city by the McMinnville Airport to the Yamhill River Bridge. The project has immense potential to transform the Three Mile Lane Area for both current and future residents and businesses. It

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provides the opportunity for the City to be much more efficient with land-uses, allowing for higher density housing development and job creation in the area. The plan will also help the City work towards reducing greenhouse gas emissions by providing more amenities in close proximity to residential neighborhoods in this area as well as commercial amenities that city residents drive to other cities to access. The plan allows for much-needed grocery stores in a residential area that is currently a food desert. The plan identifies opportunities for more off-road trails and bicycle/pedestrian connectivity throughout the designated area. The 3MLAP also highlights an opportunity for a high-density business office and industrial incubator district adjacent to the airport. And lastly, the 3MLAP creates a much stronger multi-modal connection between the Three Mile Lane Area and the rest of the City of McMinnville via the new Yamhill River Bridge and proposed nature trails to Joe Dancer Park and Galen McBee Park.

The 3MLAP has five project goals:

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.
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 in both an economic and environmentally sustainable way.
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 OR 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.
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. Incorporation of sustainable features and technologies is desired.
5. **Improve the district for existing and future McMinnville residents in the area.**
The City of McMinnville's Great Neighborhood Principles identifies amenities and facilities that should be present in all residential areas, including a variety of housing types, pedestrian and bicycle connectivity, preservation of scenic views and natural features, access to open space, and access to commercial necessities. This plan aims to support those Great Neighborhood Principles for residents in the study area by providing multi-modal connectivity, single-family,

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missing middle and multi-family housing, provisions for open spaces and commercial amenities, such as grocery stores, restaurants, and more.

A project advisory committee consisting of community stakeholders worked with the consultant team, ODOT and City representatives on the development of the plan

The City also hosted a summer planning class from the University of Oregon, “Green Cities” to work with neighborhood residents and other interested community stakeholders on planning charrettes and focus groups to help lay the groundwork for the planning effort prior to the official start of the 3MLAP.

Three Mile Lane Area Plan Citizen Advisory Committee (CAC)	
Planning Commission	Lori Schanche
City Council	Zach Geary Scott Hill Wendy Stassens
Representatives of Property and Business Owners in the Study Area	Robert Banagay Paul Davis Danielle Hoffman Peter Hoffstetter Kit Johnston Stewart Kircher Chris Norville Alan Roodhouse Chris Shelby Mary Stern
Partner Agencies	Scott Cooper – MEDP Kitri McGuire – Visit McMinnville Gioia Goodrum – McMinnville Chamber of Commerce
Community Stakeholders	Courtney Cunningham Ken Denier Alan Fox Phil Frischmuth David Hayes Galen McBee

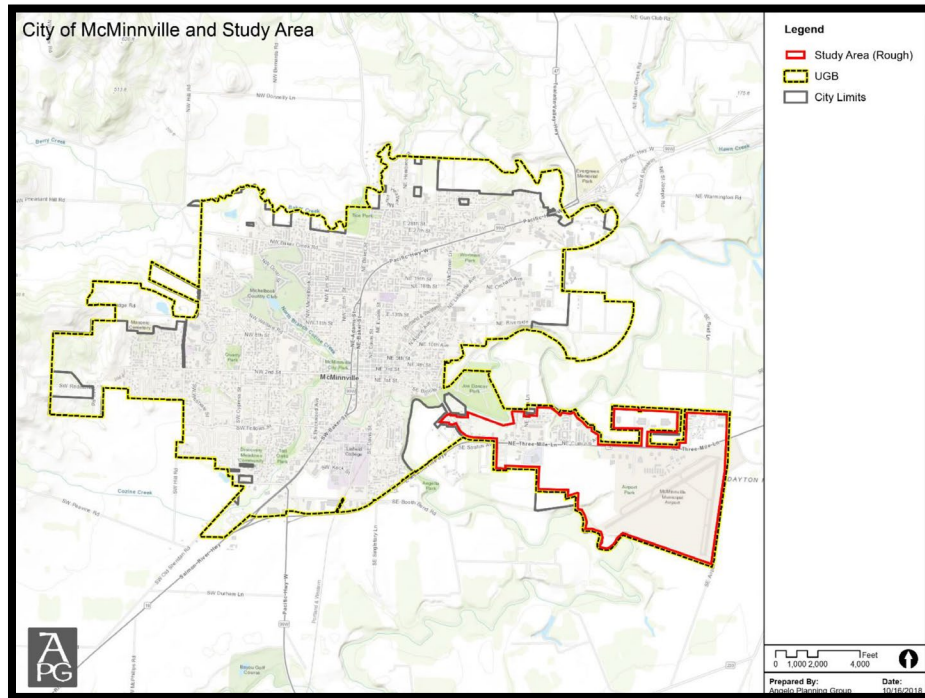
Technical Advisory Committee (TAC)	
Planning Staff	Heather Richards Jamie Fleckenstein Chuck Darnell Tom Schauer
Engineering Staff	Mike Bisset
Parks and Recreation Staff	Susan Muir
McMinnville Water and Light	John Dietz
ODOT	Michael Duncan Dan Fricke Keith Blair Dorothy Upton Jenna Berman Kristie Gladhill
DLCD	Angela Carnahan
YCTA	Cynthia Thompson

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Map of Study Area

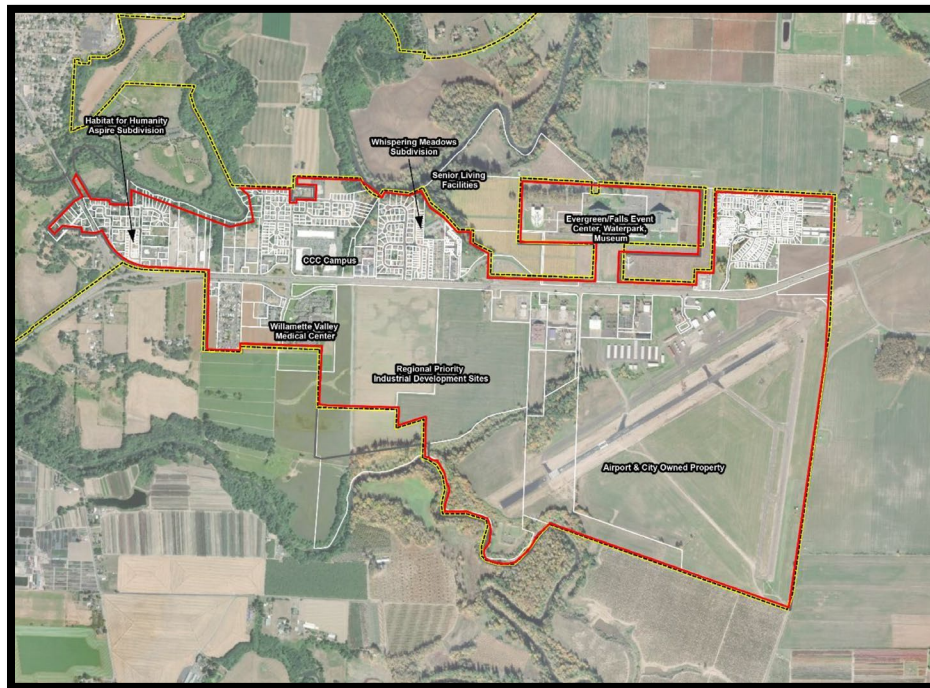
On the following page are Maps 1 and 2 showing the relationship of the Three Mile Lane area relative to the rest of the city, as well as the area's more prominent features.



*Map 1: Three Mile Lane Study Area in relationship to the city limits.
The subject area is on the Southeastern side of the city.*

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Map 2: Three Mile Lane Study Area with Major Elements Identified.

Citizen Involvement:

Over the course of three years, the project team conducted an extensive public engagement process utilizing a variety of tools. Public open houses, town halls, focus groups and charrettes were utilized to collect public feedback and input. (Please see Appendix A of the 3MLAP).

- The City hosted three public workshops. Invitations to the public workshops were provided in both English and Spanish. Spanish invitations were distributed through the Latino Advisory Council and provided at the Virginia Garcia Clinic in the study area. Spanish translation was provided at the public workshops upon request.
- The project team hosted three focus group interviews. One of the focus groups represented organizations and agencies that served Title VI populations in the study area.
- The project team conducted two planning charrettes with community stakeholders to discuss future land-uses, needs and opportunities.
- The project team conducted two surveys during the course of the project planning period.
- The project included numerous City Council updates, which were part of the regularly scheduled McMinnville City Council meetings that were open to the public and broadcast with subtitles via McMinnville Media.

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- The project team maintained a project website at www.ThreeMileLane.com.
- The project team distributed flyers and meeting invitations through the Latino Advisory Council, a network of businesses, agencies and non-profit partners serving the Latino community in McMinnville.
- The project team provided project updates and invitations to meetings and events via its social media to the community at-large and direct mailings for households in the project area.
- The project team created press releases and flyers for all public events which were advertised in local newspapers and distributed to public spaces such as the McMinnville Public Library, the McMinnville Community Center and through the McMinnville School District information portal.
- Five public meetings, all noticed and open to the public, were held in conjunction with McMinnville Planning Commission and City Council meetings.

