

City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

MEMORANDUM

DATE: July 25, 2022

TO: Mayor and City Councilors

FROM: Heather Richards, Planning Director

SUBJECT: New Public Testimony for G 7-21, Three Mile Lane Area Plan

Mayor and Councilors,

Following is the public testimony that has been received, July 19 – July 25, 2022, for the Three Mile Lane Area Plan public hearing on July 26, 2022. We are also including the email and attachment that you received from Heather Richards, Planning Director, on July 25, 2022.

Public Testimony:

Email from Kathleen Culbert, 07.20.22

Email from Paul and Linette Studebaker, 07.20.22

Email from Sherri Young, 07.20.22

Email from Mike Colvin, 07.21.22

Email from Kyle Dautermann, 07.22.22

Letter from Patty O'Leary, 07.22.22

Email from Jerry Thomas, 07.22.22

Email from Marie Vicksta, 07,24,22

Email from Nanette Pirisky, 07.24.22

Letter from Peter Gladheart, 07.24.22

Email from Dennis Goecks, 07.24.22

Letter from Friends of Yamhill County and 1000 Friends of Oregon, 07.25.22

Email from Ron and Connie Hutchinson

Email from Dana Krawczuk, 07.21.22, 07.25.22

Other:

Staff Response to Sid Friedman Email dated July 10, 2022 Attachment to Staff Response – TMLAP Public Engagement Record Attachment to Staff Response – August 13, 2019, City Council TMLAP Presentation From: <u>k culbert</u>
To: <u>Heather Richards</u>

Subject: Three Mile Lane Comments

Date: Wednesday, July 20, 2022 3:57:09 PM

This message originated outside of the City of McMinnville.

Heather

I do not think that the Three Mile Lane Plan is a good use of the area. The traffic is already slowed down by the little development there is. Adding to that development will only slow the bypass a lot more. That many more vehicles on the road affect the time it would take to get through that area.

As to the \$100 million in merchandise, how much of that is mail order? Most folks that use mail order are not the type to go to physical stores. It is much easier to use their fingers. Those that do like physical stores are willing to travel to get to them. Many stores are cutting back on their store numbers. This plan is not a good idea at this time. Nor does this seem the right plan for this area.

Kathleen Culbert McMinnville From: Paul/Linette Studebaker
To: Heather Richards

Subject: 3 Mile Lane Public Comment

Date: Wednesday, July 20, 2022 12:07:44 PM

This message originated outside of the City of McMinnville.

Dear Advisory Committee and General Public,

I and my family have lived in McMinnville for over 32 years. And I appreciate the work of the 3 Mile Lane Advisory Committee. But I must say that I do not really want to see the beautiful agricultural field developed. In this current time of Climate Change, America is going to need all the prime farmland it can get to keep our people well fed.

Also, we have enjoyed McMinnville's small- town atmosphere and do not wish to see it turn into a large urban center. The traffic in McMinnville is already very crowded.

I realize my comments are beyond the scope of your task. However, I think we all need to start thinking more about the importance of Sustainability and quality of life in this increasingly overcrowded world.

Thank you for your attention.

Paul

From: Sherri Young
To: Heather Richards
Subject: 3 Mile Lane Area Plan

Date: Wednesday, July 20, 2022 3:30:09 PM

This message originated outside of the City of McMinnville.

My name is Sherri Young & I have lived in McMinnville since April, 2013. I have hated every singe second of it! This town is out in the middle of nowhere & there is nothing close by. There is Nothing to do & it is Boring!

As for shopping opportunities I am one of the resident's who spends my money out of town. There is no good shopping in McMinnville. Before Covid I used to travel to Sherwood & Tigard to shop. During Covid I shopped online. I have purchased a couch in Tigard & my car in Washington County & would never consider making a big purchase in McMinnville because of the limited selection & much higher prices.

You may be wondering why I don't live in the Portland area. I am on a fixed income & as a result have lower rent. I can either choose to have a 525 square foot 1 bedroom in the Portland area or my 850 square foot 2 bedroom I currently reside in. Although I hate it here, I do need the room so I make the choice to travel to spend money or do it online.

I am probably in the minority but I would be thrilled with the 3 Mile Lane Area Plan. Anything that would bring in new life to this tired town is welcome in my book.

If you have further questions I am available.

Sherri Young

2946 NE Evans Street

#72

McMinnville, OR 97128

785/217-6341

From: Mike Colvin **Heather Richards** To:

Subject: Re: Big Box Store Traffic pdf Thursday, July 21, 2022 9:16:42 PM Date:

Attachments: image003.png

image004.png

This message originated outside of the City of McMinnville.

McMinnville City Councilors,

Well, I do feel better that the committee who developed this proposal had a much broader mix of members than I suspected. But, it sounds like the Covid crisis, a job change by Scott Cooper, and several other issues resulted in McMiville's Planning staff and ODOT members being the main contributors to the plan? So my concerns are the same. I will attempt to make them as clear as possible below, and then I will leave you alone.

My main concern remains that city councilors are given accurate and unbiased information so they can make the best long term decisions that are "equally" fair to developers, city government, and McMinnville citizens. I don't think that has happened in the last few years. Developers were allowed to use loopholes in Oregon's planning laws and legally done, but totally inaccurate traffic and environmental studies to get proposals approved that were probably 25% higher density than Mac's planning ordinances intend to allow. That provided a much better short term financial result for the city in the form of higher developer fees, and more property taxes per square foot. But since the developer got out of town without paying a dime of transportation improvements, local citizens will be stuck with one more very expensive road project in the near future to increase the capacity ratings on Baker Creek Road.

That is my main concern on the 3-mile lane proposal. It sounds like the city planning staff and ODOT's four members were the main drivers of the proposal. It sounds like ODOT's staff is claiming that one roundabout at the east end of 3-mile lane, and a few other improvements will adequately handle the increased traffic generated by Commercial, retail, and mixed developments being proposed on both sides of the bypass. That would be a very affordable solution for ODOT. But it sure sounds like a fairy tale to me. Are they offering to help pay for alternate solutions if the roundabout is not adequate? And who pays? When fully developed, won't a few retail complexes, 4-5 apartment complexes, and other mixed uses generate far more traffic than one roundabout handle. If Dave Haugeberg had been included in the planning, he could have provided an accurate and unbiased answer. I don't claim to be a traffic expert. But I do know that it took me ten minutes just to gain access to a roundabout on Boone's Ferry road between Tigard and Lake Oswego last week. There is no way in the world that a roundabout will handle the amount of volume big box stores and other high traffic generating retail and/or mixed use developments generate.

. I am simply asking city councilor to make verify the traffic estimates, etc ODOT and the planning department are asking you to make your decisions on. I would hate to see the bypass backed up so badly that a large number of "bypass" vehicles start passing directly through Lafayette and McMinnville again. And I would hate it even more if McMinnville citizens get stuck with the cost of improvements to get bypass traffic flowing again.

Sincerely,

Mike Colvin 3120 NE Grandhaven drive McMinnville

On Tue, Jul 19, 2022 at 6:29 PM Heather Richards < Heather.Richards@mcminnvilleoregon.gov > wrote:

Yes, I do believe that Dave H may have been surprised as we, to my knowledge, did not make a direct presentation to the Bypass Committee. I think it is because we were following the ODOT plan for Highway 18 in McMinnville, the 1996 Highway 18 Corridor Refinement Plan, and thought if ODOT was ok with it, it wasn't a big issue. Dave though does have concerns and he and I have since met a couple of times to discuss them to see if we can find a resolution to his concerns. Those meetings are continuing.

I would be surprised though if Doug Hurl was "blindsided" as we made a couple of presentations about the plan to MIP through the years, especially about the proposed industrial land rezone, and as I said Scott Cooper was also on the committee so I assume he was updating them as well.

Have a great day!
Heather



Heather Richards, PCED

Planning Director

City of McMinnville

231 NE Fifth Street

McMinnville, OR 97128

503-474-5107 (phone)

541-604-4152 (cell)

Heather.Richards@mcminnvilleoregon.gov

www.mcminnvilleoregon.gov

From: Mike Colvin < mikecolvin49@gmail.com >

Sent: Tuesday, July 19, 2022 6:14 PM

To: Heather Richards < Heather.Richards@mcminnvilleoregon.gov >

Subject: Re: Big Box Store Traffic pdf

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Wow. My admittedly second hand information was that Dave Haugeberg and Doug Hurl were totally blindsided. I struggle to believe that those people don't talk to each other. I will seek clarification from someone who hasn't misrepresented facts to me before.

On Jul 19, 2022, at 4:36 PM, Heather Richards < Heather.Richards@mcminnvilleoregon.gov > wrote:

Mike,

This email confirms receipt of your comments and they will be forwarded to City Council today.

I wanted to let you know that the Project Advisory Committee for this planning effort had six staff members of ODOT as part of the Technical Advisory Committee and Scott Cooper from MEDP who was also representing MIP. When we reached out to MIP for their representative they elected to have Scott Cooper represent them as well. All of the names of the Project Advisory Committee are on page 2 of the Plan document, which is attached.

This project was also funded by ODOT and led by ODOT.

Have a great day!

Heather



PLANNING

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Heather Richards, PCED

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From: Mike Colvin < mikecolvin49@gmail.com >

Sent: Tuesday, July 19, 2022 3:21 PM

To: Heather Richards < Heather.Richards@mcminnvilleoregon.gov >

Subject: Fwd: Big Box Store Traffic pdf

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

----- Forwarded message -----

From: Mike Colvin < mikecolvin49@gmail.com >

McMinnville City Councilors,

City Councilors require accurate and unbiased information from their staff staffs in order to make the best long term decisions for their city and its residents. It sure seems to me that the information McMinnville's city council has been receiving in the last few years is highly misleading and biased. The notification post card from the city regarding 3-mile lane hearings is a perfect example. It is so biased, and "stretches" the truth so liberally that I can't believe the mayor or majority of city councilors read and approved the wording before the card was sent to residents. A couple of examples of the wording in the post card. And my opionion of how they are intended to mislead citizens are:

1) "The plan is the result of three years of "community" planning led by a project advisory cmmittee made up of McMinnville residents and business owners". -- That may be true. BUT, it must have been a hand picked crew of special interest folks, and not a true cross section of McMinnville residents or businesses. The most obvious entities that were excluded from this committee were MIP, the Bypass Committee, and ODOT. So to claim this committees represents a fair mix of residents and businesses is totally false. What doubly uspets me is that all the best accomplishments in McMinnville's history did come when McMinnville's city government, its residents, and its businesses openly sat down together, worked out differences, and came up with great solutions. Your post card "claims" that was the process used to get the 3-mile land proposal to this point. That isn't true. A biased, one-sided committee will come up with a predictible recommendation that may produce a great short term pay day for city government. But it certainly won't be in the best long term financial OR quality of life interest for the city or its residents.

2) "The Three Mile Lane Area Plan does NOT negatively impact the future of hwy 18." HUH? another misleading statement. Of course developing 3-mile lane won't negatively affect the future of the entire length of hwy 18. But as the attached study that shows, the amount of traffic generated by Big Box stores shows that allowing high traffic generating retail, apartment, and other uses to be built on both sides of the 3-mile lane bypass - BEFORE OVERPASSES AND MAJOR ROAD IMPROVEMENTS ARE MADE - sure as heck will slow down the 2-3 mile section of hwy 18 "bypass" traffic" to a frustrating crawl. Which willl lead to lots of wrechs and safety problems. But probably the most negative result will be that tying up traffic on the bypass will probably push a major number of travelors back on to hwy 99W. And those "bypass" vehicles will then tie up traffic in downtown Lafayette and McMinnville!!! - The bypass was built to get "thru" traffic off of Adams and Baker Streets.

In conclusion, I actually agree that it is time to come up with a "fair and unbiased" plan for developing 3-mile lane. But feel that your process to this point has been a total farce. Hopefully the city council will agree to restart the process with MIP, the Bypass committee, and ODOT included right at the beginning. And if your city manager or Planning Director don't agree, maybe it is time for you to hire some professionals for those positions that will provide you with fair, accurate, AND UNBIASED information.

Sinceraly,

Mike Colvin

3120 NE Grandhaven Drive

McMinnville, Ore. 97128

From: <u>Kyle Dauterman</u>
To: <u>Heather Richards</u>

Subject: Three Mile Lane Area Plan - Public Testimony - Kyle Dauterman

Date: Friday, July 22, 2022 4:48:32 PM

This message originated outside of the City of McMinnville.

Hello,

Thank you for all the information regarding this project. It has been great to see how well thought out this has been.

Public Testimony Starts now

I would like to speak in favor of this Area Plan. Residents of this side of town are shut off from the rest of McMinnville as we are far away from the commercial and retail spaces around McMinnville. There is essentially nothing within walking distance of the majority of the housing, and even if you did want to walk you have to cross the Three Mile Lane Bridge which has never been a pleasant experience for pedestrians. Furthermore, it is inevitable that this area will be developed at some point. So this plan is the best set of guidelines that I have seen for this development to happen within the wishes of the community. Furthermore, I believe that this development will have its positives and negatives to the area, there is never a perfect development that has no downsides. Any person setting that standard is not familiar with how these things work.