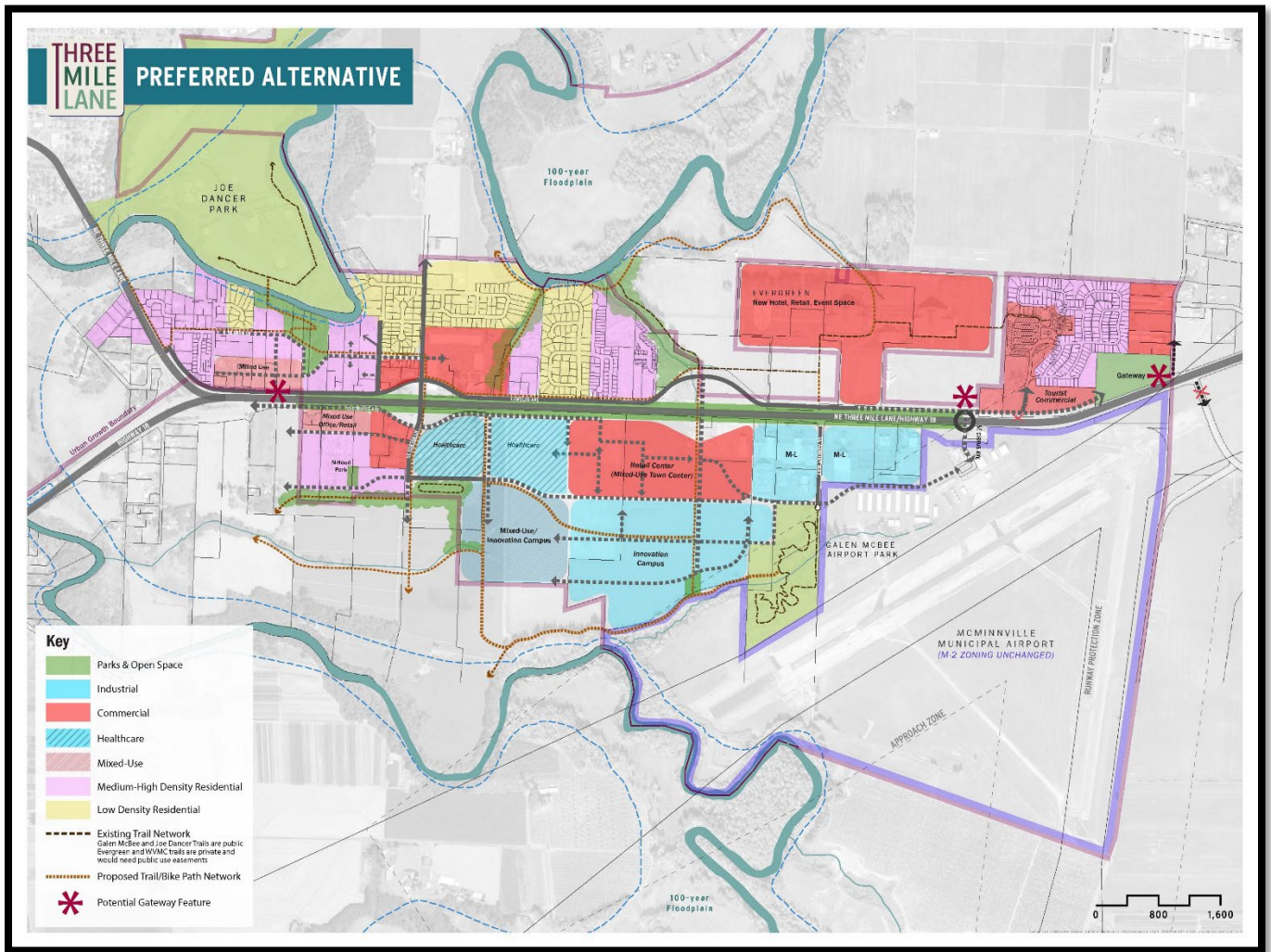
The *Three Mile Lane Area Plan* is predicated on a “Preferred Land Use Alternative” (Figure 1) and a “Preferred Transportation Facilities Plan” (Figure 3). The preferred land use alternative represents the community vision for how this study area will develop over the next twenty years (2021-2041) to serve the community’s current and future land-use needs. The preferred transportation facilities plan is the transportation elements that will need to be implemented to ensure that the local and state transportation facilities still function at their standard of functionality as the study area develops to full buildout in 2041. This transportation facilities plan builds on the Oregon Highway 18 Corridor Refinement Plan developed in 1996 for this section of Highway 18 and identifies those elements of that plan that are necessary to maintain the throughput and functionality of Highway 18 as a state expressway and freight route.

To analyze the impact of the community land-use vision on the state and local transportation facilities in the study area, ODOT updated the Transportation Model for the City of McMinnville for this project, and then the existing land-use opportunities were analyzed for transportation compliance with the *Oregon Highway Plan* and Oregon Administrative Rules, Division 51 standards (OAR 734-051), and the proposed community vision was analyzed for transportation compliance with the *Oregon Highway Plan* and Oregon Administrative Rules, Division 51 standards (OAR 734-051).

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Figure 1: Three Mile Lane Area Plan Preferred Land Use Vision for the Three Mile Lane Study Area



This is the revised land-use plan that staff entered into the record on May 10, 2022, to help clarify some misunderstandings between preferred land-uses and underlying zoning that was part of the public dialogue during the public hearing process.

In order to enable the preferred land-use community vision to develop, three comprehensive plan map amendments are recommended. Please see Figure 2). The adoption of the *Three Mile Lane Area Plan* does not amend the Comprehensive Plan Map. Those amendments will be undertaken either by future city initiatives or private property owner initiatives.

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Figure 2: Three Proposed Comprehensive Plan Map Amendments

The preferred transportation facility plan relies on both local network and state network improvements including the development of local frontage roads on both the north and south sides of Highway 18, as well as optimization of the existing signalized intersections, a new traffic improvement at the intersection of Cirrus Avenue and Highway 18 and Three Mile Lane and Cumulus Avenue and the removal of accesses at Loop Road and Cruickshank Road, as well as several other access points between Cumulus Avenue and the eastern edge of the study area. (Please see Figure 3).

All of these transportation improvements are already contemplated in the *McMinnville Transportation System Plan* except for the intersection improvement at Cirrus Avenue and Highway 18, and the optimization of the existing signalized intersections. Those transportation projects will be added to the *McMinnville Transportation System Plan* when the plan is updated in 2022 and 2023. The current *McMinnville Transportation System Plan* contemplates the improvements needed for a planning horizon of 2003-2023, and the updated transportation system plan will contemplate the improvements needed for a planning horizon of 2021-2041. (Cruickshank Road is in the county and will not be part of the *McMinnville Transportation System Plan*.)

Since the *Oregon Highway 18 Corridor Refinement Plan* is a guidance plan with a phased methodology of improvements on Highway 18 dependent upon the *Oregon Highway Plan* and Division 51 standards, and the *Three Mile Lane Area Plan* complies with that phasing methodology, that will not be updated.

The proposed Three Mile Lane Area Plan transportation improvements meet the *Oregon Highway Plan* standards so no amendments will need to be required to support the *Three Mile Lane Area Plan*. ODOT will adopt the *Three Mile Lane Area Plan* as a facility plan.

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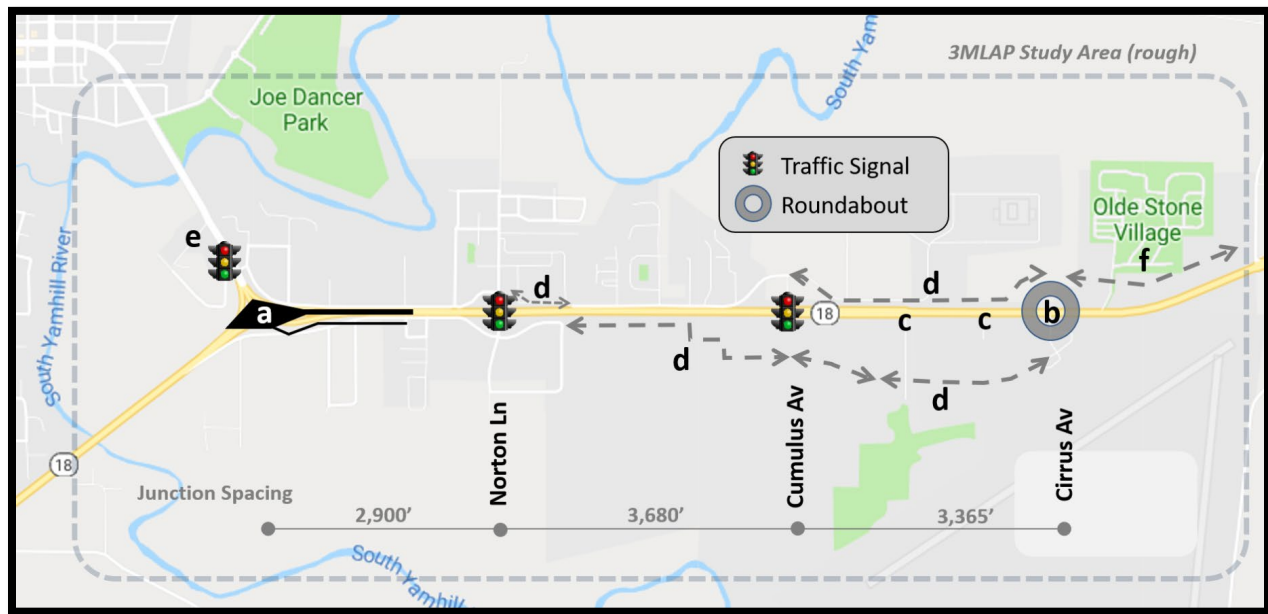


Figure 3: Preferred Transportation Plan for Three Mile Lane Area Plan

- a) Three Mile Lane interchange - reconstructed for full directional access and crossing, with new connector to Stratus Avenue).
- b) Cirrus Avenue – new intersection improvement on OR 18 (signal or roundabout), with McMinnville gateway features. *(Staff recommended amending this language to indicate that an intersection improvement was needed, but that it could be either a signal or a roundabout at the May 10 City Council public hearing. The figure will be adjusted to reflect that amendment).*
- c) Removal of at-grade street and driveway accesses to OR 18 in the section between Cumulus Avenue and the eastern edge of the study area, including Loop Road and Cruickshank Road (Cruickshank Road is not shown, as Cruickshank Road is external to the Three Mile Lane Study area).
- d) New east-west frontage streets north and south of OR 18, linking Cirrus Avenue, Cumulus Avenue and Norton Lane.
- e) New traffic signal (or roundabout) at Three-Mile Lane and Cumulus Avenue.
- f) Loop Road - disconnect from OR 18 and realign to new Cirrus Avenue connector and roundabout.

History of Planning Commission Public Hearing and Deliberation: The Planning Commission hosted four meetings to discuss the Three Mile Lane Area Plan (December 16, 2021, January 20, 2022, February 17, 2022, and March 17, 2022). At the first meeting on December 16, 2021, the public hearing was continued to January 20, 2022 without a staff report or public testimony. Then, the

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Planning Commission heard from a staff report and public testimony on January 20, 2022 and February 17, 2022.

Prior to the meeting on December 16, 2022, the City sent out a mailing to all property owners within the study area to apprise them of the upcoming public hearing. The City received three communications – one from Nolan Chard who was supportive of the proposed **Plan** and one from Rick Rozanski and Lisa Baker, who were both concerned about the feasibility of a trail system in the Central Neighborhood District near the Kingwood and Norton Crest subdivisions. With topography and soil challenges, they both recommended that an exact location for the trail needed to be further studied.

After the December 16, 2021 planning commission meeting, Friends of Yamhill County sent out an alert email to their membership and email distribution group. This alert generated a significant amount of testimony that was entered into the record for the January 20, 2022 planning commission public hearing.

After hearing testimony on January 20, 2022, the Planning Commission continued the public hearing to February 17, 2022, and asked staff to bring the transportation consultants and ODOT representatives to the February meeting to address some of the transportation issues that were raised during the January 20, 2022 public hearing testimony.

At the February 17, 2022 meeting, **Andrew Mortensen, Senior Transportation Planner with David Evans and Associates, Inc.**, and lead Project Manager for the consultant team, and **Naomi Zwerdling, Planning and Development Review Manager, ODOT, Region 2**, and **Michael Duncan, Senior Region Planner, Transportation and Growth Management Project Manager for ODOT, Region 2**, provided testimony about the transportation evaluation and analysis of the planning effort, and answered in more detail questions that the Planning Commission and public testimony had about the particular design of the transportation elements identified in the Plan and the performance of the transportation system.

The Planning Commission then heard more public testimony on February 17, 2022, and elected to close the public hearing.

After closing the public hearing, the Planning Commission asked staff to amend the plan in two areas:

- 1) Add a provision for the future evaluation and consideration of a bicycle/pedestrian overpass on Highway 18 when the need and opportunity arose.
- 2) Strengthen the language about the City's desire to implement design and development standards in the area for the commercial site south of Highway 18, the Innovation Center site, and the mixed-use site on the north side of Highway 18, that will ensure that those developments are unique to McMinnville, reflecting McMinnville's community values.

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1) Add a provision for the future evaluation and consideration of a bicycle/pedestrian overpass on Highway 18 when the need and opportunity arose.

The City commissioned a memorandum from David Evans and Associates to examine the general implications of constructing a pedestrian bridge crossing of OR 18 near Norton Lane. (Please see attached memorandum).

A pedestrian overpass could potentially fit into the right-of-way (would need to be designed with frontage road construction), and would be approximately 125 feet long, costing approximately \$3,500,000 - \$5,000,000.

This would not be an ODOT funded project, and most likely, not an SDC (System Development Charge) eligible project as it has not been determined to be warranted (needed) per transportation scenarios. For context, traffic counts taken on OR 18 at Norton Lane in 2018, which served as the baseline analysis in the Three Mile Lane Area Plan, revealed that a total of 36 pedestrians cross OR 18 within the existing, at-grade, designated crosswalks at Norton Lane during a typical weekday, and a total of 5 pedestrians cross during the PM peak hour (4:40-5:30pm).

The following language was added to the Three Mile Lane Area Plan document, page 50.

Future Bicycle/Pedestrian Overpass Consideration

OR-18/Norton Avenue – Potential Bicycle / Pedestrian Overpass

In the adoption process of the 3MLAP, the City identified a future potential need for a bicycle/pedestrian overpass at OR 18/Norton Avenue to facilitate a separated bicycle and pedestrian crossing opportunity. This was not calculated as a need by the 3MLAP transportation analysis.

The City should continue to evaluate the bicycle and pedestrian movements from north to south at this intersection for mobility and safety, and explore opportunities to fund and implement this improvement proactively if determined to be warranted by the community.

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2) Strengthen the language about the City’s desire to implement design and development standards in the area for the commercial site south of Highway 18, the Innovation Center site, and the mixed-use site on the north side of Highway 18, that will ensure that those developments are unique to McMinnville, reflecting McMinnville’s community values.

Throughout the Three Mile Lane Area Plan document is language relative to the need that any new development in the Three Mile Lane Study Area should be subject to special design and development standards specific to that area, especially the new commercial site south of Highway 18, the Innovation Center and the mixed-use site north of Highway 18.

Currently, there is a Three Mile Lane Planned Development Overlay over the study area. This planned development overlay is intended to be amended and inserted into the McMinnville Municipal Code as a special overlay zone that has prescribed design and development standards for this area. The Three Mile Lane Area Plan has several sections with design and development policies in it that development will need to address. These policies have been assembled into a Recommended Design for Three Mile Lane Area information booklet. And are explained below.

One of the goals of the Three Mile Lane Area Plan is Goal #4, which addresses aesthetics and design.

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. (Page 15 of the Plan document)

Additionally, all development projects in the Three Mile Lane Area will need to comply with the City’s adopted Great Neighborhood Principles. How they need to comply is identified in the Plan per the illustration below, found on pages 16 and 17 of the Plan.

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1. *Natural Feature Preservation*

- Strive to protect tree groves
- Strive to protect individual trees
- Protect riparian corridors and adjacent native landscape



2. *Scenic Views*

- Provide and protect views to rolling hills and volcanoes
- Provide visual and physical access to North Yamhill River
- Orient streets and open spaces to views



3. *Parks and Open Spaces*

- Connect to Galen McBee Airport Park
- Connect to Joe Dancer Park
- Create new gathering spaces that incorporate natural areas and views
- Plant landscapes that incorporate natives and exhibit seasonal variation



4. *Pedestrian Friendly*

- Provide a network of sidewalks and trails to connect people to key locations
- Incorporate shade streets with mature tree canopy

5. *Bike Friendly*

- Plan safe routes for residents and touring cyclists

6. *Connected Streets*

- Connect to existing street grid in the Three Mile Lane area



7. *Accessibility*

- Design new development for ease of use by all ages and abilities

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8. *Human Scale Design*

- Respect typical scale of commercial uses in McMinnville
- Design to reflect the micro-climate—outdoor life, porches, balconies
- Promote inclusion and interaction within the right-of-way



9. *Mix of Activities*

- Encourage mixed-use development where feasible

10. *Urban-Rural Interface*

- Reflect patterns of wine industry—eg, rows of vines, southern orientation, shelter belts of trees
- Consider adjacency to agricultural fields and respect this heritage through careful transitions
- Design simple roof forms (industrial and agricultural). Height and distinctive forms of silos can be inspiration
- Consider functional site planning of vineyard and farm complexes as conceptual model for new development



11. *Housing for Diverse Incomes and Generations*

- Allow for a mix of future housing forms and types, respecting the current character of Three Mile Lane

12. *Housing Variety*

- Respect existing variety of housing types in
- Three Mile Lane and ensure diversity of design for future housing



13. *Unique and Integrated Design Elements*

- Ensure visibility from highway; Welcome to McMinnville
- Make functions of sites visible (airplanes, wine-making); continue expression of industry/making where applicable
- Aviation legacy: display large planes; consider sensation of low-flying planes, potential visual impact of sites from the air
- Consider local and/or sustainable materials for cladding and building structure (timber, corrugated steel cladding, red brick)
- Use vibrant color



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These principles were then translated into Three Mile Lane Area Plan policies for new development as identified on pages 35 and 36 of the Plan.