Thank you for your consideration.

Kyle Dauterman 122 NE KingWood Drive McMinnville, OR

3MLAP Testimony

Like most everyone in the area, I got a practically unreadable postcard that asks me to be part of the conversation about the 3 Mile Lane Area Plan. I'm not sure why our planning director is so invested in increasing the commercial acreage. I have to assume that she keeps continuing the process because she isn't getting the answer she wants.

Her focus used to be on cutting greenhouse emissions by providing additional shopping resources in McMinnville. Once the increased traffic levels became common knowledge, the focus shifted to "retail leakage," \$100 million worth of it. There's some leakage that will never be captured, no matter how large a mall is built, i.e., people who live in McMinnville but work in Salem or Portland will not be returning to McMinnville to buy lunch. Those figures are not broken out.

According to the March 8, 2019 draft plan done by the Leland Consulting Group – **who was contracted by planning** – the 3MLAP zone includes Yamhill, Carlton, Amity, Lafayette, Sheridan and Willamina, but no dollar amounts for those communities' "retail leakage" **into** McMinnville are included, so we have no idea what the net leakage actually is. Nor do we have any indication of what actually is leaking. The only specific thing I've heard is that McMinnville lacks a source for men's suits. I didn't realize that Home Depot, Costco or Target could fulfill that urgent need.

McMinnville's largest employers are the school district, hospital, Linfield, government and Cascade Steel. I'm not aware of any of those employers having a suit and tie dress code. The only suits I see on a regular basis are in the courthouse. I also see judges' robes but I'm pretty sure those aren't available locally either.

Assuming 35,000 people in McMinnville, that means every adult and child needs to spend \$2,857 via credit card to reach that \$100 million mark. I looked at my credit card spending. I spend roughly \$500 annually on fly predators to control flies around my barn. I'm pretty sure those will never be available in any mall for me to pick up. I spend about \$1,000 annually on medication for my horse. I could get it through my vet, but she'd rather I purchase it elsewhere. My vet is located in Carlton, so even if I bought it "locally" it would still fall under the pet supply leakage category. Additionally, my internet was local (Online NW) but since that was recently purchased by Hunter Communications, does it qualify as local anymore? Then there's my cell phone and television access. Those suppliers aren't local and won't be local, but they fall under the entertainment heading.

Local citizens have spent years trying to get our planning department to understand what makes McMinnville, McMinnville. As I've said before, we don't want to be Tualatin.

I think those vocal citizens have a pretty good idea about what appeals locally. The Stafford development continues to be an excellent example. Despite claimed pent-up local demand, the LGI housing had a hard time with the sales process and had to send mailers out to areas like Beaverton to recruit buyers since they weren't attracting enough local buyers. I guess that means that a case can be made that LGI housing never filled the supposed pent-up local demand.

Another development, done by a local developer, didn't seem to have to make such a wide-reaching marketing effort. When LGI was building, houses in The Bungalows were in the same price range as LGI houses. I don't know anyone who prefers the LGI style over The Bungalows, but then, that's the difference of a local understanding local wants.

Even Stafford's "high end" houses near the golf course accounted for virtually all of the slowest selling inventory in that area. Individual houses built by local contractors sold almost as fast as the foundations were poured. Of course, local contractors understood that two garage door openers and installed heat pumps needed to be included if a house was to be considered "high end."

Then there's the Lennar portion of the Stafford development. For over a year, I've been entertained by the various lot bundles that Lennar has packaged and listed online. There haven't been any takers that I know of, but one realtor gave me a figure of about 150 lots in various bundles. I was told that Lennar even tried to entice Street of Dreams to build there, but it appears that no contractors were willing to build million dollar spec houses in that location.

Another cautionary point to the Stafford development is that the C3-PD section that allowed the apartment complexes at the southeast corner of Hill and Baker Creek was conditioned by an ordinance that included height restrictions and that the 10 acres of commercial on the north side of Baker Creek had to remain as commercial only, with no residential. That 10 acres is now 6.6 acres and includes residential. For Stafford, planning was quite willing to remove the restrictions imposed by the governing ordinance. So I think Sid Friedman's advice to the city council a few weeks back about making sure all commercial restrictions are ironclad at the "30,000 foot planning level" should be taken seriously and written carefully.

It doesn't surprise me that, five years later, planning is still so focused on its own agenda that citizens, who only live here and pay taxes here, are ignored. After all, planning has hired consultants and paid for research that supports its position of growth at all costs. Residents aren't professional planners and can't understand all the delicate nuances involved in the profession. So I guess it makes sense to rely on consultants like Leland, who stated that "authenticity of place is one of McMinnville's strongest assets." That was on page 41, along with companies and workers "look for the genuine, the idiosyncratic, the unique and, most importantly, a personality of place that matches their own." On page 44, Leland says that draws include the "region's natural beauty, small-town feel." McMinnville's proximity to Portland while

remaining rural and independent is also a positive attribute. Hummm. None of that sounds remotely like a Tualatin wannabe to me. Or a "regional" big box mall.

In fact, on page 51, Leland summarizes:

However, significant challenges remain, including:

- Existing retail in the project area is virtually non-existent;
- Many retailers—particularly bars, restaurants and other small-format stores—are likely to prefer a downtown location, where there is existing activity, authentic and interesting buildings, and less risk; and
- There are many other large, successful retail centers within a reasonable drive-time with which any major retail development would compete. As such, retailers in Three Mile Lane are likely to be auto-oriented, with convenience and general merchandise retail potentially feasible in the short-term. Significant household growth in the area—as projected—is likely to generate demand for further dining and grocery options over the longer term, but not in the near-term as current retail spending data indicates a major surplus of grocery stores in the region.

The tourism and wine industry, especially, is burgeoning, increasing opportunities for development that would leverage the wave of visitors to the area during the warmer months. Specifically, this may take the form of **experiential or** "**destination**" **retail and commercial uses**. Commercial tenants in this category include restaurants, wine-tasting and wine sales, unique Willamette Valley food growers and vendors, other food and beverage vendors (coffee, ice cream, bakeries), and outdoor recreation suppliers. Secondary commercial tenants can fill space alongside these "anchor" tenants. Indeed, a larger building with production, warehousing or light manufacturing in the back and a front-facing retailer—such as a tasting room or craft store—would fit the existing industrial, auto-oriented character of the Three Mile Lane study area while increasing activity in the corridor.

I'm not reading anything in Leland's summary that says big box mall. In fact, multiple studies published online and available at no charge, project that 20 to 25 percent of malls will close in the five-year period from 2020 to 2025. We're halfway through that period and easily on track to meet that closure rate. Yet our planning department wants us to sacrifice valuable land to build something that will be obsolete before the ground is broken. Is that really good planning?

Patty O'Leary

Heather Richards
Planning Director
231 NE 5th Street
McMinnville, OR 97128
Heather.Richards@mcminnvilleoregon.gov

Ref: Three Mile Lane Plan Question & comments from July 18, 2022 presentation

Dear Heather,

I had an opportunity to meet you briefly on Monday at Three Mile Lane Plan presentation. This was the first we have heard of this plan or that there had been previous public meetings. My wife and I moved to McMinnville when I retired in July of 2019. I'm a bit concerned that as a new resident the communication for those previous meetings was not obvious to us.

I do have some comments and concerns for the July 26 meeting with City Council as follows:

There is a parcel on the SW corner of Loop Rd and Hwy 18(City owned?) that appears to be zoned as Agricultural Holding (A-H) but is designated on the map we received Monday as Gateway. What exactly is a Gateway property and what is planned to be done with that parcel?

Retail development: Given the apparent failure of the Tanger Outlet Mall now being utilized for other purposes, what makes you think that a town square type of retail development is viable on the South side of Hwy 18? I question the validity of your market study. I'd hate to see another failed retail development in this area. My personal perception is that the traveling public use the Hwy 18 "by-pass" as exactly that; a way to avoid McMinnville and get on to somewhere else such as the Coastal towns, wineries, etc.;

Concerning the parcel directly south of Olde Stone Village (OSV):

which I really don't like to do);

My wife and I reside in OSV on Heather abutting this property so we are particularly interested in the plans for this property. We had been led to believe that this was a designated wetland and would not be developed so we have issues on multiple fronts. This property becomes a shallow lake from December through March and April. Water is never far below the surface on this property. The grass strip next to our space stays green for most of the summer with nothing but natural watering(rain). The woodlot adjacent to Hwy 18 is home to what appear to be nesting raptors and other minor bird species on a regular, if intermittent, basis.

- Has an Environmental Impact Study been done on this property? If not, why not?
- Any piece of land can be drained. How would this parcel be drained and to where? OSV on Heather routinely floods in the Winter and Spring even though there is a holding pond and catch basins for the overflow water. That would lead me to believe that the main City storm sewer system (in Hwy 18??) is already inadequate to handle the current storm flows. What is the plan for handling the stormwater runoff for future development?
 (Note: I haven't had sufficient time to review the City's storm sewer capacity in this area since I just learned about this TML Plan last week. I admit that I am making some assumptions here

 We learned at the 7-18 meeting that Loop Rd will be blocked from access to Hwy 18 and will become a frontage road through this property and ultimately continue on West through the museum property as a frontage road.

I didn't see an actual design for this new frontage road just a concept so I'm concerned if it will be closer to Hwy 18 or to OSV.

**Closer to Hwy 18 and it would seem the trees might have to go; closer to OSV and we have some noise and security/safety concerns.

How will the City enforce "no camping-no loitering-no transients on this new frontage road?

• The property development concerns:

Since we don't have any idea what is proposed as development from the new owners of this property we're not sure how concerned we should be.

What is proposed for this site?

(We've heard gas station, convenience store, hotel/motel...)

When will we know?

When will we be able to review the site plans for comment?

How will we be notified?

• Frontage Road and Site Development -

You said that a sound barrier type of solid wall or fence is not an option due to City specifications. This is a quality of life and a serious security/safety issue for us if a solid block wall or fence is not an option. If we don't know the type, design and extent of the construction being proposed for this site it is difficult to really comment about this.

Please understand that we are neither anti-growth nor anti-development. Also understand we have made significant life decisions to move to McMinnville from the Portland Metroplex for a reason and back yard gas stations, homeless squatters, transients of any kind are the very things we were fleeing. I sadly do not get a sense that our concerns are McMinnville's concerns.

Regards, Jerry and Barbara Thomas Space 6 OSV

971-678-2575

From: Marie Vicksta
To: Heather Richards
Subject: TMLAP comments

Date: Sunday, July 24, 2022 4:59:55 PM

This message originated outside of the City of McMinnville.

Hello Ms. Richards,

We are writing in regards to the controversial re-designation of 40-60 acres of industrially zoned land near the airport to commercial use for a town center style shopping area with large retail stores. We oppose this aspect of the plan. As has been pointed out by Friends of Yamhill County, industrial jobs earn far higher wages than commercial retail, which is important to consider as labor to staff these kinds of jobs is becoming harder and harder to find and low wage commercial job holders may find it very difficult to actually live in McMinnville because the cost of housing is so high. It seems unlikely that the majority of people holding these proposed retail jobs would live in the city and pay taxes here. The fact sheet that was distributed to residents on this retail space quoted \$100 million in "leakage", but if there is no sales tax, shouldn't planning be more concerned about planning for growth of higher paying jobs over lost revenue to retailers? We believe if looking to the future of McMinnville, maintaining the industrial zone designation is the best path forward to building a neighborhood level community where people can have good paying jobs that allow them to afford housing and raise families here.

If commercial and retail uses are necessary in the plan, we believe that they should follow existing standards for Neighborhood Centers should be used that are already in McMinnvilles code:

- 1) Maximum retail store sizes of 40,000 sq. ft. for a supermarket and 30,000 sq. ft. for a non-grocery retailer. (Roth's IGA in McMinnville is 38,411 sq. ft.) Store sizes larger than these are not consistent with neighborhood-scaled, neighborhood-serving commercial uses that encourage foot traffic between stores, offices, services, etc.
- 2) A maximum total retail floor space of 100,000 sq. ft. on no more than 10-12 acres, in addition to non-retail neighborhood commercial uses like professional offices, banks, day care, veterinarian clinics, etc.

Additionally, it is expected that Highway 18 will need \$100 million in upgrades and improvements if it is going to continue to be a bypass expressway to accommodate the proposed zone change and large regional scale retail center. This scale of investment in order to develop a regional retail space seems like a poor one if most workers likely will not be able to afford to live here and therefore pay taxes here. We believe it is best to maintain the expressway to allow residents to access already existing regional scale shopping centers along the I-5 corridor.

Thank you for your consideration, Marie Vicksta and Wes Robinson 247 NW 12th St. McMinnville From: Nanette - Raven
To: Heather Richards
The Transfer of the Property of the

Subject: Three Mile Lane opposition

Date: Sunday, July 24, 2022 5:44:48 PM

This message originated outside of the City of McMinnville.

TMLAP has pros and cons.

More cons than pros.

I am against any additional retail center, or mixed use town center. McMinnville and Highway 18 do not need this.

You stated in a News Register article on July 22nd "We're talking about planning for 20 years. What drives me is planning for the next generation. We're also planning for the whole community"

You are not taking into consideration the next generation - nor the environmental impact. I am thinking about my future grandchildren and what their opinion may be. That there is nothing but highway, pavement, and ugly buildings dotting the landscape, and not farms, trees and nature.

I am thinking about the impact of construction alone, the traffic delays and disruptions, the large carbon footprint we will be creating while idling, the unnecessary need of any type of big box or industrial buildings.

Take a look at the "outlet mall" that is no longer a mall, and has not been for many years. If this plan does happen, I would sincerely hope that there will be environmental design standards and guidelines in terms of materials used, and relationship with streets. If this plan does happen, it should enhance local ecosystems and be environmentally aesthetic.

Speaking of the next generation and 20 years from now, will they really want to go shopping at a retail center?

If this plan does happen, please hire a professional landscape person that knows what native plants are, and native trees that do not disrupt neighborhood sidewalks, such as Dunn Place in between Aaron and Chalmers.

Please come take a walk, but you must walk in the middle of the road because of the sidewalk hazard, due to the trees that the City planted years ago.

The thought of adding more traffic, congestion, and more shopping is a terrible idea. Please consider the impact of my neighborhood, my future grandchildren, and the environment.

We do not need more buildings, we need more trees to breathe.

Thank you, Nanette Pirisky 262 NE Dunn Place McMinnville To: McMinnville City Council

From: Peter Gladhart, 5075 Winter's Hill Rd. Dayton, Oregon

Re: Ill-considered plan to rezone industrial Space to Big-box commercial.

For my substantive objections to this plan, please incorporate and consider my letter to the Council of May 8th 2022. There I asserted that sacrificing the potential of high paying industrial jobs for low paying retail jobs was bad public policy for a number of reasons, and that the "leakage" of retail sales asserted by the planning commission was a loss to online sellers that will never be recaptured. Many others have argued this and also that a big mall will harm existing McMinnville businesses, whom the Council has a prior obligation to safeguard.

McMinnville's merchants have made substantial investments in their facilities, their inventory, and in the recruiting and training of their employees. These are the interests that the Council should be serving, not those of **Kimco** "a real estate investment trust (REIT) headquartered in Jericho, N.Y., that is North America's largest publicly traded owner and operator of open-air, grocery anchored shopping centers and mixed-use assets." (From Kimco website) In Oregon Kimco operates Jansen beach.

Members of the City Council are public servants hired by the voters of the city to be custodians of the public trust; the Planning Commission is an administrative devise that should facilitate the faithful execution of these public duties. Frankly it boggles the mind that after all of the voluminous testimony about the plan you have not abandoned it completely, but rather are considering only how large should a shopping center be!

If these are indeed now the limits of the discussion, I would say "Neighborhood" in size, just large enough to serve the needs of the study area neighborhood, not nearly as large as the entire tract of land under consideration.

From: gexfamily@frontier.com

To: Heather Richards

Cc:Mary Starrett; Lindsay BerschauerSubject:Development of HWY 18Date:Sunday, July 24, 2022 4:08:39 PM

This message originated outside of the City of McMinnville.

After listening to the presentation by Mac Planning Staff July 18th for the proposed 3 Mile Lane/Highway 18 development, I believe it is in error on one point.

I was The County Commissioner assigned to work with Mac and ODOT to develop the 1996 plan and we made it very clear to ODOT that we wanted NO stoplights on Hwy 18 as soon as possible. That meant a cloverleaf near the museum entrance with frontage roads on both sides and no stoplights. It sounds like ODOT wants more stoplights in the next phase and most funds spent improving the HWY 18/3 Mile Lane inter-change. The cloverleaf would come some time in the future, if ever and if locals could find the money.

I request the City of Mac and The Yamhill County Commissioners put all pressure possible on ODOT to make the cloverleaf and frontage roads a priority for state funds in the next phase. This would help insure several things:

We would greatly help Newberg / Dundee get funding for continuation of its bypass.

We would continue efforts for a true expressway around Mac on Hwy 18.

Your consideration is appreciated

Dennis L. Goecks, Yamhill County Commissioner, 1989-1997





July 25, 2022

McMinnville City Council Heather Richards, McMinnville Planning Director 231 NE Fifth Street McMinnville, OR 97128

Re: Three Mile Lane Area Plan

Dear City Councilors and staff:

Friends of Yamhill County (FYC) and 1000 Friends of Oregon have previously submitted extensive testimony on the Three Mile Area Lane Plan (TMLAP). Our organizations' memberships include McMinnville residents who support the mission and values of the Oregon land use program. Our members care deeply about the future of their communities.

We support much of the TMLAP, including the uses proposed north of the highway and the innovation center. We further support development consistent with McMinnville's comprehensive plan, including the following plan policies:

Economy of McMinnville

21.02 The City shall encourage and support the start up, expansion or relocation of high-wage businesses to McMinnville.

21.03 The City shall support existing businesses and industries and the establishment of locally owned, managed, or controlled small businesses.

Urbanization

187.30

"The Great Neighborhood Principles <u>shall be applied in all areas of the city</u> to ensure equitable access to a livable, egalitarian, healthy, social, inclusive, safe, and vibrant neighborhood for all McMinnville citizens."

¹ See p. 38 of 121 at <u>public testimony received - january 12 2022.pdf (mcminnvilleoregon.gov)</u> and p. 10 of 30 at additional <u>public record for g 7-21 three mile lane area plan 02.16.22.pdf (mcminnvilleoregon.gov)</u> and p. 576 of 848 at <u>packet 05.10.22 - revised.compressed.pdf (mcminnvilleoregon.gov)</u>

185.50 The Great Neighborhood Principles:

- 1. Natural Feature Preservation.
- 2. Scenic Views.
- 3. Parks and Open Spaces.
- 4. Pedestrian Friendly.
- 5. Bike Friendly.
- 6. Connected Streets.
- 7. Accessibility.
- 8. Human Scale Design.
- 9. Mix of Activities.
- 10. Urban-Rural Interface.
- 11. Housing for Diverse Incomes and Generations.
- 12. Housing Variety.
- 13. Unique and Integrated Design Elements.

(Emphasis added)

There are no plan policies that encourage or support more large-format retail.

We do not support the large proposed retail shopping center south of the expressway. The revised Preferred Alternative map labels this area, "Retail center (Mixed-Use Town Center)". It is not consistent with these plan polices, and, more importantly, it places the city's future atrisk.

Summary of proposed retail center

The planning staff has repeatedly said that the shopping center will be limited to 33 acres, but *this number does not appear anywhere in the plan or its appendices*. ³

Even at 33 acres, this is a very large retail center. For comparison, the Safeway Plaza is 18 acres (from the old JC Penney up to the Lafayette Avenue intersection). Bridgeport Village in Tualatin is 30 acres.

-

² The "mixed-use town center" description is a misnomer for two reasons: (a) it is at the edge of town, not its center; and (b) only commercial uses are proposed within it. Nearly all definitions of mixed-use development include both residential and commercial uses.

 $^{^{3}}$ As stated in the text of the plan, (p. 38) "The predominant change is from an Industrial designation to a Commercial designation for approximately 40-60 acres south of OR 18." Meanwhile, 3 separate rezone applications totaling 68.3 acres are already pending before the planning commission.

The plan places no limits on the size of the largest stores nor on the total amount of retail floor space. The staff recommendation for the largest of the 3 pending zone change applications allows 2, and potentially 3, stores exceeding 135,000 square feet with no upper size limit, and an unlimited number of stores 135,000 sq. ft. or smaller.⁴

These are very large store sizes. For McMinnville comparisons, Roths IGA is 38,411 sq. ft., Safeway is 56,379 sq. ft., and Walmart is 101,365 sq. ft.

As currently drafted, the TMLAP has no sideboards on the amount or size of retail use. If the Council agrees that sideboards on retail uses are desirable, the time to amend the plan is now.

Summary of recommendations

For the reasons set forth below and in previous testimony:

- New commercial uses south of the expressway should be neighborhood-scaled, not regionally scaled, to serve neighborhood residents and employees at the innovation center, hospital, etc.
- The plan should incorporate an upper limit on store size and total amount of retail floor space.
- Total retail acreage should be limited. Additional commercial land could include onretail neighborhood commercial uses that serve those who live and work in the area-like professional offices, banks, day care, veterinarian clinics, etc.
- Repeal Plan Policy 48.70, since the city now has a surplus of commercial land

Rather than reinventing the wheel, we suggest using the standards that McMinnville has already found to be appropriate for Neighborhood Centers and are already in McMinnville's code in Chapter 17.050. The City Council could alternatively amend the TMLAP with standards that are specific to the Three Mile Lane Area.

In addition:

• Adherence to the Great Neighborhood Principles and to the plan's key urban design elements and polices should be required, rather than merely encouraged.

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning_commission/meeting/packets/2201 3/pc 5-20-21 packet final.pdf

⁴ p. 79 of 2268 at

- True mixed-use, walkability, and needed housing should be encouraged by allowing residential uses in all areas not within the airport approach zones or areas of natural hazards.
- Concerns over potentially noxious uses could be addressed by changing the existing M-2 zoned area to M-1 or M-L.
- Include within the TMLAP, the approximately 27.5 acres between the air museum and Highway 18 added to the urban growth boundary (UGB) in 2020. This land, which was brought in to meet commercial land needs, is surrounded by, and is functionally an integral part of, the Three Mile Lane Area.

A "track changes" version of the Three Mile Lane Area Plan that incorporates many of these changes was attached to our testimony dated May 2, 2022.

Commercial uses scaled for residents and employees

McMinnville's future rests on:

- (1) A healthy downtown and commercial core on Highway 99W
- (2) The expansion and retention of existing businesses
- (3) New employers providing family-wage jobs

As currently drafted, the TMLAP puts this future at risk.

The large regional retail shopping center proposed for industrial land south of Highway 18:

- (1) Jeopardizes downtown and the 99W corridor
- (2) Jeopardizes the highway's function as a free-flowing expressway around McMinnville
- (3) Will provide retail sector jobs that, on average, pay only half the wage of manufacturing jobs

Instead of a large regional retail shopping center, new commercial uses south of the expressway should be *neighborhood-serving* and *neighborhood-scaled* to support those who live and work in the area; including at a new Innovation Center and the hospital. These residents and employees need banks, a grocery store, day care, a place to eat on their lunch break, a service station and other similar uses.

All too often neighborhood services for lower and moderate income households are deemed "aspirational."

The city has already approved two apartment complexes south of Highway 18 and west of NW Logging. One is to be owned by the Housing Authority and one is being privately developed. These residents, at least some of who will be lower-income, will be segregated from the rest of the city by Highway 18. Also, the proposed senior housing south of the highway by

the hospital will attract residents who are less likely to drive, and less able to walk longer distances.

While the Area Plan as currently drafted states that any neighborhood-serving retail is merely "a mid- to long-term aspiration," these residents will clearly benefit from neighborhood-serving commercial services. Equity and common sense suggest the city should prioritize their development by implementing the city's previously adopted vision for a Neighborhood Activity Center south of Three Mile Lane, rather than prioritize a large regional shopping center.

In 2020, the City Council incorporated appropriate standards for neighborhood-serving and neighborhood-scaled services into the comprehensive plan and zoning code with the adoption of the Neighborhood Activity Center Overlay District.

If the area south of the expressway is truly to be a pedestrian and neighborhood–scaled and neighborhood serving mixed-use area that complements the Innovation Center, the TMLAP should incorporate these Neighborhood Center standards or similar standards.

Appropriate Standards for Neighborhood-Serving Retail

1) **The maximum grocery retail store size** should be a 40,000 sq. ft. supermarket. (McMinnville zoning code at 17.50.040.C)

The Planning Director has said that the TMLAP is modeled after Orenco Station and the Old Mill District in Bend. The largest retail anchor tenant in Orenco Station is a 29,000 sq. ft. grocery store/supermarket. The Old Mill District does not have a supermarket/grocery store. Its largest retail anchor is about 28,000 square feet. Roth's IGA in McMinnville is 38,411 sq. ft.

A 40,000 sq. ft. supermarket should be more than adequate to meet not only the needs of the neighborhood residents, but also to serve a larger area. At full build-out, housing south of the bypass will accommodate about 2,000 people. A full-size supermarket requires a minimum population of about 15,000 people.⁶

2) The **maximum retail store size** for a non-grocery retailer should be 30,000 sq. ft. (McMinnville zoning code at 17.50.040.C)

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⁵ Final Plan document, p. 13

⁶ (www.cyburbia.org/forums/threads/how-many-people-are-needed-to-support-a-full-service-grocery-store.35838/ "A population of 15,000-20,000 is needed to support a full-service grocery store... - Full-service grocery stores are generally 35,000-50,000 square feet." See also www.cambridgema.gov/CDD/~/~/media/4768D2C1051C4C14BE2D48857E48DDC1.ashx)

Again, the Planning Director has said that the TMLAP is modeled after Orenco Station and the Old Mill District in Bend. The largest anchor stores in either one are under 30,000 sq. ft. Store sizes larger than these are not consistent with neighborhood-scaled, neighborhood-serving commercial uses that encourage foot traffic between stores, offices, services, etc.