Three Mile Lane Area Plan Policies

1. *Require future development to be consistent with the design elements of the Three Mile Lane Area Plan.*
2. *Public improvements and private development shall strive to protect tree groves and mature individual trees.*
3. *Riparian corridors and adjacent native landscape shall be protected.*
4. *The built environment will be designed to provide and protect views to rolling hills and volcanoes and to enhance visual and physical access to the North Yamhill River. New streets and open spaces will be oriented to capture views.*
5. *Enhancing connections to existing trails and open space, such as connections into Joe Dancer Park and McBee Park, and creating a public greenway along South Yamhill River with trails and connections to the Three Mile Lane Area is a priority.*
6. *New gathering spaces will be designed to incorporate natural areas and views.*
7. *Require native landscape plantings with seasonal variation and tree plantings that include shade streets with mature tree canopy.*
8. *A network of sidewalks and trails will connect people to key locations within the Three Mile Lane Area.*
9. *The Three Mile Lane Area will have safe bicycle routes for residents and touring cyclists.*
10. *Proposed new streets will connect to the existing local street grid, consistent with the conceptual designs in the Three Mile Lane Area Plan and in compliance with Transportation System Plan standards.*
11. *New commercial developments should be designed to be at a walkable, human scale and for ease of use by all ages and abilities.*
12. *New commercial, office, mixed-use, and multi-family developments should be designed to reflect the micro-climate and enhance outdoor life through the incorporation of features such as porches, balconies, courtyards, plazas, etc.*
13. *New commercial, office, mixed-use, and industrial campus developments should promote inclusion and interaction within the right-of-way.*
14. *Encourage mixed-use development where feasible.*
15. *Proposed site landscape for new development should strive to reflect patterns of wine industry—eg, rows of vines, southern orientation, shelter belts of trees – and consider functional site planning of vineyard and farm complexes as conceptual models.*

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16. *New development should consider adjacency to agricultural fields and respect this heritage through careful transitions.*
17. *Architectural building design that includes simple roof forms (industrial and agricultural) is encouraged in the Three Mile Lane Area.*
18. *Encourage a diversity of future housing forms, types, and design that respect the current character of the area .*
19. *Ensure that new commercial and industrial campus development creates a welcoming and visible interface with Three Mile Lane.*
20. *Encourage site design and architecture that visibly convey the historic or current industry on the site (e.g., aviation, wine-making).*
21. *New commercial, mixed-use, office, and industrial campus development should consider using local materials for cladding and building structure (timber, corrugated steel cladding, red brick), and incorporating vibrant color.*

The mixed-use development on the north side of Highway 18, the commercial site on the south side of Highway 18, and the Innovation Center are then discussed further in the plan document in terms of design intentions, indicating that they particularly should have the following features:.

- Human-scale development that is pedestrian friendly.
- Walkable, narrow main streets connecting through the center, with parallel or angled on-street parking in front of retail storefronts.
- Public gathering spaces, bordered by dining and entertainment attractions, featuring play areas and flexible space for programmed public events.
- Shared parking lots, generally located behind buildings, featuring wide pedestrian walkways, EV charging stations, bicycle parking, and transit stops. As well as integrated stormwater treatment and ample landscaping including shade trees.
- Sustainable high-quality architecture, themed in a regionally appropriate way, with buildings placed in prominent locations that contribute to the quality of the pedestrian experience, versus behind large surface parking lots.
- Building edges that create ‘frontage’ on walkable streets or pedestrian walks, with higher-quality materials, generous windows and pedestrian-scale signage in the first 20-30’ of elevation.
- Proximity and connection to a mix of other uses, to encourage walking from residential or office areas to the retail center.
- Generous landscape buffers between the retail center and roadways or parking lots while maintaining maximum visibility for retailers.
- A prominent entry to the site, with signage or a gateway feature.

(page 27 of the Plan document.)

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And finally, on pages 44, 45 and 46 is a detailed description of how these policies need to be integrated into McMinnville’s zoning ordinance and the Three Mile Lane Overlay.

These include but are not limited to:

Policy	Overlay Amendment	Recommended Action
1. Require future development to be consistent with the design elements of the Three Mile Lane Area Plan.	<p>Include specific development standards (see amendments in this table) in the Three Mile Lane Planned Development Overlay to implement the Three Mile Lane Area Plan. Note that the review and approval process for land use applications is through Three Mile Lane Design Review, Director's Review with Notification.</p> <p>Require Mixed-use, Commercial, or Industrial development proposals over [10] acres to be subject to Planned Development Overlay (Chapter 17.51) and Planning Commission approval.</p> <p>In the Innovation Campus allow office uses that support products and services that are manufactured or developed on site or that serve as corporate offices for products that are manufactured elsewhere.</p>	<p>Require all mixed-use, commercial and industrial development proposals over [10] acres to be subject to the planned development overlay chapter of the code, Section 17.51, and planning commission approval.</p> <p>In the Innovation Center allow office uses that support products and services that are manufactured or developed on site or that serve as corporate offices for products that are manufactured elsewhere.</p>
2. Public improvements and private development shall strive to protect tree groves and mature individual trees.		Identify tree groves and types to be protected designate as significant historic trees.
3. Riparian corridors and adjacent native landscapes shall be protected.	Require mapping and protection of stream corridors and re-vegetation with native plantings.	
4. The built environment will be designed to provide and protect views to rolling hills and volcanoes and to enhance visual and physical access to the North Yamhill River. New streets and open spaces will be oriented to capture views.	Require viewshed analysis as part of Design Review.	
5. Enhancing connections to existing trails and open space, such as connections into Joe Dancer Park and McBee Park, and creating a public greenway along South Yamhill River with trails and connections to the Three Mile Lane Area is a priority.	Require connection to proposed trail, trail right-of-way dedication, and trail construction as part of Design Review/development approval.	
6. New gathering spaces will be designed to incorporate natural areas and views.	When proposed as part of a Planned Development master plan, require gathering spaces be designed to incorporate natural areas and views as a condition of approval.	
7. Require native landscape plantings with seasonal variation and tree plantings that include shade streets with mature tree canopy.	Require native landscaping and plantings of all development through Design Review.	Develop and define a planting list and approval list.

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Policy	Overlay Amendment	Recommended Future Action
8. A network of sidewalks and trails will connect people to key locations within the Three Mile Lane Area.	Apply pedestrian walkway and connectivity standards to all non-residential development. Note: Pedestrian walkway standards, currently are applied to Large Format Retail; site design requires connections between buildings and from building entrances to streets (§17.56.050.C.2).	
9. The Three Mile Lane Area will have safe bicycle routes for residents and touring cyclists.	Require transportation improvements consistent with the Area Plan through Design Review.	
10. Proposed new streets will connect to the existing local street grid, consistent with the conceptual designs in the Three Mile Lane Area Plan and in compliance with Transportation System Plan standards.	Require transportation improvements consistent with the Area Plan through Design Review.	
11. New commercial developments should be designed to be at a walkable, human scale and for ease of use by all ages and abilities.	Requirements for commercial building size and massing. Standards for parking maximums for all uses. Parking lot location requirements for commercial uses.	Additional guidelines standards related to treatments. 17.56.050 Development Standards
12. New commercial, office, mixed-use, and multi-family developments should be designed to reflect the micro-climate and enhance outdoor life through the incorporation of features such as porches, balconies, courtyards, plazas, etc.	Require as part of Design Review: - Standards for non-residential buildings to include minimum pedestrian shelter coverages along ground floor elevations/street frontages and main entrances. - Residential design features to include clear and objective building design standards/ architectural elements.	Additional guidelines standards related to treatments.
13. New commercial, office, mixed-use, and industrial campus developments should promote inclusion and interaction within the right-of-way.	Require as part of Design Review: - New requirements for building orientation (set-to, building orientation); - Additional guidelines or standards related to facade treatments, including transparency. - Provision of on-street parking for ground-floor commercial uses (new requirements allowing on-street spaces to be counted toward parking minimums, new cross-section standards for streets with ground-floor retail).	
14. Encourage mixed-use development where feasible.		Consider additional guidelines or requirements for the Mixed Use area.

Apply pedestrian walkway and connectivity standards to all non-residential development per Section 17.56 of the MMC.

Requirements for maximum parking standards and not minimum parking standards.

Requirements for commercial building size and massing.

Requirements for building orientation, façade treatments, provision of on-street parking, grid streets, etc.

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Policy	Overlay Amendment	Recommended Future Action
15. Proposed site landscaping for new development should strive to reflect patterns of wine industry—eg, rows of vines, southern orientation, shelter belts of trees - and consider functional site planning of vineyard and farm complexes as conceptual models.	Require landscaping proposed as part of a Planned Development master plan to demonstrate how it reflects existing patterns.	
16. New development should consider adjacency to agricultural fields and respect this heritage through careful transitions.	Buffer/perimeter requirements for new non-residential development adjacent to a dissimilar use.	Determine if specific buffering requirements are needed for proposed development abutting land zoned exclusive farm use.
17. Architectural building design that includes simple roof forms (industrial and agricultural) is encouraged in the Three Mile Lane Area.		
18. Encourage a diversity of future housing forms, types, and design that respect the current character of the area.	Buffer/perimeter requirements for new non-residential development adjacent to a dissimilar use.	Evaluate Zoning Ordinance to ensure there are clear and objective design standards for new residential development.
19. Ensure that new commercial and industrial campus development creates a welcoming and visible interface with Three Mile Lane.	Requirements for landscape buffering fronting Three Mile Lane. Requirements for non-residential development related to building facades, including addressing blank walls and requiring articulation and materials or color variation.	
20. Encourage site design and architecture that visibly convey the historic or current industry on the site (e.g., aviation, wine-making).		Develop design guidelines or architectural standards.
21. New commercial, mixed-use, office, and industrial campus development should consider using local materials for cladding and building structure (timber, corrugated steel cladding, red brick), and incorporating vibrant color.	Requirements for non-residential development related to building facades, including addressing blank walls and requiring articulation and materials or color variation.	Develop additional design guidelines or standards related to façade treatments; define acceptable color palate.

Develop design guidelines and architectural standards.

Buffer non-residential development from a dissimilar use.

Buffer non-residential development from EFU with landscaping treatments.

After reviewing the depth of details that currently exist in the Three Mile Lane Area Plan for design and development standards to be implemented with future development, the Planning Commission elected not to make any additional amendments to these principles and implementation guidelines, except for the language associated with Great Neighborhood Principle #11, which was amended to read, “Allow for a mix of housing forms and types that serve a variety of household incomes and respect the current character of Three Mile Lane,” (page 17 of the *Plan*)

During the Planning Commission public hearing process, much of the testimony focused on opposition to the proposed comprehensive plan map amendment for additional commercial land on the south side of Highway 18, and the impact of that amendment to the functionality of Highway 18. After hearing from the transportation consultant and ODOT representatives, the Planning Commission that the *Plan* as proposed met all of the state standards for mobility and functionality of an expressway.