3) **Total retail floor space** should be a maximum of 100,000 sq. ft. on no more than 10-12 acres. Additional commercial land could include non-retail commercial uses that serve those who live and work in the area- like professional offices, banks, day care, veterinarian clinics, etc.

For comparison, Orenco Station has a total of 125,503 sq. ft. of commercial uses on 12 acres, including not only retail, but also medical offices, a bank, a real estate office, etc., much of it with housing above. The Safeway plaza is 18 acres (from the old JC Penney up to the Lafayette Avenue intersection). Bridgeport Village in Tualatin is 28 ½ acres.

We support a Neighborhood Center that meets the needs of the people who will actually live and work in the area, as opposed to serving a larger region extending far beyond McMinnville. And, unlike a large shopping center, it will not have the outsized negative impacts described below.

The large shopping center jeopardize downtown, the Highway 99W corridor and the bypass

We oppose the new town center/regional retail center planned for industrial land south of Highway 18. At full build-out, housing south of the bypass will accommodate about 2,000 people. The shopping center is not scaled or designed for them and it is not scaled or designed to support the Innovation Center; it is intended to be a regional magnet.

McMinnville already has a town center: 3rd Street

The community has invested tremendous resources into promoting and developing our existing downtown and the adjacent Alpine District into a vibrant town center that is the envy of other communities around the state. Building a new town center on the other side of the expressway undermines the investment in McMinnville's real downtown. It is a risky bet that many other communities have taken and lost. ⁷

It is entirely foreseeable that the new town center/regional shopping center will harm the *existing* town center, the Alpine/Gateway district, and the *existing* Highway 99W corridor. It will also jeopardize the successful development of the neighborhood commercial areas planned within the recent UGB expansion. Even if closures are limited, the new commercial retail land will make

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⁷ "We got involved with the Valley River Center, which was working its way through the City of Eugene government. It was a big regional shopping center, I guess a couple miles from downtown, and there were many people concerned about what that might do to downtown Eugene. There was a private lawyer involved, Bob and I worked with him a bit, and tried to develop some testimony related to what was happening in the state and the legislature. Not successful, of course. Valley River Center was built, and it had exactly the effects that we feared." Statement of Dick Benner, former Director of the Oregon Department of Land Conservation and Development, May 14, 2015. His involvement with Valley River Center predated his work at DLCD.

redevelopment and new development along the existing 99W commercial corridor, the city center, and the Alpine District far less likely.

Even the pending zone change application for a 33 net acre shopping center acknowledges the likely effect of the proposed shopping center on downtown:

"many trips... that currently travel to the downtown area today will alter their trips to visit the new commercial businesses and thus reduce trips entering the downtown areas." 8

The town center/regional retail center is supposedly modeled on Orenco Station in Hillsboro but there are vast differences in scale and location.

Orenco Station has about 125,000 sq. ft. of floor space total, *including office and medical space*. The much larger Old Mill District has a retail area of 17 acres with a total of about 267,000 sq. ft. of retail floor space. 10

In contrast, as proposed, the new town center south of the expressway will have between 33 and 62 net acres of retail shopping center¹¹ and up to 681,000 sq. ft. of retail floor space.¹²

https://www.mcminnvilleoregon.gov/planning/page/comprehensive-plan-map-amendmentzone-change-cpa-2-20zc-3-20

https://www.mcminnvilleoregon.gov/planning/page/comprehensive-plan-map-amendmentzone-change-cpa-2-21zc-3-21

https://www.mcminnvilleoregon.gov/planning/page/comprehensive-plan-map-amendmentzone-change-cpa-1-21zc-2-21

^{8 &}quot;Within the City of McMinnville, it is expected that the commercial uses under the rezoning will result in a reallocation of trips to/from and within the downtown area. For example, many trips... that currently travel to the downtown area today will alter their trips to visit the new commercial businesses and thus reduce trips entering the downtown areas. Conversely, a proportion of the trips already occurring in the downtown areas (e.g., trips from the residential areas to the west of OR-99W that travel to downtown and the southwest commercial areas by the college) may travel to the new commercial area creating new trips on OR-18." See p. 79 at cpa 2-21 zc 3-21 submittal.pdf (mcminnvilleoregon.gov) The same language is found in the other two zone change applications.

⁹ https://images2.loopnet.com/d2/tJLXK6F00PU EawA2l1W-lhERt CYDbsaCM AxjmOzM/document.pdf

¹⁰ https://www.envisionrealtyadvisorswest.com/_files/ugd/6fadec_61b8edb399b546e7b31b766967c0a143.pdf

¹¹ While the planning director has said that the plan calls for the redesignation 33 acres of land for the large shopping center, the 3 pending rezone applications that implement the plan's shopping center component total 62 net acres.

¹² The traffic modeling submitted with the pending rezone applications assume 683,000 sq. ft. of retail floor space on 62 net acres. See Tables 6, 7, 8 & 9 at pp. 77-78 of PDF at https://www.mcminnvilleoregon.gov/planning/page/comprehensive-plan-map-amendmentzone-change-cpa-2-21zc-3-21

The Old Mill District and Orenco Station examples—and Bend and Hillsboro—are vastly different from McMinnville. Bend and Hillsboro are cities of over 100,000—triple the size of McMinnville.

Orenco Station and downtown Hillsboro are connected by both light rail and a continuous network of local streets. The Old Mill District is directly connected to downtown Bend, which is ¾ mile to a mile away, by continuous local street and sidewalk connections. A pedestrian path along the Deschutes River also connects the two and a pedestrian bridge connects to the other side of the river.

McMinnville's new proposed "town center" is over twice that distance from downtown, separated from the rest of the city by a high-speed expressway.

Because of these stark differences of scale and location, the city cannot reach conclusions regarding the new town center's impacts on existing business districts based on Orenco Station or the Old Mill District.

The proposed regional shopping center will harm existing retailers, many of whom are already losing sales to online shopping.

McMinnville's aggregate retail sales are in balance. The city has a net inflow of retail dollars.

"Retail Leakage" has been cited as a justification for the regional retail shopping center. People will always spend dollars outside the city limits; when they work, when they travel, when they shop online and yes, when they go to a retailer that our population cannot support, like an Ikea, an REI, or an Apple Store. No community could ever stop "retail leakage."

The Three Mile Lane Market Analysis in Appendix B MLAP marketing study actually shows that in aggregate, surpluses almost exactly balance out demand. Table 8 from TMLAP Appendix B shows that aggregate retail leakage in McMinnville is \$9,276,030.¹³ In a city of 35,000, this is \$265 per person.

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¹³ See p. 33 of Three Mile Lane Market Analysis at p. 96 of TMLAP Appendix B

Table 8. Retail Leakage Analysis, McMinnville Market Area

	Est. HH Demand	Current Est. Sales	Current Leakage (\$)
Furniture and Home Furnishings	\$25,459,215	\$9,815,869	15,643,346
Electronics and Appliance	\$25,779,334	\$10,205,468	15,573,866
Building Material, Garden Equip	\$56,286,379	\$89,349,237	-33,062,858
Food and Beverage (grocery)	\$132,402,012	\$244,668,336	-112,266,324
Health and Personal Care	\$49,511,435	\$59,825,939	-10,314,504
Clothing and Accessories	\$39,384,538	\$5,785,467	33,599,071
Sporting Gds, Hobby, Book, Music	\$27,981,058	\$12,792,050	15,189,008
General Merchandise	\$138,540,476	\$41,383,114	97,157,362
Misc. Store Retailers	\$38,326,257	\$81,493,693	-43,167,436
Foodservice and Drinking Places	\$83,233,240	\$53,518,658	29,714,582
Other (including cinema, prof./med. office, consumer banks, etc.)	\$92,535,592	\$91,325,675	1,209,917

Source: ESRI

Moreover, as we have previously pointed out, on the whole, *McMinnville has a net inflow of retail dollars*. People throughout the county shop in McMinnville. On a per capita basis, McMinnville's existing retailers already enjoy higher than average retail spending. Since our May testimony, new census data has come out that reconfirms that. The new data is below:

Geographic Area	Annual Retail Sales Per Capita
McMinnville	\$19,459
Newberg	15,254
Yamhill County	10,656
Oregon	14,877
United States	15,254

Source: https://www.census.gov/quickfacts

The traffic plan depends on over \$100 million in unfunded money

Virtually all development south of the Highway 18 expressway will be auto-dependent, and will rely on cars for access to, and across, the expressway. This access will be at the signalized intersections at Norton Lane and Cumulus Avenue.

Rick Nys, Principal Traffic Engineer with Greenlight Engineering has separately submitted comments that focus on the more technical aspects of the transportation model and the great potential for significant impacts to the transportation system. These impacts are not just limited to the Three Mile Lane Expressway corridor.

One need not be a traffic engineer, however, to understand that the traffic modeling is based on the completion of the large list of projects in Appendix D of the TMLAP.¹⁴ Without the completion of every one of these improvements, the system will not function as modeled and system thresholds will almost certainly be exceeded.

The list of needed projects includes expensive frontage roads, without which the system will not function as modeled. No cost estimate for these frontage roads has yet been made, but even without the frontage roads, the project costs exceed \$100 million. The plan forthrightly acknowledges that:

"Neither ODOT, City of McMinnville or private development roles and responsibilities in funding these projects have been identified." ¹⁵

No funding source for "financially constrained projects" in the plan has been identified, let alone secured. When funding predictably fails to materialize, the transportation projects in the plan will not be built and traffic flow will suffer.

Staff has told the City Council that ODOT will not allow development to proceed if it will result in unacceptable traffic impacts. This is not consistent with what Dan Fricke, ODOT Area Manager, told the Parkway Committee on May 19, 2022.

"Chair Haugeberg asked whether, once traffic improvement needs are triggered, development is stopped until those improvements are completed. Mr. Fricke... stated ODOT does not have the authority to stop development until improvements are completed, and indicated it would likely be difficult to obtain full mitigation costs from developers in advance." ¹⁶

McMinnville cannot rely on ODOT to protect its bypass.

The vacant industrial land is an irreplaceable asset for family-wage jobs

180 acres of flat shovel-ready industrial land in the city limits on a free-flowing state highway, near an airport, and in two adjacent parcels is an extremely uncommon asset for any city. If converted to other uses, it is extremely unlikely McMinnville could ever replace it with an industrial site of similar size and quality.

Proposing non-industrial uses on a portion of that industrial land is not easy for us. We do so out of a spirit of compromise. We continue to believe that the best location for a Neighborhood

.

¹⁴ See Table 7 at p. 67 of 72 in Appendix D.

¹⁵ See p. 67 of 72 in Appendix D

¹⁶ Yamhill County Parkway Committee minutes, May 19, 2022

Center is further west, closer to the recently approved apartments. This would preserve all of McMinnville's flagship industrial site for living-wage industrial jobs.

Goal One of McMinnville's Economic Development Strategic Plan is to "Accelerate Growth in Living-Wage Jobs." That document goal explicitly ties living wage jobs to issues of housing affordability, because household income determines what housing a family can afford. ¹⁷

The City's adopted Economic Opportunities Analysis (EOA) shows that wages in retail and dining are *by far* the lowest of any job sector in McMinnville – less than half that of manufacturing.¹⁸

Figure 8. Covered Employment Trends in McMinnville UGB (2003-10)

	Emloyment Sector	2010 Characteristics			% Change (AAGR) 2003-10		
NAICS		Firms	Jobs	Avg Wage	Firms	Jobs	Avg Wage
	Total Employment	1,074	13,383	\$34,976	2.7%	1.8%	1.8%
11-21	Agriculture & Mining	17	268	\$26,635	11.4%	7.2%	-6.4%
23	Construction	97	381	\$47,175	1.6%	-1.5%	0.0%
31-33	Manufacturing	71	1,790	\$43,163	3.2%	0.0%	1.8%
22, 48-49	Transportation & Utilities	18	488	\$47,731	2.6%	0.7%	2.2%
42	Wholesale Trade	44	194	\$37,955	1.0%	-6.9%	1.2%
44-45, 722, 99	Retail & Dining	218	2,933	\$21,202	0.9%	1.0%	1.9%
52-53	Finance, Insurance, & Real Estate	103	660	\$46,612	0.6%	-0.5%	2.9%
51, 54-56, 62, 71-	-72 Services	468	4,320	\$34,274	4.4%	4.3%	2.0%
61,92	Institutional	38	2,349	\$40,036	1.6%	2.2%	2.9%

Manufacturing: \$43,163 Retail & Dining \$21,202

Source: McMinnville Economic Opportunities Analysis, 2014

Similar wage gaps are documented in the city's unadopted draft EOA:

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¹⁷ www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/ed_strategic_plan.pdf

¹⁸ EOA, p. 15. The EOA (p. 14) also shows that McMinnville's employment base is *already* skewed towards retail jobs compared to the other geographies the EOA examined.