Friends of Yamhill County and 1000 Friends also proposed five amendments to the *Plan*, per the following:

- Reject the redesignation of industrial land to accommodate a new “Town Center/Large Format Retail Shopping Center”.

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- Prioritize the neighborhood serving commercial uses, a pedestrian overpass, and the park near the recently approved apartments, using the Neighborhood Activity Overlay provisions that are already in the code.
- Include the commercially-designated island of land recently added to the UGB, north of the expressway. This land is surrounded by, and is functionally an integral part of, the Three Mile Lane Area.
- Encourage geographically and/or vertically mixed use on the Baker Rock/Cal Portland site.
- Reconsider appropriate commercial uses near the Loop Rd. gateway to the City.

The Planning Commission elected not to move forward with these recommendations except for the inclusion of the consideration of a pedestrian overpass.

There is nowhere in the **Plan** where a “Large Format Retail Shopping Center” is recommended as a preferred land-use alternative. Pages 24 – 28 of the **Plan** describe a Retail Center and Innovation Center where the retail center is further described as a mixed-use “town center” *that offers gathering spaces, walkable streets, and more dining options than typical strip suburban developments or enclosed shopping centers*. The only place where “large format” is discussed is page 13 of the **Plan** when describing the results of the market analysis in Appendix B. The project advisory committee was very intentional in describing a mixed-use town center and not a large format retail shopping center in their description of preferred land uses in the **Plan** with examples of other mixed-use town centers to emulate in terms of design and development standards (ie Orenco Station and the Old Mill District). The map is labeled as a “Retail Center” and a recommendation could be to change the map label to “Mixed-Use Town Center” to more accurately reflect the **Plan** document.

The Three Mile Lane Area Plan scope of work was developed and negotiated in early 2018. ODOT then updated its transportation model in 2019, and the transportation scenarios were developed in 2020, with a final draft of the Plan in April 2021. The McMinnville City Council did not provide direction to work on an urban growth boundary amendment until March 2020. The draft map for the urban growth boundary amendment was not final until November 2020. The City adopted the urban growth boundary amendment in December 2020, and it was not acknowledged by the state until April 2021. Throughout the process, city staff met with ODOT and DLCD representatives to confirm decision-making milestones and assumptions relative to the traffic modeling and transportation scenarios based on the state regulations. When Friends of Yamhill County and 1000 Friends of Oregon suggested that the traffic modeling needed to be redone to include the recently amended urban growth boundary amendment in April 2021, city staff consulted with legal counsel and DLCD representatives. Both indicated that the Three Mile Lane Area Plan transportation modeling did not need to be amended. If the City wants to amend the transportation modeling in the Three Mile Lane Area Plan it would be responsible for the associated costs. In order to incorporate the recent urban growth boundary amendment, ODOT will need to update its transportation model (approximately 6 – 9 months) and new transportation scenarios would need to be analyzed. The City is working with ODOT to update the transportation model for its Transportation System Plan update planned in 2022-2024. Part of the proposed recommendation for G 7-21 is to amend the McMinnville Transportation System Plan to be consistent with the Three Mile Lane Area Plan.

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The Baker Rock/Cal Portland site is recommended to be a mixed-use development (page 21 and 22 of the Plan),

The uses near the Loop Road gateway are currently identified as tourist commercial, and the project advisory committee did not recommend changing the underlying comprehensive plan map designation or the zoning for this area.

Margaret Cross provided public testimony at the Planning Commission recommending that the City engage in a new public process for the Three Mile Lane Area Plan to encourage more participation in the dialogue and to overcome the potential impacts of COVID on the process. The Planning Commission considered her recommendation and concluded that the public process utilized was comprehensive and that the City did not have the resources to continue with a new public process.

On March 17, 2022, the Planning Commission voted unanimously to recommend approval of the **Plan** to the McMinnville City Council with the two amendments discussed in this staff report.

On March 25, 2022, Mark Davis published a “Viewpoint” in the *News-Register*, entitled “Don’t Turn Bypass into a Bottleneck” encouraging people to send in testimony to the McMinnville City Council in anticipation of a future City Council decision on the Plan. This generated several emails to the City Recorder’s office.

On April 20, 2022, Friend of Yamhill County emailed a “Call to Action” to their membership and email distribution group encouraging people to submit Letters to the Editor of the *News-Register* and testimony to the City Council in anticipation of a future City Council decision on the Plan. This generated several emails to the City as well.

The entire public record for Docket G 7 – 21 can be found at: [G 7-21 - Three Mile Lane Area Plan \(3MLAP\) Comprehensive Plan Amendment | McMinnville Oregon](#).

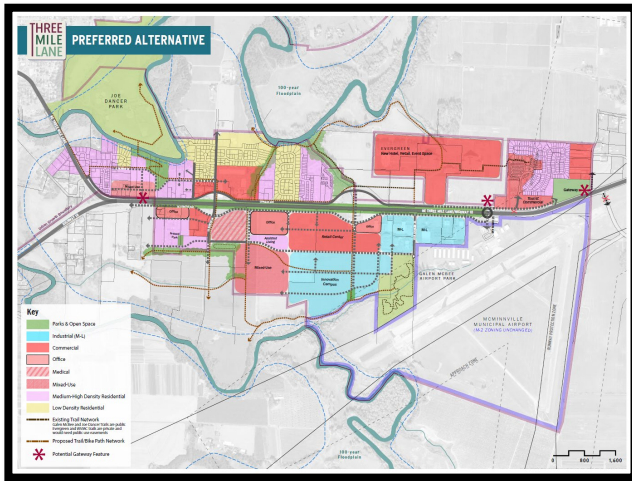
May 10, 2022 City Council Public Hearing: The City Council heard a staff report and public testimony on May 10, 2022. Staff recommended two amendments as part of the staff report relative to two different figures in the Three Mile Lane Area Plan:

- 1) a revised Community Land-Use Vision Preferred Alternative Map to better reflect the proposed underlying comprehensive plan designations needed to facilitate the community vision per below; and
- 2) proposed language and figure indicating that the proposed traffic improvement at Cirrus Avenue and Highway 18 has not yet been decided and could be a signal or a roundabout.

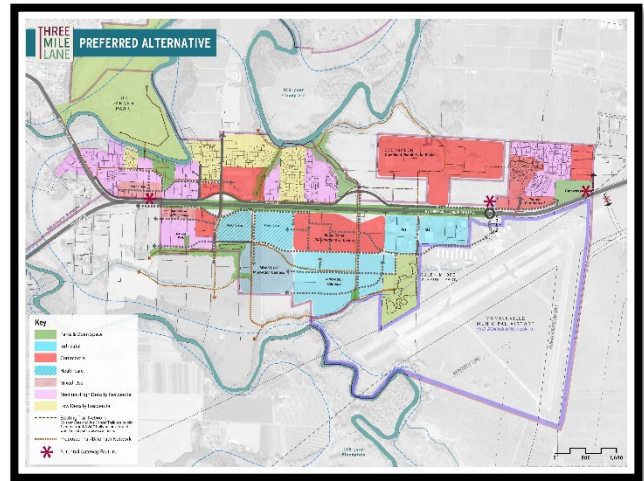
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Proposed community land-use vision map amended to more clearly reflect the narrative in the plan document, with descriptions per the following: Mixed-Use Area, Tourist Commercial, Health Care Area, Retail Center (Mixed-Use Town Center) / Innovation Campus, and underlying colors that more clearly illustrate the comprehensive plan designation needed to achieve that vision. Note that Hospital, Medical and Hospital Ancillary Uses, Medical Professional Uses, Research and Development Offices, Business School or Trade College, and other similar uses are all allowed in McMinnville's industrial zones.

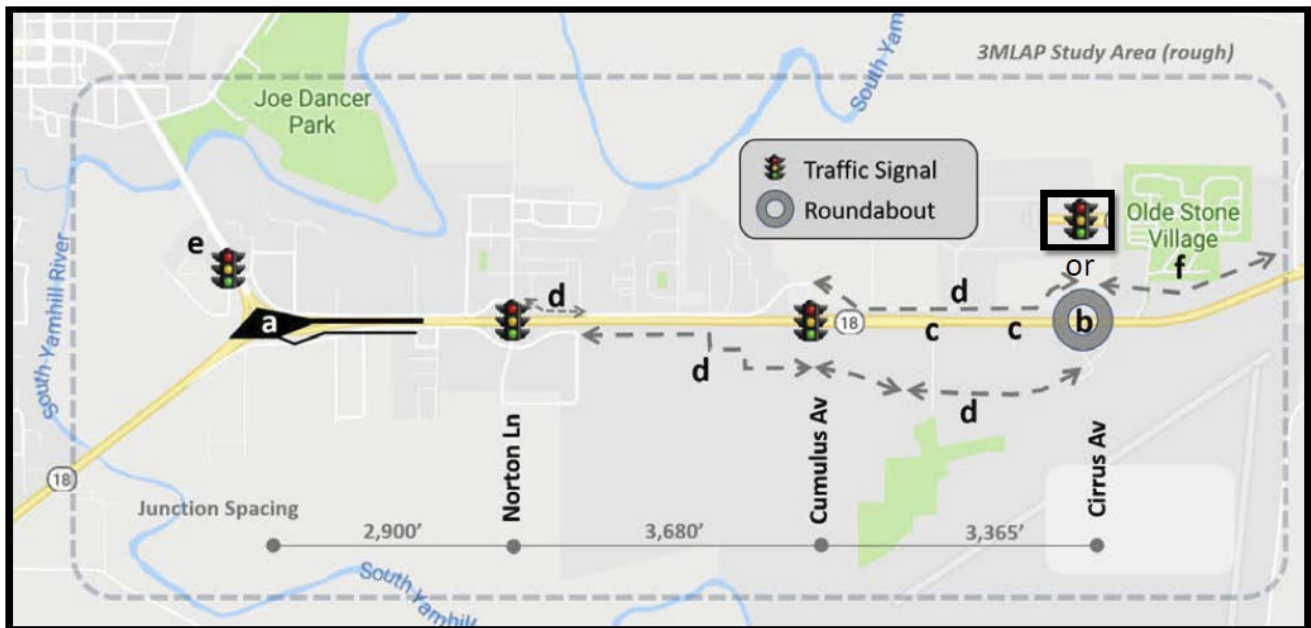


Original Preferred Alternative Land-Use Vision Map



Amended Preferred Alternative Land-Use Vision Map

Amended Preferred Preferred Transportation Facility Figure showing both a signal and roundabout at Cirrus Ave.