Exhibit 6. Covered Employment and Average Pay by Sector, McMinnville UGB, 2017

Sector	Establish ments	Employees	Payroll			Average pay per employee	
Agriculture, Forestry, and Mining	24	356	\$	11,188,173	\$	31,427	
Construction	104	585	\$	27,931,863	\$	47,747	
Manufacturing	71	2,277	\$	113.267.986	\$	49.744	
Wholesale Trade	41	127	\$	7,778,100	\$	61,245	
Retail Trade	141	2,170	\$	62,991,136	\$	29,028	
Transportation and Warehousing and Utilities	20	140	\$	4,582,386	\$	32,731	
Information	19	127	\$	5.010,927	\$	39,456	
Finance and Insurance	51	459	\$	29,183,634	\$	63,581	
Real Estate and Rental and Leasing	38	113	\$	3,815,372	\$	33,764	
Professional and Technical Services	100	367	\$	21,852,471	\$	59,544	
Management of Companies	9	117	\$	7.033,600	\$	60,116	
Admin. and Support/Waste Mgmt/Remediation Serv.	49	584	\$	14,681,454	\$	25,139	
Health Care and Social Assistance; Private Education	173	3,159	\$	144,631,456	\$	45,784	
Arts, Entertainment, and Recreation	9	168	\$	3,128,546	\$	18,622	
Accommodation and Food Services	99	1,503	\$	27,941,666	\$	18,591	
Other Services	218	630	\$	13,857,430	\$	21,996	
Government	42	2,082	\$	101,259,952	\$	48,636	
Total	1,208	14,964	\$	600,136,152	\$	40,105	

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

The Three Mile Lane area south Highway 18 is the city's premier site to attract a flagship industrial user, like an electric vehicle or chip fabrication plant. It contains about 180 acres of prime developable industrial land, in two contiguous parcels of about 90 acres each.¹⁹

These parcels are "Regional Priority Industrial Development Sites." Adjacent industrial land recently attracted a major investment from Jackson Family Wines for a new production facility.

The factors that the TMLAP cites as advantageous for low-wage retail and hospitality uses are the same factors that make it attractive for industrial development:

"This... is one of the largest regional sites with easy highway access. The site is flat and developable—a unique characteristic for a site of this size, and has a locational advantage being both near to the highway and the McMinnville Municipal Airport." (TMLAP, p. 26)

This site is prime industrial land. A recent OPB story highlighted the scarcity of large prime industrial sites like this one, and highlighted the high wage jobs that are generated by the industries that they attract.²⁰ The importance of this site is also highlighted in the city's 2013 Economic Opportunities Analysis:

"McMinnville has one industrial site already certified with the State of Oregon. Creation of an additional certified site potentially could be useful to provide an added competitive

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¹⁹ Additional industrial land includes the city-owned airport and the national guard armory

²⁰ www.opb.org/article/2022/02/oregon-loses-out-on-new-semiconductor-manufacturing/

large site option and better position McMinnville in the running for the relatively limited number of large traded sector site investments occurring regionally and statewide."²¹

Potential industrial users for large sites like this are not common, but preserving this site for industrial use will almost certainly provide greater long-term benefits to the community than a retail shopping center.

The City has at least a 30 acre surplus of commercial land

It has been suggested that prior City Council actions bind the city to the redesignation of at least 40 acres of industrial land to a commercial designation for the regional retail shopping center. This implication is wrong. The city did adopt Plan Policy 48.70, calling for such a redesignation,²² but that plan policy was based on the old 2001 Economic Opportunities Analysis (EOA). That old EOA has since been superseded by an updated EOA, adopted in 2013. The City's acknowledged Economic Opportunities Analysis, adopted in 2013, governs this decision.²³

The 2013 EOA identified a commercial land deficit of 36 acres, a much smaller deficit than the 2001 EOA. Since then, the city has added some 67 acres of commercial land to the UGB. In 2020, the city brought 27 acres of commercial land north of the highway into the UGB and an additional 39 acres of neighborhood-serving commercial that will go on land added to the UGB on the west side of the city. The 36 acre deficit of commercial land has been more than satisfied. The city now has a surplus of at least 30 acres:²⁴

Commercial Land Deficit identified in 2013 Economic Opportunity's Analysis	(36 acres)
Commercial land added to the UGB in 2020 north of Highway 18	27 acres
Commercial land added to the UGB in 2020 on the west side of the city	39 acres
Current surplus of commercial land	30 acres

Additionally, the plan policy *did not* call for the C-3 General Commercial district, as opposed to a Neighborhood Activity Center or the Neighborhood Commercial District.

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²¹ Economic Opportunities Analysis, p. 73

²² Plan Policy 48.70 has an apparent typo, and actually calls for the opposite; the redesignation of *commercial* land *to* industrial.

²³ See email in the record from Gordon Howard, Community Services Division Manager, Oregon Department of Land Conservation and Development, dated July 8, 2022.

²⁴ The draft TMLAP also calls for separate plan amendments from industrial and residential to commercial on the Baker Rock/Cal Portland site north of the highway and on other land west of the hospital. These total an additional 7 acres of commercial land. If approved, these will further add to the city's surplus of commercial land.

It may be the case that the city could make a policy choice to redesignate industrial land for a regional retail shopping center/town center, but the City is not legally bound to do so.²⁵ For the reasons set forth in this letter and in the testimony of others, this choice would recklessly gamble the city's future.

Conclusion

As detailed above and in our previous testimony, there are many good elements in the plan, a major problem, and areas for improvement. In conclusion,

- New commercial uses south of the expressway should be neighborhood-scaled, not regionally scaled, to serve neighborhood residents and employees at the innovation center, hospital, and other uses in the industrial area.
- The plan should incorporate an upper limit on store size and total amount of retail floor space.
- Total retail acreage should be limited. Additional commercial land could include onretail neighborhood commercial uses that serve those who live and work in the area-like professional offices, banks, day care, veterinarian clinics, etc.

We suggest using the standards that McMinnville has already found to be appropriate for Neighborhood Centers and are already in McMinnville's code in Chapter 17.050. The City Council could alternatively amend the TMLAP with standards that are specific to the Three Mile Lane Area.

- Repeal Plan Policy 48.70, since the city now has a surplus of commercial land.
- Adherence to the Great Neighborhood Principles and to the plan's key urban design elements and polices should be required, rather than merely encouraged.
- Concerns over potentially noxious uses could be addressed by changing the existing M-2 zoned area to M-1 or M-L.
- True mixed-use, walkability, and needed housing should be encouraged by allowing residential uses in all areas not within the airport approach zones or areas of natural hazards.

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²⁵ "In terms of state law, the city has the option to either go ahead with or pull back from the proposed conversion from industrial to commercial for this particular area...." Gordon Howard, Community Services Division Manager, Oregon Department of Land Conservation and Development, email to McMinnville Planning Director, dated June 14, 2022, in record.

• Include within the TMLAP, the approximately 27.5 acres between the air museum and Highway 18 added to the urban growth boundary (UGB) in 2020. This land, which was brought in to meet commercial land needs, is surrounded by, and is functionally an integral part of, the Three Mile Lane Area.

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

Sid'Friedman

PO Box 1083

Friends of Yamhill County

McMinnville, OR 97128

Sincerely,

Alexis Biddle

aleria Biddle

Great Communities Program Director and Staff Attorney 1000 Friends of Oregon 454 Willamette St, Ste 213 Eugene, OR 97401

cc: DLCD ODOT From: <u>Hutchison</u>
To: <u>Heather Richards</u>

Subject: Three Mile Lane Proposal. Strong opposition to zone change to commercial

Date: Monday, July 25, 2022 12:02:09 PM

This message originated outside of the City of McMinnville.

Heather Richards and City Council Members,

Any new commercial uses south of Highway 18 should be consistent the neighbrhood-scaled, neighbor-serving uses that encourage foot traffic between stores, offices, services, etc.

A large development of a commercial shopping center will greatly jeopardize McMinnville's award winning and highly acclaimed downtown area.

Highway 18 already has an extremely high volume of daily traffic. If a large shopping complex is build south of TML, it will get far worse!!

Please do not re-designate 40-60 acres of industrial land near the airport to commercial.

It is bad for McMinnville and the surrounding area!

Do we want McMinnville to look like any other large city and lose the attributes of what makes Yamhill County special.... For it's citizens and visitors.

Ron and Connie Hutchison Yamhill, Oregon

From: Krawczuk, Dana L.

To: Heather Richards

Cc: Alan Roodhouse (amr@rpsdevco.com); Strahs, Michael; Plaha, Sunil; Moeller, Merissa A.; Mike Connors

Subject: RE: G 7-21 - Three Mile Lane Area Plan (3MLAP) Comprehensive Plan Amendment: McMinnville leakage findings

July 2022.pdf

Date: Monday, July 25, 2022 2:03:47 PM

Attachments: <u>image001.png</u>

McMinnville Kimco preliminary findings 24july2022tk (003).pdf

This message originated outside of the City of McMinnville.

Heather,

Following our review of community questions at the open houses, we have updated the slides to address some of the outstanding questions. Please use these materials instead of wheat we submitted on 7/21.

You will see that the data from the 7/21 materials are still included, but the market study area now matches what was studied in the 2020 EOA so that it is more of an apples to apples comparison. You will see that the select few stores nearly \$40M of the prior study's conclusion that about \$95M of leakage in the general merchandise category (which is a significant part of the overall leakage of \$205M). Leland's conclusion is the snapshot of data in these materials is supportive of and consistent with the prior studies.

Please let us know if you have any questions.

Dana

Dana Krawczuk (she/her/hers) | Partner STOEL RIVES LLP | 760 SW Ninth Ave, Suite 3000 | Portland, OR 97205

Direct: (503) 294-9218 | Mobile: (503) 504-8081

dana.krawczuk@stoel.com | Bio | vCard | www.stoel.com



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From: Krawczuk, Dana L.

Sent: Thursday, July 21, 2022 2:04 PM

To: 'Heather Richards' <Heather.Richards@mcminnvilleoregon.gov>

Cc: Alan Roodhouse (amr@rpsdevco.com) <amr@rpsdevco.com>; Strahs, Michael

<MStrahs@kimcorealty.com>; 'Plaha, Sunil' <SPlaha@kimcorealty.com>; Moeller, Merissa A.

<merissa.moeller@stoel.com>; Mike Connors <mike@hathawaylarson.com>

Subject: G 7-21 - Three Mile Lane Area Plan (3MLAP) Comprehensive Plan Amendment: McMinnville

leakage findings July 2022.pdf

Heather,

Attached please find Leland's findings about retail leakage from McMinnville over the July 2021 to July 2022 period. The data was collected for 3 retailers: Costco, Target and Fred Meyer. As you will see on the heat maps and conclusions, over the past year over \$14.1M of retail spending from McMinnville occurred at the closest outlets of these stores.

These general merchandise and grocery retailers were selected based upon the community's discussion for needed and desired retailers and because they are representative of the types of retailers that other data has shown are leaking (General Merchandise and Food Desert). As you have explained in community meetings, no development south of Highway 18 is proposed at this time and the landowners do not have an agreement with any retailer.

Please include this information in the record and packet for the legislative consideration of 3MLAP. You are welcome to use any of these slides at the upcoming City Council hearing.

Please let me know if you have any questions or if you would prefer to receive the slides in a PowerPoint format.

Thank you, Dana

Dana Krawczuk (she/her/hers) | Partner

STOEL RIVES LLP | 760 SW Ninth Ave, Suite 3000 | Portland, OR 97205

Direct: (503) 294-9218 | Mobile: (503) 504-8081

dana.krawczuk@stoel.com | Bio | vCard | www.stoel.com

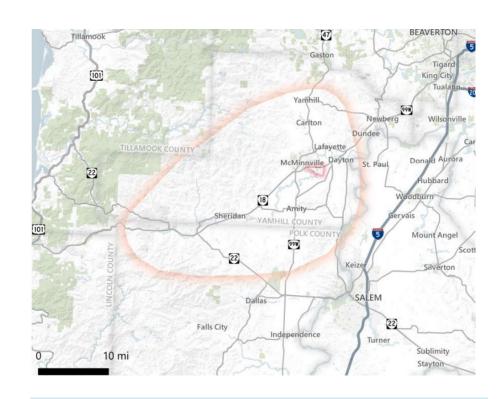


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McMinnville Area Spending Leakage:

The 2019 market analysis for the Three Mile Lane project identified a retail spending leakage of just over \$200 million for McMinnville and its surrounding market area.

- "Leakage" is that amount of household spending potential in a given area that gets spent at stores outside the area.
- Almost half of the leakage found in the McMinnville area, \$95 million, was within General Merchandise



The General Merchandise category (NAICS code 452) includes dozens of store chains and hundreds of individual retailers across northwest Oregon, including:

Costco, Walmart, Target, BiMart, Big Lots, Nordstrom, JC Penney, Macy's, Dollar Tree, Burlington, Ross, Kohl's, TJ Maxx, Marshall's, Sundance

McMinnville Area Spending Leakage

Using Placer™ cell phone geolocation data, we looked at some of the more likely nearby sources of *General Merchandise* leakage.

- Costco Wholesale (Tigard, Wilsonville, Salem, Hillsboro)
- Target (Sherwood, Keizer, Salem)

Plus a hybrid supermarket, showing the potential for serious leakage from a store outside the General Merchandise category.