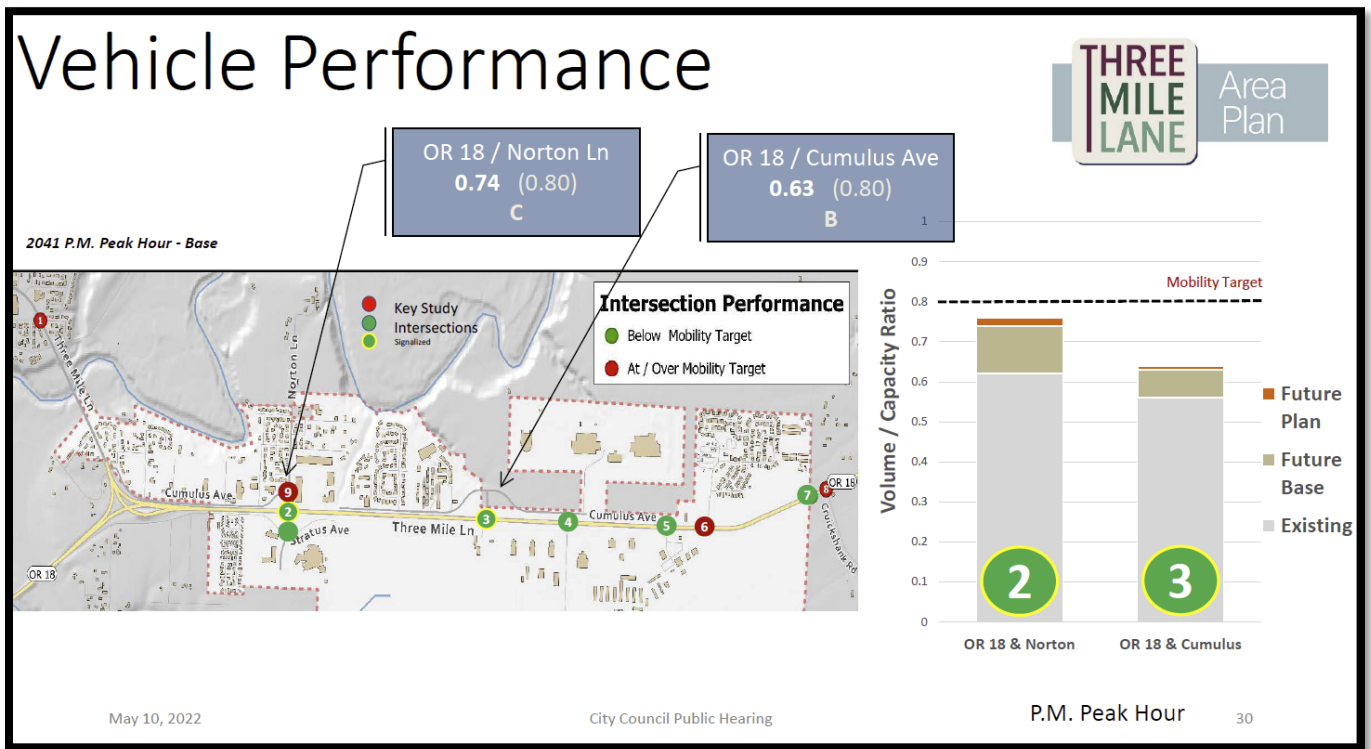
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Managing the Highway System: There was some dialogue at the May 10, City Council public hearing about the impact of the proposed Three Mile Lane Area Plan on Highway 18, especially relative to its functionality as an expressway and freight route.

The adopted Oregon Highway Plan (OHP) classifies Highway 18 as state expressway and freight route. To protect the functionality of its highway system, ODOT’s Oregon Highway Plan has standards that manage the functionality of the highway as congestion grows on the system. The standard for a state expressway and freight route is to not allow intersections to exceed 80% of its vehicular capacity at peak travel times. (v/c ratio = 0.80).

To study the impact of the preferred community land-use vision on the highway facility, the consultant team and ODOT modeled the transportation performance of the highway at 2041 with the full build-out of the existing land within the city limits developed per the existing comprehensive plan map designations. This is the measurement of what is forecasted to happen without adopting the proposed comprehensive plan map amendments in the Three Mile Lane Area Plan. That analysis showed that, at the peak hour of the day, the two highway intersections performed at 74% and 63% of capacity (or 0.76 and 0.64) respectively per the illustration below. This means that with full build-out of the current land within the city limits at the current comprehensive plan map designations, the highway operates within the state adopted standards for state expressways and freight routes.

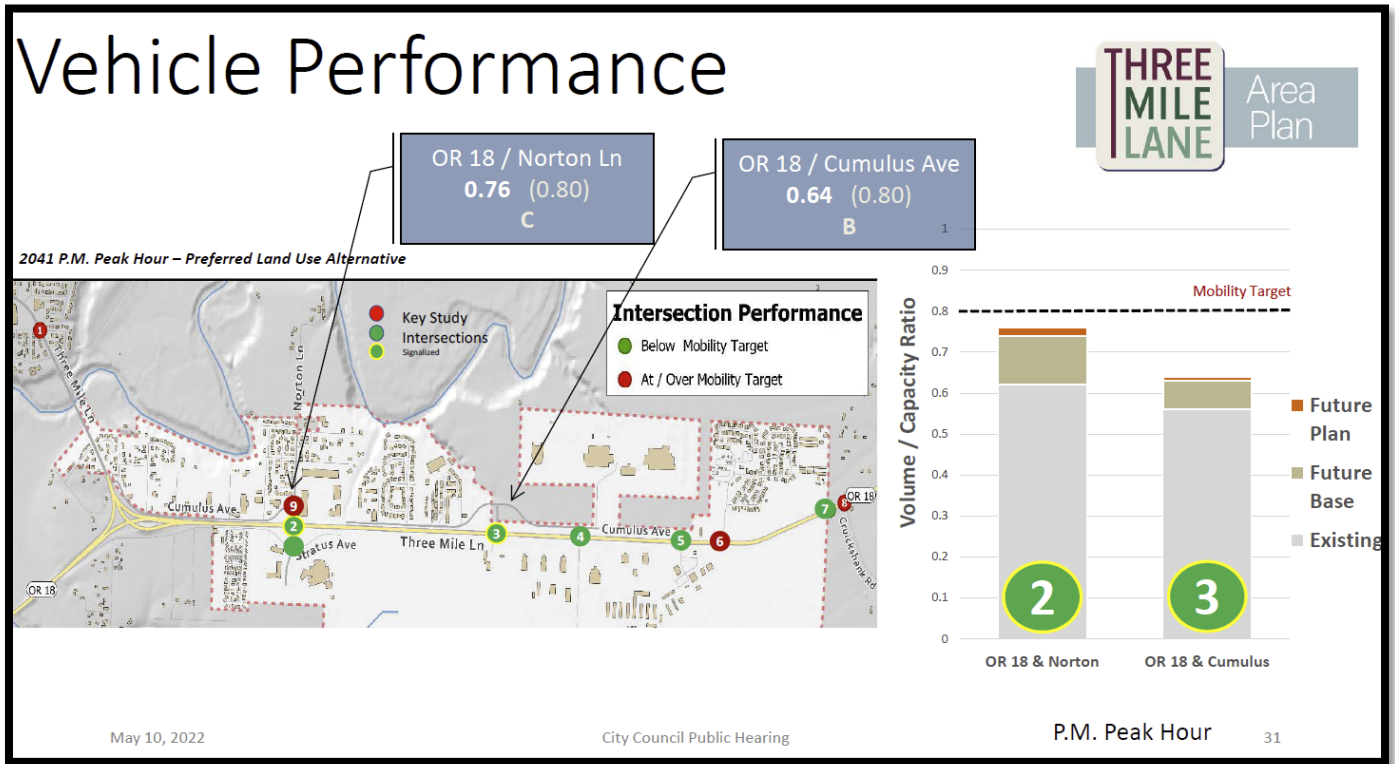


Then the consultant team and ODOT modelers analyzed what would happen to the two Highway 18 intersections if the land in the study area developed per the comprehensive plan map amendments needed to support the community vision for the Three Mile Lane Study Area at full build-out in 2041.

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With those amendments, the performance of the two intersections went from 74% and 63% of capacity to 76% and 64% of capacity at the transportation peak hour. A difference of 2% and 1% increase in capacity respectively. And the system still operates within the adopted state standards for state expressways and freight routes. See figure below.



This is a high-level analysis based on comprehensive plan amendments. As the amendments become more refined, then the analysis will become more refined since there is more detailed knowledge about what will occur in terms of development. For instance, with a rezone, the applicant will need to provide a traffic impact analysis of the worst-case traffic scenario that could occur within that particular zone. And when a development plan is presented the applicant will need to provide another traffic impact analysis specific to that development plan. And if the land-use application impacts state facilities both ODOT and the city have jurisdictional review of impact and conditions of approval for the development.

City Council asked for the process for ODOT review of land-use applications at the May 10, 2022 public hearing. Below is their response.

For comp plan amendments and zone changes ODOT reviews according to the requirements of the TPR – OAR 660-012-0060 – and the OHP Mobility Policy (1F.) Note that action 1F.2 states, in the case of plan amendments and zone changes, the analysis year is 15 years or the horizon year of the local TSP, whichever is greater. The policy also establishes standards for mitigation where the mobility target is met and where it is exceeded prior to development. The policy also establishes a threshold for where an increase in traffic is not considered significant (small increase in traffic) where the target has already been exceeded.

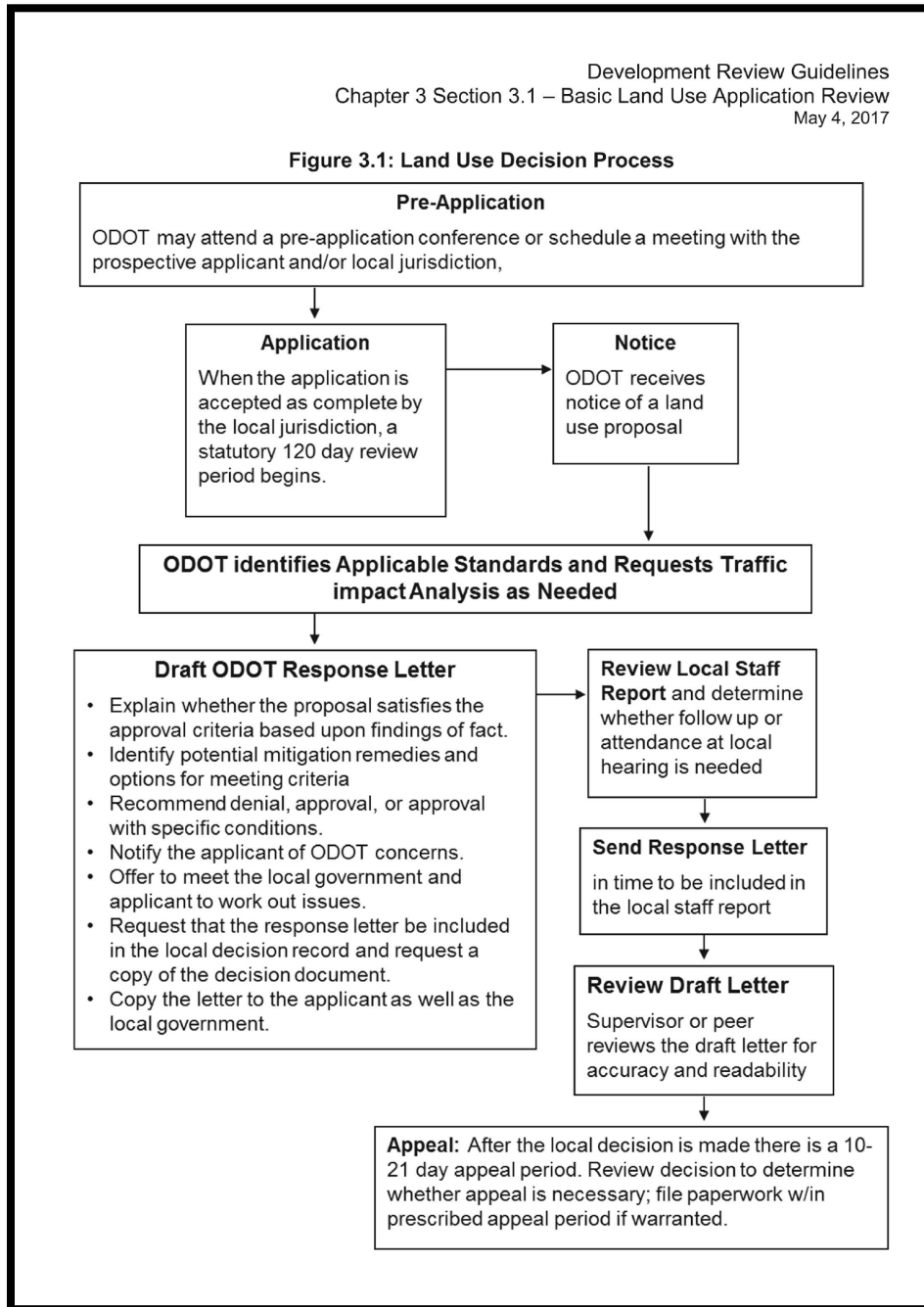
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For development review (site plans, conditional use permit, etc.) ODOT's review is limited to the Agency's statutory authority to regulate access to state highways and to require mitigation for project-related impacts. ODOT has limited ability to require off-site mitigation and it must be directly related to the impacts of the project.

The Development Review Guidelines take a deep dive into this, but unfortunately contain no easy to read one-pagers. <https://www.oregon.gov/odot/Planning/Documents/Development-Review-Guidelines.pdf>

Flow Chart from the ODOT Design Review Guidelines , page 58.



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Discussion:

City Council Requests for More Information from June 14, 2022 Public Hearing: City Council asked staff to research several different items after listening to public testimony at the June 14, 2022 public hearing. The results of that research is encapsulated below:

- 1) *How much of the Retail Leakage in the Three Mile Lane Area Plan Market Analysis can be attributed to e-commerce (online shopping)?*

The same question was posed in July, 2021. Staff has reached out to Chris Zahas, Managing Principal of Leland Consulting Group that worked on the Three Mile Lane Area Plan Market Analysis with the question at that time.

His response was that although the data is not provided with online leakage versus bricks and mortar leakage, the industry standard and assumption for this analysis in 2019 was 11% of retail leakage could be attributable to online shopping. In his discussion with staff in July, 2021, he stated that due to COVID the industry standard had increased to 15%.

Staff conducted some additional research and found several articles written in 2021 that reaffirmed Chris Zahas' assumption that online shopping had increased to 15% by 2021 due to COVID. However, interestingly, new data in 2022 is showing that consumers are returning to bricks and mortar in most industries and the online share of spending is trending down from 15% in 2022.

An article from World Economic Forum, March 21, 2022, "Is the E Commerce Trend Coming to An End?" states that, "On average, the online share of total spending rose sharply from 10.3 percent in 2019 to 14.9 percent at the peak of the pandemic, but then fell to 12.2 percent in 2021."

These are industry standards and should be used as a perspective of relativity.

- 2) *For perspective on the discussion relative to retail sizes, what are the sizes of the larger retailers in McMinnville, Newberg and Sherwood, and what are the standard industry size ranges of different retailers?*

Attachment A provides the size ranges of different retailers in McMinnville, Newberg and Sherwood, and the standard industry range of store sizes for some brand name retailers. In McMinnville, Lowe's is the largest retailer, with a building footprint of approximately 170,000 square feet. Walmart's building footprint is approximately 118,000 square feet. In Newberg, the building footprint of Fred Meyer's is 180,000.

- 3) *Councilor Geary's Questions about V/C ratios. Councilor Geary provided several detailed questions about v/c ratios – how they are calculated and applied in transportation analysis. Staff reached out to the Transportation Engineers and Planners at David Evans and Associates (consultant on the Three Mile Lane Area Plan) and Oregon Department of Transportation – Region 2 (Project Manager of the Three Mile Lane Area Plan). Attachment B to this staff report provides their answers. They will also provide a staff report at the July 26 public hearing.*

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Discussion of Draft Design and Development Standards for Quasi-Judicial Land-Use

Applications: At the public hearing, as part of his testimony and follow-up answers to City Council questions, Sid Friedman, representing Friends of Yamhill County, discussed the draft design and development standards that were drafted by staff as a condition of approval for the quasi-judicial land-use applications that were submitted by the property owners of the property identified for the Retail Center in the Three Mile Lane Area Plan. He wanted City Council to know that the draft design and development standards referenced 2 – 3 anchor retailers of 135,000 square feet. Staff replied that it was a recommendation that 1 – 2 anchor retailers of 135,000 square feet. The actual draft recommendation is below and is part of a comprehensive design and development standards package that will also help to determine form and massing on the site. Sid Friedman asked that the record be corrected in an email to City Council on June 16, 2022. Attachment C provides that correction to record.

V.2. Uses

1. **Number of stores larger than 135,000 square feet.** There shall be a limit of two anchor stores which have gross square footage exceeding 135,000 square feet, except that one additional anchor store exceeding 135,000 square feet may be permitted if the majority of the façade includes separate liner shops with individual exterior entrances.

Attachment E provides the entire staff report, draft decision document and attached draft design and development standards to the record as well to provide context for the recommendation, including why it exists and the rest of the regulatory framework in which it resides. As stated in the staff report on multiple occasions staff was concerned that the property owners had applied for a comprehensive plan map amendment and zone map amendment prior to the public hearing process for the Three Mile Lane Area Plan. It put the City in an awkward position on how to move forward with the request. Clearly the process that developed the Three Mile Lane Area Plan recommended a commercial comprehensive plan map amendment and rezone to commercial for the property adjacent to the Cumulus and Highway 18 intersection south of the highway, but the Plan is also very clear that the community wants to ensure that any development on that site would be held to specific design and development standards for the Three Mile Lane Area that would be developed after the Plan was approved. Since the Plan had not yet been approved and the work for the design and development standards had not yet commenced, staff felt the need to draft design and development standards for the quasi-judicial applications as a placeholder for the project with language in the findings document and this specific condition of approval that any development on the site impacted by the comprehensive plan map amendment and zone map amendment would need to comply with the principles of the Three Mile Lane Area Plan, the Three Mile Lane Overlay District or the condition of approval in the decision document for the design and development standards, whichever is most restrictive.