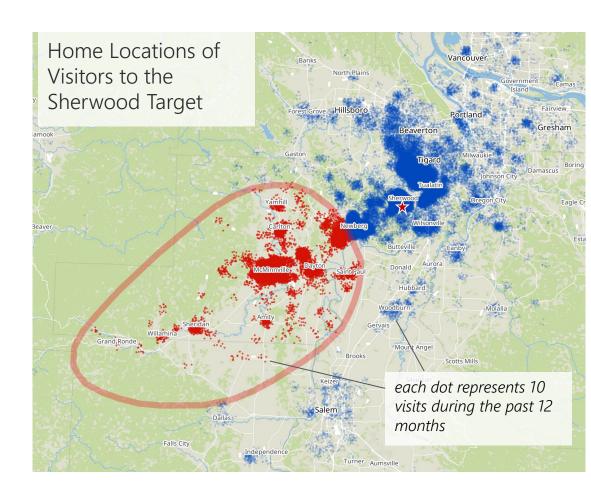
Fred Meyer (Newberg)

Note that all leakage shown in the following slides is to other **brick and mortar stores** (i.e. in addition to any potential spending that is going to online retailers)

Target

McMinnville market area homes accounted for almost \$9.4 million in estimated sales at three nearby Target stores alone.

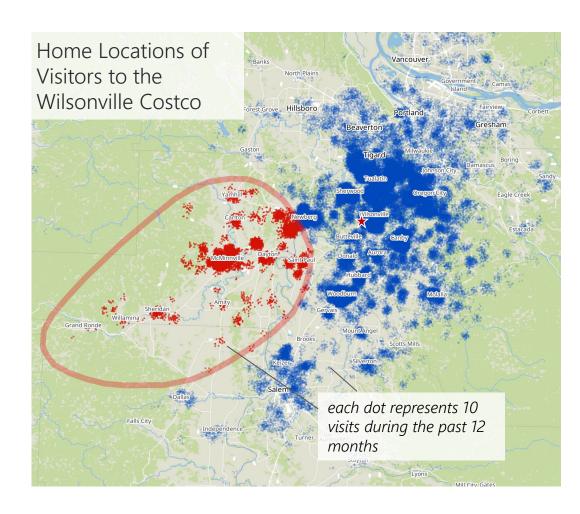
- including 164,000 visits from market area households to the Target location in Sherwood, totaling \$6.4 million in leaked sales.
- The Salem Target attracted another \$1.9 million in leaked sales, with \$1.0 million going to the Keizer location.
- McMinnville proper accounted for \$3.9M of the \$9.4M market area total leaked sales



Costco Wholesale

McMinnville market area homes accounted for almost \$20.5 million in estimated sales at four nearby Costco stores alone.

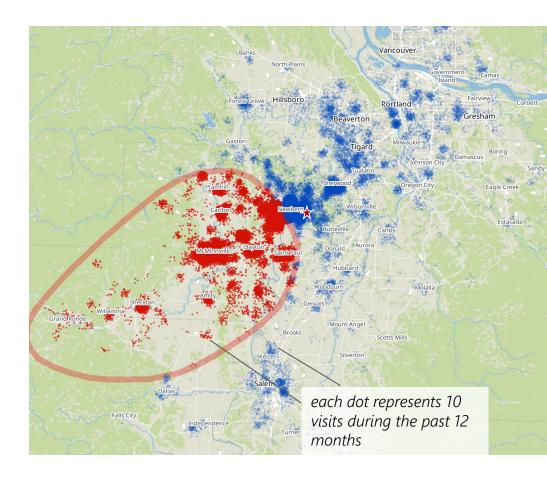
- including 86,000 visits from market area households to the Target location in Wilsonville, totaling \$8.0 million in leaked sales.
- The Tigard Costco attracted another \$6.4 million in leaked sales, with \$3.6M going to the Hillsboro location and \$2.4M to the Salem store.
- McMinnville proper accounted for \$7.7M of the \$20.5M market area total leaked sales



Fred Meyer

McMinnville market area homes spent approximately \$8.8 million at the Newberg Fred Meyer store alone over the past year, on nearly 245,000 visits.

 Households within the city of McMinnville accounted for approximately 106,000 of those visits
 leaking about \$3.8M in sales.



Conclusions (and Response to Community Questions)

Placer allows a very fine-grained look at visitation patterns at an individual store level and supports a picture of substantial leakage

- Nearly \$40M in market area household spending is leaking to just 8 stores located in other communities (out of hundreds of possible stores)
- This is consistent with an earlier finding of \$95M in total leakage in general merchandise category and \$205M overall
- All leakage found the current Placer analysis is for *brick & mortar spending alone*. **Based on nationale-commerce data**, it is likely that between 15-20% of total leakage is going to internet retailers (and not easily re-capturable)
- Meaningful comparisons to a "normal" level of leakage would be very difficult to make—requiring extensive matching of an array of complex regional demographic and transportation factors.

Growing cities typically evolve to become more complete cities over time – with leakage decreasing over time. Efforts to recapture leakage through new development is the expected standard practice for growing cities.

Consequences of Retail Leakage

Newly available Placer analysis is supportive of leakage findings from previous studies.

Significant retail demand is being largely met now by driving to outside communities, leading to...

- Excess traffic and associated environmental impacts (greenhouse gas emissions),
- reduced quality of life for residents who must travel further for needed retail amenities,
- and loss of potential property tax revenue from retail development

Ultimately the policy question is:

Based on the priorities and values of the City, its stakeholders, and leadership, should McMinnville choose to keep pace with growing demand for retail amenities via commensurate new development?



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503.222.1600 www.lelandconsulting.com

Strategic Advisors to Public and Private Development

McMinnville Spending Leakage:

Selected Retailers

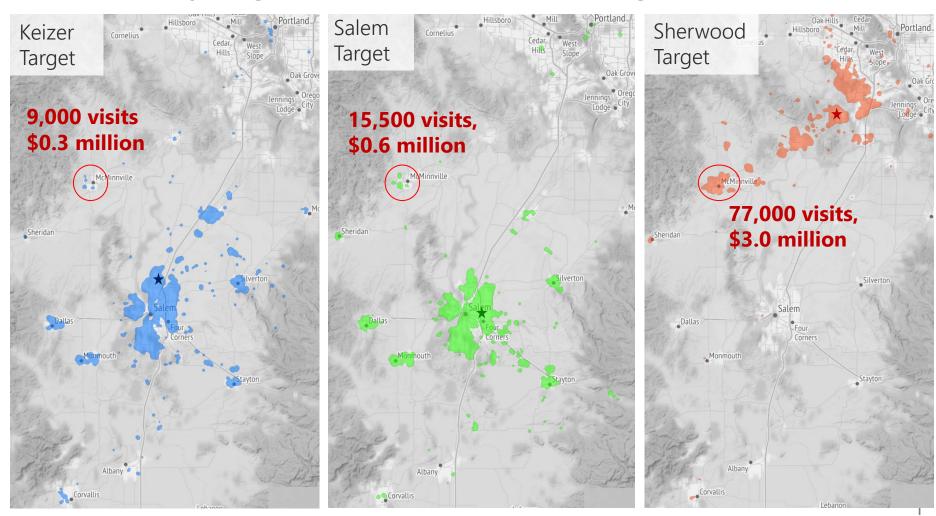
Used Placer cell phone tracking visitation data to quantify visits to selected stores originating ("home" location) in McMinnville

Calculated estimated spending leakage based on sales per Placer visit to typical stores of each brand

- Target
- Fred Meyer
- Costco

Target: Trade Areas and McMinnville Sales

McMinnville homes accounted for almost \$4.0 million in estimated sales at three nearby Target stores (with additional leakage to other area stores)

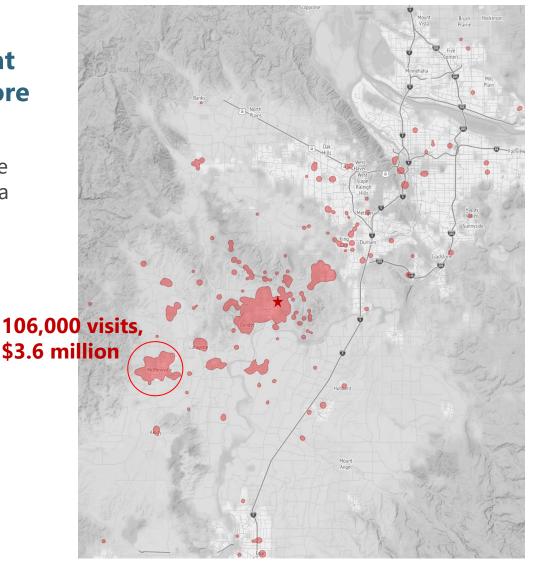


Source: Placer visitation data, July 2021 to July 2022; sales estimated by Leland Consulting Group based on est. sales/Target visit.

Fred Meyer: Trade Area and McMinnville Sales

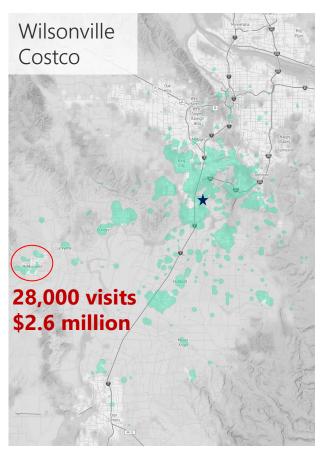
McMinnville homes spent approximately \$3.8 million at the Newberg Fred Meyer store alone over the past year,

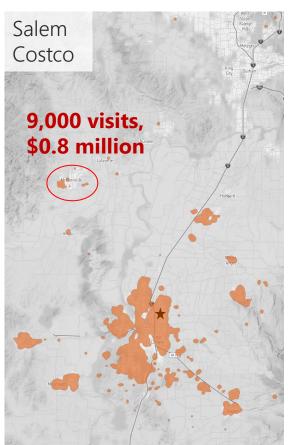
 along with additional leakage to the Salem store and other Portland area locations.

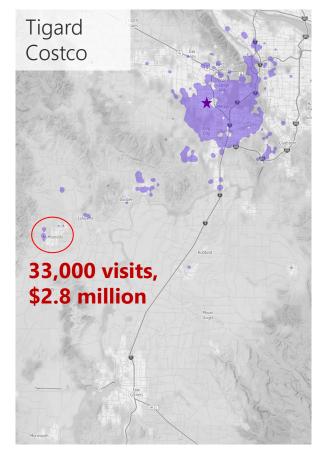


Costco: Trade Areas and McMinnville Sales

McMinnville homes accounted for almost \$6.3 million in estimated sales at three nearby stores (plus another \$1.5 million to Hillsboro alone)









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503.222.1600 www.lelandconsulting.com

Strategic Advisors to Public and Private Development

From: Heather Richards
To: "Sid Friedman"; R

"Sid Friedman"; Remy Drabkin; Sal Peralta; Chris Chenoweth; Kellie Menke; Zack Geary; Adam Garvin; Jessica Payne

Cc: Claudia Cisneros; Marvin, Sarah; Howard, Gordon; Alexis Biddle; Jeff Towery; Bill Kabeiseman

Subject: RE: Accuracy of information

Date: Sunday, July 24, 2022 7:11:00 PM

Attachments: image003.png

TMLAP Record of Public Engagement.pdf 3MLAP CC Update Presentation 08.13.19.pdf

image002.png

Mayor and Councilors,

Several of you have asked me to respond to Sid Friedman's email below.

In addition to the importance of the accuracy of the information evaluated, the context in which the information is presented is important as well.

1. Proposed draft language in the Quasi-Judicial Commercial Land Rezones - Sid is correct. The draft design and development standards as a condition of approval for the proposed quasi-judicial commercial comprehensive plan map and zoning map amendment does propose a maximum of 2 - 3 stores of 135,000 sf. This is provided as a correction in the staff report for the July 26 public hearing and will also be corrected as part of our staff report at the meeting.

However, it should also be noted that this was always viewed as an interim standard as the City worked on amendments to the Three Mile Lane Overlay District per the implementation plan of the Three Mile Lane Area Plan.

The quasi-judicial land-use applications came in before the Three Mile Lane Area Plan had navigated a public process and consideration by City Council. Staff felt it was premature for the submittals, but staff does not control the timing of land-use applications and needed to review and respond to the application.

Throughout the initial staff report and decision document for the first application (KIMCO/Alan Roodhouse), staff made it very clear that any future development on the site would need to meet the covenants of the Three Mile Lane Area Plan which had not yet been considered and adopted. A special condition of approval for design and development standards for the development was drafted just in case the City chose to move forward with the land-use review and decision-making prior to the adoption of the Three Mile Lane Area Plan and the recommended amendments to the Three mile Lane Overlay District. (Attachment 1 to the Decision Document.) This was and still is considered a placeholder. Throughout the staff report and decision document there is language that any future development on

the site if the land-use applications were approved needed to either comply with the conditions of approval of the design and development standards in Attachment 1 to the Decision Document or the Three Mile Lane Overlay District, whichever was most restrictive. This was part of a draft staff report for the May 20, 2021 Planning Commission, and represents the only staff report and decision document presented for the quasi-judicial land-use applications thus far. The land-use review for those applications has been continued ever since without further consideration as the applicants wait for the outcome of the Three Mile Lane Area Plan consideration. You can find the staff report, draft decision document and attachments in the public record for the Planning Commission meeting on May 20, 2021 at: pc_5-20-21_packet_final.pdf (mcminnvilleoregon.gov). We also provided it as part of the July 26 meeting materials.