Public Engagement after June 14, 2022, Public Hearing. Staff recommended that the City Council continue the June 14, 2022, public hearing to July 26, 2022, in order to engage more people in the discussion and to allow people the time necessary to obtain the information they needed so that they could be part of the discussion. A large portion of the public testimony during the Planning Commission public hearings and the City Council public hearings has been from representatives, board members, and members of Friends of Yamhill County. As an article in the Friends of Yamhill County Summer 2022 newsletter states, “Public comments have had an impact. There is now talk at City Council of limiting

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store sizes and total amount of retail in the area. Please watch for email updates explaining how you can help improve the TMLAP,” *McMinnville Threatened by TMLAP*. (Newsletter article can be found in its entirety in Attachment E to this staff report).

Staff sent out a mailing to every address in McMinnville that was delivered on July 14 with the intent of letting all McMinnville residents and businesses know about the planning discussion underway and encouraging them to participate in the dialogue if they wanted to do so. Public Information Sessions were offered on July 14, July 18 and July 20, to share information about the plan, outline the dialogue that has been occurring at the City Council level and provide information to people on how they can communicate with City Council either informally by contacting them or formally by providing testimony.

Discussion of Retail Center, Mixed-Use Town Center: Clearly, the recommendation to redesignate 40 – 60 acres of industrial land on the south side of the intersection of Cumulus and Highway 18 to proposal to a commercial comprehensive plan designation to support a future Retail Center, “*Mixed-Use Town Center*” has become the most controversial aspect of the Three Mile Lane Area Plan.

Public testimony has shown that the community (testimony has been provided by both City of McMinnville residents and residents of Yamhill County) does not have consensus on whether or not this aspect of the Plan should be adopted as recommended.

The City Council and Planning Commission heard testimony from people who:

- 1) Support the Mixed-Use Town Center proposal as they feel that McMinnville needs more commercial options for its residents, and for the industrial land to be successfully developed it will need the commercial development to help offset the public transportation improvements needed to develop the site – ie keep the recommendation as is with a commercial comprehensive plan map designation and recommended principles for future design and development standards to be added to the Three Mile Lane Overlay District.
- 2) Would prefer that the retail opportunities be limited to neighborhood-serving commercial – ie reduce the size and limit the zoning options to something akin to the C1 (Neighborhood Commercial) zone.
- 3) Would prefer that the retail opportunities be limited to just those commercial needs associated with the Industrial development – ie keep the industrial commercial plan map designation for the entire site with an allowance in a planned development for supportive industrial campus serving commercial .
- 4) Would prefer that no retail be allowed on this site at all - – ie keep the industrial commercial plan map designation for the entire site and limit options for retail.

Within the course of this dialogue, it seems that the discussion becomes very narrowly focused on the size of the retail allowed and the size of the site contemplated for that retail. However, the recommendation from the Project Advisory Committee and reaffirmed by the Planning Commission was based on several objectives as outlined below. Each of the different pathways outlined above will impact each of these objectives in a different way, by either addressing them or dismissing them.

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Why was the Retail Center, “Mixed-Use Town Center” site proposed? The recommendation for the Retail Center, “Mixed-Use Town Center” evolved after a year of analysis and dialogue about what the community’s future needs were and how to address them. The final recommendation was seen as the best methodology to achieve all of those respective needs.

Issue Identified	How this Recommendation Addresses the Issue
<p>Retail Leakage</p>	<p>Provides opportunities for additional commercial development to try and stem the leakage.</p> <p>Residents should presumably have commercial choices in their own community and not need to drive to other communities regularly to access them, especially in a town of 35,000 people that is growing to 45,000 people. To argue that a store in town provides clothing so that need is met, eliminates the value of choice for consumers.</p> <p>Retain leakage dollars in McMinnville.</p>
<p>Lack of Industrial Development on Industrial Land that has been zoned and in the City for 40 years.</p>	<p>The infrastructure costs associated with adjacency to a highway system are much higher than the infrastructure costs associated with adjacency to a local collector or connector street. To preserve the mobility of Highway 18, extensive local improvements need to be built to create a local transportation system that does not currently exist to keep local trips off of the highway. (Think about Riverside Drive, versus Highway 18 and the frontage roads needed.)</p> <p>Commercial development has the ability to absorb those costs into their proformas.</p> <p>Typically commercial lease rates are 3 – 4 times higher than industrial lease rates. Location and visibility is critical for commercial endeavors but not critical for industrial development.</p> <p>It is feared that without the commercial development to offset the infrastructure costs associated with this site, the industrial land will not be developed unless the public subsidizes the infrastructure. And it will remain on the city’s buildable lands inventory as job-producing land, preventing the City from identifying better-suited industrial land elsewhere.</p>

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<p>Need for Additional Tax Base and Jobs</p>	<p>Commercial development provides some of the highest tax base in a community, and it provides jobs in the economy that serve a need. Some retailers pay better wages and benefits than industrial jobs. Retail jobs also provide an opportunity for people entering the workforce or seeking additional employment opportunities.</p>
<p>Provide the residential neighborhoods in this Study Area with a grocery store.</p>	<p>This area has been identified as a food desert for the residential neighborhoods in the area. Neighborhood serving commercial is planned for in the Three Mile Lane Area Plan where high density residential development is planned. However, it is rare to find a small scale grocery store, such as Harvest Fresh or Sprouts that is willing to locate in neighborhood serving commercial sites unless they are part of a larger business district, such as downtown McMinnville, or a very high density residential development, such as Orenco Station, as there is not enough demonstrated customer traffic to offset the low profit margin of groceries. Often convenience stores, such as Circle K will locate in these areas if they have road visibility.</p>

Capping the Size of Retail in the recommended Retail Center Site. Recently Friends of Yamhill County introduced the discussion of capping the size of retail allowed in the Retail Center site of the Three Mile Lane Area Plan. A discussion on capping the size of retail needs to be conducted in a very thoughtful manner as there is the potential for the perception of bias and targeting without basis a property owner or property.

Retail size caps are often discussed in communities in one of two ways:

- 1) Overall value system in the community that they do not want to allow retailers over a certain size in their community at all as a guiding principle, and then the retail size cap applies to all land within the city limits; or
- 2) A specific area has systemic constraints that would not support larger retailers – often this is transportation infrastructure constraints. To apply a retail size cap in this particular instance there will need to be factual basis supporting that the site constraint exists, and it is in the best interest of the community to institute a retail size cap on the property. Presumably that same transportation constraint would also exist for other land-uses on the site and all land-uses that generated that type of traffic impact would not be allowed.

One of the implementation action items in the Three Mile Lane Area Plan is to amend the Three Mile Lane Overlay District to include design and development standards that represent the values of the

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community for this area. That was intended to occur after the adoption of the Three Mile Lane Area Plan through a comprehensive review and evaluation process conducted by a project advisory committee. Staff recommends that if the City Council wants to proceed with this discussion prior to adoption of the Three Mile Lane Area Plan then it should either direct the existing Three Mile Lane Area Plan Project Advisory Committee to explore that discussion or establish a new Project Advisory Committee to do so.

Compliance with State Land Use Goals: The *Three Mile Lane Area Plan* complies with and furthers the following state land use goals: Goal 1 – Citizen Involvement; Goal 2: Land Use Planning; Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Spaces; Goal 8 – Recreational Needs; Goal 9 – Economic Development; Goal 10 – Housing; Goal 12 – Transportation; and Goal 14 – Urbanization;

Specific Compliance with State and Local Transportation Standards: The *Three Mile Lane Area Plan* is compliant with both state and local transportation standards, including the *Oregon Highway Plan* and Oregon Administrative Rules 734-051.

Compliance with McMinnville Comprehensive Plan Policies: The *Three Mile Lane Area Plan* furthers McMinnville’s Comprehensive Plan policies for Natural Resources, Economy, Housing, Transportation, Urbanization and Citizen Involvement.

The results of the *Three Mile Lane Area Plan* is an updated mix of land-uses that serve McMinnville’s housing and employment needs, as well as a transportation facilities plan on Highway 18 for the planning horizon of 2021-2041 that identifies needed projects to preserve mobility and safety in the area that is based on the transportation modeling and scenario analysis required by state regulations. These developments will create a Three Mile Lane Area that is more economically robust, draws increased tourism, provides more equitable transportation options, and increases opportunities for both current and future residents.

Staff Recommendation: Staff recommends considering the Plan as developed by the Project Advisory Committee and recommended by the Planning Commission with the amendments provided by staff based on the City Council public hearing process.

If the City Council feels that it needs to hear more public testimony, staff recommends continuing the Public Hearing to a future date.

If the City Council wants to consider more detailed provisions for the recommended commercial site in the Three Mile Lane Area Plan (ie changing significantly the recommendation for the “Mixed-Use Town Center”), staff recommends that the City Council send it back to the Project Advisory Committee for further dialogue, evaluation and recommendations. If further analysis is required to help the City make a decision on the Plan, staff recommends that the City Council authorize the appropriate resources to contract for that analysis to support the Project Advisory Committee.

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Fiscal Impact:

This effort was funded by a Transportation Growth Management grant from Oregon Department of Transportation and Department of Land Conservation and Development.

City Council Options:

The City Council has the following options:

- 1) Adopt the Plan as recommended by the Planning Commission with the amendments recommended by staff based on the City Council public hearing process.
- 2) Adopt the Plan as recommended by the Planning Commission with the amendments recommended by staff based on the City Council public hearing process, and provide additional amendments.
- 3) Send the Plan back to the Project Advisory Committee for further dialogue with specific direction.
- 4) Elect not to move forward with the Three Mile Lane Area Plan adoption.

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