Page 9 of the May 20, 2021 Staff Report for Comprehensive Plan Map Amendment and Zone Map Amendment at 3310 Three Mile Lane

There are two principal "areas of concern" that must be addressed, both associated with the "unique characteristics" of the location of the subject property in the midst 3MLAP work underway, and the timing of this application (without a contemporaneous development plan) relative to the work on the 3MLAP:

- 1. Consistency with Three Mile Lane Area Plan. Development of the property must be consistent with the 3MLAP principles, land use, development and circulation plan and development standards. This is to be addressed through a condition of approval of the PD overlay designation, requiring development to be consistent with the design and development principles and standards attached as an exhibit to the decision document and ordinance.
- 2. Transportation Mitigation. The Transportation Planning Rule requires that all comprehensive plan map amendments evaluate whether or not the proposed new use would require traffic mitigation on any adjacent state facilities. The applicant conducted a traffic impact study that does show impact on the state and local facilities and has presented plans for mitigating that impact. Both the City and ODOT have concerns about the mitigation plans presented and have requested more time and more information to evaluate them. ODOT has provided comments noting that they require some additional information for their analysis and must approve mitigation to OR-18. Therefore, the City can't adopt the applicant's proposed mitigation to OR-18 unless ODOT approves the mitigation.

Attachment 1 - Draft Decision Document (page 78 of PC 5-20-21 Meeting Packet)

I. Intent and Purpose

These principles and standards provide the basis for the review of the PD Development Plan to be submitted for the subject property.

These supplement the standards in the Zoning Ordinance to achieve specific objectives for the development of the Three Mile Lane Area.

The application for the PD overlay designation is submitted in advance of the adoption of the Three Mile

Lane Area Plan. A draft preferred alternative has been developed, and the formal public review process will be initiated after May 2021, with adoption expected to occur no later than June 2022. The Development and Design Principles and Standards in this document will apply to the PD Development Plan for the subject property, unless the Three Mile Lane Area Plan and its design principles and standards are adopted prior to submittal of the PD development plan for the subject property. If they are adopted prior to submittal o the PD development plan for the subject property, the more restrictive provisions shall apply in the event of a conflict.

- II. Consistency with Other Documents
- 1. The PD development plan shall be consistent with the Draft Design Booklet of the Three Mile Lane Area Plan (3MLAP), attached as Attachment 1.
- 2. The PD development plan shall be consistent with the Preferred Alternative of the Three Mile Lane Area Plan (3MLAP), including the "Design Features" Section, attached as Attachment 2.
- 3. The PD development plan shall be consistent with the final 3MLAP design principles and standards if adopted prior to submittal of the PD development plan.
- 4. In addition to these development and design principles and standards, the development shall be consistent with all provisions of the Zoning Ordinance, including the Large Format Commercial Development Standards of Chapter 17.56 of the Zoning Ordinance, except where they may conflict. In the event of a conflict, the standards that are more specific to the 3MLAP shall govern.
- 5. In addition to these principles and standards, the development shall be consistent with the provisions of the current Three Mile Lane Planned Development Overlay (originally adopted by Ordinance 4131, and subsequently amended), unless repealed prior to submittal of the PD development plan. In the event of a conflict, the more restrictive provisions shall apply.
- 6. The PD development plan shall pay special attention to the great neighborhood principles in the Comprehensive Plan which are applicable to commercial development, including its relationship to surrounding use and development, and consideration of special features on the site and iconic views.

It has always been the intention of City staff that the Three Mile Lane Overlay District would be amended after the Three Mile Lane Area Plan was adopted if it was adopted. And that those amendments would be developed through a comprehensive process of community dialogue, evaluation and consideration by the Planning Commission and the City Council. Putting together the Three Mile Lane Area Plan, the project advisory committee was very intentional about the need to find the right mix of additional commercial options to try and reduce the retail leakage occurring but not to allow anything that would not reflect what they described as "McMinnvilleness". It was anticipated that this dialogue would take some time and thoughtful evaluation to determine what were the appropriate standards. They did not want something that encouraged only small retailers as that was seen as a direct threat to the downtown business community and they did not want something too big for McMinnville. They also heard from developers that the commercial development was needed to offset the costly infrastructure

improvements needed to serve the industrial land to make that land viable for industrial development and that any commercial development would need a couple of anchor stores to be viable as well. There was much discussion about finding the "sweet spot" in terms of size and viability in McMinnville.

The Three Mile Lane Area Plan clearly delineates the need for an anchor store or a couple of anchor stores in the mixed-use town center concept. What has not yet been made clear is what is the appropriate size for the anchor store(s).

City staff chose the 135,000 sf as a placeholder since it was representative of midsize retailers for general merchandise. Not a large, big-box size retailer, but large enough to be viable for an anchor or two as part of the development. The proposed draft decision document and attachment have not yet been vetted by the Planning Commission since the applicants have requested that the public hearing be continued since that meeting.

2. Commercial Land Need - EOAs. City staff never predicated that the Project Advisory Committee's recommendation for the Three Mile Lane Area Plan 40 - 60 acre commercial rezone was a response to an existing commercial land deficit in McMinnville as described in an acknowledged Economic Opportunity Analysis (EOA). Friends of Yamhill County and 1000 Friends of Oregon introduced the concept of land deficit and surplus relative to acknowledged EOAs in their written testimony on January 12, 2022. In their testimony, they referenced the 2001 EOA, the 2013 EOA, the draft June 2020 EOA, and the April 2021 UGB Amendment.

Staff was asked to respond to this at the January 20, 2022, Planning Commission public hearing by a Planning Commissioner who wanted to understand the history of the EOA discussion better. We did so by identifying what was the outcome of the 2001 EOA and the 2013 EOA, which are the acknowledged EOAs for McMinnville. At the same time, we provided the language that had been amended into the Comprehensive Plan by Ordinance No. 5098 in December 2020, as a commercial land-use efficiency for the MGMUP.

Staff's concern has been about the comprehensive plan language and not the EOA results. EOAs provide a minimum basis of land need, but they are not considered a minimum-maximum standard – meaning that a community can have surplus land supply in commercial or industrial land within its city limits as long as the surplus is not created by creating a deficit in another land-use category, and with

the recognition that if is a deficit is identified in a future EOA, the city would be required to look at its surplus land inventory for land-use efficiencies to meet the deficit. This wasn't an issue with the Three Mile Lane Area planning process though. Both the 2001 and 2013 EOA identified a surplus of industrial land, and the technical advisory committee was comfortable in advising the project advisory committee that their recommendations met the test of the regulations for land supply.

It is important to recognize that the Project Advisory Committee did not make their recommendation for the Retail Center, "Mixed-Use Town Center", based on a commercial land deficit in an EOA. Their basis for the recommended commercial land comprehensive plan map amendment was predicated on three things more or less: 1) the amount of retail leakage that was occurring in McMinnville highlighted by the Market Analysis conducted for the Three Mile Lane Area Planning effort (McMinnville Three Mile Lane Area Plan – Market Analysis, April 16, 2019, Appendix B of the Three Mile Lane Area Plan); 2) the request for more commercial opportunities that came out in the public outreach effort as one of the priorities for this area; and 3) that something was needed to offset the costs of infrastructure improvements needed for the 200-acre industrial land that was presumably preventing industrial development from occurring there – the assumption being that commercial land development would be able to carry those costs and industrial development would not.

It is unusual for industrial development to occur adjacent to a highway expressway due to the costs of the necessary transportation improvements needed to maintain the expressway's functions. Simply because industrial development is not reliant upon visibility for business success and thus is not willing to pay a premium for visibility. If industrial development does occur adjacent to a highway, it is often with a public subsidy to pay for the necessary transportation improvements that they normally would not encounter in other industrial locations. This has proven to be true for this 200-acre industrial site in McMinnville. Smaller users who want just 10 – 20 – even 40 or 50 acres of land for their development have not been able to afford the public improvements needed to entitle the land. Larger users that have looked at it, have been users that were looking for the least cost land supply in several different states and this property was not competitive financially. Highway frontage for an industrial user is nice to have, but often not critical to the overall development and thus not something that an industrial developer will pay a premium to acquire. Visibility is critical for commercial development. Presumably that is why you often see commercial development on major arterials and adjacent to highway systems, and industrial development in a less visible location (ie Riverside Drive in McMinnville). Freight access is important, so proximity and ease of access to highway systems is often a critical factor, but immediate adjacency is not, especially if the necessary improvements to entitle the property are much more expensive than other industrial land.

The preferred land use alternative map where the retail center was identified was voted on by the Project Advisory Committee in June, 2019, brought forward to a Town Hall meeting on July 11, 2019, and provided to City Council in a presentation on August 13, 2019, for the final go-ahead before doing the transportation analysis (please see attached TMLAP Record of Public Engagement, and 3MLAP CC Update Presentation 08.13.19). This was before the City decided to finish the 2001 UGB amendment work in February 2020. And in the fall of 2020, staff started to introduce the concept of utilizing this planned 40-acre commercial site that was identified in the TMLAP process as a commercial land-use efficiency for the MGMUP UGB amendment. What everyone had agreed upon as the preferred land-use alternative in the TMLAP process informed the MGMUP UGB commercial land-use efficiency.

Have a great day!

Heather



Heather Richards, PCED
Planning Director
City of McMinnville
231 NE Fifth Street
McMinnville, OR 97128

503-474-5107 (phone) 541-604-4152 (cell)

Heather.Richards@mcminnvilleoregon.gov www.mcminnvilleoregon.gov Sent: Sunday, July 10, 2022 9:27 AM

To: Remy Drabkin <Remy.Drabkin@mcminnvilleoregon.gov>; Sal Peralta <Sal.Peralta@mcminnvilleoregon.gov>; Chris Chenoweth <Chris.Chenoweth@mcminnvilleoregon.gov>; Kellie Menke <Kellie.Menke@mcminnvilleoregon.gov>; Zack Geary <Zack.Geary@mcminnvilleoregon.gov>; Adam Garvin <Adam.Garvin@mcminnvilleoregon.gov>; Jessica Payne <Jessica.Payne@mcminnvilleoregon.gov>

Cc: Claudia Cisneros <Claudia.Cisneros@mcminnvilleoregon.gov>; Heather Richards <Heather.Richards@mcminnvilleoregon.gov>; Marvin, Sarah <sarah.marvin@state.or.us>; Howard, Gordon <gordon.howard@state.or.us>; Alexis Biddle <alexis@friends.org>

Subject: Accuracy of information

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

This message originated outside of the City of McMinnville.

Council members,

Shortly after your June 14 hearing on the Three Mile Lane Area Plan, I wrote you to ensure that you have accurate information regarding the number of stores exceeding 135,000 square feet allowed by the staff recommendation in the largest of the 3 pending zone change applications. The staff recommendation for that zone change application allows 2, and potentially 3, stores exceeding 135,000 sq. ft. with no upper size limit, and an unlimited number of stores 135,000 sq. ft. or smaller.

It is also important that you have accurate and complete information regarding whether the city has a deficit or surplus of commercial land. This has been an area of disagreement with the planning staff. The staff presentations to both the City Council and the Planning Commission have relied upon the city's 2001 Economic Opportunities Analysis, which showed a commercial land deficit of 106 acres. In our testimony to both the planning commission and city council, we contend that the city should instead be using its most recent Economic Opportunities Analysis, adopted and acknowledged in 2013.

On June 12, the planning director wrote to Gordon Howard, Community Services Division Manager at the Oregon Department of Land Conservation, and said, in relevant part:

"The 1000 Friends and Friends of Yamhill County argument is: the 2001 EOA is outdated that showed the commercial land need. A 2013 EOA showed a commercial land need for 36 acres (and surplus of industrial acreage), which has presumably been largely alleviated by the additional commercial land that was added as part of the MGMUP UGB amendment." (see highlighted section of the attached email from Heather Richard to Gordon Howard dated June 12.)

We continue to contend that the city should be using its most recent Economic Opportunities Analysis, adopted in and acknowledged in 2013. This is confirmed by Gordon Howard at the Oregon Department of Land Conservation and Development in the email string below this email. He writes:

"Hi Sid, in response to your question, the city should be using its most recent adopted and acknowledged Economic Opportunities Analysis (EOA) when reviewing a proposed plan amendment and rezone for compliance with the comprehensive plan."

The 2013 Economic Opportunities Analysis showed a much smaller deficit of commercial land than the 2001 EOA- 36 acres. Since 2013, the city has more than satisfied that 36 acre deficit with the recent UGB expansion, which added 66 acres of commercial land- 27 acres north of Highway 18, and an additional 39 acres of neighborhood serving commercial in the residential areas added along Hill Rd. (see highlighted section of the attached email from Heather Richard to Gordon Howard dated June 13.)

The city now has a commercial land surplus of at least 30 acres:

Commercial Land Deficit identified in 2013 Economic Opportunity's Analysis	(36 acres)
Commercial land added to the UGB in 2020 north of Highway 18	27 acres
Commercial land added to the UGB in 2020 on the west side of the city	39 acres
Current (deficit) or surplus of commercial land	30 acres

Also at the June 14 hearing, the planning director quoted a brief section of the attached email from Gordon Howard, dated June 14, but did not enter the email exchange into the record. Because it is important that the council record not only be accurate, but also complete, we have attached the exchange to this email. In the attached email string, Gordon Howard writes, in part:

"Although McMinnville isn't subject to the Commission's new Climate Friendly and Equitable Communities rulemaking, we always encourage cities to do the kind of planning that FOYC and 1000 Friends are suggesting in lieu of big new auto-oriented retail centers. But ultimately that is a decision for the city to make, and it looks to me that, in terms of state law, the city has the option to either go ahead with or pull back from the proposed conversion from industrial to commercial for this particular area..." (June 14, 2022)

"I would question as a matter of policy, in this day and age, whether such a rezone is a good idea..." (June 13, 2022)

Thank you for careful consideration. Please include this email and its attachment in the record for docket Docket G 7-21 (Three Mile Lane Area Plan).

Sid Friedman 503-662-1076

Subject:RE: McMinnville EOA question **Date:**Fri, 8 Jul 2022 19:04:34 +0000

From:HOWARD Gordon * DLCD < Gordon.HOWARD@dlcd.oregon.gov>

To:Sid Friedman <sidf@viclink.com>

CC:MARVIN Sarah * DLCD Sarah.MARVIN@dlcd.oregon.gov, Alexis Biddle alexis@friends.org

Hi Sid, in response to your question, the city should be using its most recent adopted and acknowledged Economic Opportunities Analysis (EOA) when reviewing a proposed plan amendment and rezone for compliance with the comprehensive plan.

Gordon Howard
Community Services Division Manager
Oregon Department of Land Conservation and Development
635 Capitol Street NE, Suite 150 | Salem, OR 97301-2540 | Cell: 503-856-6935 | Main: 503-373-0050
gordon.howard@dlcd.oregon.gov

----Original Message----

From: Sid Friedman <sidf@viclink.com> Sent: Wednesday, July 6, 2022 4:52 PM

To: HOWARD Gordon * DLCD < Gordon. HOWARD@dlcd.oregon.gov>

Cc: MARVIN Sarah * DLCD Sarah.MARVIN@dlcd.oregon.gov; Alexis Biddle sa

Subject: McMinnville EOA question

Gordon,

Thanks for taking a few minutes to chat with me this afternoon. I have a few follow-up questions. As we discussed, McMinnville's most recent Economic Opportunities Analysis (EOA) was adopted and acknowledged in 2013. The city used its older 2001 EOA as the basis for its recently acknowledged UGB expansion because the city was responding to a remand that predated the adoption of the 2013 EOA. Now that the UGB expansion has been acknowledged, does the 2001 EOA continue to have validity, or was it superseded by the 2013 EOA? In assessing its current land needs, should the city rely on these numbers from 2013 EOA , or should the city instead rely on the numbers in the 2001 EOA?

In assessing its current commercial land needs in relation to the Three Mile Lane Area Plan, the city is continuing to rely on its 2001 EOA, rather than the 2013 EOA. The 2013 EOA showed a commercial land deficit of 36 acres. Since that time, the city has added 66 acres of commercial land to its UGB- 27 acres of commercial land on Highway 18, and 39 acres of neighborhood serving commercial in the residential area s added to the UGB on the west side of town. Per the 2013 EOA, the city commercial land deficit has been satisfied. We conclude that the the city now has a commercial surplus of 30 acres. Is our conclusion correct?

Thanks,

Sid

On 7/8/2022 12:04 PM, HOWARD Gordon * DLCD wrote:

Hi Sid, in response to your question, the city should be using its most recent adopted and acknowledged Economic Opportunities Analysis (EOA) when reviewing a proposed plan amendment and rezone for compliance with the comprehensive plan.

Gordon Howard
Community Services Division Manager
Oregon Department of Land Conservation and Development
635 Capitol Street NE, Suite 150 | Salem, OR 97301-2540 | Cell: 503-856-6935 |
Main: 503-373-0050
gordon.howard@dlcd.oregon.gov

----Original Message---From: Sid Friedman <sidf@viclink.com>
Sent: Wednesday, July 6, 2022 4:52 PM
To: HOWARD Gordon * DLCD <Gordon.HOWARD@dlcd.oregon.gov>
Cc: MARVIN Sarah * DLCD <Sarah.MARVIN@dlcd.oregon.gov>; Alexis Biddle <alexis@friends.org>
Subject: McMinnville EOA question

Gordon,

Thanks for taking a few minutes to chat with me this afternoon. I have a few follow-up questions. As we discussed, McMinnville's most recent Economic Opportunities Analysis (EOA) was adopted and acknowledged in 2013. The city used its older 2001 EOA as the basis for its recently acknowledged UGB expansion because the city was responding to a remand that predated the adoption of the 2013 EOA. Now that the UGB expansion has been acknowledged, does the 2001 EOA continue to have validity, or was it superseded by the 2013 EOA? In assessing its current land needs, should the city rely on these numbers from 2013 EOA, or should the city instead rely on the numbers in the 2001 EOA?

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Thanks,

Sid

Three Mile Lane Area Plan – Public Engagement Record

Type of Meeting	Date	Notes
Design Charrette (Green Cities, U of O)	July 29, 2017	Mailing to all property owners in the area, social media notification, newspaper articles.
Mailing to all property owners in the area	December 9, 2018	Mailing introducing the project and the project website inviting people to participate and sign up for an interested stakeholder email distribution group
Focus Groups	January 22, 2019	Invited stakeholders representing community leaders in affordable housing, economic development, tourism
Technical Advisory Committee	March 13, 10:00 – 12:00	
Design Charrette	March 14, 2019	Property Owners
Citizen Advisory Committee Meeting	March 14, 2019, 4:00 – 6:00 PM	
Design Charrette	April 4, 2019 6:00 – 9:00 PM	Project Advisory Committee
Public Open House	April 10, 2019, 4:30 – 6:30 PM	Mailing to everyone in the area, social media notification, Press Release Newspaper Article
Public Survey (Online and Hard Copy)	April 1 – April 24, 2019	Social media notification, press releases, newspaper article, McMinnville Public Library, Public Open House
Project Advisory Committee Meeting	June 12, 2019 5:30 – 7:30 PM	
Design Charrette	July 11, 2019 (Part of Town Hall)	Open to General Public – social media notification, press release, newspaper articles
Town Hall	July 11, 2019	Mailing to everyone in the area, social media notification, newspaper articles
City Council Presentation	August 13, 2019	At City Council meeting
Planning Commission Presentation	September 19, 2019	At Planning Commission meeting
Technical Advisory Committee Meeting	April 7, 2021, 9:00 – 12:00	Conducted via Zoom

Project Advisory	April 7, 2021	Conducted via Zoom
Committee Meeting	5:00 – 9:00 PM	
Virtual Public Open House	April 26 – May 17, 2021	Social media notification,
		newspaper articles
Joint City Council /	May, 11, 2021	
Planning Commission		
Work Session		
Planning Commission	November 17, 2021	
Work Session		
Planning Commission	January 20, 2022	
Public Hearing		
Planning Commission	February 17, 2022	
Public Hearing		
City Council	May 10, 2022	
Public Hearing		
City Council	June 14, 2022	
Public Hearing		
Virtual Public Information	July 14, 2022	City Wide Mailing
Session		Social Media
		Newspaper Article
Public Open House	July 18, 2022	City Wide Mailing
		Social Media
		Newspaper Article
Virtual Public Information	July 20, 2022	City Wide Mailing
Session		Social Media
		Newspaper Article
City Council Public	July 26, 2022	City Wide Mailing
Hearing		Social Media
		Newspaper Article

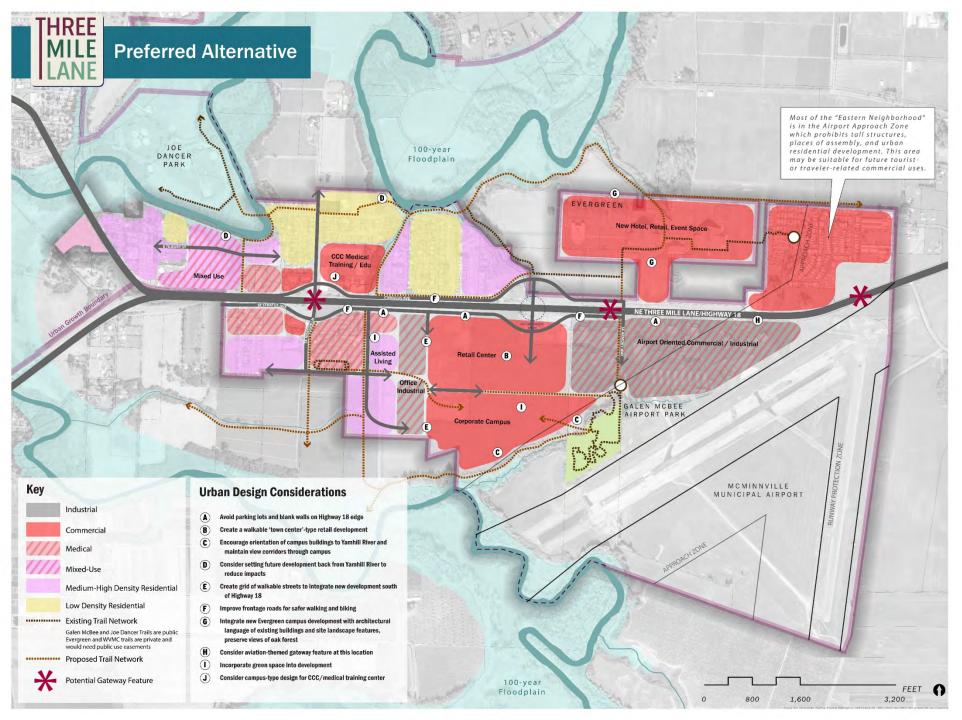


Area Plan

City of McMinnville

Note: Only the slides mentioned in the email are included in this attachment for brevity.

City Council Update
August 13, 2019



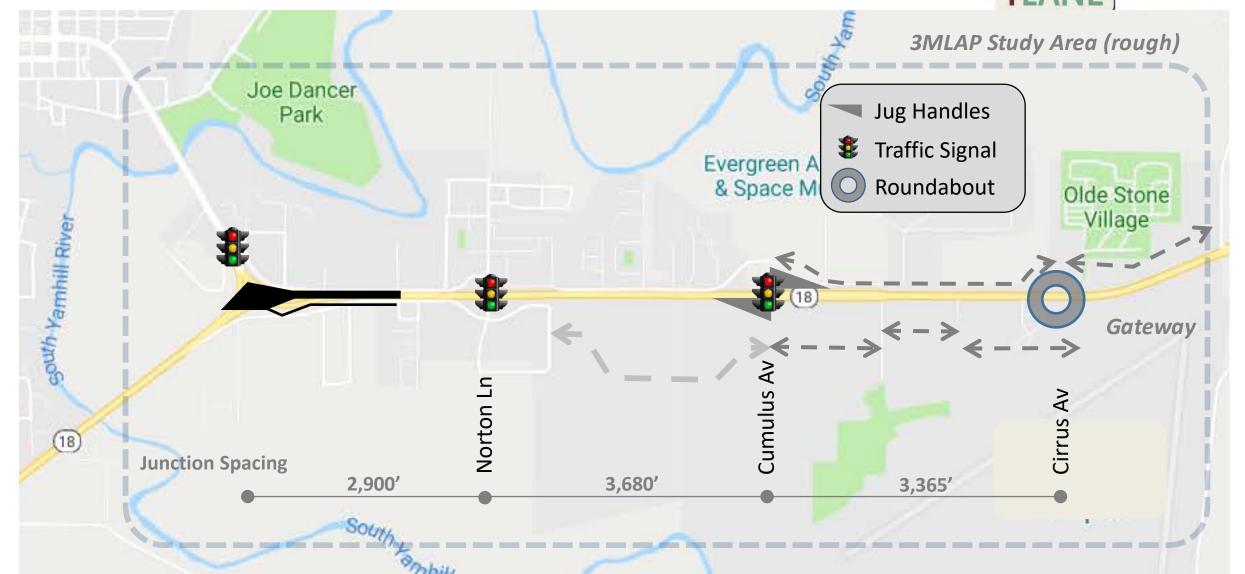
A HYBRID OF ALL THREE

- Walkable McMinnville Retail Center reflecting McMinnville's unique charm.
- Corporate campus, with buildings oriented to Yamhill River; maintaining view corridors.
- Mixed-use and medical-related uses.
- New hotel, retail and event space; touristcommercial.

Preliminary Preferred Facility Design

3-Mile Lane Corridor





Next Steps



- Preferred Alternative Design and Evaluation
 - Traffic operations, multimodal assessment, and safety analysis
 - Recommended changes to support land use
 - New and updated policies
 - Land use and zoning amendments
 - Changes in development requirements
- TAC & CAC Meeting #3
 - Fall, 2019
- Public Event
 - Fall 2019

